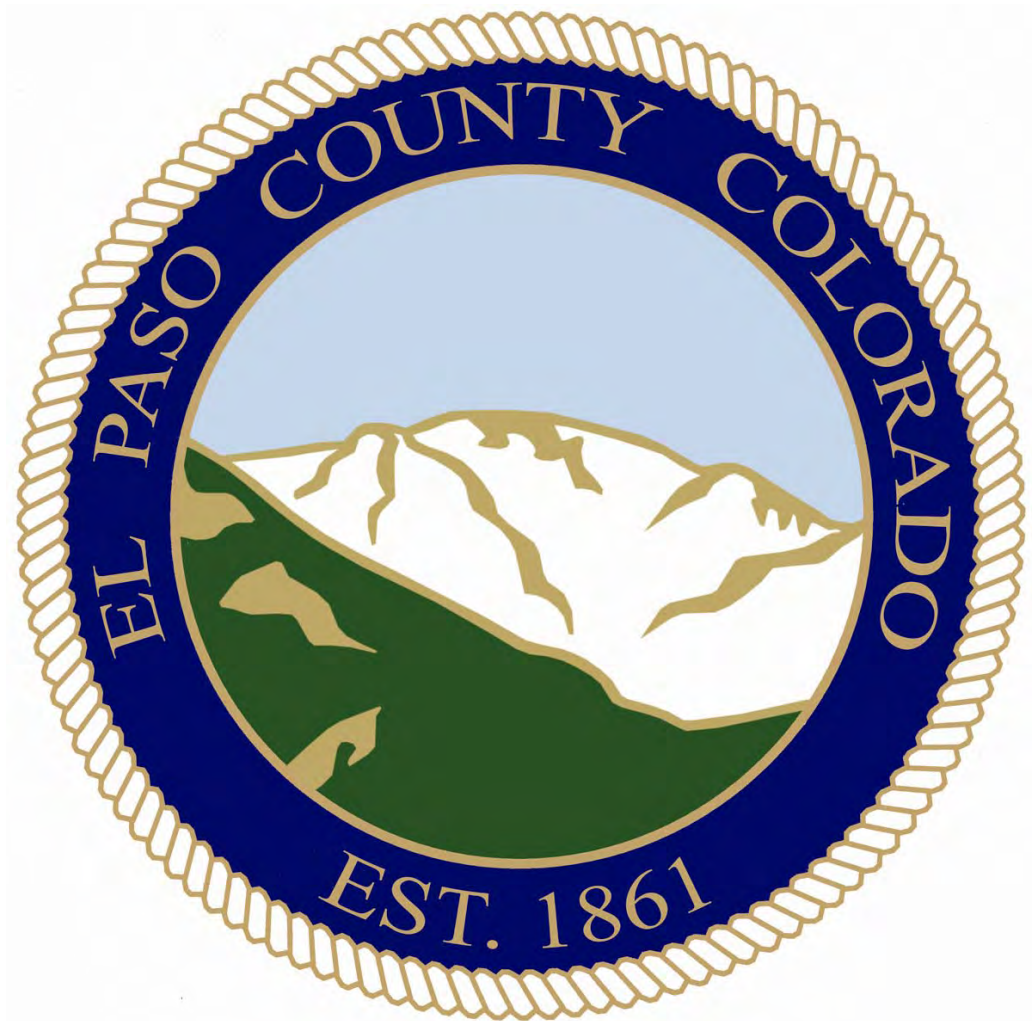


# Comprehensive Annual Financial Report

For the year ended December 31, 2005



**El Paso County, Colorado**

Prepared by: Financial Services Department



EL PASO COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal year ended  
December 31, 2005

Prepared by:  
Financial Services Department

THIS PAGE LEFT BLANK INTENTIONALLY

El Paso County, Colorado  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2005

TABLE OF CONTENTS

	Page
<b>I. <i>INTRODUCTORY SECTION</i></b>	1
LETTER OF TRANSMITTAL	3
ORGANIZATIONAL CHART	6
LIST OF ELECTED AND APPOINTED OFFICIALS	7
<b>II. <i>FINANCIAL SECTION</i></b>	9
INDEPENDENT AUDITOR'S REPORT	11
MANAGEMENT'S DISCUSSION AND ANALYSIS	13
<b>BASIC FINANCIAL STATEMENTS</b>	23
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS	25
STATEMENT OF ACTIVITIES	26
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	28
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS	30
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	31
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	32
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS	33
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS – PROPRIETARY FUNDS	34

(continued)

El Paso County, Colorado  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2005

TABLE OF CONTENTS - CONTINUED

	Page
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	35
STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS	37
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS – FIDUCIARY FUNDS	38
NOTES TO FINANCIAL STATEMENTS	39
<b>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&amp;A</b>	<b>65</b>
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – GENERAL FUND	66
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – ROAD AND BRIDGE FUND	68
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – SOCIAL SERVICES FUND	69
BUDGETARY COMPARISON SCHEDULE – BUDGET – TO – GAAP RECONCILIATION	72
<b>COMBINING STATEMENTS AND SCHEDULES</b>	<b>75</b>
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	76
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	78
COMBINING STATEMENT OF NET ASSETS – ENTERPRISE FUNDS	82
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS – ENTERPRISE FUNDS	83
COMBINING STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS	84

El Paso County, Colorado  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2005  
 TABLE OF CONTENTS - CONTINUED

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS	86
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS – INTERNAL SERVICE FUNDS	87
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS	88
COMBINING STATEMENT OF FIDUCIARY NET ASSETS – PRIVATE – PURPOSE TRUST FUNDS	92
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS – PRIVATE – PURPOSE TRUST FUNDS	93
COMBINING STATEMENT OF FIDUCIARY NET ASSETS – AGENCY FUNDS	94
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS	95
<b>SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL</b>	97
RETIREMENT CONTRIBUTION FUND	98
CONSERVATION TRUST FUND	99
ECONOMIC DEVELOPMENT FUND	100
ONE STOP JOB CENTER FUND (PIKES PEAK WORKFORCE CENTER)	101
DISTRICT ATTORNEY OFFICES OF THE FOURTH JUDICIAL DISTRICT	102
CAPITAL EXPENDITURES FUND	103
PENROSE EQUESTRIAN CENTER FUND	104
SOLID WASTE MANAGEMENT FUND	105
LAND DEVELOPMENT REVIEW FUND	106

(continued)

El Paso County, Colorado  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2005

TABLE OF CONTENTS - CONTINUED

	Page
SELF-INSURANCE FUND	107
FLEET SERVICES FUND	108
PARK FEES FUND	109
SCHOOL'S TRUST FUND	110
STRUTHER'S ROAD AGENCY FUND	111
RANCHO COLORADO AGENCY FUND	112
BRADLEY ROAD AGENCY FUND	113
<b>CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS</b>	115
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – SCHEDULE BY SOURCE	117
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – SCHEDULE BY FUNCTION AND ACTIVITY	118
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY	120
<b>MISCELLANEOUS</b>	121
SCHEDULE OF EBT AUTHORIZATIONS, WARRANT EXPENDITURES AND TOTAL EXPENDITURES	122
LOCAL HIGHWAY FINANCE REPORT	124
<b>III. STATISTICAL SECTION</b>	127
NET ASSETS BY COMPONENT	129
CHANGES IN NET ASSETS	130
FUND BALANCES, GOVERNMENTAL FUNDS	132
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	133
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY	134



El Paso County, Colorado  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2005

TABLE OF CONTENTS - CONTINUED

DIRECT AND OVERCAPPING PROPERTY TAX RATES	135
PRINCIPAL PROPERTY TAX PAYERS	136
PRINCIPAL SALES TAX PAYERS	137
GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS	138
RATIOS OF OUTSTANDING DEBT BY TYPE	139
DEMOGRAPHIC AND ECONOMIC STATISTICS	140
PRINCIPAL EMPLOYERS – PRIVATE SECTOR	141
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTIONAL/PROGRAM	142
OPERATING INDICATORS BY FUNCTION/PROGRAM	144
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	146
<b>IV. SINGLE AUDIT SECTION</b>	<b>147</b>
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	149
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB A-133	151
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	153
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	198
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	200

THIS PAGE LEFT BLANK INTENTIONALLY

## I. INTRODUCTORY SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



**El Paso County**  
**Financial Services Department**  
Budget, Finance, and Economic & Community Development

Board of County Commissioners  
Sallie Clark (Chair) District 3  
Dennis Hisey (Vice Chair) District 4  
Jim Bensberg District 5  
Wayne Williams District 1  
Douglas Bruce District 2

**Nicola J. Sapp, Director**

County Administrator  
Terry R. Harris

June 13, 2006

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2005.

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

Bondi & Co. have issued an unqualified (“clean”) opinion on El Paso County’s financial statements for the year ended December 31, 2005. The independent auditors’ report is located at the front of the financial section of this report.

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

***Profile of the Government***

El Paso County, incorporated in 1861 and located in the central part of the state, is considered to be one of the top growth areas in both the state and the country. It currently occupies 2,158 square miles and currently serves an estimated population of 575,851. El Paso County is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

The BoCC is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for El Paso County's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff Operations). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing commissioners.

### ***Local economy***

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

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past ten years, the unemployment rate has risen slightly from a low of 4.2 percent in 1995 to 6.0 percent in 2005. Unemployment is expected either to remain stable or decrease in the near term due for a few reasons. First, our local Economic Development Corporation has implemented a new active business retention program within El Paso County. Second, many businesses are looking to relocate to Colorado from other larger metropolitan areas and are attracted by a need to provide a better quality of life for their employees. Lastly, several military troops are being relocated within the next couple of years to the military bases located within El Paso County.

### ***Long-term financial planning***

Unrestricted fund balance in the general fund falls within the 10 percent range and is in compliance with the 2005 Budget Resolution as approved by the BoCC for budgetary and planning purposes. The Financial Services Department continues to assist the BoCC in addressing the funding needs required by the increasing mandated service requirements in an effort to fund these on-going needs within our on-going revenue sources.

### ***Major initiatives***

The Criminal Justice Center addition was completed and became operational in early 2005. This new addition was built in an effort to address the increasing numbers of inmates. The Judicial Building, Parking Garage, and Central Utilities Plant are still under construction and have various completion dates in 2006 and 2007.

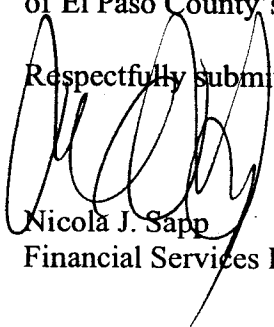
### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to El Paso County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1999. El Paso County received this award for ten consecutive years, from December 31, 1990, through December 31, 1999, but has not applied for it in the last five fiscal years. However, El Paso County is again applying for this award and hopes to achieve it for the fiscal year 2005. In order to be rewarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for this certificate.

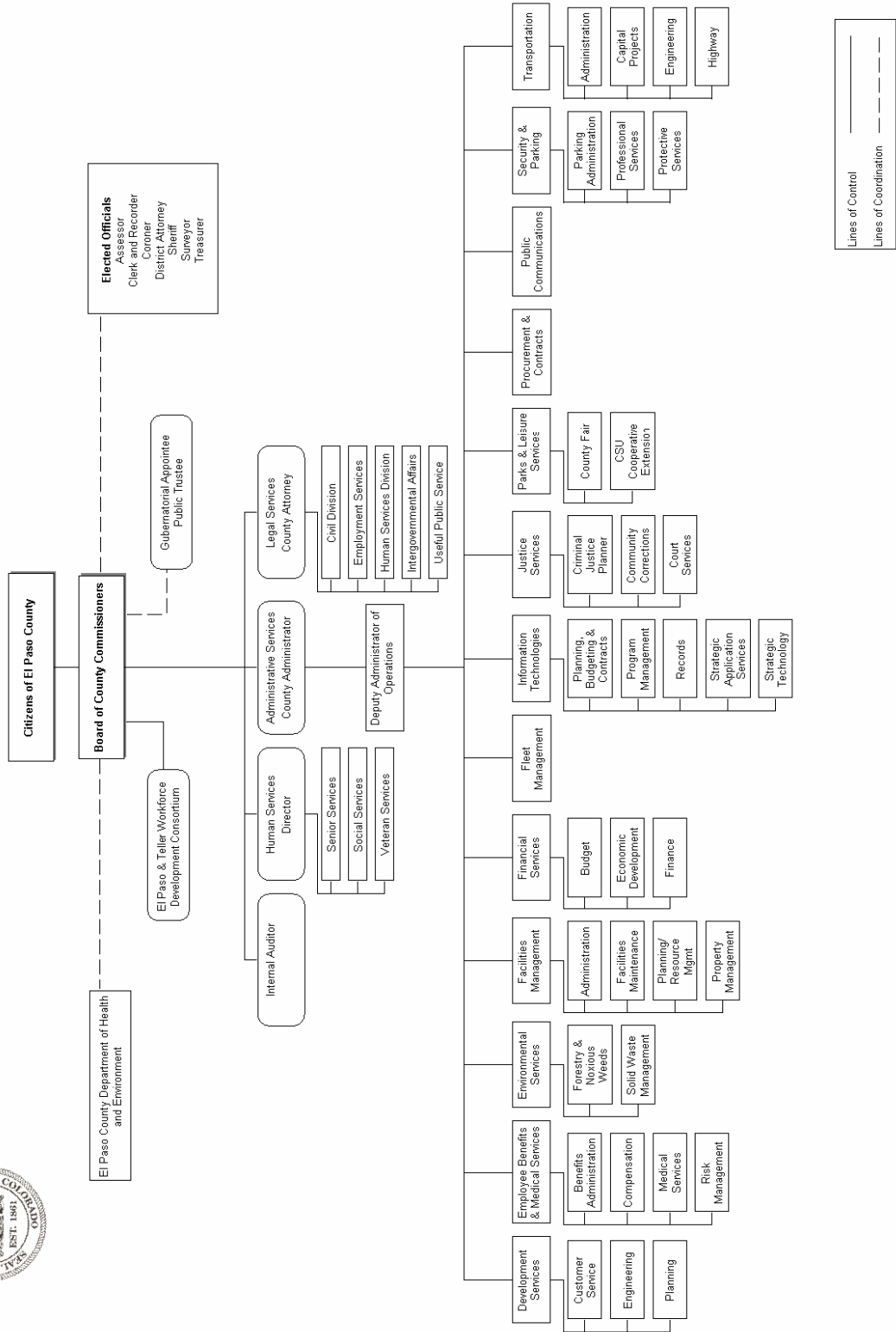
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Financial Services Department. We wish to express our appreciation to all members of our department who assisted and contributed to the preparation of this report. Credit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

Respectfully submitted,



Nicola J. Sapp  
Financial Services Director

# El Paso County Organizational Chart





El Paso County  
List of Elected and Appointed Officials  
December 31, 2005

Commissioners

Chairman	Jim Bensberg – District 5
Vice Chair	Sallie Clark – District 3
Commissioner	Wayne Williams – District 1
Commissioner	Douglas Bruce – District 2
Commissioner	Dennis Hisey – District 4

Elected Officials

Assessor	John Bass
Clerk and Recorder	Robert Balink
Coroner	Dr. David Bowerman
District Attorney	John Newsome
Sheriff	Terry Maketa
Surveyor	Christopher Brewer
Treasurer	Sandra J. Damron

Appointed Officials

Public Trustee	Holly Williams
----------------	----------------

THIS PAGE LEFT BLANK INTENTIONALLY

## II. FINANCIAL SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

44 INVERNESS DRIVE EAST  
ENGLEWOOD, COLORADO 80112

[www.bondico.com](http://www.bondico.com)

(303) 799-6826 PHONE  
(800) 250-9083 TOLL-FREE

(303) 799-6926 FAX

El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

Independent Auditors' Report

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, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of El Paso County, Colorado'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 represents 8 percent and 9 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, 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 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.



Affiliate Offices Worldwide

**El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado**

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County, Colorado, as of December 31, 2005, 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 June 1, 2006 on our consideration of El Paso County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 13 through 22 and budgetary comparison information on pages 66 through 69, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section; combining and individual nonmajor fund financial statements; Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; Local Highway Finance Report; Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements; Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; Local Highway Finance Report and Schedule of Expenditures of Federal Awards have 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. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

June 1, 2006

  
BONDI & Co. LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(unaudited)

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, 2005. Please read it in conjunction with the County's financial statements, which begin on page 25.

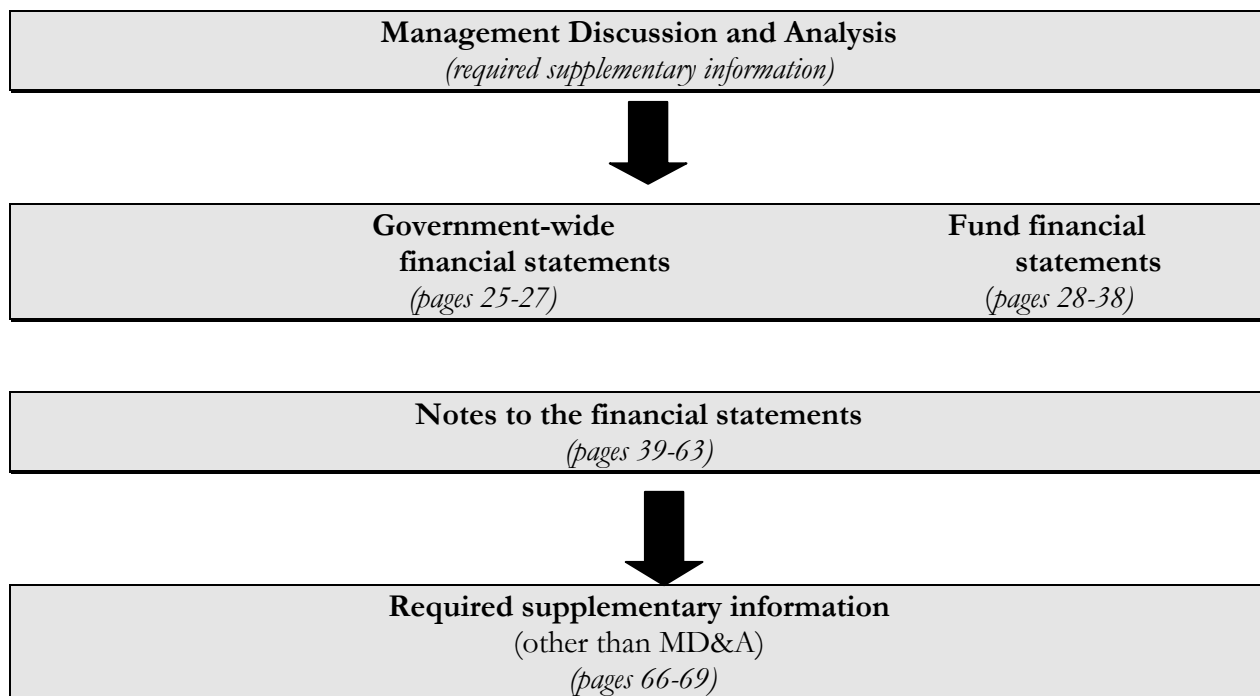
**FINANCIAL HIGHLIGHTS**

- The County's assets increased \$3.3 million to \$332.9 million as of December 31, 2005. The increase was due to a combination of items. The first variance was an increase of \$43.8 million of capital assets of which \$5.9 million was donated infrastructure in the form of subdivisions and right of ways and of which \$38 million was construction in progress for the Detention Facility, the Judicial Building, and the Central Utilities Plant. The construction expenses account for the decrease in restricted cash of \$37.9 million with the remaining reduction in cash of \$6.3 due to spending into fund balance. The increase in Property taxes receivable of \$2.5 million is a result of 2005 being a re-assessment year which provided increased assessments on property values generating more property tax revenue in 2006. The reduction in business-type activities net assets was due to the sale of the Penrose Equestrian Center in 2005.
- General Government had an increase of \$3 million of which \$1 million was due to the increased costs in the General fund for the 2005 election, \$900,000 of increases in Information Technology mostly due to the reinstatement of the PC replacement and printer replacement programs that were frozen in 2004. The remaining \$1 million was due to various other minor increases.
- Public Safety expenditures increased by \$5.1 million of which \$2.9 million was the Homeland Security Grant, \$1.1 million was an increase to the Sheriff's Office for the closure of the Metro Jail Facility and transfer of inmates to the Criminal Justice Center addition, and \$600,000 was due to a state mandated increase in operations in the Justice Services Department.
- Public Works expenditures in the Road and Bridge fund increased by \$3.5 million as a result of an increase in operations partly due to approximately \$1.0 million dollars for Woodmen Road and over \$500,000 for Baptist/Hodgen Road.
- The net result of the Health and Welfare activities on the Social Services fund remained somewhat consistent from 2004 to 2005. However, their increased expenditures of approximately \$1.4 million were funded by additional support from the General fund.

In assessing the County’s overall condition and whether it has improved in 2005 over 2004, we must look at the Governmental Activities of the County which provide an accounting of all our major programs; General Government, Public Safety, Public Works, Health and Welfare, and Culture and Recreation. While there was an increase in net assets of \$3.5 million in 2005, this was a decrease when comparing to 2004 and 2003 where there were increases of \$8.5 million and \$7.7 million respectively. The reduction is due to Program Revenues only increasing \$1.5 million while the program expenses increased over \$13.4 million. Thus, increasing the dependency on General Revenues by \$12.0 million in 2005 over 2004. The General Revenues increased \$7.0 million to help offset this shortfall, but the majority of increases are due to increased Sales Tax revenue of \$3.5 million and increased Interest Earnings of \$2.7 million. The concern is that while the majority of expenses are on-going and will continue, the revenue from sales tax and interest earnings are both directly related to the current economic condition and are subject to change if the economic condition does not sustain or improve.

### 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 25 through 27) 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 28. 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 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 (comprised of both El Paso County and Teller County) 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 \$174.2 million in 2005. 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)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 108.6	\$ 149.5	\$ 4.6	\$ 3.4	\$ 113.2	\$ 152.9
Capital assets	<u>224.3</u>	<u>180.1</u>	<u>1.1</u>	<u>4.6</u>	<u>225.4</u>	<u>184.7</u>
Total assets	332.9	329.6	5.7	8.0	338.6	337.6
Long-term debt outstanding	110.5	112.8	.3	.3	110.7	113.1
Other liabilities	<u>53.6</u>	<u>51.5</u>	<u>.0</u>	<u>.1</u>	<u>53.7</u>	<u>51.6</u>
Total liabilities	164.1	164.3	.3	.4	164.4	164.7
Net assets:						
Invested in capital assets, net of related debt	135.6	128.0	1.1	4.6	136.7	132.6
Restricted	5.7	7.2	-	-	5.7	7.2
Unrestricted	<u>27.5</u>	<u>30.1</u>	<u>4.3</u>	<u>3.0</u>	<u>31.8</u>	<u>33.1</u>
Total net assets	<u>\$ 168.8</u>	<u>\$ 165.3</u>	<u>\$ 5.4</u>	<u>\$ 7.6</u>	<u>\$ 174.2</u>	<u>\$ 172.9</u>

For more detailed information see page 25 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 \$168.8 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 \$27.5 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, 2005 is \$4.3 million.

**Changes in net assets.** The County's total revenues were \$198.0 million for 2005. Approximately 10.5% of the County's revenues come from charges for services. The total cost of all programs and services was \$196.8 million.

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u> <u>Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 20.7	\$ 18.3	\$ 3.4	\$ 3.0	\$ 24.1	\$ 21.3
Operating grants	52.4	48.8	-	-	52.4	48.8
Capital grants	8.7	13.2	-	-	8.7	13.2
General revenues						
Property taxes	33.6	32.5	-	-	33.6	32.5
Sales tax	67.8	64.4	-	-	67.8	64.4
Other taxes	9.2	10.3	-	-	9.2	10.3
Other revenues	<u>5.6</u>	<u>1.8</u>	<u>(3.3)</u>	<u>-</u>	<u>2.3</u>	<u>1.8</u>
Total revenue	198.0	189.3	.1	3.0	198.1	192.3
<b>Expenses</b>						
General government	53.1	49.9	-	-	53.1	49.9
Public safety	63.5	58.6	-	-	63.5	58.6
Public works	17.4	13.9	-	-	17.4	13.9
Health and welfare	52.0	51.1	.6	.6	52.6	51.7
Culture and recreation	3.3	3.0	.4	15.1	3.7	18.1
Auxiliary services	.5	.3	1.3	.8	1.8	1.1
Interest on long term debt	<u>4.7</u>	<u>4.2</u>	<u>-</u>	<u>-</u>	<u>4.7</u>	<u>4.2</u>
Total expenses	194.5	181.0	2.3	16.5	196.8	197.5
Increase (decrease) in net assets before transfers	3.5	8.3	(2.2)	(13.5)	1.3	(5.2)
Transfers	<u>-</u>	<u>.2</u>	<u>-</u>	<u>(.2)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ 3.5</u>	<u>\$ 8.5</u>	<u>\$ (2.2)</u>	<u>\$ (13.7)</u>	<u>\$ 1.3</u>	<u>\$ (5.2)</u>
Ending Net Assets	<u>\$ 168.8</u>	<u>\$ 165.3</u>	<u>\$ 5.4</u>	<u>\$ 7.5</u>	<u>\$ 174.2</u>	<u>\$ 172.8</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)**

	Total Cost of Services		Net Cost (Revenue) of Services	
	2005	2004	2005	2004
Public safety	\$ 63.5	\$ 58.6	\$ 47.9	\$ 48.0
Public works	17.4	13.9	9.9	-
Health and welfare	52.0	51.1	16.2	16.4
Culture and recreation	<u>3.3</u>	<u>3.0</u>	<u>1.9</u>	<u>1.9</u>
Total	<u>\$ 136.2</u>	<u>\$ 126.6</u>	<u>\$ 75.9</u>	<u>\$ 66.3</u>

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, the governmental funds reported a combined fund balance of \$50.8 million. However, included in this year's total change in fund balance was a \$38.0 million decrease in the Capital fund due to construction expenditures for major capital projects.

#### General Fund Budgetary Highlights

Over the course of the year, the County Commissioners revised the County's General Fund Budget with a total of 78 resolutions for a net increase of \$12,103,398. The ten largest budget resolutions follow and total \$10,042,304. The remaining \$2,061,094 of resolutions were all under \$130,000 each.

- Resolution 05-072 was approved to reappropriate \$3,251,276 of 2004 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 2005.
- Resolution 05-370 was approved for \$2,452,725 to cover 2005 mandated expenses. These mandates include \$1,400,000 for the Department of Human Services; \$400,000 for gasoline and diesel fuel to Fleet Services; \$118,000 for gasoline to the Sheriff's Office; \$432,000 for utilities to the Facilities Department; and \$102,725 for salaries, benefits, and start-up costs for staff in the new 4<sup>th</sup> Judicial Court to the District Attorney's Office.
- Resolution 05-034 was approved to appropriate \$2,086,934 for the State Homeland Security and Law Enforcement Terrorism Prevention federal grant programs to the Sheriff's Office.
- Resolution 05-004 was approved in the amount of \$600,000 for the Prebles Meadow Jumping Mouse Regional Habitat Conservation Plan federal grant to Environmental Services.
- Resolution 05-520 was approved in the amount of \$575,000 for the Homeland Security federal grant funds to the Sheriff's Office for pass-through to the City of Colorado Springs.
- Resolution 05-542 was approved in the amount of \$292,500 in order to receive unanticipated revenue and appropriate State funding for 2005 portion of the budget for the El Paso County Department of Justice Services for Inmate Housing.

- Resolution 05-057 was approved in the amount of \$282,095 in order to purchase a decontamination trailer on behalf of the City of Colorado Springs from the State Homeland Security Grant.
- Resolution 05-009 was approved in the amount of \$231,000 to fund the transfer of the Metro Detention Facility inmates to the Criminal Justice Center. This budget increase also included on-going transfers to the Sheriff's Office to cover the remaining budget needs. These transfers came from the District Attorney's Office of \$250,000; Financial Services Department of \$300,000; Board Special Projects of \$200,000; Facilities Department of \$33,582; and Sheriff's other operating of \$150,000 for a total cost of \$1,164,582.
- Resolution 05-274 was approved in the amount of \$136,500 to increase the Clerk and Recorder's 2005 budget, to increase the 2006 base budget relating to late fee collections for Motor Vehicle registrations, and to authorize one full time position.
- Resolution 05-412 was approved in the amount of \$134,274 for Federal pass-through funding from the Department of Homeland Security through the Colorado Department of Local affairs under the State Homeland Security program.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2005, the County had invested \$297.2 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)**

	<b>Governmental</b>	
	<b>Activities</b>	
	<u>2005</u>	<u>2004</u>
Land	\$ 14.1	\$ 14.1
Construction in progress	79.9	39.4
Buildings & improvements	88.7	88.5
Machinery and equipment	52.5	48.8
Infrastructure	<u>62.0</u>	<u>53.0</u>
Total	<u>\$ 297.2</u>	<u>\$ 243.8</u>

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2005, amounts to \$225.5 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 2005, there was \$30,297,649 of construction in progress purchased for the construction of the Judicial Building.

- During 2005, there was \$3,072,342 of construction in progress purchased for the construction of the Detention Facilities Expansion.
- During 2005, there was \$4,694,864 of construction in progress purchased for the architect and engineering services for the Central Utilities Plant.
- During 2005, there was \$5,568,524 for Machinery & equipment and vehicles.
- During 2005, there was \$8,970,255 for infrastructure.

### **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 2003, 2004, and 2005 respectively, the County has added \$16.9 million, \$17.1 million and \$8.9 million of infrastructure of which \$7.4 million, \$12.4 million and \$1.5 million was donated rights-of-way and subdivisions, \$4.5 million was donated in 2005 by the Pikes Peak Rural Transportation Authority for approved projects.

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 2005, El Paso County had a net reduction in long term debt accounts of \$3,381,505. Additional information about El Paso County's long-term debt is presented in the notes to the financial statements, particularly Note C5.

There have not been any significant changes subsequent to 12/31/05 to report.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, 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 the reports of our component units, or need additional financial information, contact the County Financial Services Office, at El Paso County, 27 E. Vermijo, Fifth Floor, Colorado Springs, Colorado 80903.



## BASIC FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

El Paso County, Colorado  
STATEMENT OF NET ASSETS  
December 31, 2005

	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	\$ 35,459,373	\$ 3,924,982	\$ 39,384,355	\$ 1,065	\$ 2,954,414
Receivables					
Property taxes	37,580,032		37,580,032		
Accounts	1,259,626	202,701	1,462,327	10,275	29,119
Intergovernmental	20,036,447	19,989	20,056,436	7,324,743	
Interest	5,007		5,007		8,690
Notes					2,134,023
Internal balances	(463,748)	463,748			
Inventories	1,631,479		1,631,479		
Prepaid items	99,115		99,115	82,346	
Restricted cash and investments	11,255,671		11,255,671		
Unamortized issuance costs	1,606,952		1,606,952		
Capital assets, not depreciated	93,940,934		93,940,934		
Capital assets, net of accumulated depreciation	<u>130,480,238</u>	<u>1,074,434</u>	<u>131,554,672</u>	<u>941,089</u>	<u>                    </u>
Total assets	<u>\$ 332,891,126</u>	<u>\$ 5,685,854</u>	<u>\$ 338,576,980</u>	<u>\$ 8,359,518</u>	<u>\$ 5,126,246</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$ 10,273,743	\$ 56,126	\$ 10,329,869	\$ 251,530	\$ 439
Due to other governments	2,296,517		2,296,517		
Interest payable	380,115		380,115		
Accrued liabilities	3,130,923		3,130,923	1,491,448	5,098
Deferred revenue	37,584,469	750	37,585,219	85,009	2,154,212
Noncurrent liabilities					
Due within one year	4,646,442	12,741	4,659,183		
Due in more than one year	<u>105,823,652</u>	<u>258,185</u>	<u>106,081,837</u>	<u>                    </u>	<u>439</u>
Total liabilities	<u>164,135,861</u>	<u>327,802</u>	<u>164,463,663</u>	<u>1,827,987</u>	<u>2,160,188</u>
NET ASSETS					
Invested in capital assets, net of related debt	135,624,461	1,074,434	136,698,895	941,089	
Restricted					
Declared emergencies	4,319,461		4,319,461	545,278	
Debt service	1,332,884		1,332,884		
Unrestricted	<u>27,478,459</u>	<u>4,283,618</u>	<u>31,762,077</u>	<u>5,045,164</u>	<u>2,966,058</u>
Total net assets	<u>168,755,265</u>	<u>5,358,052</u>	<u>174,113,317</u>	<u>6,531,531</u>	<u>2,966,058</u>
Total liabilities and net assets	<u>\$ 332,891,126</u>	<u>\$ 5,685,854</u>	<u>\$ 338,576,980</u>	<u>\$ 8,359,518</u>	<u>\$ 5,126,246</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government</b>				
Governmental activities				
General government	\$ 53,148,164	\$ 16,823,845	\$ 697,411	\$ 125,000
Public safety	63,502,622	2,961,540	10,949,785	1,716,841
Public works	17,441,950	99,519	652,623	6,816,392
Health and welfare	52,030,311	392,601	35,481,098	
Culture and recreation	3,293,236	419,361	1,007,508	11,950
Auxiliary services	461,330		37,201	
Outside agencies		3,546	3,621,810	
Interest on long-term debt	4,665,637			
Total governmental activities	<u>194,543,250</u>	<u>20,700,412</u>	<u>52,447,436</u>	<u>8,670,183</u>
Business-type activities				
Penrose Equestrian center	373,204	11,213		
Solid Waste management	611,002	765,166		
Land development	1,293,983	2,595,240		
Total business-type activities	<u>2,278,189</u>	<u>3,371,619</u>		
Total primary government	<u>\$ 196,821,439</u>	<u>\$ 24,072,031</u>	<u>\$ 52,447,436</u>	<u>\$ 8,670,183</u>
<b>Component units</b>				
Health department	\$ 21,102,467	\$ 2,722,022	\$ 17,978,140	\$
Housing authority	1,244,706	189,426	648,850	
Total component units	<u>\$ 22,347,173</u>	<u>\$ 2,911,448</u>	<u>\$ 18,626,990</u>	<u>\$</u>

General revenues:  
Property taxes  
Sales taxes  
Specific Ownership tax  
Highway Users Tax  
Investment earnings  
Gain (Loss) on sale of capital assets  
Transfers  
    Total general revenues and transfers  
Change in net assets  
Net assets - January 1  
Prior Period Adjustment  
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		
\$ (35,501,908)	\$	\$ (35,501,908)	\$	\$
(47,874,456)		(47,874,456)		
(9,873,416)		(9,873,416)		
(16,156,612)		(16,156,612)		
(1,854,417)		(1,854,417)		
(424,129)		(424,129)		
3,625,356		3,625,356		
(4,665,637)		(4,665,637)		
<u>(112,725,219)</u>		<u>(112,725,219)</u>		
	(361,991)	(361,991)		
	154,164	154,164		
	<u>1,301,257</u>	<u>1,301,257</u>		
	<u>1,093,430</u>	<u>1,093,430</u>		
<u>(112,725,219)</u>	<u>1,093,430</u>	<u>(111,631,789)</u>		
			(402,305)	
			<u>(402,305)</u>	(406,430)
				<u>(406,430)</u>
33,625,151		33,625,151		
67,839,928		67,839,928		
1,200,365		1,200,365		
7,984,079		7,984,079		
4,433,373	128,952	4,562,325	197,781	134,596
1,140,836	(3,433,225)	(2,292,389)		
(17,648)	17,648			
<u>116,206,084</u>	<u>(3,286,625)</u>	<u>112,919,459</u>	<u>197,781</u>	<u>134,596</u>
3,480,865	(2,193,195)	1,287,670	(204,524)	(271,834)
165,254,400	7,551,247	172,805,647	6,736,055	3,223,804
20,000		20,000		14,088
<u>\$ 168,755,265</u>	<u>\$ 5,358,052</u>	<u>\$ 174,113,317</u>	<u>\$ 6,531,531</u>	<u>\$ 2,966,058</u>

El Paso County, Colorado  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
December 31, 2005

	General	Capital Projects	Road and Bridge
ASSETS			
Cash and investments	\$ 6,238,389	\$ 5,240,191	\$ 7,756,279
Taxes receivable	12,861,415	4,663,229	8,084,975
Accounts receivable	750,268		5,863
Due from other funds	1,656,636	1,747	1,150
Due from other governments	14,316,625		969,773
Inventories	144,478		955,461
Prepaid items	80,116		
Restricted cash and investments		11,255,671	
	<u>\$ 36,047,927</u>	<u>\$ 21,160,838</u>	<u>\$ 17,773,501</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,541,100	\$ 2,515,065	\$ 356,735
Due to other funds	312,838		202,481
Due to other governments			23,168
Deferred revenue	12,863,030	4,663,231	8,084,975
	<u>16,716,968</u>	<u>7,178,296</u>	<u>8,667,359</u>
FUND BALANCES			
Reserved			
Declared emergencies			
Encumbrances	850,654	649,112	945,490
Inventories	144,478		955,461
Prepaid items	80,116		
Debt service		1,332,884	
Construction		9,922,787	
Unreserved			
Designated for board projects	10,451,103		
Designated for subsequent year's expenditures/ cash flows	7,804,608		
Capital projects fund			
Designated for subsequent year's expenditures		2,077,759	
Special revenue funds			
Designated for subsequent year's expenditures/ cash flows			7,205,191
Undesignated			
	<u>19,330,959</u>	<u>13,982,542</u>	<u>9,106,142</u>
Total fund balances	<u>\$ 36,047,927</u>	<u>\$ 21,160,838</u>	<u>\$ 17,773,501</u>
Total liabilities and fund balances	<u>\$ 36,047,927</u>	<u>\$ 21,160,838</u>	<u>\$ 17,773,501</u>

The accompanying notes are an integral part of this statement.

Social Services	Other Governmental Funds	Total Governmental Funds
\$ 2,136,428	\$ 8,101,694	\$ 29,472,981
6,387,126	3,646,327	35,643,072
55,876	270,848	1,082,855
	289,127	1,948,660
3,363,293	1,386,379	20,036,070
		1,099,939
		80,116
		11,255,671
<u>\$ 11,942,723</u>	<u>\$ 13,694,375</u>	<u>\$ 100,619,364</u>
\$ 1,633,532	\$ 1,076,822	\$ 9,123,254
1,498,916	695,345	2,709,580
2,273,349		2,296,517
6,389,946	3,646,327	35,647,509
<u>11,795,743</u>	<u>5,418,494</u>	<u>49,776,860</u>
	4,319,461	4,319,461
	170,009	2,615,265
		1,099,939
		80,116
		1,332,884
		9,922,787
		10,451,103
		7,804,608
		2,077,759
146,980	1,719,005	9,071,176
	2,067,406	2,067,406
<u>146,980</u>	<u>8,275,881</u>	<u>50,842,504</u>
<u>\$ 11,942,723</u>	<u>\$ 13,694,375</u>	<u>\$ 100,619,364</u>

El Paso County, Colorado  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
December 31, 2005

Amounts reported for governmental activities in the statement of net assets (page 25)  
are different because:

Fund balances - total governmental funds (page 29)	\$ 50,842,504
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	215,749,730
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.	11,443,817
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	5,007
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	(380,115)
Capital leases payable	(250,907)
Compensated absences payable	(13,098,354)
Certificates of participation payable	(95,360,000)
Unamortized premium (to be amortized as interest expense)	(1,456,254)
Elimination of due to/from interfund balances	(347,115)
Unamortized issuance costs (to be amortized over life of debt)	1,606,952
Net assets - governmental activities (page 25)	\$ 168,755,265

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, 2005

	General	Capital Projects	Road and Bridge	Social Services	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 13,174,322	\$ 4,391,718	\$ 7,273,309	\$ 5,660,950	\$ 3,124,852	\$ 33,625,151
Sales taxes	67,839,928					67,839,928
Other taxes	1,002,595		7,984,079	123,681	74,089	9,184,444
Intergovernmental	12,513,323		1,520,791	28,263,100	10,182,220	52,479,434
Fees and fines	519,153				323,229	842,382
Licenses and permits	320,994					320,994
Charges for services	16,616,707		83,292	83,363	3,481	16,786,843
Investment earnings	1,703,806	2,404,983	261,592		57,985	4,428,366
Miscellaneous	1,712,532	592	9,868	56,649	3,653,197	5,432,838
<b>Total revenues</b>	<b>115,403,360</b>	<b>6,797,293</b>	<b>17,132,931</b>	<b>34,187,743</b>	<b>17,419,053</b>	<b>190,940,380</b>
<b>Expenditures</b>						
<b>Current</b>						
General government	39,882,879	66,172			9,652,413	49,601,464
Public safety	50,192,363				10,127,392	60,319,755
Public works			13,105,527			13,105,527
Health and welfare	6,512,220			37,179,131	6,939,181	50,630,532
Culture and recreation	2,020,619				907,851	2,928,470
Auxiliary services	345,991					345,991
<b>Debt service</b>						
Principal		2,555,000				2,555,000
Interest and other charges		4,648,895				4,648,895
Capital outlay	4,053,842	38,565,035	3,315,686		474,497	46,409,060
<b>Total expenditures</b>	<b>103,007,914</b>	<b>45,835,102</b>	<b>16,421,213</b>	<b>37,179,131</b>	<b>28,101,334</b>	<b>230,544,694</b>
Excess (deficiency) of revenues over (under) expenditures	12,395,446	(39,037,809)	711,718	(2,991,388)	(10,682,281)	(39,604,314)
<b>Other financing sources (uses)</b>						
Proceeds from sale of fixed assets	141,966	1,013,682				1,155,648
Transfers in	337,167			2,800,000	10,336,679	13,473,846
Transfers out	(12,318,220)		(62,475)	(692,408)	(58,144)	(13,131,247)
<b>Total other financing sources (uses)</b>	<b>(11,839,087)</b>	<b>1,013,682</b>	<b>(62,475)</b>	<b>2,107,592</b>	<b>10,278,535</b>	<b>1,498,247</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>556,359</b>	<b>(38,024,127)</b>	<b>649,243</b>	<b>(883,796)</b>	<b>(403,746)</b>	<b>(38,106,067)</b>
Fund balances - January 1	18,774,600	52,006,669	8,456,899	1,030,776	8,659,627	88,928,571
Prior Period Adjustment					20,000	20,000
<b>Fund balances - December 31</b>	<b>\$ 19,330,959</b>	<b>\$ 13,982,542</b>	<b>\$ 9,106,142</b>	<b>\$ 146,980</b>	<b>\$ 8,275,881</b>	<b>\$ 50,842,504</b>

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, 2005

Amounts reported for governmental activities in the statement of activities (page 27)  
are different because:

Net change in fund balances - total governmental funds (page 29)	\$ (38,106,067)
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	46,409,060
Depreciation	(9,027,656)
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.	5,955,540
Transfers and capital purchases from general government operating	775,267
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.	(69,999)
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:	
Principal repayments	2,555,000
Amortization of debt premium	(79,098)
Amortization of issuance costs	399,669
Payment of capital leases as a reduction of long term debt	127,492
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	(720,888)
Accrued interest	1,844
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.	
Elimination of due to/from interfund balances	(4,406,744)
Elimination of due to/from interfund balances	(337,562)
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	
	5,007
Change in net assets - governmental activities (page 27)	\$ 3,480,865

El Paso County, Colorado  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 December 31, 2005

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets		
Cash and investments	\$ 3,924,982	\$ 5,986,392
Accounts receivable	202,701	176,770
Taxes receivable		1,936,960
Intergovernmental receivable	19,989	377
Due from other funds	134,189	693,431
Prepaid expenses		19,000
Inventories		531,540
Total current assets	4,281,861	9,344,470
Noncurrent assets		
Capital assets, net of accumulated depreciation	1,074,432	8,671,442
Total assets	\$ 5,356,293	\$ 18,015,912
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 56,126	\$ 1,150,489
Accrued liabilities		3,130,923
Compensated absences	12,742	1,035
Deferred revenue	750	1,936,960
Due to other funds	17,557	49,144
Total current liabilities	87,175	6,268,551
Noncurrent liabilities		
Compensated absences	258,185	303,544
Total liabilities	345,360	6,572,095
NET ASSETS		
Invested in capital assets, net of related debt	1,074,432	8,671,442
Unrestricted	3,936,501	2,772,375
Total net assets	5,010,933	11,443,817
Total liabilities and net assets	\$ 5,356,293	\$ 18,015,912

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, 2005

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues		
Charges for services	\$ 3,371,619	\$ 14,301,159
Operating expenses		
Insurance premiums		772,796
Claim settlements		13,831,757
Depreciation	62,857	1,555,712
Administration and operations	2,202,969	8,558,711
Total operating expenses	2,265,826	24,718,976
Operating income (loss)	1,105,793	(10,417,817)
Nonoperating revenues/expenses		
Taxes		6,062,256
Investment Earnings	128,952	
Gain (loss) on sale of fixed assets	(3,449,375)	(143,241)
Miscellaneous	768	119,870
Total nonoperating revenues/expenses	(3,319,655)	6,038,885
Income (loss) before transfers	(2,213,862)	(4,378,932)
Transfers in		838
Transfers out	(342,599)	(28,650)
Change in net assets	(2,556,461)	(4,406,744)
Net assets - January 1	7,567,394	15,850,561
Net assets - December 31	\$ 5,010,933	\$ 11,443,817

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, 2005

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds	Totals
Cash flows from operating activities			
Receipts from customers	\$ 3,370,199	\$ (6,336)	\$ 3,363,863
Receipts from interfund services provided	219,484	13,972,823	14,192,307
Payments to suppliers	(691,325)	(5,188,584)	(5,879,909)
Payments to employees	(2,102,658)	(13,888,386)	(15,991,044)
Payments for interfund services used	499,676	(4,005,586)	(3,505,910)
Net cash provided by (used in) operating activities	<u>1,295,376</u>	<u>(9,116,069)</u>	<u>(7,820,693)</u>
Cash flows from noncapital financing activities			
Taxes received		6,062,256	6,062,256
Transfers out	(342,599)	(28,650)	(371,249)
Net cash provided by (used in) noncapital financing activities	<u>(342,599)</u>	<u>6,033,606</u>	<u>5,691,007</u>
Cash flows from capital and related financing activities			
Proceeds from sales of fixed assets		162,603	162,603
Capital expenditures		(2,086,308)	(2,086,308)
Net cash provided by (used in) capital and related financing activities		<u>(1,923,705)</u>	<u>(1,923,705)</u>
Cash flows from investing activities			
Interest received	128,952		128,952
Net cash provided by (used in) investing activities	<u>128,952</u>		<u>128,952</u>
Net increase in cash and cash equivalents	1,081,729	(5,006,168)	(3,924,439)
Cash and cash equivalents - January 1	<u>2,843,253</u>	<u>10,992,560</u>	<u>13,835,813</u>
Cash and cash equivalents - December 31	<u>\$ 3,924,982</u>	<u>\$ 5,986,392</u>	<u>\$ 9,911,374</u>

(Continued)

El Paso County, Colorado  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS - CONTINUED  
 For the year ended December 31, 2005

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Fund	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,105,793	\$ (10,417,817)	\$ (9,312,024)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue	768	119,870	120,638
Depreciation expense	62,857	1,555,712	1,618,569
(Increase) decrease in assets			
Accounts receivable	6,152	(766,379)	(760,227)
Intergovernmental receivables	211,144	377	211,521
Due from other funds		(328,336)	(328,336)
Inventories		418,808	418,808
Increase (decrease) in liabilities			
Accounts payable	(43,884)	(59,503)	(103,387)
Accrued liabilities		(349,221)	(349,221)
Compensated absences	(29,534)	53,735	24,201
Due to other funds	(17,920)	16,889	(1,031)
Deferred revenue		639,796	639,796
Net cash provided by (used in) operating activities	<u>\$ 1,295,376</u>	<u>\$ (9,116,069)</u>	<u>\$ (7,820,693)</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 December 31, 2005

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and investments	\$ 255,688,030	\$ 3,859,905	\$ 26,628,543
Receivables		6,105	
Accounts	505,187		
Interest	630,624		
	<u>256,823,841</u>	<u>3,866,010</u>	<u>26,628,543</u>
<b>LIABILITIES</b>			
Accounts payable	664,481	29,618	
Due to other governments	15,426,106		23,457,141
Escrow deposits held by trustee			2,203,682
Funds due to bondholders			967,720
Other			
	<u>16,090,587</u>	<u>29,618</u>	<u>26,628,543</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ 240,733,254</u>	<u>\$ 3,836,392</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, 2005

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds
Additions		
Contributions		
Employers	\$ 5,696,786	\$
Employees	6,579,672	
Total contributions	12,276,458	
Charges for services		1,230,932
Other income	19,785	
Net investment income		
Net appreciation in fair value of investments	9,958,332	
Interest and dividend income	5,745,516	92,804
Less investment expenses	15,703,848 (2,288,437)	92,804
Net investment income	13,415,411	92,804
Total additions	25,711,654	1,323,736
Deductions		
Outside agencies		659,189
Benefits	10,363,800	
Refunds	1,755,564	
Administrative expenses	325,217	
Total deductions	12,444,581	659,189
Change in net assets	13,267,073	664,547
Net assets - January 1	227,466,181	3,171,845
Net assets - December 31	\$ 240,733,254	\$ 3,836,392

The accompanying notes are an integral part of this statement.



El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

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 is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a single column in the basic financial statements. Each blended and discretely presented component unit has a December 31 year end.

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

Blended component units

El Paso County Sheriff Special Investigation Fund

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

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 percent of the funds in the plan.

El Paso County Facilities Corporation

This is a nonprofit corporation under the laws of the State of Colorado that was organized to acquire real estate, property and improvements for lease to the County and, upon the

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

prior approval of a majority of the membership of the Board of County Commissioners, to borrow money and to become indebted and to execute and deliver bonds, notes or debentures to evidence such indebtedness, for the purpose of acquiring such real or personal property, constructing or installing such improvements, and for such other purposes as may be necessary to accomplish the objectives of the Corporation. Members of the Board of County Commissioners are deemed members of the Corporation for the purpose of appointing and removing members of the Corporation's Board of Directors.

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 Financial Services 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, 2005

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The County implemented GASB 40 for the 2005 reporting year. GASB 40 establishes and modifies disclosure requirements related to investment risks: credit risk, interest rate risk, and foreign currency risk. Its objective is to update the custodial credit risk disclosure requirements of Statement 3 and to establish more comprehensive disclosure requirements addressing other common risks of the deposits and investments of state and local governments.

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The County reports the following major governmental funds:

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

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

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

The *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.

Additionally, the County reports the following fund types:

*Special Revenue funds* account for the proceeds of specific revenue sources other than for major capital projects that are legally restricted to expenditures for specified purposes.

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

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

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

The *District Attorney Office of the Fourth Judicial District fund* is used to account for the activities of the District Attorney.

*Contingency funds* account for the resources accumulated to fund emergencies, disaster, and other expenditures that could not have been reasonable foreseen at the time of the annual budget adoption. Accordingly, revenues and expenditures are not budgeted for this fund. Revenue is derived from General Fund transfers as needed.

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

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

Because El Paso County is essentially self-insured, the *Self-Insurance fund* was established to account for the accumulation and allocation of costs associated with insurance claims and administration costs.

*Fleet Services fund* was established to provide regular vehicle and equipment maintenance and maintain adequate fleet inventory.

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 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 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.

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.

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

Revenues and expenses not meeting this definition are reported as non-operating 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 that provide for the following:

- Bonds and other interest-bearing obligations of the United States government or that are guaranteed by the United States government.
- Bonds that 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.
- 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.

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

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

B. Receivables and payables

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

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

C. Inventories and prepaid items

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

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

D. Restricted assets

Certain proceeds from the County's capital expenditures fund certificates of participation, as well as certain resources set aside for their repayment, are restricted because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The construction fund accounts are used to report those proceeds of certificates of participation issuances that are restricted for use in construction. The total of those accounts as of December 31, 2005, was \$9,922,787. 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, 2005, was \$1,332,884.

El Paso County, Colorado  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2005, 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

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.

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.



El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Long-term obligations

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

*Budgetary information*

Budgets are adopted on a basis consistent with US GAAP for all government funds. Proprietary funds, the Struther's Road, Rancho Colorado, and Bradley Road Agency Funds 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, Rancho Colorado, and Bradley Road Agency Fund. All annual appropriations lapse at fiscal year end.

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the reappropriation of year-end encumbrances. Encumbrances outstanding as of December 31, 2005, 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 Division of the County's Financial Services Department submits to the County

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued

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. 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.
- G. The Fleet Services fund shows an excess of expenditures over appropriations for the year ended December 31, 2005. The overage is due to the inventory adjustment which is a non-cash adjustment that does not require a budget adjustment. No other funds had excess of expenditures over appropriations.

2. *Management use of estimates*

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

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.

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

1. *Deposits and investments (cont'd)*

The County's investment policy allows for investments in money market funds and certificates of deposits issued by banks located in Colorado under applicable Colorado Statutes and those authorized under the provisions of Colorado Revised Statutes, Section 24-75-601.1(k). State investment pools authorized under CRS, Section 24-75-701, direct obligations of the U.S. Government, Federal Instrumentality Security and prime commercial paper are also authorized. The aggregate investments in federal instrumentalities shall not exceed 50% of the total portfolio. The maximum maturity of any security purchased shall not exceed five years unless specifically approved in advance by the board of county commissioners.

As of December 31, 2005, investments within the ColoTrust investment pool have a AAA rating. All banks are on the PDPA approved list with \$400,000 and \$200,000, respectively, for the primary government and Health Department funds covered by federal depository insurance. The remaining deposits are covered by one of the following:

1. Insured or registered, or securities held by the county or its agent in the County's name.
2. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name.

As of December 31, 2005, the County had the following investments:

Primary Government	Investment Maturities		
<u>Investment Type</u>	Fair Value	Up to 120 days	121 Days to 5 years
Repurchase Agreements	\$ 9,935,159	\$ 5,973,435	\$ 3,961,724
U. S. Treasuries	\$ 3,000,000	\$ 3,000,000	
Instrumentality			
Federal Housing Loan Mortgage Corporation (FHLMC)	\$ 963,980		\$ 963,980
Federal Home Loan Bank (FHLB)	\$ 1,000,000		\$ 1,000,000
Total Investments controlled by the County	\$ 14,899,138	\$ 8,973,435	\$ 5,925,703
Percent of Total		60%	40%

Reconciliation to Total Deposits and Investments

Add:

Cash and deposits	\$ 4,148,710
Money Market funds	\$ 8,211,943
ColoTrust	<u>\$ 12,124,563</u>
Total Deposits and Investments	<u><u>\$ 39,384,355</u></u>

Component Units - El Paso County Department of Health and El Paso County Housing Authority

U. S. Treasuries	\$ 1,492,587
Instrumentality:	
Government National Mortgage Association (GNMA)	\$ 49,612
	<u>\$ 1,542,198</u>
Cash and deposits	\$ 119,214
Money Market funds	\$ 35,484
ColoTrust	<u>\$ 1,258,583</u>
	<u><u>\$ 2,955,479</u></u>

The GNMA & GNSF Investment Fund has an A-1 credit rating.

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

1. *Deposits and investments - continued*

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, 2005.

The County's deposit and investment policy is written in compliance with revised Colorado Statutes.

*Blended Component Unit- Retirement 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, 2005.

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, 2005, is 19 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, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

*Blended Component Unit- Retirement 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, 2005, 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, 2005.

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, 2005, the fair value of lent securities was \$27,113,727. The fair value of associated cash collateral was \$28,265,684. The Plan's income, net of expenses from securities lending, was \$33.653.

*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, 2005, was 7.673 mills. The County's assessed valuation for 2005 was \$5,523,826,270. Therefore, the County could have collected \$42,384,318 for 2005 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2006 total \$37,580,034, net of tax credits and refunds.

*3. Capital assets*

Capital asset activity for the year ended December 31, 2005, was as follows:

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

	<u>Balance January 1, 2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2005</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,069,596	\$	\$	\$ 14,069,596
Construction in progress	<u>39,396,598</u>	<u>42,163,854</u>	<u>(1,689,114)</u>	<u>79,871,338</u>
Total capital assets, not being depreciated	<u>53,466,194</u>	<u>42,163,854</u>	<u>(1,689,114)</u>	<u>93,940,934</u>
Capital assets, being depreciated:				
Buildings	80,070,818	24		80,070,842
Improvements other than buildings	8,402,089	246,840		8,648,929
Machinery and equipment	48,847,607	5,568,524	(1,915,926)	52,500,205
Infrastructure	<u>53,040,230</u>	<u>8,970,256</u>		<u>62,010,486</u>
Total capital assets, being depreciated	<u>190,360,744</u>	<u>14,785,644</u>	<u>(1,915,926)</u>	<u>203,230,462</u>
Less accumulated depreciation for:				
Buildings	(29,224,530)	(1,903,021)		(31,127,551)
Improvements other than buildings	(887,644)	(339,154)		(1,226,798)
Machinery and equipment	(27,550,304)	(5,076,945)	1,595,270	(31,031,979)
Infrastructure	<u>(6,011,094)</u>	<u>(3,352,802)</u>		<u>(9,363,896)</u>
Total accumulated depreciation	<u>(63,673,572)</u>	<u>(10,671,922)</u>	<u>1,595,270</u>	<u>(72,750,224)</u>
Total capital assets, being depreciated, net	<u>126,687,172</u>	<u>4,113,722</u>	<u>(320,656)</u>	<u>130,480,238</u>
Governmental activities capital assets, net	<u>\$180,153,366</u>	<u>\$46,277,576</u>	<u>\$ (2,009,770)</u>	<u>\$224,421,172</u>

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS – Continued

3. *Capital assets - continued*

	<u>Balance January 1, 2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2005</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 460,010	\$ _____	\$ (460,010)	\$ _____
Capital assets, being depreciated:				
Buildings	5,818,691		(4,838,723)	979,968
Improvements other than buildings	838,508		(755,143)	83,365
Machinery and equipment	<u>211,268</u>		<u>(26,987)</u>	<u>184,281</u>
Total capital assets, being depreciated	<u>6,868,467</u>		<u>(5,620,853)</u>	<u>1,247,614</u>
Less accumulated depreciation for:				
Buildings	(2,585,181)	(24,498)	2,517,739	(91,940)
Improvements other than buildings	(109,589)	(3,335)	107,922	(5,002)
Machinery and equipment	<u>(47,042)</u>	<u>(35,024)</u>	<u>5,828</u>	<u>(76,238)</u>
Total accumulated depreciation	<u>(2,741,812)</u>	<u>(62,857)</u>	<u>2,631,489</u>	<u>(173,180)</u>
Total capital assets, being depreciated, net	<u>4,126,655</u>	<u>(62,857)</u>	<u>(2,989,364)</u>	<u>1,074,434</u>
Business-type activities capital assets, net	<u>\$4,586,665</u>	<u>\$ (62,857)</u>	<u>\$ (3,449,374)</u>	<u>\$ 1,074,434</u>

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

Governmental activities:	
General government	\$ 3,094,944
Public safety	1,507,456
Public works	3,888,629
Health and welfare	404,859
Culture and recreation	207,764
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,568,270</u>
Total depreciation expense - governmental activities:	<u>\$10,671,922</u>
Business-type activities:	
Waste management	28,781
Land development	<u>34,076</u>
Total depreciation expense - business-type activities:	<u>\$ 62,857</u>

El Paso County, Colorado  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

4. *Interfund receivables, payables and transfers*

The composition of interfund balances as of December 31, 2005, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Road and bridge	\$ 69,694
	Social services	875,923
	Non-major internal service funds	41,270
	Non-major enterprise funds	16,505
	Non-major governmental funds	653,243
Road and bridge	General	248
	Non-major internal service funds	500
	Non-major enterprise funds	402
Capital	General	1,747
Non-major governmental funds	General	249,633
	Social Services	25,193
	Non-major governmental funds	14,301
Non-major internal service	General	30,022
	Road and bridge	32,787
	Social services	597,800
	Non-major governmental funds	27,801
	Non-major internal service funds	4,374
	Non-major enterprise funds	648
Non-major enterprise funds	General	31,189
	Road and bridge	100,000
	Non-major internal service funds	<u>3,000</u>
Total		<u>\$ 2,776,280</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 (excluding transfers of capital assets between governmental activities and business-type activities):



El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

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

	<u>Transfers out:</u>					Total
	General fund	Road and Bridge fund	Social services fund	Non-major governmental funds	Non-major enterprise funds	
<u>Transfers in:</u>						
General fund	\$	\$	\$	\$	\$ 337,167	\$ 337,167
Social services fund	2,800,000					2,800,000
Non-major governmental Funds	9,518,220	62,475	692,408	58,144	5,432	10,336,679
	<u>\$12,318,220</u>	<u>\$ 62,475</u>	<u>\$ 692,408</u>	<u>\$ 58,144</u>	<u>\$ 342,599</u>	<u>\$13,473,846</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.

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, 2005.

	<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	\$97,915,000	\$	\$(2,555,000)	\$95,360,000	\$3,490,000
Plus issuance premium	1,523,781		(67,527)	1,456,254	
Plus deferred amount on refunding	332,142		(332,142)		
Total certificates of participation	99,770,923		(2,954,669)	96,816,254	3,490,000
Capital leases	378,399		(127,492)	250,907	135,028
Compensated absences	12,680,862	1,923,643	(1,201,572)	13,402,933	1,021,414
Governmental activities long-term liabilities	<u>\$112,830,184</u>	<u>\$ 1,923,643</u>	<u>\$ (4,283,733)</u>	<u>\$110,470,094</u>	<u>\$4,646,442</u>
Business-type activities:					
Compensated absences	<u>\$ 300,461</u>	<u>\$ 27,232</u>	<u>\$ (56,767)</u>	<u>\$ 270,926</u>	<u>\$ 12,741</u>

El Paso County, Colorado  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

5. *Long-term debt - continued*

A. Changes in long-term liabilities - continued

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, \$304,579 of internal service funds compensated absences is included in the above amounts. Also, for governmental activities, compensated absences are generally liquidated by the general fund.

B. Certificates of participation

During 1999 the County, through the El Paso County Facilities Corporation, issued \$10,460,000 in Certificates of Participation, Series 1999, which were dated October 15, 1999. The 1999 certificates carry interest rates ranging from 3.90% to 5.25% and mature December 1, 2000, through December 1, 2009.

During 2002 the County, through the El Paso County Facilities Corporation, issued \$44,865,000 in 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, 2027.

During 2002 the County, through the El Paso County Facilities Corporation, issued \$40,110,000 in 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, 2027.

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

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 payment 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>(389,994)</u>
Total	<u>\$ 285,162</u>

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS - Continued

5. *Long-term debt - continued*

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, 2005, are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Amount</u>
2006	\$ 146,078
2007	<u>119,032</u>
Total minimum lease payments	265,110
Less: Amount representing interest	<u>14,203</u>
Present value of minimum lease payments	<u>\$ 250,907</u>

D. Summary of Debt Service Requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2005:

<u>Year ending</u> <u>December 31,</u>	<u>Governmental activities</u>	
	Certificates	
	<u>of participation</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 3,490,000	\$ 4,561,380
2007	3,580,000	4,441,410
2008	3,715,000	4,312,693
2009	3,830,000	4,170,238
2010	3,170,000	4,013,169
2011-2015	18,045,000	16,855,234
2016-2020	21,725,000	12,974,409
2021-2025	25,655,000	7,010,750
2026-2027	<u>12,150,000</u>	<u>918,500</u>
	<u>\$ 95,360,000</u>	<u>\$ 60,289,780</u>

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE C - DETAILED NOTES ON ALL FUNDS – Continued

G. Conduit debt obligations

From time to time, the County has issued the following types of conduit debt; mortgage bonds and mortgage revenue refunding bonds to assist low-to-middle-income residents in purchasing single family residences; exempt facility bonds for residential rental projects to be occupied by low- to middle-income residents and owned by private-sector entities; industrial revenue bonds to provide financial assistance to private-sector entities to promote industry and develop trade or other economic activity; and qualified 501(c)(3) bonds to provide financial assistance to non-profits for the acquisition and construction of eligible facilities. The various bonds are secured by investments under Indentures of Trust, loans that finance the projects, property, loan guarantees, and 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, 2005, the bonds outstanding had an aggregate principal amount payable of \$126,500,815.

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 \$3,130,923 that are reported in the Self-Insurance Fund at December 31, 2005, are based on the requirements of Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liabilities are actuarially determined and are carried at the present value of the unpaid claims using a discount rate of 3.0 percent.

El Paso County, Colorado  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2005

NOTE D - OTHER INFORMATION – Continued

1. *Risk management - continued*

Changes in the claims liability amounts in 2005 and 2004 were:

	Balance January 1, <u>2005</u>	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance December 31, <u>2005</u>
Self-Insurance Fund	<u>\$ 3,480,144</u>	<u>\$13,482,536</u>	<u>\$13,831,757</u>	<u>\$ 3,130,923</u>
	Balance January 1, <u>2004</u>	Claims and Changes in <u>Estimates</u>	Claim Payments	Balance December 31, <u>2004</u>
Self-Insurance Fund	<u>\$3,286,765</u>	<u>\$14,146,766</u>	<u>\$13,953,387</u>	<u>\$ 3,480,144</u>

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.

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.

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE D - OTHER INFORMATION – Continued

2. *Contingencies - continued*

- 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 2005 the County's TABOR calculations indicate it did not exceed the fiscal year spending limit. Accordingly, no refund or other similar measures are required.

3. *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, 2005, the funds held for employees were approximately \$21 million.

4. *El Paso County Retirement Plan*

A. Plan description

All permanent, full-time employees of El Paso County are eligible to participate in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The Plan has five participating employers. The Plan provides benefits to members at retirement or disability, or to their beneficiaries in the event of death. The El Paso County Board of Retirement is the administrator and has the authority to establish and amend benefit provisions of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information, including the required six-year trend information, for the Plan. That report may be obtained by writing to the El Paso County

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE D - OTHER INFORMATION – Continued

4. *El Paso County Retirement Plan - continued*

Retirement Plan, 105 East Vermijo Ave.; Suite 200, Colorado Springs, Colorado 80903, or by calling (719) 520-7490.

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, 2005, 2004, and 2003, were \$5,361,917, \$5,114,983 and \$5,185,712, respectively, equal to the required contributions each year.

5. *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, 180 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

El Paso County, Colorado  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2005

NOTE D - OTHER INFORMATION – Continued

5. *Postretirement benefits - Continued*

the year ended December 31, 2005, expenditures of \$332,063 were recognized for postretirement health care premiums.

6. *Jointly governed organization*

Pikes Peak Regional Building Department (PPRBD) – The County, in conjunction with the City of Colorado Springs, City of Fountain, City of Manitou Springs, Town of Green Mountain Falls, Town of Monument, and Town of Palmer Lake has created the Pikes Peak Regional Building Department. The PPRBD's board is composed of three members, one appointed by the County, one appointed by the City of Colorado Springs, and one appointed by the other cities and towns together. During 2003, certificates of participation 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.

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

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

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

The one percent sales tax is being allocated as follows:

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



El Paso County, Colorado  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2005

NOTE D - OTHER INFORMATION – Continued

8. *Construction Commitments*

At year-end there were projects under construction with commitments of \$7,737,621.

12/31/05 Projects	Amount to Complete Project in 2006
Judicial Complex	\$5,487,786
Criminal Justice Center Addition	312,236
Central Utilities Plant	555,082
Integrated Criminal Justice Information System	19,700
Calhan Well	122,002
Maximum Security Design	725,032
El Pomar – Courthouse Mural	91,222
Facilities Storage/Shop	66,845
Ute Pass Trail	324,049
Bear Creek Outdoor Class Room	29,470
Medical Clinic Electronic Charting	<u>4,197</u>
	<u>\$7,737,621</u>

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A

MAJOR GOVERNMENTAL FUNDS DESCRIPTION

GENERAL FUND

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

ROAD & BRIDGE FUND

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

DEPARTMENT OF HUMAN SERVICES

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

El Paso County, Colorado  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 13,231,072	\$ 13,231,072	\$ 13,174,322	\$ (56,750)
Sales taxes	66,650,249	66,650,249	67,839,928	1,189,679
Other taxes	1,014,820	1,014,820	1,002,595	(12,225)
Intergovernmental	7,486,632	13,171,510	12,513,323	(658,187)
Fees and fines	515,665	515,665	519,153	3,488
Licenses and permits	266,400	304,040	320,994	16,954
Charges for services	15,439,907	16,270,253	16,616,707	346,454
Investment earnings	835,000	835,000	1,703,806	868,806
Miscellaneous	1,358,483	1,662,312	1,712,532	50,220
Total revenues	<u>106,798,228</u>	<u>113,654,921</u>	<u>115,403,360</u>	<u>1,748,439</u>
Expenditures				
General government				
Administration	1,584,690	1,572,699	1,534,460	38,239
Finance	4,657,305	4,874,471	4,580,007	294,464
Security	1,430,412	1,488,917	1,425,404	63,513
Facilities management	7,770,715	7,618,642	7,476,239	142,403
Procurement	402,244	402,244	393,645	8,599
Employment services	315,496	276,017	274,233	1,784
Employee benefits and medical services	936,010	971,618	932,177	39,441
Information technology	7,058,491	7,024,327	7,055,600	(31,273)
Public information		104,895	104,894	1
Planning	1,128,047	1,128,047	1,128,047	
County attorney	1,029,671	1,741,818	1,539,138	202,680
County Clerk and Recorder	7,004,245	7,432,953	6,985,216	447,737
County Treasurer	1,038,293	1,053,661	1,044,981	8,680
County Assessor	3,325,810	3,325,810	3,166,973	158,837
County Surveyor	2,500	2,570	2,570	
Public Trustee	664,381	668,255	614,252	54,003
Engineering	1,786,219	1,786,219	1,625,043	161,176
Total general government	<u>40,134,529</u>	<u>41,473,163</u>	<u>39,882,879</u>	<u>1,590,284</u>
Public safety				
Community corrections	5,837,386	6,411,814	6,203,417	208,397
County Sheriff	40,825,790	45,129,560	43,988,946	1,140,614
Total public safety	<u>\$ 46,663,176</u>	<u>\$ 51,541,374</u>	<u>\$ 50,192,363</u>	<u>\$ 1,349,011</u>

(Continued)

El Paso County, Colorado  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED  
For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and welfare				
Environmental services	\$ 1,250,521	\$ 1,928,292	\$ 1,122,582	\$ 805,710
Senior services	30,000	57,646	52,567	5,079
Coroner	988,971	1,202,621	1,201,646	975
Health administration	4,154,849	4,154,849	4,135,424	19,425
Total health and welfare	<u>6,424,341</u>	<u>7,343,408</u>	<u>6,512,219</u>	<u>831,189</u>
Culture and recreation				
Parks	<u>2,111,944</u>	<u>2,191,851</u>	<u>2,020,619</u>	<u>171,232</u>
Auxiliary services				
Veterans services			1,200	(1,200)
CSU extension service	<u>335,579</u>	<u>359,999</u>	<u>344,791</u>	<u>15,208</u>
Total auxiliary services	<u>335,579</u>	<u>359,999</u>	<u>345,991</u>	<u>14,008</u>
Capital outlay	<u>1,670,999</u>	<u>5,444,547</u>	<u>4,053,842</u>	<u>1,390,705</u>
Total expenditures	<u>97,340,568</u>	<u>108,354,342</u>	<u>103,007,913</u>	<u>5,346,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,457,660</u>	<u>5,300,579</u>	<u>12,395,447</u>	<u>7,094,867</u>
Other financing sources (uses)				
Proceeds from sale of fixed assets	100,000	229,168	141,966	(87,202)
Transfers in			337,167	337,167
Transfers out	<u>(10,962,244)</u>	<u>(12,313,818)</u>	<u>(12,318,220)</u>	<u>(4,402)</u>
Total other financing sources (uses)	<u>(10,862,244)</u>	<u>(12,084,650)</u>	<u>(11,839,087)</u>	<u>245,563</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,404,584)</u>	<u>\$ (6,784,071)</u>	<u>\$ 556,360</u>	<u>\$ 7,340,430</u>

El Paso County, Colorado  
ROAD & BRIDGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
For the year ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,278,290	\$ 7,299,346	\$ 7,273,309	\$ (26,037)
Intergovernmental				
Payment in lieu of taxes	60,000	60,000	69,794	9,794
U.S. Forest Service/Mineral Leasing	14,600	14,600	14,202	(398)
Highway users tax	9,000,000	9,000,000	7,984,079	(1,015,921)
Additional motor vehicle registration	550,000	550,000	568,112	18,112
Federal reimbursements		1,490,745	860,852	(629,893)
Local revenue	10,000	10,000	7,469	(2,531)
Sale of Materials (BLM)			362	362
Taylor Grazing Act	5,000	5,000		(5,000)
Total intergovernmental	<u>9,639,600</u>	<u>11,130,345</u>	<u>9,504,870</u>	<u>(1,625,475)</u>
Charges for services	<u>10,000</u>	<u>39,847</u>	<u>83,292</u>	<u>43,445</u>
Interest	<u>100,000</u>	<u>100,000</u>	<u>261,592</u>	<u>161,592</u>
Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>9,868</u>	<u>3,868</u>
Total revenues	<u>17,033,890</u>	<u>18,575,538</u>	<u>17,132,931</u>	<u>(1,442,607)</u>
Expenditures				
Public works				
Salaries and benefits	7,574,112	7,973,636	6,939,500	1,034,136
Operations and contracts	4,623,279	7,719,664	4,926,808	2,792,856
Administration	719,957	984,295	785,721	198,574
Capital outlay	525,000	3,034,573	567,763	2,466,810
Payments to other governments	3,148,563	3,169,619	3,169,193	426
Treasurer's fees	31,804	31,804	32,228	(424)
Total expenditures	<u>16,622,715</u>	<u>22,913,591</u>	<u>16,421,213</u>	<u>6,492,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>411,175</u>	<u>(4,338,053)</u>	<u>711,718</u>	<u>5,049,771</u>
Other financing sources (uses)				
Proceeds from sale of fixed assets				
Transfers in				
Transfers out	<u>(34,746)</u>	<u>(62,475)</u>	<u>(62,475)</u>	
Total other financing sources (uses)	<u>(34,746)</u>	<u>(62,475)</u>	<u>(62,475)</u>	
NET CHANGE IN FUND BALANCES	<u>\$ 376,429</u>	<u>\$ (4,400,528)</u>	<u>\$ 649,243</u>	<u>\$ 5,049,771</u>

El Paso County, Colorado  
SOCIAL SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
For the year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,828,198	\$ 5,828,198	\$ 5,784,631	\$ (43,567)
Intergovernmental - Welfare	36,842,981	36,842,981	28,263,100	(8,579,881)
Charges for services	159,000	159,000	83,363	(75,637)
Miscellaneous	9,500	9,500	56,649	47,149
Total revenues	<u>42,839,679</u>	<u>42,839,679</u>	<u>34,187,743</u>	<u>(8,651,936)</u>
Expenditures				
Health and welfare				
County administration block grant	7,769,465	10,888,460	7,820,550	3,067,910
Temporary aid to needy families	9,073,435	7,698,588	7,341,888	356,700
Child welfare block grant	16,262,400	14,052,763	12,865,177	1,187,586
Child care block grant	1,763,199	1,309,959	1,272,761	37,198
Child Support Enforcement	4,944,400	4,720,620	4,214,134	506,486
Miscellaneous state grants	1,958,857	4,081,786	3,065,970	1,015,816
Local/county funding	1,799,123	818,703	598,651	220,052
Total health and welfare expenditures	<u>43,570,879</u>	<u>43,570,879</u>	<u>37,179,131</u>	<u>6,391,748</u>
Total expenditures	<u>43,570,879</u>	<u>43,570,879</u>	<u>37,179,131</u>	<u>6,391,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(731,200)</u>	<u>(731,200)</u>	<u>(2,991,388)</u>	<u>(2,260,188)</u>
Other financing sources (uses)				
Transfers in	1,400,000	2,800,000	2,800,000	
Transfers out	(768,800)	(768,800)	(692,408)	76,392
Total other financing sources (uses)	<u>631,200</u>	<u>2,031,200</u>	<u>2,107,592</u>	<u>76,392</u>
NET CHANGE IN FUND BALANCES	<u>\$ (100,000)</u>	<u>\$ 1,300,000</u>	<u>\$ (883,796)</u>	<u>\$ (2,183,796)</u>

THIS PAGE LEFT BLANK INTENTIONALLY



The County's Budget to Actual Schedules are compiled using a budget basis of accounting that compares the fund's actual activity as it relates to the Board approved budget for expenditures and revenues. This basis differs from the basis used in combining statements in the required supplementary information and the fund financial statements as they are compiled using generally accepted accounting principles which require various reclassifications and adjustments to the modified and full accrual accounting. The variances between the combining statements and fund financial statements to the budget to actual statements are shown in the Budget to GAAP reconciliation in the required supplementary information.

El Paso County, Colorado  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGET-TO-GAAP RECONCILIATION  
 For the year ended December 31, 2005

NOTE A - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS  
 AND GAAP REVENUES AND EXPENDITURES

	Capital Projects	Penrose Equestrian Center
<b>Sources/inflows of resources</b>		
Total revenues and other financing sources - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances - budget and actual	\$ 5,405,992	\$ 42,212
Interest earned on investments held for construction is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	2,404,983	
Issuance of certificates of participation and entering into capital lease obligations are not outflows for budgetary purposes but are other financing sources for financial reporting purposes		
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		(3,449,375)
Revenues are inflows for budgetary purposes but are not reported in an agency fund for financial reporting purposes		
Total operating revenues, nonoperating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	\$ 7,810,975	\$ (3,407,163)
<b>Uses/outflows of resources</b>		
Total expenditures and other financing uses - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances - budget and actual	\$ 5,153,406	\$ 740,560
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		
Capital outlays from debt proceeds are not outflows of budgetary resources but are expenditures for financial reporting purposes	40,681,696	
Compensated absences are not outflows of budgetary resources but are expenses for financial reporting purposes		29,855
Health claims incurred but not reported are not outflows of budgetary resources but are expenses for financial reporting purposes		
Expenditures are outflows for budgetary purposes but are not reported in an agency fund for financial reporting purposes		
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	\$ 45,835,102	\$ 710,705

<u>Solid Waste Management</u>	<u>Land Development Review</u>	<u>Self-Insurance Fund</u>	<u>Fleet Services Fund</u>	<u>Struther's Road</u>	<u>Rancho Road</u>	<u>Bradley Road</u>
\$ 793,738	\$ 2,665,389	\$ 14,927,025	\$ 5,718,863	\$ 193,532	\$ 180,519	\$ 163
			(162,603)			
			(143,241)			
		-	(838)	(193,532)	(180,519)	(163)
<u>\$ 793,738</u>	<u>\$ 2,665,389</u>	<u>\$ 14,927,025</u>	<u>\$ 5,413,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 614,002	\$ 1,220,543	\$ 18,855,523	\$ 6,718,189	\$ 145,049	\$ 2,661	\$ 5,311
		(77,173)	(2,037,788)			
28,781	34,076		1,555,712			
			(53,734)			
26,683	(27,001)					
		349,221				
		(28,650)		(145,049)	(2,661)	(5,311)
<u>\$ 616,100</u>	<u>\$ 1,281,620</u>	<u>\$ 18,457,779</u>	<u>\$ 6,289,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THIS PAGE LEFT BLANK INTENTIONALLY

## COMBINING STATEMENTS AND SCHEDULES

### SPECIAL REVENUE FUNDS

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

Contingency Fund – Accounts for the resources accumulated to fund emergencies, disasters, and other expenditures that could not have been reasonably foreseen at the time of the annual budget adoption. Accordingly, revenues and expenditures are not budgeted for this fund. Revenue is derived from General Fund transfers as needed.

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

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

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

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

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

District Attorney – This fund is used to account for the activities of the District Attorney.

El Paso County, Colorado  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2005

	Special Revenue				
	Contingency	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust	Economic Development
ASSETS					
Cash and investments	\$ 4,319,461	\$ 1,049,486	\$ 345,765	\$ 1,614,121	\$ 616,017
Taxes receivable			3,646,327		
Accounts receivable					270,783
Due from other funds			162,383		
Due from other governments					
Total assets	<u>\$ 4,319,461</u>	<u>\$ 1,049,486</u>	<u>\$ 4,154,475</u>	<u>\$ 1,614,121</u>	<u>\$ 886,800</u>
LIABILITIES					
Accounts payable	\$	\$ 38,840	\$	\$ 30,068	\$ 763,099
Due to other funds				90	
Deferred revenue			3,646,327		
Total liabilities		<u>38,840</u>	<u>3,646,327</u>	<u>30,158</u>	<u>763,099</u>
FUND BALANCES					
Reserved					
Declared emergencies	4,319,461				
Encumbrances		92,512		77,497	
Unreserved					
Designated for subsequent year's expenditures		498,205	388,590	40,760	100,000
Undesignated		419,929	119,558	1,465,706	23,701
Total fund balances	<u>4,319,461</u>	<u>1,010,646</u>	<u>508,148</u>	<u>1,583,963</u>	<u>123,701</u>
Total liabilities and fund balances	<u>\$ 4,319,461</u>	<u>\$ 1,049,486</u>	<u>\$ 4,154,475</u>	<u>\$ 1,614,121</u>	<u>\$ 886,800</u>

One Stop Job Center	District Attorney Offices of the Fourth Judicial Court	Total Nonmajor Governmental Funds
\$	\$ 156,844	\$ 8,101,694
		3,646,327
65		270,848
	126,744	289,127
937,481	448,898	1,386,379
<u>\$ 937,546</u>	<u>\$ 732,486</u>	<u>\$ 13,694,375</u>
\$ 254,484	\$ (9,669)	\$ 1,076,822
683,062	12,193	695,345
		3,646,327
<u>937,546</u>	<u>2,524</u>	<u>5,418,494</u>
		4,319,461
		170,009
	691,450	1,719,005
	38,512	2,067,406
	<u>729,962</u>	<u>8,275,881</u>
<u>\$ 937,546</u>	<u>\$ 732,486</u>	<u>\$ 13,694,375</u>

El Paso County, Colorado  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the year ended December 31, 2005

	Special Revenue			
	Contingency	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
Revenues				
Property taxes	\$	\$	\$ 3,124,852	\$
Other taxes			74,089	
Intergovernmental		1,189,294	298,099	1,002,508
Fees and fines		323,229		
Charges for services				
Investment earnings		5,596		52,389
Miscellaneous		7,898		
Total revenues		1,526,017	3,497,040	1,054,897
Expenditures				
Current				
General government			4,964,069	
Public safety		834,670		
Health and welfare				
Culture and recreation				907,851
Outside agencies				
Capital outlay		14,887		294,388
Total expenditures		849,557	4,964,069	1,202,239
Excess (deficiency) of revenues over (under) expenditures		676,460	(1,467,029)	(147,342)
Other financing sources (uses)				
Transfers in			1,446,409	
Transfers out				(36,750)
Total other financing sources (uses)			1,446,409	(36,750)
NET CHANGE IN FUND BALANCES		676,460	(20,620)	(184,092)
Unadjusted Fund balances - January 1	4,319,461	314,186	528,768	1,768,055
Prior Period Adjustment		20,000		
Adjusted Fund balances - January	4,319,461	334,186	528,768	1,768,055
Fund balances - December 31	\$ 4,319,461	\$ 1,010,646	\$ 508,148	\$ 1,583,963



Economic Development	One Stop Job Center	District Attorney Offices of the Fourth Judicial District	Total Nonmajor Governmental Funds
\$	\$	\$	\$
			3,124,852
12,500	7,068,479	456,340	74,089
		155,000	10,027,220
3,481			478,229
			3,481
			57,985
3,609,375	35,924		3,653,197
3,625,356	7,104,403	611,340	17,419,053
4,688,344			9,652,413
		9,292,722	10,127,392
	6,939,181		6,939,181
			907,851
	165,222		474,497
4,688,344	7,104,403	9,292,722	28,101,334
(1,062,988)		(8,681,382)	(10,682,281)
		8,890,270	10,336,679
		(21,394)	(58,144)
		8,868,876	10,278,535
(1,062,988)		187,494	(403,746)
1,186,689		542,468	8,659,627
			20,000
1,186,689		542,468	8,679,627
\$ 123,701	\$	\$ 729,962	\$ 8,275,881

THIS PAGE LEFT BLANK INTENTIONALLY

## COMBINING STATEMENTS AND SCHEDULES

### INTERNAL SERVICES FUNDS

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

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

Fleet Services Fund – Fleet Services' objective is to maximize vehicle and equipment availability for service and to minimize costs to the County. This includes regular preventative maintenance, vehicle replacement, sale of unneeded or past useful life of equipment, and maintaining an adequate fleet inventory.

### ENTERPRISE FUNDS

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

Penrose Equestrian Center (fund closed in 2005) – Penrose Equestrian Center Fund was established to account for an outdoor/indoor arena and horse boarding facility. The center provided recreational and show event facilities for the citizens of El Paso County.

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

Land Development Review – The Land Development Review Fund was established to collect and account for land development fees and charges and is governed by the Planning Commission which was formed in accordance with State law and County regulations to review planning petitions and make recommendations to the Board of County Commissioners on land use requests. Functions of the Commission include the preparation of a Master Plan and Zoning Plan as a framework for the guidance of individual zoning and subdivision decisions for any part of the unincorporated areas of the County.

El Paso County, Colorado  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
December 31, 2005

ASSETS	Penrose Equestrian Center	Solid Waste Management	Land Development Review	Totals
Current assets				
Cash and investments	\$	\$ 1,029,994	\$ 2,894,988	\$ 3,924,982
Receivables				
Accounts		173,644	29,057	202,701
Due from other funds			134,189	134,189
Intergovernmental			19,989	19,989
Total current assets		1,203,638	3,078,223	4,281,861
Noncurrent assets				
Capital assets, net of accumulated depreciation		972,548	101,884	1,074,432
Total assets	\$	\$ 2,176,186	\$ 3,180,107	\$ 5,356,293
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities				
Accounts payable	\$	\$ 19,645	\$ 36,481	\$ 56,126
Compensated absences		711	12,031	12,742
Deferred revenue			750	750
Due to other funds		4,211	13,346	17,557
Total current liabilities		24,567	62,608	87,175
Noncurrent liabilities				
Compensated absences		29,079	229,106	258,185
Total liabilities		53,646	291,714	345,360
 NET ASSETS				
Invested in capital assets, net of related debt		972,548	101,884	1,074,432
Unrestricted		1,149,992	2,786,509	3,936,501
Total net assets		2,122,540	2,888,393	5,010,933
Total liabilities and net assets	\$	\$ 2,176,186	\$ 3,180,107	\$ 5,356,293

El Paso County, Colorado  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
For the year ended December 31, 2005

	Penrose Equestrian Center	Solid Waste Management	Land Development Review	Totals
Operating revenues				
Charges for services	\$ 11,213	\$ 765,166	\$ 2,595,240	\$ 3,371,619
Operating expenses				
Personal services	64,451	211,173	420,233	695,857
Operating expenses	815	327,214	827,311	1,155,340
Depreciation		28,781	34,076	62,857
Administration	307,938	43,834		351,772
Total operating expenses	373,204	611,002	1,281,620	2,265,826
Operating income (loss)	(361,991)	154,164	1,313,620	1,105,793
Nonoperating revenues/expenses				
Investment earnings	30,999	27,804	70,149	128,952
Gain (loss) on sale of capital assets	(3,449,375)			(3,449,375)
Miscellaneous		768		768
Total nonoperating revenues/expenses	(3,418,376)	28,572	70,149	(3,319,655)
Income (loss) before contributions and transfers	(3,780,367)	182,736	1,383,769	(2,213,862)
Transfers out	(337,501)	(5,098)		(342,599)
Change in net assets	(4,117,868)	177,638	1,383,769	(2,556,461)
Net assets - January 1	4,117,868	1,944,902	1,504,624	7,567,394
Net assets - December 31	\$ 2,122,540	\$ 2,122,540	\$ 2,888,393	\$ 5,010,933

El Paso County, Colorado  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the year ended December 31, 2005

	Penrose Equestrian Center	Solid Waste Management	Land Development Review	Totals
Cash flows from operating activities				
Receipts from customers	\$ 16,604	\$ 773,778	\$ 2,579,817	\$ 3,370,199
Receipts from interfund services provided	500	500	218,484	219,484
Payments to suppliers	(301,401)	10,395	(400,319)	(691,325)
Payments to employees	(94,046)	(236,218)	(1,772,394)	(2,102,658)
Payments for interfund services used	(25,683)	(369,544)	894,903	499,676
Net cash provided by (used in) operating activities	(404,026)	178,911	1,520,491	1,295,376
Cash flows from noncapital financing activities				
Transfers out	(337,501)	(5,098)		(342,599)
Net cash used in noncapital financing activities	(337,501)	(5,098)		(342,599)
Cash flows from investing activities				
Interest received	30,999	27,804	70,149	128,952
Net cash provided by investing activities	30,999	27,804	70,149	128,952
Net increase (decrease) in cash and cash equivalents	(710,528)	201,617	1,590,640	1,081,729
Cash and cash equivalents - January 1	710,528	828,377	1,304,348	2,843,253
Cash and cash equivalents - December 31	\$	\$ 1,029,994	\$ 2,894,988	\$ 3,924,982

(Continued)

El Paso County, Colorado  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS - CONTINUED  
For the year ended December 31, 2005

	Penrose Equestrian Center	Solid Waste Management	Land Development Review	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (361,991)	\$ 154,164	\$ 1,313,620	\$ 1,105,793
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Miscellaneous revenue		768		768
Depreciation expense		28,781	34,076	62,857
(Increase) decrease in assets				
Accounts receivable	5,392	7,843	(7,083)	6,152
Intergovernmental receivables	500	500	210,144	211,144
Increase (decrease) in liabilities				
Accounts payable	(750)	10,396	(53,530)	(43,884)
Compensated absences	(29,855)	(26,682)	27,003	(29,534)
Due to other funds	(17,322)	3,141	(3,739)	(17,920)
Net cash provided by (used in) operating activities	<u>\$ (404,026)</u>	<u>\$ 178,911</u>	<u>\$ 1,520,491</u>	<u>\$ 1,295,376</u>

El Paso County, Colorado  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
December 31, 2005

	Self- Insurance Fund	Fleet Services Fund	Totals
ASSETS			
Current assets			
Cash and investments	\$ 5,609,133	\$ 377,259	\$ 5,986,392
Receivables			
Accounts receivable	155,562	21,208	176,770
Taxes	1,936,960		1,936,960
Intergovernmental receivable		377	377
Due from other funds	674,826	18,605	693,431
Prepaid expenses	19,000		19,000
Inventories		531,540	531,540
Total current assets	8,395,481	948,989	9,344,470
Noncurrent assets			
Capital assets, net of accumulated depreciation	48,523	8,622,919	8,671,442
Total assets	<u>\$ 8,444,004</u>	<u>\$ 9,571,908</u>	<u>\$ 18,015,912</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 970,584	\$ 179,905	\$ 1,150,489
Accrued liabilities	3,130,923		3,130,923
Compensated absences		1,035	1,035
Deferred revenue	1,936,960		1,936,960
Due to other funds	10,794	38,350	49,144
Total current liabilities	6,049,261	219,290	6,268,551
Noncurrent liabilities			
Compensated absences		303,544	303,544
Total liabilities	6,049,261	522,834	6,572,095
NET ASSETS			
Invested in capital assets, net of related debt	48,523	8,622,919	8,671,442
Unrestricted	2,346,220	426,155	2,772,375
Total net assets	2,394,743	9,049,074	11,443,817
Total liabilities and net assets	<u>\$ 8,444,004</u>	<u>\$ 9,571,908</u>	<u>\$ 18,015,912</u>



El Paso County, Colorado  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
For the year ended December 31, 2005

	<u>Self- Insurance Fund</u>	<u>Fleet Services Fund</u>	<u>Totals</u>
Operating revenues			
Charges for services	\$ 13,525,803	\$ 775,356	\$ 14,301,159
Operating expenses			
Insurance premiums	772,796		772,796
Claim settlements	13,831,757		13,831,757
Depreciation		1,555,712	1,555,712
Administration and operations	3,824,576	4,734,135	8,558,711
Total operating expenses	<u>18,429,129</u>	<u>6,289,847</u>	<u>24,718,976</u>
Operating loss	<u>(4,903,326)</u>	<u>(5,514,491)</u>	<u>(10,417,817)</u>
Nonoperating revenues/expenses			
Taxes	1,287,834	4,774,422	6,062,256
Loss on sale of fixed assets		(143,241)	(143,241)
Miscellaneous	113,388	6,482	119,870
Total nonoperating revenues/expenses	<u>1,401,222</u>	<u>4,637,663</u>	<u>6,038,885</u>
Income before transfers	<u>(3,502,104)</u>	<u>(876,828)</u>	<u>(4,378,932)</u>
Transfers in		838	838
Transfers out	<u>(28,650)</u>	<u>                    </u>	<u>(28,650)</u>
Change in net assets	<u>(3,530,754)</u>	<u>(875,990)</u>	<u>(4,406,744)</u>
Net assets - January 1	<u>5,925,497</u>	<u>9,925,064</u>	<u>15,850,561</u>
Net assets - December 31	<u>\$ 2,394,743</u>	<u>\$ 9,049,074</u>	<u>\$ 11,443,817</u>

El Paso County, Colorado  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the year ended December 31, 2005

	Self- Insurance Fund	Fleet Services Fund	Totals
Cash flows from operating activities			
Receipts from customers	\$ (18,793)	\$ 12,457	\$ (6,336)
Receipts from interfund services provided	13,207,047	765,776	13,972,823
Payments to suppliers	(5,767,330)	578,746	(5,188,584)
Payments to employees	(12,337,932)	(1,550,454)	(13,888,386)
Payments for interfund services used	(648,141)	(3,357,445)	(4,005,586)
Net cash used in operating activities	<u>(5,565,149)</u>	<u>(3,550,920)</u>	<u>(9,116,069)</u>
Cash flows from noncapital financing activities			
Taxes received	1,287,834	4,774,422	6,062,256
Transfers in/out	(28,650)		(28,650)
Net cash provided by noncapital financing activities	<u>1,259,184</u>	<u>4,774,422</u>	<u>6,033,606</u>
Cash flows from capital and related financing activities			
Proceeds from sales of fixed assets		162,603	162,603
Capital expenditures	(48,523)	(2,037,785)	(2,086,308)
Net cash used in capital and related financing activities	<u>(48,523)</u>	<u>(1,875,182)</u>	<u>(1,923,705)</u>
Net decrease in cash and cash equivalents	(4,354,488)	(651,680)	(5,006,168)
Cash and cash equivalents - January 1	<u>9,963,621</u>	<u>1,028,939</u>	<u>10,992,560</u>
Cash and cash equivalents - December 31	<u><u>\$ 5,609,133</u></u>	<u><u>\$ 377,259</u></u>	<u><u>\$ 5,986,392</u></u>

(Continued)

El Paso County, Colorado  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS - CONTINUED  
For the year ended December 31, 2005

	<u>Self- Insurance Fund</u>	<u>Fleet Services Fund</u>	<u>Totals</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (4,903,326)	\$ (5,514,491)	\$ (10,417,817)
Adjustments to reconcile operating loss to net cash used in operating activities			
Miscellaneous revenue	113,388	6,482	119,870
Depreciation expense		1,555,712	1,555,712
(Increase) decrease in assets			
Accounts receivable	(771,977)	5,598	(766,379)
Intergovernmental receivables		377	377
Due from other funds	(318,756)	(9,580)	(328,336)
Inventories		418,808	418,808
Increase (decrease) in liabilities			
Accounts payable	16,252	(75,755)	(59,503)
Accrued liabilities	(349,221)		(349,221)
Compensated absences		53,735	53,735
Due to other funds	8,695	8,194	16,889
Deferred revenue	639,796		639,796
	<u>639,796</u>	<u>418,808</u>	<u>639,796</u>
Net cash used in operating activities	<u>\$ (5,565,149)</u>	<u>\$ (3,550,920)</u>	<u>\$ (9,116,069)</u>

THIS PAGE LEFT BLANK INTENTIONALLY

## COMBINING STATEMENTS AND SCHEDULES

### PRIVATE-PURPOSE TRUST FUNDS

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

Park Fees – The Park Fees Fund was established by the Board of County Commissioners for park fees in lieu of land. Fees are collected from developers of new subdivisions to provide for the purchase and development of additional parks.

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

Urban Park – The Urban Park Fee Fund was established for the acquisition of urban park lands by El Paso County for future transfer to some other governmental entity for jurisdiction within the neighborhood or community planning unit from which the urban park fee was collected.

### AGENCY FUNDS

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

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

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

Bradley Road 1986-1 Agency Fund – Bradley road funds were issued for the purpose of financing the construction of street improvement for a portion of Bradley Road to include paving, drainage, water and sewer line installation.

Struther's Road Agency Fund – Struther's Road bonds were issued for construction and installation of improvements on a portion of Struther's Road.

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

El Paso County, Colorado  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
December 31, 2005

	Park Fees	School's Trust	Urban Park	Totals
<b>ASSETS</b>				
Cash and investments	\$ 2,723,998	\$ 335,801	\$ 800,106	\$ 3,859,905
Accounts receivable		6,105		6,105
Total assets	2,723,998	341,906	800,106	3,866,010
<b>LIABILITIES</b>				
Accounts payable	29,618			29,618
<b>NET ASSETS</b>				
Held in trust	\$ 2,694,380	\$ 341,906	\$ 800,106	\$ 3,836,392

El Paso County, Colorado  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
For the year ended December 31, 2005

	Park Fees	School's Trust	Urban Park	Totals
Additions				
Charges for services				
Park fees	\$ 648,212	\$	\$ 222,760	\$ 870,972
School fees		359,960		359,960
Total charges for services	<u>648,212</u>	<u>359,960</u>	<u>222,760</u>	<u>1,230,932</u>
Investment earnings	<u>73,213</u>		<u>19,591</u>	<u>92,804</u>
Total additions	<u>721,425</u>	<u>359,960</u>	<u>242,351</u>	<u>1,323,736</u>
Deductions				
Outside agencies	<u>399,767</u>	<u>259,422</u>		<u>659,189</u>
Change in net assets	321,658	100,538	242,351	664,547
Net assets - January 1	<u>2,372,722</u>	<u>241,368</u>	<u>557,755</u>	<u>3,171,845</u>
Net assets - December 31	<u>\$ 2,694,380</u>	<u>\$ 341,906</u>	<u>\$ 800,106</u>	<u>\$ 3,836,392</u>

El Paso County, Colorado  
 AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 December 31, 2005

	<u>Treasurer's</u>	<u>Public Trustee</u>	<u>Bradley Road 1986-1</u>	<u>Struther's Road</u>	<u>Rancho Colorado</u>	<u>Total</u>
ASSETS						
Cash and investments	<u>\$25,130,222</u>	<u>\$ 1,143,450</u>	<u>\$</u>	<u>\$ 170,940</u>	<u>\$ 183,931</u>	<u>\$26,628,543</u>
LIABILITIES						
Due to other governments	\$23,457,141	\$	\$	\$	\$	23,457,141
Escrow deposits held by trustee		530,601				530,601
Funds due to bondholders				170,940	183,931	354,871
Other	<u>1,673,081</u>	<u>612,849</u>				<u>2,285,930</u>
Total liabilities	<u>\$25,130,222</u>	<u>\$ 1,143,450</u>	<u>\$</u>	<u>\$ 170,940</u>	<u>\$ 183,931</u>	<u>\$26,628,543</u>



El Paso County, Colorado  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the year ended December 31, 2005

TREASURER'S AGENCY FUND

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
ASSETS				
Cash and investments	\$ 22,759,672	\$ 900,655,147	\$ 898,284,597	\$ 25,130,222
LIABILITIES				
Due to other governments	\$ 21,235,142	\$ 900,506,596	\$ 898,284,597	\$ 23,457,141
Other	1,524,530	148,551		1,673,081
Total liabilities	\$ 22,759,672	\$ 900,655,147	\$ 898,284,597	\$ 25,130,222

PUBLIC TRUSTEE AGENCY FUND

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
ASSETS				
Cash and investments	\$ 1,210,379	\$ 83,353,427	\$ 83,420,356	\$ 1,143,450
LIABILITIES				
Escrow deposits held by trustee	\$ 622,213	\$ 81,925,086	\$ 82,016,698	\$ 530,601
Other	588,166	1,428,341	1,403,658	612,849
Total liabilities	\$ 1,210,379	\$ 83,353,427	\$ 83,420,356	\$ 1,143,450

BRADLEY ROAD 1986-1 AGENCY FUND

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
ASSETS				
Cash and investments	\$ 5,148	\$ 163	\$ 5,311	\$
LIABILITIES				
Funds due to bondholders	\$ 5,148	\$ 163	\$ 5,311	\$

(Continued)

El Paso County, Colorado  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED  
 For the year ended December 31, 2005

STRUTHER'S ROAD AGENCY FUND

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
ASSETS				
Cash and investments	\$ 122,457	\$ 193,532	\$ 145,049	\$ 170,940
LIABILITIES				
Funds due to bondholders	\$ 122,457	\$ 193,532	\$ 145,049	\$ 170,940
Total Liabilities	\$ 122,457	\$ 193,532	\$ 145,049	\$ 170,940

RANCHO COLORADO AGENCY FUND

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
ASSETS				
Cash and investments	\$ 6,073	\$ 180,519	\$ 2,661	\$ 183,931
LIABILITIES				
Funds due to bondholders	\$ 6,073	\$ 180,519	\$ 2,661	\$ 183,931

TOTALS - ALL AGENCY FUNDS

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
ASSETS				
Cash and investments	\$ 24,103,729	\$ 984,382,788	\$ 981,551,932	\$ 26,628,543
LIABILITIES				
Accounts Payable				
Due to other governments	\$ 21,235,142	\$ 900,506,596	\$ 898,284,597	\$ 23,457,141
Escrow deposits held by trustee	622,213	81,925,086	82,016,698	530,601
Funds due to bondholders	133,678	374,214	153,021	354,871
Other	2,112,696	1,576,892	1,403,658	2,285,930
Total liabilities	\$ 24,103,729	\$ 984,382,788	\$ 981,551,932	\$ 26,628,543

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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,223,115	\$ 3,223,115	\$ 3,198,941	\$ (24,174)
Intergovernmental	294,442	329,199	298,099	(31,100)
Total revenues	<u>3,517,557</u>	<u>3,552,314</u>	<u>3,497,040</u>	<u>(55,274)</u>
Expenditures				
Employer contributions	4,854,851	4,916,975	4,916,975	
Treasurer fees	47,217	47,093	47,094	
Total expenditures	<u>4,902,068</u>	<u>4,964,068</u>	<u>4,964,069</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(1,384,511)</u>	<u>(1,411,754)</u>	<u>(1,467,029)</u>	<u>(55,274)</u>
Other financing sources				
Transfers in	<u>1,384,511</u>	<u>1,388,606</u>	<u>1,446,409</u>	<u>57,803</u>
Total other financing sources	<u>1,384,511</u>	<u>1,388,606</u>	<u>1,446,409</u>	<u>57,803</u>
NET CHANGE IN FUND BALANCES	<u>\$</u>	<u>\$ (23,148)</u>	<u>\$ (20,620)</u>	<u>\$ 2,529</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 1,002,508	\$ 2,508
Investment earnings			52,389	52,389
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,054,897</u>	<u>54,897</u>
Expenditures				
Culture and recreation	917,332	944,810	907,851	36,959
Capital outlay		406,089	294,388	111,701
Total expenditures	<u>917,332</u>	<u>1,350,899</u>	<u>1,202,239</u>	<u>148,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,668</u>	<u>(350,899)</u>	<u>(147,342)</u>	<u>203,557</u>
Other financing uses				
Transfers out	<u>(36,750)</u>	<u>(36,750)</u>	<u>(36,750)</u>	
Total other financing uses	<u>(36,750)</u>	<u>(36,750)</u>	<u>(36,750)</u>	
NET CHANGE IN FUND BALANCES	<u>\$ 45,918</u>	<u>\$ (387,649)</u>	<u>\$ (184,092)</u>	<u>\$ 203,557</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 9,500	\$ 9,500	\$ 12,500	\$ 3,000
Charges for services	65,450	65,450	3,481	(61,969)
Miscellaneous	1,243,550	3,551,406	3,609,375	57,969
Total revenues	<u>1,318,500</u>	<u>3,626,356</u>	<u>3,625,356</u>	<u>(1,000)</u>
Expenditures				
General government	<u>1,000,319</u>	<u>4,688,344</u>	<u>4,688,344</u>	
Total expenditures	<u>1,000,319</u>	<u>4,688,344</u>	<u>4,688,344</u>	
NET CHANGE IN FUND BALANCES	<u>\$ 318,181</u>	<u>\$ (1,061,988)</u>	<u>\$ (1,062,988)</u>	<u>\$ (1,000)</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 6,860,402	\$ 8,106,249	\$ 7,068,479	\$ (1,037,770)
Miscellaneous	5,000	5,000	35,924	30,924
Total revenues	<u>6,865,402</u>	<u>8,111,249</u>	<u>7,104,403</u>	<u>(1,006,846)</u>
Expenditures				
Health and welfare	6,865,402	7,945,949	6,939,181	1,006,768
Capital outlay		165,300	165,222	78
Total expenditures	<u>6,865,402</u>	<u>8,111,249</u>	<u>7,104,403</u>	<u>1,006,846</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 431,954	\$ 456,573	\$ 456,340	\$ (233)
Fees and fines		155,000	155,000	
Total revenues	<u>431,954</u>	<u>611,573</u>	<u>611,340</u>	<u>(233)</u>
Expenditures - General government	<u>9,473,594</u>	<u>9,480,427</u>	<u>9,292,722</u>	<u>187,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,041,640)</u>	<u>(8,868,854)</u>	<u>(8,681,382)</u>	<u>187,472</u>
Other financing sources (uses)				
Transfers in	9,041,640	8,890,270	8,890,270	
Transfers out		(21,416)	(21,394)	22
Total other financing sources (uses)	<u>9,041,640</u>	<u>8,868,854</u>	<u>8,868,876</u>	<u>22</u>
NET CHANGE IN FUND BALANCES	<u>\$</u>	<u>\$</u>	<u>\$ 187,494</u>	<u>\$ 187,494</u>



El Paso County, Colorado  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 For the year ended December 31, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,423,329	\$ 4,423,329	\$ 4,391,718	\$ (31,611)
Miscellaneous			592	592
Total revenues	<u>4,423,329</u>	<u>4,423,329</u>	<u>4,392,310</u>	<u>(31,019)</u>
Expenditures				
General government				
Purchased services	66,351	66,351	66,172	179
Debt service	4,956,337	4,976,087	4,976,266	(179)
Capital outlay		<u>776,000</u>	<u>110,968</u>	<u>665,032</u>
Total expenditures	<u>5,022,688</u>	<u>5,818,438</u>	<u>5,153,406</u>	<u>665,032</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(599,359)</u>	<u>(1,395,109)</u>	<u>(761,096)</u>	<u>634,013</u>
Other financing sources				
Proceeds from sale of fixed assets		1,013,682	1,013,682	
Total other financing sources		<u>1,013,682</u>	<u>1,013,682</u>	
NET CHANGE IN FUND BALANCES	<u>\$ (599,359)</u>	<u>\$ (381,427)</u>	<u>\$ 252,586</u>	<u>\$ 634,013</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, 2005

	<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	\$ 653,000	\$ 653,000	\$ 11,213	\$ (641,787)
Interest	7,000	7,000	30,999	23,999
Miscellaneous	15,000	15,000		(15,000)
Total revenues	<u>675,000</u>	<u>675,000</u>	<u>42,212</u>	<u>(632,788)</u>
Expenditures				
Salaries and benefits	462,740	94,308	94,306	2
Operations and contracts	103,110	308,045	307,938	107
Administration	105,090	815	815	
Total expenditures	<u>670,940</u>	<u>403,168</u>	<u>403,059</u>	<u>109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,060</u>	<u>271,832</u>	<u>(360,847)</u>	<u>(632,679)</u>
Other financing uses				
Transfers out	<u>(3,529)</u>	<u>(337,501)</u>	<u>(337,501)</u>	
Total other financing uses	<u>(3,529)</u>	<u>(337,501)</u>	<u>(337,501)</u>	
NET CHANGE IN FUND BALANCES	<u>\$ 531</u>	<u>\$ (65,669)</u>	<u>\$ (698,348)</u>	<u>\$ (632,679)</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Charges for services	\$ 640,000	\$ 640,000	\$ 765,166	\$ 125,166
Interest	7,000	7,000	27,804	20,804
Donations			768	768
	<u>647,000</u>	<u>647,000</u>	<u>793,738</u>	<u>146,738</u>
Total revenues				
Expenditures				
Personal services	223,538	243,538	237,856	5,682
Operating expenses	383,977	370,440	327,214	43,226
Administration	31,600	31,600	43,834	(12,234)
	<u>639,115</u>	<u>645,578</u>	<u>608,904</u>	<u>36,674</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	7,885	1,422	184,834	183,412
Other financing uses				
Transfers out	<u>(5,098)</u>	<u>(5,098)</u>	<u>(5,098)</u>	
Total other financing uses	<u>(5,098)</u>	<u>(5,098)</u>	<u>(5,098)</u>	
NET CHANGE IN FUND BALANCES	<u>\$ 2,787</u>	<u>\$ (3,676)</u>	<u>\$ 179,736</u>	<u>\$ 183,412</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, 2005

	<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	\$ 900,460	\$ 2,611,283	\$ 2,595,240	\$ (16,043)
Interest	11,000	11,000	70,149	59,149
Total revenues	<u>911,460</u>	<u>2,622,283</u>	<u>2,665,389</u>	<u>43,106</u>
Expenditures				
Personal services	1,813,352	532,340	393,232	139,108
Other Operating	(696,260)	1,028,237	827,311	200,926
Capital Outlay		526,190		526,190
Total expenditures	<u>1,117,092</u>	<u>2,086,767</u>	<u>1,220,543</u>	<u>866,224</u>
NET CHANGE IN FUND BALANCES	<u>\$ (205,632)</u>	<u>\$ 535,516</u>	<u>\$ 1,444,846</u>	<u>\$ 909,330</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 13,565,252	\$ 13,575,128	\$ 13,525,803	(49,325)
Taxes	1,297,164	1,297,164	1,287,834	(9,330)
Miscellaneous	20,000	20,000	113,388	93,388
Total revenues	<u>14,882,416</u>	<u>14,892,292</u>	<u>14,927,025</u>	<u>34,733</u>
Expenditures				
Claim settlements	13,680,742	14,118,109	14,191,976	(73,867)
Administration and operations	1,635,432	3,935,896	3,813,578	122,318
Insurance premiums	845,000	845,000	772,796	72,204
Capital		93,086	77,173	15,913
Total expenditures	<u>16,161,174</u>	<u>18,992,091</u>	<u>18,855,523</u>	<u>136,568</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,278,758)</u>	<u>\$ (4,099,799)</u>	<u>\$ (3,928,498)</u>	<u>\$ 171,301</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes	\$ 4,832,752	\$ 4,832,752	\$ 4,774,422	\$ (58,330)
Charges for services	315,200	739,180	775,356	36,176
Miscellaneous	10,000	10,000	6,482	(3,518)
Total revenues	<u>5,157,952</u>	<u>5,581,932</u>	<u>5,556,260</u>	<u>(25,672)</u>
Expenditures				
Administration and operations	3,816,009	4,552,967	4,960,499	(407,532)
Capital outlay	1,539,000	1,823,447	1,757,690	65,757
Total expenditures	<u>5,355,009</u>	<u>6,376,414</u>	<u>6,718,189</u>	<u>(341,775)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(197,057)</u>	<u>(794,482)</u>	<u>(1,161,929)</u>	<u>(367,447)</u>
Other financing sources				
Proceeds from sales of assets	125,000	125,000	162,603	37,603
Total other financing sources	<u>125,000</u>	<u>125,000</u>	<u>162,603</u>	<u>37,603</u>
NET CHANGE IN FUND BALANCES	<u>\$ (72,057)</u>	<u>\$ (669,482)</u>	<u>\$ (999,325)</u>	<u>\$ (329,843)</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, 2005

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$	\$	\$ 648,212	\$ 648,212
Interest	23,000	23,000	73,213	50,213
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>721,425</u>	<u>698,425</u>
Expenditures				
Outside agencies		586,643	399,767	186,876
Total expenditures		<u>586,643</u>	<u>399,767</u>	<u>186,876</u>
NET CHANGE IN FUND BALANCES	<u>\$ 23,000</u>	<u>\$ (563,643)</u>	<u>\$ 321,658</u>	<u>\$ 885,301</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, 2005

	<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	<u>\$</u>	<u>\$</u>	<u>\$ 359,960</u>	<u>\$ 359,960</u>
Total Revenues			<u>\$ 359,960</u>	<u>\$ 359,960</u>
Expenditures				
Outside agencies		<u>259,422</u>	<u>259,422</u>	
Total Expenditures		<u>259,422</u>	<u>259,422</u>	
NET CHANGE IN FUND BALANCES	<u><u>\$</u></u>	<u><u>\$ (259,422)</u></u>	<u><u>\$ 100,538</u></u>	<u><u>\$ 359,960</u></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, 2005

	<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	\$ 68,520	\$ 68,520	\$ 188,399	\$ 119,879
Interest	1,510	1,510	5,133	3,623
Total revenues	<u>70,030</u>	<u>70,030</u>	<u>193,532</u>	<u>123,502</u>
Expenditures				
Debt service	116,760	146,260	145,049	1,211
Total expenditures	<u>116,760</u>	<u>146,260</u>	<u>145,049</u>	<u>1,211</u>
NET CHANGE IN FUND BALANCES	<u>\$ (46,730)</u>	<u>\$ (76,230)</u>	<u>\$ 48,483</u>	<u>\$ 124,713</u>

El Paso County, Colorado  
RANCHO ROAD AGENCY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES BUDGET AND ACTUAL  
For the year ended December 31, 2005

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original / Final</u>	<u>Actual Amounts</u>	
Revenues			
Special assessments	\$ (176,003)	\$ 177,391	\$ 353,394
Interest		3,128	3,128
Total revenues	<u>(176,003)</u>	<u>180,519</u>	<u>356,522</u>
Expenditures			
Debt Service	<u>5,000</u>	<u>2,661</u>	<u>2,339</u>
Total expenditures	<u>5,000</u>	<u>2,661</u>	<u>2,339</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ (181,003)</u>	 <u>\$ 177,858</u>	 <u>\$ 358,861</u>

El Paso County, Colorado  
 BRADLEY ROAD AGENCY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES BUDGET AND ACTUAL  
 For the year ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 163</u>	<u>\$ 113</u>
Total revenues	<u>50</u>	<u>50</u>	<u>163</u>	<u>113</u>
Expenditures				
Debt service		<u>5,400</u>	<u>5,311</u>	<u>89</u>
Total expenditures		<u>5,400</u>	<u>5,311</u>	<u>89</u>
 NET CHANGE IN FUND BALANCES	 <u>\$ 50</u>	 <u>\$ (5,350)</u>	 <u>\$ (5,148)</u>	 <u>\$ 202</u>

THIS PAGE LEFT BLANK INTENTIONALLY

CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS

THIS PAGE LEFT BLANK INTENTIONALLY

El Paso County, Colorado  
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS  
 SCHEDULE BY SOURCE\*  
 December 31,2005

Governmental funds capital assets:

Land	\$ 14,069,596
Building	80,070,842
Improvements other than buildings	8,629,364
Infrastructure	62,010,486
Machinery and equipment	17,051,598
Furniture and fixtures	2,457,440
Computer equipment	12,703,979
Construction in progress	<u>79,822,815</u>
Total governmental funds capital assets	<u><u>\$ 276,816,120</u></u>

Investment in governmental funds capital assets by source:

General fund	\$ 39,517,867
Special Revenue fund	51,227,892
Capital Projects fund	147,639,411
Donations	<u>38,430,950</u>
Total governmental funds capital assets	<u><u>\$ 276,816,120</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, 2005

Function and activity	Land	Buildings	Improvements other than buildings	Infrastructure
<b>General government</b>				
Office of the Board	\$	\$	\$ 6,387	\$
Security			199,772	
Facilities management	13,012,621	14,578,436	1,383,259	
Environmental services				
HR - personnel				
Finance			88,433	
Information services		6,415,114	19,698	
County attorney				
Clerk and recorder				
Treasurer				
Assessor				
Public trustee			4,248	
Parking		3,445,890		
Total general government	<u>13,012,621</u>	<u>24,439,440</u>	<u>1,701,797</u>	
<b>Public Safety</b>				
Sheriff				
Sheriff operation		1,820,264	192,216	
Commissary				
Jail		5,817,506		
District attorney				
Judicial building		9,715,219		
Criminal justice center		15,975,910	1,054,691	
Sheriff Special Investigation				
Total public safety		<u>33,328,899</u>	<u>1,246,907</u>	
<b>Public Works</b>				
Department of transportation	<u>554,810</u>	<u>8,486,461</u>	<u>2,715,553</u>	<u>62,010,486</u>
<b>Health and welfare</b>				
Department of human services		4,982,081	46,998	
Coroner		851,620	100,900	
Health department		4,065,600		
One Stop Job Center			113,493	
Total health and welfare		<u>9,899,301</u>	<u>261,391</u>	
<b>Culture and recreation</b>				
Parks	<u>502,165</u>	<u>3,916,741</u>	<u>2,703,716</u>	
Total governmental funds capital assets	<u>\$ 14,069,596</u>	<u>\$ 80,070,842</u>	<u>\$ 8,629,364</u>	<u>\$ 62,010,486</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.



Maintenance, transportation and communication equipment	Furniture and fixtures	Computer equipment	Construction in progress	Total
\$	\$	\$	\$	\$
		8,843		6,387
384,835	91,305	45,293	5,751,706	208,615
		18,013		35,247,455
	6,676	83,405		18,013
	20,002	420,413		90,081
7,853,123	289,487	8,597,306	245,282	528,848
		8,428		23,420,010
155,055	729,373	1,124,088		8,428
13,000		132,809		2,008,516
	71,550	96,447		145,809
		222,170		167,997
				226,418
				3,445,890
<u>8,406,013</u>	<u>1,208,393</u>	<u>10,757,215</u>	<u>5,996,988</u>	<u>65,522,467</u>
5,280,919	426,738	864,976		8,585,113
505,933				505,933
				5,817,506
81,995		91,907		173,902
			35,103,574	44,818,793
			37,590,433	54,621,034
690,471				690,471
<u>6,559,318</u>	<u>426,738</u>	<u>956,883</u>	<u>72,694,007</u>	<u>115,212,752</u>
<u>1,822,799</u>	<u>270,281</u>	<u>215,488</u>	<u>1,024,971</u>	<u>77,100,849</u>
134,939	319,212	249,846		5,733,076
58,443	216,772	257,283		1,485,018
				4,065,600
23,022	9,244	241,134		386,893
<u>216,404</u>	<u>545,228</u>	<u>748,263</u>		<u>11,670,587</u>
<u>47,064</u>	<u>6,800</u>	<u>26,130</u>	<u>106,849</u>	<u>7,309,465</u>
<u>\$ 17,051,598</u>	<u>\$ 2,457,440</u>	<u>\$ 12,703,979</u>	<u>\$ 79,822,815</u>	<u>\$ 276,816,120</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, 2005

Function and activity	Governmental Funds Capital Assets January 1, 2005	Additions	Deletions	Governmental Funds Capital Assets December 31, 2005
<b>General government</b>				
Office of the Board	\$ 6,387	\$	\$	\$ 6,387
Security	208,615			208,615
Facilities management	29,717,130	5,530,325		35,247,455
Environmental services	18,013			18,013
HR - personnel	90,081			90,081
Finance	624,057		95,209	528,848
Information Services	22,366,395	1,672,271	618,656	23,420,010
County attorney	8,428			8,428
Clerk and recorder	2,023,180	44,261	58,925	2,008,516
Treasurer	148,492	106,244	108,927	145,809
Assessor	167,997			167,997
Public trustee	221,245	5,173		226,418
Parking	3,445,890			3,445,890
Total general government	<u>59,045,910</u>	<u>7,358,274</u>	<u>881,717</u>	<u>65,522,467</u>
<b>Public Safety</b>				
Sheriff				
Sheriff Operation	7,015,514	1,606,678	37,079	8,585,113
Commissary	505,933			505,933
Jail	5,817,506			5,817,506
District attorney	184,215	20,577	30,890	173,902
Judicial building	12,544,082	32,274,711		44,818,793
Criminal justice center	53,133,743	3,072,341	1,585,050	54,621,034
Sheriff Special Investigation	675,584	14,887		690,471
Total public safety	<u>79,876,577</u>	<u>36,989,194</u>	<u>1,653,019</u>	<u>115,212,752</u>
<b>Public works</b>				
Department of transportation	<u>67,155,847</u>	<u>10,052,051</u>	<u>107,049</u>	<u>77,100,849</u>
<b>Health and welfare</b>				
Department of human services	5,743,874		10,798	5,733,076
Coroner	1,485,018			1,485,018
Health department	4,065,600			4,065,600
One Stop Job Center	221,671	165,222		386,893
Total health and welfare	<u>11,516,163</u>	<u>165,222</u>	<u>10,798</u>	<u>11,670,587</u>
<b>Culture and recreation</b>				
Parks	<u>7,015,077</u>	<u>294,388</u>		<u>7,309,465</u>
Total governmental funds capital assets	<u>\$ 224,609,574</u>	<u>\$ 54,859,129</u>	<u>\$ 2,652,583</u>	<u>\$ 276,816,120</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

**El Paso County  
Human Services Fund  
Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures  
For Year ending December 31, 2005**

Program	A EBT Authorizations	B County Share of EBT Auth.	C Expenditures by Warrant	D EBT plus Warrant Exp	E Total County Expenditures
Old Age Pension	\$ 5,178,376	\$ 13,316	\$ -	\$ 5,178,376	\$ 13,316
LEAP	\$ 4,410,741	\$ -	\$ 343,082	\$ 4,753,823	\$ 343,082
TANF	\$ 12,941,735	\$ 2,189,085	\$ 5,152,803	\$ 18,094,538	\$ 7,341,888
Administration	\$ -	\$ -	\$ 8,667,157	\$ 8,667,157	\$ 8,667,157
Child Welfare	\$ 30,990,134	\$ 5,913,836	\$ 6,209,449	\$ 37,199,583	\$ 12,123,285
Core Services	\$ 4,334,574	\$ 632,747	\$ 109,144	\$ 4,443,718	\$ 741,891
AND	\$ 1,741,047	\$ 268,340	\$ 138,911	\$ 1,879,958	\$ 407,251
IV-D Administration	\$ -	\$ -	\$ 4,214,134	\$ 4,214,134	\$ 4,214,134
Child Care	\$ 9,119,547	\$ 861,579	\$ 411,182	\$ 9,530,729	\$ 1,272,761
Miscellaneous	\$ -	\$ -	\$ 62,429	\$ 62,429	\$ 62,429
Grants/Other ***	\$ -	\$ -	\$ 2,684,345	\$ 2,684,345	\$ 2,684,345
Sub-Total	\$ 68,716,154	\$ 9,878,903	\$ 27,992,636	\$ 96,708,790	\$ 37,871,539
Food Assistance	\$ 41,599,966	\$ -	\$ -	\$ 41,599,966	
Grand Total	\$ 110,316,120	\$ 9,878,903	\$ 27,992,636	\$ 138,308,756	\$ 37,871,539

- A. EBT Authorizations reflect Human Services payments authorized by El Paso County and paid by CDHS.
- B. County Share of EBT Transactions are reported as a reduction of State cash advances to the County
- C. Expenditures by warrant reflects cash disbursements from the County
- D. EBT Authorizations (A) plus Warrants (C) reflects the total State, Federal and County participation in Human Services programs and recorded on a Cash Basis in the State Financial System (CFMS)
- E. Total County Expenditures reflects the net disbursements by warrant (C) plus County Share of EBTs (B) and recorded on a Modified Accrual Basis in the County Financial System
- \*\*\* Grants/Other reflect expenditures in the County Financial System Only

THIS PAGE LEFT BLANK INTENTIONALLY

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: El Paso County
		YEAR ENDING : December 2005
This Information From The Records Of (example - City of _ or County of El Paso County Financial Services Department)	Prepared By: Phone:	Sherri Cassidy, Budget Manager 719-520-6461

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,313,622
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,335,400
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,490,680
2. General fund appropriations	1,625,043	b. Snow and ice removal	1,749,186
3. Other local imposts (from page 2)	12,731,795	c. Other	3,201,422
4. Miscellaneous local receipts (from page 2)	286,112	d. Total (a. through c.)	6,441,288
5. Transfers from toll facilities		4. General administration & miscellaneous	3,430,642
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	23,520,952
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	14,642,950	b. Redemption	
<b>B. Private Contributions</b>	29,847	c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	8,552,191	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	945,209	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	24,170,196	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	23,520,952

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	8,456,898	24,170,196	23,520,952	9,106,142	0

**Notes and Comments:**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2005	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	7,278,620	a. Interest on investments	261,592
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	53,445	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,399,730	g. Other Misc. Receipts	24,367
6. Total (1. through 5.)	5,453,175	h. Other	153
c. Total (a. + b.)	12,731,795	i. Total (a. through h.)	286,112
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	7,984,079	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	14,202
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	568,112	d. Federal Transit Admin	860,852
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	70,155
f. Total (a. through e.)	568,112	g. Total (a. through f.)	945,209
4. Total (1. + 2. + 3.f)	8,552,191	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		206,497	206,497
b. Engineering Costs		1,777,857	1,777,857
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		6,329,268	6,329,268
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		6,329,268	6,329,268
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		8,313,622	8,313,622
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

THIS PAGE LEFT BLANK INTENTIONALLY



### III. STATISTICAL SECTION

THIS PAGE LEFT BLANK INTENTIONALLY

**Schedule 1**  
**El Paso County**  
**Net Assets by Component**  
**Last Three Fiscal Years**

	<b>Fiscal Year</b>		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 118,535,632	\$ 127,978,967	\$ 135,624,461
Restricted	8,260,460	7,173,760	5,652,345
Unrestricted	29,940,093	30,101,673	27,478,459
Total governmental activities net assets	<u>\$ 156,736,185</u>	<u>\$ 165,254,400</u>	<u>\$ 168,755,265</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 17,823,736	\$ 4,586,665	\$ 1,074,432
Unrestricted	3,251,954	2,964,582	4,283,617
Total business-type activities net assets	<u>\$ 21,075,690</u>	<u>\$ 7,551,247</u>	<u>\$ 5,358,049</u>
Primary government			
Invested in capital assets, net of related debt	\$ 136,359,368	\$ 132,565,632	\$ 136,698,893
Restricted	8,260,460	7,173,760	5,652,345
Unrestricted	33,192,047	33,066,255	31,762,076
Total primary government net assets	<u>\$ 177,811,875</u>	<u>\$ 172,805,647</u>	<u>\$ 174,113,314</u>

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

Schedule 2  
El Paso County  
Changes in Net Assets, Last Three Fiscal Years

	Fiscal Year		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Expenses</b>			
Governmental activities:			
General government	\$ 47,747,062	\$ 49,900,240	\$ 53,148,164
Public Safety	58,328,018	58,589,412	63,502,622
Public Works	15,586,001	13,936,364	17,441,950
Health and Welfare	57,633,160	51,108,682	52,030,311
Culture and recreation	3,290,235	2,984,955	3,293,236
Auxiliary services	390,897	348,134	461,330
Interest on long-term debt	4,577,409	4,244,308	4,665,637
Total governmental activities expenses	<u>187,552,782</u>	<u>181,112,095</u>	<u>194,543,250</u>
Business-type activities:			
Equestrian center	870,650	821,267	373,204
County Fair	397,710	390,042	0
Arts facility	1,432,876	13,921,652	0
Waste management	617,281	547,995	611,002
Land Development	240,416	829,191	1,293,983
Total business-type activities expenses	<u>3,558,933</u>	<u>16,510,147</u>	<u>2,278,189</u>
Total primary government expenses	<u>\$ 191,111,715</u>	<u>\$ 197,622,242</u>	<u>\$ 196,821,439</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 17,562,445	\$ 15,363,829	\$ 16,823,845
Public safety	2,070,767	2,354,944	2,961,540
Public works	2,609,072	127,994	99,519
Health and Welfare	289,178	133,268	392,601
Culture and recreation	120,708	145,294	419,361
Outside agencies	0	136,317	3,546
Operating grants and contributions	51,577,164	48,826,210	52,447,436
Capital grants and contributions	15,923,473	13,263,876	8,670,183
Total governmental activities program revenues	<u>90,152,807</u>	<u>80,351,732</u>	<u>81,818,031</u>

Business-type activities:			
Charges for services:			
Equestrian center	638,155	572,679	11,213
County Fair	207,759	208,660	0
Arts facility	929,615	784,586	0
Waste management	661,720	708,886	765,166
Land Development	804,197	948,010	2,595,240
Operating grants and contributions	27,000	18,000	0
Total business-type activities program revenues	<u>3,268,446</u>	<u>3,240,821</u>	<u>3,371,619</u>
Total primary government program revenues	<u>\$ 93,421,253</u>	<u>\$ 83,592,553</u>	<u>\$ 85,189,650</u>

**Net (Expense) Revenue**

Governmental activities	\$ (97,399,975)	\$ (100,760,363)	\$ (112,725,219)
Business-type activities	<u>(97,690,462)</u>	<u>(13,269,326)</u>	<u>1,093,430</u>
Total primary government net expense	<u>\$ (195,090,437)</u>	<u>\$ (114,029,689)</u>	<u>\$ (111,631,789)</u>

**General Revenues and Other Changes in Net Assets**

Governmental activities:			
Taxes			
Property taxes	\$ 34,134,150	\$ 32,452,212	\$ 33,625,151
Sales taxes	60,324,356	64,372,866	67,839,928
Other taxes	9,419,579	10,356,101	9,184,443
Investment earnings	1,492,800	1,770,007	4,433,373
Gain/Loss on sale of capital assets	118,175	30,417	1,140,837
Transfers	<u>(413,343)</u>	<u>296,975</u>	<u>(17,648)</u>
Total governmental activities	<u>105,075,717</u>	<u>109,278,578</u>	<u>116,206,084</u>

Business-type activities:			
Investment earnings	30,085	41,858	128,952
Loss on sale of capital assets			(3,433,228)
Transfers	<u>413,343</u>	<u>(296,975)</u>	<u>17,648</u>
Total business-type activities	<u>443,428</u>	<u>(255,117)</u>	<u>(3,286,628)</u>
Total primary government	<u>\$ 105,519,145</u>	<u>\$ 109,023,461</u>	<u>\$ 112,919,456</u>

**Change in Net Assets**

Governmental activities	\$ 7,675,742	\$ 8,518,215	\$ 3,480,865
Business-type activities	<u>(97,247,034)</u>	<u>(13,524,443)</u>	<u>(2,193,198)</u>
Total primary government	<u>\$ (89,571,292)</u>	<u>\$ (5,006,228)</u>	<u>\$ 1,287,667</u>

Data source:  
Statement of Activities  
El Paso County Financial Statements

**Schedule 3**  
**El Paso County**  
**Fund Balances, Governmental Funds,**  
**Last Three Fiscal Years**

	<b>Fiscal Year</b>		
	<u><b>2003</b></u>	<u><b>2004</b></u>	<u><b>2005</b></u>
General Fund			
Reserved	\$ 1,559,837	\$ 834,885	\$ 1,075,248
Unreserved	15,794,157	17,939,715	18,255,711
Total general fund	<u>\$ 17,353,994</u>	<u>\$ 18,774,600</u>	<u>\$ 19,330,959</u>
All Other Governmental Funds			
Reserved	\$ 76,377,714	\$ 54,429,269	\$ 18,295,204
Unreserved, reported in:			
Special revenue funds	12,557,702	12,861,205	11,138,582
Capital projects funds	3,699,095	2,863,497	2,077,759
Debt service funds			
Total all other governmental funds	<u>\$ 109,988,505</u>	<u>\$ 88,928,571</u>	<u>\$ 50,842,504</u>

Data source:  
Governmental Funds Balance Sheet  
El Paso County Financial Statements

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Revenues</b>										
Property taxes	\$ 31,447,516	\$ 33,073,152	\$ 28,301,314	\$ 31,881,652	\$ 34,414,074	\$ 30,925,258	\$ 24,764,323	\$ 34,134,150	\$ 32,452,212	\$ 33,625,151
Sales taxes	43,985,887	44,972,364	48,081,408	52,317,559	58,415,299	61,666,586	60,214,529	60,324,356	64,372,866	67,839,928
Other taxes	3,822,314	4,069,417	4,666,970	5,297,249	5,293,623	5,684,220	10,435,135	9,419,579	10,356,101	9,184,444
Intergovernmental	97,141,909	72,340,208	57,746,128	61,525,576	71,490,405	72,219,198	55,080,511	57,464,012	51,017,932	52,479,434
Fees and fines	351,227	389,331	381,323	213,382	276,355	285,260	832,409	631,149	592,879	842,382
Licenses and permits	2,032,054	2,133,101	2,214,668	2,514,316	2,706,926	2,766,930	121,301	148,948	266,889	320,994
Charges for services	9,922,280	10,342,439	12,930,445	13,765,291	13,352,044	16,267,961	14,283,695	17,606,093	15,538,738	16,786,843
Investment earnings	3,797,580	4,270,838	3,927,129	3,444,110	5,572,011	3,817,483	1,325,299	1,485,815	1,783,878	4,428,366
Miscellaneous	4,372,349	4,202,622	6,194,318	4,073,122	6,012,791	5,737,042	2,986,624	3,050,488	4,292,448	5,432,838
Total revenues	196,873,116	175,793,472	164,443,703	175,032,257	197,533,528	199,369,938	170,043,826	184,264,590	180,673,943	190,940,380
<b>Expenditures</b>										
<b>Current</b>										
General government	35,270,271	36,778,459	40,337,033	42,423,756	44,322,211	48,164,585	53,926,618	43,835,780	46,075,565	49,601,464
Public safety	25,126,285	30,349,360	34,915,626	36,865,296	38,246,793	41,722,918	43,564,117	53,453,463	54,051,253	60,319,755
Public works	19,196,166	19,451,419	20,082,091	21,398,459	28,171,087	23,433,218	14,982,192	13,731,408	12,858,711	13,105,527
Health and welfare	96,454,424	68,923,221	52,141,410	52,918,360	63,185,698	62,817,472	54,149,719	56,031,953	49,884,332	50,630,532
Culture and recreation							2,738,749	2,819,973	2,456,732	2,928,470
Outside agencies	1,333,328	3,391,434	3,209,904	2,478,130	2,435,445	1,243,792				
Auxiliary services	3,958,234	4,644,805	4,710,624	4,697,579	5,355,459	5,176,635	528,567	581,881	335,263	345,991
<b>Debt service</b>										
Principal	2,744,344	4,024,876	43,362	63,210	809,810	1,324,436	1,617,938	1,743,693	1,225,000	2,555,000
Interest and other charges							582,987	4,584,467	4,584,989	4,648,895
Issuance costs							1,652,925		183,888	
Capital Outlay	11,038,315	9,302,448	10,968,948	10,844,121	13,619,283	12,245,687	14,972,896	27,769,819	36,200,625	46,409,060
Total expenditures	195,121,367	176,866,022	166,408,998	171,688,911	196,145,786	196,128,743	188,716,708	204,552,437	207,856,358	230,544,694
Excess of revenues over(under) expe	1,751,749	(1,072,550)	(1,965,295)	3,343,346	1,387,742	3,241,195	(18,672,882)	(20,287,847)	(27,182,415)	(39,604,314)
<b>Other Financing Sources (Uses)</b>										
Refund of bond issuance costs								33,861	(645,716)	
Certificates of participation issued							84,975,000		6,970,000	
Premium on certificates of participation							1,607,413		46,576	
Capital lease financing		180,285		10,557,685		279,437	395,719			
Proceeds from sale of fixed assets	1,535,572	759,131	49,990	300,851	334,478	1,300,575	38,101	119,364	55,115	1,155,648
Transfers in	3,864,459	7,821,414	10,799,198	9,720,367	12,793,655	12,291,171	10,491,140	11,254,281	12,234,379	13,473,846
Transfers out	(3,864,459)	(7,821,414)	(10,799,198)	(9,720,367)	(12,793,655)	(12,252,624)	(14,290,879)	(11,376,514)	(12,537,873)	(13,131,247)
Assumption of deficit fund balance by internal service fund										
Total other financing sources (uses)	1,535,572	939,416	49,990	10,858,536	334,478	1,618,559	83,216,494	30,992	6,122,481	1,498,247
Net change in fund balances	\$ 3,287,321	\$ (133,134)	\$ (1,915,305)	\$ 14,201,882	\$ 1,722,220	\$ 4,859,754	\$ 64,543,612	\$ (20,256,855)	\$ (21,059,934)	\$ (38,106,067)
Debt service as a percentage of noncapital expenditures	1.5%	2.4%	0.04%	0.04%	0.4%	0.7%	2.2%	3.6%	3.6%	3.6%

Data Source:  
El Paso County Financial Statements

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

Assessment Year Ended December 31,	Payable in Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Oil and Gas	Public Utilities	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1995	1996	\$ 181,350,990	\$ 1,446,242,840	\$ 747,750,530	\$ 208,926,440	\$ 14,878,000	\$ 3,110,000	\$ 132,990	\$ 140,911,100	\$ 884,540,310	\$ 1,858,762,580	11.405
1996	1997	169,860,590	1,497,788,310	803,602,220	240,272,290	14,714,040	3,424,650	95,770	158,772,700	914,879,550	1,973,651,020	11.405
1997	1998	227,231,550	1,729,685,990	1,088,181,700	321,862,380	14,964,700	3,939,420	93,860	179,044,100	914,879,550	2,650,124,150	9.430
1998	1999	216,879,380	1,800,994,280	1,131,151,030	332,188,760	15,829,170	4,086,280	93,860	182,423,300	998,991,730	2,684,654,330	9.430
1999	2000	259,604,200	2,062,108,100	1,248,914,180	356,777,920	15,528,770	4,597,560	0	195,542,100	717,535,380	3,425,537,450	8.339
2000	2001	239,694,050	2,161,401,520	1,319,055,820	343,138,320	9,625,080	5,037,600	0	192,377,800	1,090,699,030	3,179,631,160	8.339
2001	2002	302,075,500	2,403,130,940	1,529,818,180	368,301,950	10,844,990	5,438,030	0	201,121,000	1,171,535,730	3,649,194,860	7.821
2002	2003	285,479,270	2,527,692,430	1,566,835,300	415,302,620	11,230,610	5,356,810	0	252,852,100	1,195,377,570	3,869,371,570	7.880
2003	2004	304,921,310	2,420,184,700	1,586,881,330	352,325,230	12,189,850	5,174,850	0	224,088,900	1,177,685,410	3,728,080,760	7.947
2004	2005	281,213,190	2,515,131,740	1,624,789,480	325,357,000	13,713,710	7,516,620	0	248,252,200	1,232,798,230	3,783,175,710	8.012
2005	2006	335,975,160	2,892,970,890	1,723,592,810	308,133,320	14,523,730	7,566,860	0	241,063,500	1,264,464,180	4,259,362,090	7.673

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



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

Taxes Payable	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Assessment Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
County direct rates											
General	2.905	2.767	2.527	2.527	2.793	2.814	3.167	2.864	2.923	2.995	2.599
Abatement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.059	0.067	0.065	0.057
Road & Bridge	3.602	3.602	2.931	2.931	2.350	2.350	1.842	1.582	1.582	1.582	1.582
Social Services	2.573	2.511	2.112	2.112	1.687	1.687	1.324	1.204	1.454	1.319	1.319
Capital	0.400	0.825	0.800	0.800	0.707	0.707	0.660	1.443	0.893	1.023	0.963
Insurance	0.100	0.100	0.100	0.100	0.021	0.000	0.000	0.000	0.300	0.300	0.400
Retirement	0.925	1.100	0.960	0.960	0.781	0.781	0.728	0.728	0.728	0.728	0.753
Debt Service	0.900	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fleet	0.000	0.000	0.000	0.000	0.000	0.000	0.100	0.000	0.000	0.000	0.000
City and town rates											
Calhan	16.503	17.563	16.059	17.058	17.248	17.563	16.856	17.307	17.563	17.563	17.525
Colorado Springs	6.590	6.439	5.607	5.607	5.323	5.323	5.032	5.032	4.944	4.944	4.944
Fountain	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	14.588	14.588	14.588	14.588	14.588	14.588	14.588	14.588	14.588
Manitou Springs	13.850	13.850	16.253	16.850	15.981	15.981	17.836	18.277	17.368	17.836	17.284
Monument	10.425	10.633	9.000	8.920	7.607	7.042	6.407	6.469	6.454	6.408	5.872
Palmer Lake	19.237	19.237	14.325	14.310	12.909	24.560	19.442	20.038	21.536	21.753	19.070
Ramah	19.827	19.585	15.847	19.827	19.827	19.827	19.827	19.827	19.827	19.827	19.827
Fire Protection Districts	1.927-12.807	1.766-11.144	1.944-9.672	1.944-9.500	1.944-10.341	1.944-9.500	1.865-10.466	1.899-10.797	2.139-10.842	0.467-12.813	2.130-12.527
Sanitation Districts	0.969-13.501	0.962-12.778	0.749-9.591	0.749-9.638	0.679-7.731	0.679-7.028	0.664-5.439	0.664-4.999	0.665-5.254	0.666-3.714	0.650-3.759
Water Districts	0.532-12.644	0.480-12.644	0.503-12.236	0.503-12.236	0.503-11.238	0.532-11.238	0.532-11.238	0.532-12.870	0.532-15.300	0.532-16.279	0.532-14.437
Sanitation & Water Districts	7.428-28.887	6.850-26.456	5.00-26.370	3.535-26.370	3.631-30.863	3.758-30.863	3.191-26.960	3.174-26.960	3.429-32.198	3.981-34.044	3.831-26.995
Special Improvement Districts	2.046-48.109	2.046-29.750	1.678-43.500	1.678-43.500	1.653-43.000	1.653-55.000	1.009-60.000	1.009-60.000	1.009-65.000	1.000-49.500	1.000-45.000
Regional Library District	4.107	4.059	3.493	3.548	3.336	3.448	3.216	3.271	3.434	3.495	3.296
Metropolitan Districts	0.550-4793.300	0.550-100.000	0.487-100.000	0.463-100.000	0.425-100.000	4.192-100.000	3.568-100.000	2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000
School Districts	36.739-62.908	36.135-65.129	28.783-60.216	26.135-60.169	26.182-58.159	26.143-58.897	24.591-58.897	24.686-58.897	21.717-60.216	21.568-60.216	20.096-60.216

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

Schedule 7A  
 El Paso County  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>1996</u>			<u>Assessed 2005 / Payable 2006</u>			
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	
Qwest Corp. / US West Communications	\$ 59,280,800	1	2.05%	\$ 59,576,160	2	1.40%	1.4
Atmel Corp.	41,289,220	2	1.43%	39,886,640	3	0.94%	0.94
Symbios Logic	21,022,310	3	0.73%				
Broadmoor Hotel, Inc.	17,858,360	4	0.62%	24,917,670	5	0.59%	0.59
Digital Equipment Corp.	14,702,700	5	0.51%				
Hewlett Packard Co.	13,221,600	6	0.46%				
Current, Inc.	11,356,720	7	0.39%				
Apple Computer, Inc.	9,862,826	8	0.34%				
Tristate Joint Venture	9,852,160	9	0.34%				
GGP Ltd Partnership	7,682,780	10	0.27%				
Intel Corp.				78,908,890	1	1.85%	1.85
Black Hills Fountain Valley, LLC.				28,963,300	4	0.68%	0.68
Wal-Mart Stores Inc.				24,190,530	6	0.57%	0.57
Agilent Technologies, Inc.				16,516,680	7	0.39%	0.39
MCI Worldcom Network Services, Inc.				16,315,400	8	0.38%	0.38
Mountain View Electric Association, Inc.				15,279,900	9	0.36%	0.36
Chapel Hills Mall, LLC.				14,289,080	10	0.34%	0.34
Total	<u>\$ 206,129,476</u>		<u>7.14%</u>	<u>\$ 318,844,250</u>		<u>7.50%</u>	

Data Source:  
 CAFR's EPC Financial Statements  
 El Paso County Treasurer

Schedule 7B  
 El Paso County  
 Principal Sales Tax Payers  
 Current Year and Five Years Ago

<u>Taxpayer</u>	<u>2000</u>			<u>2005</u>		
	<u>Sales Tax Collected</u>	<u>Rank</u>	<u>Percentage of Total County Sales Tax Collected</u>	<u>Sales Tax Collected</u>	<u>Rank</u>	<u>Percentage of Total County Sales Tax Collected</u>
US West Communications	\$ 1,054,766	1	1.81%	1,060,501	2	1.57%
Broadmoor Hotel Inc	813,483	2	1.39%	922,350	3	1.36%
Colo Springs City of Dept of Pblc Utilts	659,458	3	1.13%	1,408,603	1	2.08%
Wal Mart Super Store #1200	564,363	4	0.97%			
Phil Long Suzuki	525,913	5	0.90%			
Wal Mart No1896	518,088	6	0.89%	597,223	7	0.88%
Wal Mart No1434	469,145	7	0.80%	600,917	4	0.89%
Home Depot N1510	439,693	8	0.75%			
Phil Long of Chapel Hills	418,980	9	0.72%			
Home Depot N15104	392,930	10	0.67%			
Carolina Builders Corp						
Wal Mart Supercenter 1273				538,272	10	0.79%
Lowes HIW #1099				600,342	5	0.89%
Wal Mart Store #3582				599,725	6	0.89%
Home Lumber				549,908	8	0.81%
Wal Mart Supercenter #5123				540,751	9	0.80%

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

Schedule 8  
 El Paso County  
 General Fund Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	7,809,909	7,915,805	101.36%	18,847	7,934,652	101.60%
1997	7,832,710	7,936,488	101.32%	(13,115)	7,923,373	101.16%
1998	4,835,666	4,985,686	103.10%	(5,104)	4,980,582	103.00%
1999	8,201,640	8,627,475	105.19%	(7,687)	8,619,788	105.10%
2000	11,571,602	11,480,750	99.21%	(12,809)	11,467,941	99.10%
2001	10,163,811	10,127,394	99.64%	(2,121)	10,125,273	99.62%
2002	5,554,833	5,518,791	99.35%	(20,424)	5,498,367	98.98%
2003	12,519,209	12,462,880	99.55%	(1,571)	12,461,309	99.54%
2004	12,588,717	12,499,386	99.29%	(13,238)	12,486,148	99.19%
2005	13,231,072	13,163,179	99.49%	(28,822)	13,134,357	99.27%

Data Source:  
 El Paso County Revenue Summary

**Schedule 9**  
**El Paso County**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Capital Leases			
1996	\$ 5,055,000	\$ -	\$ 5,055,000	0.45%	\$ 22,812
1997	4,595,000	113,733	4,708,733	0.51%	23,918
1998	4,105,000	78,713	4,183,713	0.62%	25,876
1999	14,055,000	40,974	14,095,974	0.19%	27,387
2000	13,190,000	0	13,190,000	0.22%	29,593
2001	11,695,000	274,701	11,969,701	0.25%	29,712
2002	96,717,413	612,481	97,329,894	0.03%	29,903
2003	95,023,116	498,788	95,521,904	0.03%	30,811
2004	99,770,923	378,399	100,149,322	*	*
2005	96,816,254	159,404	96,975,658	*	*

\* Data not available

Data source:

El Paso County Financial Statements

US Department of Commerce

Bureau of Economic Analysis

Schedule 10  
 El Paso County  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

Year	Population				Per Capita Personal Income			El Paso County Labor Force			Public School Enrollment	Motor Vehicles Registered
	Colorado	Change from Prior Period	El Paso County	Change from Prior Period	Colorado	El Paso County	El Paso County as a Percentage of Colorado	Employed	Unemployed	Unemployment Rate		
1996	3,919,972	2.44%	478,381	1.84%	25,570	22,812	89.21%	236,369	11,503	4.6%	*	494,000
1997	4,018,293	2.51%	486,934	1.79%	26,846	23,918	89.09%	244,606	9,566	3.8%	*	508,000
1998	4,116,639	2.45%	498,062	2.29%	28,784	25,876	89.90%	250,252	10,738	4.1%	*	520,715
1999	4,226,018	2.66%	509,044	2.20%	30,492	27,387	89.82%	258,363	9,287	3.5%	93,883	553,868
2000	4,301,261	1.78%	520,572	2.26%	33,370	29,603	88.71%	257,305	7,467	2.8%	94,012	598,278
2001	4,446,928	3.39%	533,532	2.49%	34,491	30,190	87.53%	256,682	11,960	4.5%	96,379	652,372
2002	4,521,484	1.68%	541,068	1.41%	34,228	30,401	88.82%	257,736	17,444	6.3%	97,959	594,193
2003	4,586,761	1.44%	547,561	1.20%	34,561	30,811	89.15%	261,557	17,840	6.4%	99,165	583,461
2004	4,653,761	1.46%	554,585	1.28%	36109**	*	*	267,952	16,128	5.7%	101,115	594,065
2005	4,720,772	1.44%	564,776	1.84%	37947**	*	*	272,215	15,252	5.3%	103,069	636,537

\* Data not available

Data source:

US Department of Commerce  
 Bureau of Economic Analysis

\*\*Pikes Peak Library District  
 Economic Indicators

Colorado Department of Local Affairs

Colorado Department of Education

US Department of Labor

US Census Bureau

Schedule 11  
 El Paso County  
 Principal Employers - Private Sector  
 Current Year and Four Previous Years

Employer	2001			2002			2003			2004			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Memorial Hospital	3,100	1	1.19%												
Penrose-St. Francis Health Services	2,500	2	0.96%	2,910	2	1.12%	3,632	2	1.37%	3,070	2	1.13%	2,956	2	1.09%
World Com	2,500	2	0.96%	3,330	1	1.28%									
Atmel Corporation	1,900	3	0.73%	1,900	6	0.73%	1,800	5	0.68%	1,800	5	0.66%	2,000	5	0.73%
Agilent Technologies, Inc.	1,800	4	0.69%	1,400	8	0.54%									
Hewlett Packard	1,700	5	0.65%	2,600	4	1.00%	2,500	4	0.95%	2,200	4	0.81%	2,300	3	0.84%
The Broadmoor Hotel	1,500	6	0.57%	1,520	7	0.58%	1,607	6	0.61%	1,650	6	0.61%	1,650	8	0.61%
MCI	1,350	7	0.52%				2,500	4	0.95%	1,400	7	0.51%	1,900	6	0.70%
(USAA) United Services Auto Assoc	1,200	8	0.46%				1,150	8	0.44%	1,210	10	0.44%			
Focus on the Family	1,200	8	0.46%												
Checks Unlimited	1,180	9	0.45%				1,100	10	0.42%						
(SCJ) Sanmina (Plant #12)	1,150	10	0.44%												
Wal Mart Stores Inc				2,790	3	1.07%	3,290	1	1.24%	3,200	1	1.18%	3,292	1	1.21%
Lockheed Martin Corp				2,000	5	0.77%	2,000	3	0.76%	2,400	3	0.88%	2,100	4	0.77%
Wells Fargo				1,317	9	0.51%	1,237	7	0.47%	1,214	9	0.45%	1,226	10	0.45%
Safeway				1,284	10	0.49%	1,100	10	0.42%	1,224	8	0.45%	1,427	9	0.52%
Kings Soopers							1,112	9	0.42%				1,793	7	0.66%
Phil Long Dealerships							1,100	10	0.42%						
<b>Total</b>	<b>21,080</b>		<b>8.08%</b>	<b>21,051</b>		<b>8.09%</b>	<b>24,128</b>		<b>9.15%</b>	<b>19,368</b>		<b>7.12%</b>	<b>20,644</b>		<b>7.58%</b>

Data Source:  
 Pikes Peak Library District  
 Economic Indicators  
 US Department of Labor  
 Gazette Enterprises -  
 A Division of Freedom Colorado Information  
 Pikes Peak Council of Governments

Schedule 12

El Paso County

Full-time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of December 31									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
County Commissioners	5	5	5	5	5	5	5	5	5	5
Internal Audit										2
County Assessor	68	68	68	68	63	63	66	66	66	66
County Clerk & Recorder -Operations	24	25	26	26	26	26	26	26	26	26
Motor Vehicle	73	78	79	79	79	79	79	79	79	83
Elections	15	15	16	16	16	16	16	16	16	17
Driver's Licenses		0	0	0	0	0	2	2	4	5
County Coroner	7	7	7	7	7	7	8	9	13	13
County Sheriff -Operations	179	206	224	226	222	226	229	230	231	235
Detentions	296	312	320	319	297	297	297	305	333	359
Pretrial Services (P.R. Bond)	4	4	10	0	0	0	0	0	0	0
Office of Emergency Management	3	3	3	3	3	0	0	0	0	0
County Treasurer	22	18	18	18	18	18	18	19	19	19
Public Trustee	10	10	10	10	11	11	14	14	14	14
County Attorney -General Fund	8	8	9	9	9	9	9	9	8	10
Dept. of Human Services	8	10	10	14	25	25	26	26	23	17
District Attorney - EPC Funded	124	129	132	137	144	146	152	157	157	157
Teller County Funded	0	0	0	0	0	0	0	1	1	1
Grant Funded	0	0	0	0	0	0	9	10	10	12
Human Services -General	295	350	350	350	350	350	351	361	361	360
Senior Services	2	2	3	4	4	4	4	4	4	3
Veterans Services	4	4	4	4	4	4	4	4	4	4
Pikes Peak Workforce Center	0	0	0	30	34	34	100	100	100	100
Administrative Services -Administration	3	3	4	5	7	7	5	7	5	6
Community Relations	1	1	1	1	1	1	0	0	0	0
County Fair	1	1	2	2	1	1	2	2	1	0
CSU Extension	2	3	4	4	4	4	4	4	4	4
Development Review	0	0	0	0	0	0	6	14	14	36
Land Use Study	0	0	0	0	0	0	0	5	5	5
Economic Development	3	3	3	3	3	3	3	4	4	0
Employee Benefits/Med Serv	0	0	0	0	0	0	0	0	8	12
Environmental Services	0	0	0	0	0	2	7	7	9	9
Facilities	40	45	45	46	47	47	46	46	49	51
Financial Services	11	11	11	16	16	16	17	23	24	25
Fleet Services	0	0	0	0	0	0	33	32	32	32
Forestry & Noxious Weeds	1	2	2	2	2	2	2	2	0	0
Human Resources	4	5	5	6	6	6	8	11	5	0
Information Services	51	56	57	54	58	59	64	70	69	68
Justice Services	0	0	0	13	13	13	14	14	14	15
Planning	14	15	15	16	18	18	18	17	16	0
Procurements & Contracts	6	6	6	7	7	7	6	6	7	7
Risk Management	4	4	4	4	4	4	4	4	4	0
Security	24	28	29	29	29	29	29	34	35	45
Solid Waste	2	2	2	3	3	3	3	4	4	4
800 MHz	0	0	0	0	0	0	1	1	1	1
Parks & Community Resources -Parks	41	42	42	44	43	41	39	41	40	41
Penrose Equestrian Center	6	6	11	10	10	10	10	10	10	0
Pikes Peak Center	7	7	7	10	10	10	10	10	10	0
Transportation -Engineering	0	23	27	27	27	29	26	30	30	24
Road & Bridge Fund	200	185	185	194	194	194	161	158	159	166
Health and Environment	168	203	205	208	208	208	208	208	208	194
Retirement	0	0	0	3	3	3	3	3	3	3
Total	1,736	1,905	1,961	2,032	2,031	2,037	2,144	2,210	2,245	2,256

Data Source:

El Paso County Final Budget



Schedule 13  
El Paso County  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1996	1997	1998	1999	2000*	2001	2002	2003	2004	2005
BoCC Administrative Services										
Board Meetings	110	167	165	175		122	126	125	134	125
Board/Committee/Commission Appointm	97	97	116	120		100	112	100	70	122
Facilities Management										
Number of buildings maintained	103	80		72		72	120	121	121	124
Square feet total maintained	2,194,033	1,600,000		2,200,000		2,200,000	2,200,000	2,246,207	2,246,207	2,414,566
Parks										
Acres of Regional Parks, Recreation areas and conservation lands	2,715	3,219	3,247			4,000	5,000	5,000	5,300	5,500
Miles of Regional, Park & Nature Trails	47.6	57.1	57.1			70	80	85.0	85	85
County Office Sites (landscape maintenanc	8	9	9	17		17	17	17	10	10
Procurement and Contracts										
Purchase Orders Issued	3,381	3,191	3,000	2,422		853	831	900	885	875
Purchase Orders Issued (dollars)	40,899,398	44,473,187		51,089,952		53,775,996	54,659,536	57,154,000	94,063,491	60,000,000
Surplus sales (\$)	147,012	157,234	50,000	217,865		372,709	686,630	350,000	245,753	250,000
Financial/Budget										
Payroll Serviced	49,634	51,192		54,187		53,161	49,103	49,893	53,821	54,062
Journal Entries Processed	1,207	1,276		1,271		1,300	2,770	2,770	23,819	24,711
Processed Payment Requests	23,787	21,461		23,501		49,405	56,005	54,503	57,674	63,376
Human Services- Veteran Services										
Claims Submitted	863	1,211	1,441	1,175		2,138	2,138	2,468	2,219	2,338
Personal Contacts (excl DSS)	2,962	3,199	3,700	3,939		5,124	5,124	5,356	7,766	8,640
Telephone Information	14,160	14,320	15,000	12,104		17,672	17,672	21,298	21,995	23,292
Medicaid Nursing Home Clients	45	49	80	19		25	25	48	50	50
Briefings on VA Benefits	3,330	3,221	4,550	3,313		4,076	4,076	2,166	1,240	1,630
HS quality assurance inquiries	200	50	40	31		44	44	30	30	130
Human Services - Senior Services										
Number seniors/participation levels	3,300	38,433	42,276	46,503		20,063	22,368	3,000	3,200	3,500
CSU Extension										
Printed brochures and SIAs	210,265	271,202	232,844	175,133		151,972	141,551	141,745	142,004	142,555
Phone, walk-in, individual	15,438	33,618	23,265	49,543		42,123	67,068	69,623	68,950	72,770
County Attorney - General Fund										
Board of Equalization	455	1,272	466	1,354		1,370	590	730	625	650
Contracts/Agreements (drafted or reviewec	207	361	450	600		750	750	775	400	425
Litigation (For and against the county)	545	549	670	645		705	705	720	812	820
Liquor License matters	2	8	14	21		20	20	20	20	18
Notices of Claims reviewed	44	47	47	50		90	90	80	39	35
Ordinances (new)	3	4	3	1		2	2	2	-	1
Resolutions (drafted or reviewed)	50	55	60	70		90	90	95	170	180
Written legal opinions	30	15	35	47		75	75	75	78	85
Meetings/hearings attended	N/A	800	845	860		895	895	910	900	925
Safety and Risk Management										
Safety Training Seminars -- Attendance	240		12			16	16	16		

Schedule 13  
El Paso County  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1996	1997	1998	1999	2000*	2001	2002	2003	2004	2005
Personal Safety & Awareness consultations	150	200	220	220		250	275	275	300	325
Wellness programs		6	12	12		20	24	18	15	24
Employee orientations		0	6	36		48	48		170	292
Safety training/meetings		10	13	18			16	16 discontinued		discontinued
Safety/Wellness publications/website information		4	12	12		16	16	16	16	16
Risk management & insurance consultations		750	825	275		800	900	900	1,100	1,200
Clerk and Recorder										
Documents recorded	162,326	155,867	183,240	198,624		193,759	234,569	298,968	215,111	203,454
Documents processed	82,300	75,000	90,000	101,000		215,735	259,899	325,978	255,575	262,312
Meetings (agendas, minutes, etc.)	110	167	176	165		122	1,890	2,054	2,098	2,000
Vehicles Registered	494,000	510,000	533,000	553,868		652,372	428,479	424,226	438,644	451,803
Number of precincts	326	354	358	354		355	371	378	378	381
Ballot Combinations	73	70	75	55		47	120	25	77	35
Registered Voters	261,837	282,000	300,000	316,767		322,566	336,993	321,811	354,059	340,000
Jurisdictions for which elections are admini	27	30	100	100		107	110	146	162	170
County Treasurer										
Annual Tax Statements	193,108	197,664	188,648	192,552			209,790	221,286	226,088	231,896
Delinquent Tax Statements	13,270	13,360	10,163	11,929			9,923	10,275	13,508	13,521
Property Tax Payments Processed	303,561	312,354	304,795	313,580			342,555	367,689	367,709	376,266
Tax roll changes (abatements)	1,257	1,076	1,600	1,695			3,159	1,060	406	1,200
Non-property tax revenue transactions	22,176	21,629	21,097	19,860			21,584	17,373	25,817	26,000
Tax Liens Sold--manufactured housing	123	135	135	150			202	240	201	240
Tax Liens Sold--real estate	1,289	950	1,150	998			1,471	1,512	1,711	2,000
Tax Liens redeemed	1,569	1,144	981	1,338			1,747	1,611	2,004	2,100
Tax Deeds issued	22	48	30	19			7	16	14	20
Certificates of Taxes Due Reports	26,286	29,136	35,390	35,105			62,819	76,548	71,170	72,000
County warrants paid	142,636	88,295	38,000				35,020	33,086	33,086	33,500
County Assessor										
Abstracts provided to all taxing entities	YES	YES	yes	135		115	117	119	119	162
Telephone calls handled	N/A	41,000	42,000	120,000		62,201	63,000	67,000	60,000	55,400
Maps produced for the public	N/A	8,470	20,500	2,600		2,410	2,680	1,500	1,129	900
Appeals heard by the assessor	N/A	7,730	2,000	8,000		4,936	760	5,244	1,113	5,151
Residences inventoried and measured	N/A	9,000	9,000	4,000		5,969	6,500	6,259	7,000	6,500
Property transfers logged	N/A	23,500	25,000	32,300		49,900	50,300	50,800	52,300	50,000
District Attorney										
Felony cases prosecuted	4,687	4,420	5,104	4,220		4,623	4,740	5,138	5,830	6,120
Traffic and misdemeanor cases prosecuted	41,457	41,083	40,870	37,564		35,860	37,487	40,953	43,239	47,470
Juvenile cases prosecuted	2,381	2,459	2,120	2,378		1,490	1,989	2,124	1,887	1,976
Sheriff's Office Detentions										
Average daily population - Metro & CJC	838	743	880	850		980	1,092	1,131	1,209	1,425
Initial inmate classifications	1,715	7,131	7,980	9,595		9,986	11,448	11,692	22,174	24,000
Total attendance, Inmate programs--CJC	38,775	58,982	76,000	40,235		47,768	56,100	56,724	45,000	50,000
Total attendance, Inmate programs--Metro		40,362	42,000	28,804		27,455	31,440	38,851	20,000	closed
Number of commitments	21,332	17,920	19,458	21,630		21,381	21,670	22,495	22,174	24,782
Number of releases	21,407	18,195	18,838	21,572		21,187	21,252	22,529	12,763	22,482
Number of prisoner transports	63,511	62,411	65,900	27,247		26,321	28,300	23,352	22,323	22,993

Schedule 13  
El Paso County  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1996	1997	1998	1999	2000*	2001	2002	2003	2004	2005
Transportation/Engineering in later years										
Miles of road graveled	50	37	50	37	35	6	37	60	65	82
Miles of dust control applied	72	53	62	68	66	80	102	115	118	120
Miles of surface treatment applied	74	64	40	41	66	30	12	8	8	-
Drainage crosspans constructed	20	26	17	29	20	26	12	14	9	15
Feet of curb, gutter or sidewalks	7,113	4,641	4,270	1,900	2,110	1,120	7,344	2,613	1,566	1,500
Miles of road paved	35	23	29	30	7	14	19	18	5.7	10
Paved roads (miles)	758	811	811	837	857	858	879	894	894	900
Gravel roads (miles)	1,108	1,077	1,077	1,068	1,068	1,073	1,074	1,076	1,075	1,078
Self Insurance Fund										
Lawsuits/notice of claims	55	50	67	81		33	52	30	29	22
Litigations cost (\$)	234,088	28,571	175,000	75,946		221,199	248,806	293,567	441,285	160,100
Property claims	140	63	65	55		48	83	77	149	78
Cost (\$)	139,434	100,122	100,000	40,531		201,373	144,905	356,591	346,773	139,277
Liability claims	120	181	170	133		141	154	180	172	160
Cost (\$)	197,954	247,461	200,000	74,008		258,720	188,474	63,596	441,285	378,988
Solid Waste Management Fund										
Household chemical waste programs	3	3	3	3		4	4	3	3	-
Yard waste collection programs/days	68	68	52	52		52	52	52	52	52
Black Forest wildfire mitigation mulch prog	45	45	49	49		49	49	49	49	49
Worker's Compensation Fund										
Workers' compensation claims	314	248	338	326		336	322	334	310	350
Claims cost (\$)	759,250	459,359	600,000	476,100		922,294	1,014,095	945,568	1,166,527	486,593
Economic Development										
Businesses certified (Enterprize zone)	436	438	440	413	382	411	400	354	347	360
Contributions to Zone projects	364	347	295	294	272	142	159	283	451	638
Enterprize Zone Projects	6	9	10	10	11	14	10	17	19	23
Active affordable housing programs/projec	21	30	31	40	55	61	71	85	110	113
Personal Property Tax Credit Agreements	8	9	7	12	15	28	20	22	N/A	N/A
Human Resources										
Applications processed	5,160	4850	8,000	10,000		10,030	11,000	12,056	14,488	17,572
Number of authorized positions-El Paso Co	1,905	1905		2,001		2,033	1,922	1,958	2,029	2,066
Employee recognition awards	201	276	278	331		294	269	287	330	305

\*Some data not available for 2000

Data Source:

El Paso County Budget Book

**Schedule 14**  
**El Paso County**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sherriff										
Patrol units and other vehicles		170	194	201	194	210	204	185	196	214
Department of Transportation										
Paved roads (miles)	758.48	783.48	810.88	837.32	856.8	858.12	878.67	894.05	894	900
Gravel roads (miles)	1108.35	1086.65	1077	1068.38	1067.95	1073.12	1073.68	1076.41	1075	1078
Engineering										
Miles of road graveled	50	37	50	37	35	6	37	60	65	82
Drainage crosspans constructed	20	26	17	29	20	26	12	14	9	15
Feet of curb, gutter or sidewalks	7,113	4,641	4,270	1,900	2,110	1,120	7,344	2,613	1,566	1,500
Parks										
Acres of Regional Parks, Recreation areas and conservation lands	2,715	3,219	3,247	*	*	4,000	5,000	5,000	5,300	5,500
Acres of Other Parks/Properties	477	648	648	*	*					
Miles of Regional, Park & Nature Trails	47.6	57.1	57.1	*	*	70	80	85.0	85	85
County Office Sites (landscape maintenance)	8	9	9	17	*	17	17	17	10	10
Facilities										
Number of buildings maintained	103	80	*	72	*	72	120	121	121	124
Square feet total maintained	2,194,033	1,600,000	*	2,200,000	*	2,200,000	2,200,000	2,246,207	2,246,207	2,414,566
County Fairgrounds										
Buildings	18	18	18	18	18	18	18	18	18	18
Stadium	1	1	1	1	1	1	1	1	1	1
Lighted outdoor dance floor	1	1	1	1	1	1	1	1	1	1
Outdoor arena	1	1	1	1	1	1	1	1	1	1
Indoor arena	1	1	1	1	1	1	1	1	1	1

Data Source:  
El Paso County Financial Capital Assets Records  
El Paso County Department of Transportation  
El Paso County Parks Department  
El Paso County Sheriff's Office

#### IV. SINGLE AUDIT SECTION

THIS PAGE LEFT BLANK INTENTIONALLY



**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

44 INVERNESS DRIVE EAST  
ENGLEWOOD, COLORADO 80112

[www.bondico.com](http://www.bondico.com)

(303) 799-6826 PHONE  
(800) 250-9083 TOLL-FREE

(303) 799-6926 FAX

El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

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

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, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 1, 2006. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which represents 8 percent and 9 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, 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered El Paso County, Colorado's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion 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



Affiliate Offices Worldwide

El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements 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.


#### Compliance and Other Matters

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

However, we noted other matters involving internal control over financial reporting, which we have reported to management of the County in a separate letter dated June 1, 2006.

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

June 1, 2006

  
BONDI & Co. LLC





**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

44 INVERNESS DRIVE EAST  
ENGLEWOOD, COLORADO 80112

www.bondico.com

(303) 799-6826 PHONE  
(800) 250-9083 TOLL-FREE

(303) 799-6926 FAX

**El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado**

**Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control Over Compliance  
in Accordance with OMB Circular A-133**

**Compliance**

We have audited the compliance of El Paso County, Colorado, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. El Paso County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of El Paso County, Colorado's management. Our responsibility is to express an opinion on El Paso County, Colorado's compliance based on our audit.

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



Affiliate Offices Worldwide

**El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado**

**As described in items 05-03, 05-04 and 05-05, in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding special provisions and reporting requirements that are applicable to the Temporary Assistance for Needy Families (TANF) program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.**

**In our opinion, except for the noncompliance described in the preceding paragraph, El Paso County, Colorado, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.**

#### **Internal Control Over Compliance**

**The management of El Paso County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered El Paso County, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.**

**We noted certain matters involving the internal control over compliance and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect El Paso County, Colorado's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 05-01, 05-02, 05-06, 05-07, 05-08 and 05-09.**

**A material weakness is a reportable 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 noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal**

**El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado**

control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 05-02 to be a material weakness.

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

**June 1, 2006**

*Bondi & Co. LLC*  
**BONDI & Co. LLC**



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2005

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes  no

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  yes \_\_\_\_\_ no

Reportable condition(s) identified not considered to be material weaknesses?  yes \_\_\_\_\_ none reported

Type of auditor’s report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?  yes \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551	Food Stamps
10.561	Food Stamp Administration
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  no

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section II - Financial Statement Findings

There were no findings that are required to be reported.

Section III - Federal Award Findings and Questioned Costs

**Finding 05-01 - CFDA 10.551 and 10.561, Food Stamp Cluster, U.S. Department of Agriculture and CFDA 93.558, TANF, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement:

The County is required to maintain adequate security over EBT cards per 7 CFR Section 274.12(i)(3). Some of the requirements are as follows:

- A. County staff must obtain and verify a client's signature before issuing them an EBT card.
- B. On a daily and weekly basis, each issuance office is required to perform an audit and reconciliation of cards remaining in inventory to be issued the following day. Any discrepancies are required to be reported and investigated the following day.
- C. Damaged or otherwise returned cards are to be destroyed daily.
- D. Supervisory staff has the ability to distribute cards in lots of 20 in order to satisfy the issuance demand for the day. An issuance staff should not have more cards in their possession than are expected to be issued that day.
- E. Supervisory staff is required to review and sign daily reconciliations created by the staff who issue EBT cards.

Condition and  
Context:

On two of the forty-five daily issuance logs tested, there were failures to obtain a client's signature. This is in direct violation with point "A" above and is a repeat finding from the 2004 audit.

On three of the nine weekly reconciliations tested, there were undetected mathematical discrepancies which went uninvestigated. This is a direct violation of point "B" above and is a repeat finding from the 2004 audit.

There is no absolute policy on destroying EBT cards. The County performs this task, on average, several times a week. This is a direct violation of point "C" above.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 05-01 (Continued)**

In nine of the weeks tested, we noted that it was routine for supervisors to distribute in excess of 80 or 100 EBT cards at a time to a single staff member. In one case, we noted 200 cards distributed in one day. In all nine cases, the average cards actually issued were a fraction of the total cards held in inventory at the end of the day. This is a direct violation of point "D" above.

Out of the 45 days tested, we noted one instance where the supervisor had not signed the reconciliation indicating they reviewed the document as required. This is a direct violation of point "E" above and is a repeat finding from the 2004 audit.

Questioned

Costs:

None.

Effect:

Mandatory EBT guidelines are not followed across the County, and EBT card internal controls are not operating as intended.

Cause:

Ineffective enforcement of internal controls over EBT card security.

Recommendation:

We recommend the County continue enhanced training programs and oversight by management for all EBT card controls. The review and reconciliation procedures which are in place need to be closely scrutinized in order for them to be effective.

Views of

Responsible

Officials:

Management agrees.

Corrective

Action Plan:

1. Supervisory staff is now located in the same area as the issuance staff to provide direct supervision and oversight as well as daily, weekly and monthly reconciliations at both the Main and Sand Creek locations.
2. Procedures have been reviewed and modified to add additional supervisory responsibility in the eligibility areas.



**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 05-01 (Continued)**

3. Procedures have been updated and management and supervisory staff instructed on daily destruction of returned EBT cards.
4. Procedures have been updated regarding the number of cards to be issued to staff on a daily basis, and management and supervisory staff have been instructed with regard to this process.
5. Timely and specific monitoring processes have been implemented in the DHS Office of Financial Services, with proper feedback provided to the managers at both the Main and Sand Creek locations.

Effective: June 30, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-02 — CFDA 93.558, Temporary Assistance for Needy Families (TANF), U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement:

Part of the County administration of the TANF program requires employees to issue EBT cards to recipients through the CBMS system. Controls over this process require supervisor approval of diversion payments over \$1,000.

Condition and  
Context:

The County experienced employee fraud by an intake worker in 2005. Using a known deficiency in the CBMS system, the employee was able to authorize additional and repeated diversion payments that individually fell under the supervisor approval threshold. Over time, this employee also created fictitious clients and personally withdrew funds from the EBT cards.

The County has admirably handled this situation and provided us with extensive detail as to the investigation, its findings, and steps taken towards the prevention of future occurrences. The outcome of the case and the possibility of recovering any fraudulently collected funds is unknown at this time.

Questioned  
Costs:

\$142,000

Effect:

Using a flaw known to the State of Colorado and the County, this employee was able to manipulate CBMS and receive fraudulent funds.

Cause:

Untimely mending of known “loopholes” in the CBMS system as well as high approval limits for diversion payments which, at the time, were necessary in order to “push” all the outstanding files through the system as the implementation of CBMS was taking place.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-02 (Continued)**

Recommendation: We recommend the County continue reporting known problems with CBMS to the State to facilitate the prompt correction of any areas with vulnerabilities.

Views of Responsible Officials: Management agrees.

Corrective Action Plan:

1. The Department has reviewed all internal procedures and strengthened internal controls; supervisor/management review and approval of Diversion payments are now required.
2. Random internal quality reviews by either supervisors or technical quality control position.
3. Continued training for staff; fraud training strengthened and made mandatory.
4. Any known system issues are written up and submitted to the Help Desk at the State.
5. The Department is working with State DHS auditors and the local district attorney to assure legal remedies and develop procedures to both detect and avoid the occurrence of employee fraud.

Effective: June 30, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-03 — CFDA 93.558, Temporary Assistance for Needy Families (TANF), U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement: Recipients may not refuse to engage in required work while receiving TANF benefits. Individual Responsibility Contract's (IRC's) are mandatory for each applicant and should be kept in his/her file.

Condition and  
Context:

Four of the 30 files we tested did not contain an IRC.

Questioned  
Costs:

\$522

Effect:

The failure to obtain a signed IRC from each client could result in the unauthorized payment of benefits.

Cause:

Intake workers not adhering to the policies and procedures of the State, and County authorized benefits for its clients without receiving all the required documentation.

Recommendation:

We recommend the County continue training intake workers on the importance of obtaining and retaining all required documentation. The Department of Human Services has created an internal audit and review position which, through our testing, demonstrated the ability to improve this delinquent area.

Views of  
Responsible  
Officials:

Management agrees.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 05-03 (Continued)**

1. Intake procedures have been updated to include the development of the initial Individual Responsibility Contract (IRC) at the time of intake.
2. Business processes have been revamped to include a Colorado Works intake unit that receives specialized training in Colorado Works and that conducts only Colorado Works intakes.
3. Colorado Works Supervisory staff meet monthly with individual Colorado Works intake staff to review cases for compliance.
4. All intake cases sent to ongoing units are reviewed by ongoing staff for completeness and accuracy to include IRC's.
5. The Department converted a technical position to function as a quality control position. The quality control position is responsible for auditing a random selection of intake cases monthly.

Effective: March 16, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-04 — CFDA 93.558, Temporary Assistance for Needy Families (TANF), U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement: Per the CFDA 93.558, special provision section “N,” recipients must assist the County staff in locating the missing parent and collecting child support.

Condition and  
Context:

In 7 of 30 files tested, there was no signed *Absent Parent Form*, paternity statement, or other documentation demonstrating cooperation with child support authorities.

Questioned  
Costs:

\$2,062

Effect:

The failure to document the applicant’s cooperation with child support collection efforts could result in the unauthorized payment of benefits.

Cause:

Intake workers not adhering to the policies and procedures of the State, and County authorized benefits for its clients without receiving all the required documentation.

Recommendation:

We recommend the County continue detailed training programs for all intake workers to educate them on the importance of complying with this provision and eliminating the possibility of clients receiving benefits despite not cooperating with grant requirements.

Views of  
Responsible  
Officials:

Management agrees.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 05-04 (Continued)**

Corrective

Action Plan:

1. Colorado Works Intake procedures have been reviewed and modified to include the requirement to complete child support enforcement paperwork.
2. Colorado Works Intake supervisors have developed a plan with the on-site Child Support staff to provide monthly intake information to be checked against the number of Child Support referrals received as a means of providing oversight and compliance.
3. The Department converted a technical position to function as a quality control position. The quality control position is responsible for auditing a random selection of intake cases monthly.

Effective:

March 16, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

**Finding 05-05 — CFDA 93.558, Temporary Assistance for Needy Families (TANF), U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or

Specific

Requirement:

A Notice of Case Action or an entry in the case record that no case action is necessary must be executed within 45 days of the receipt of the IEVS system report per 45 CFR Section 205.56. In addition, OMB Circular A-133 Section .300 requires that the auditee maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition and

Context:

In 2004 and into 2005 there were no reports available to document that the grant requirement was met or to provide the auditor with a population for testing. Reports are received monthly and distributed to case workers for completion. Any items not resolved by the case workers will appear on subsequent reports. However, the reports that are distributed to the case workers are not retained.

Questioned Costs:

Unable to determine due to lack of documentation.

Effect:

There was little evidence of internal controls or compliance with IEVS monitoring compliance prior to the implementation of a new procedure by the County in early 2006. Testing to determine potential effects was limited. These effects could include ineligible participants receiving benefits.

Cause:

Procedures to address this deficiency were implemented on January 1, 2006. Prior to this implementation, there were no procedures in place to control the process.

Recommendation:

We recommend the County monitor its new procedures to ensure compliance with this requirement is being accomplished.

Responsible

Officials:

Management agrees.



**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended December 31, 2005**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 05-05 (Continued)**

Corrective

Action Plan:

1. The Department implemented an IEVS procedure to monitor and ensure that staff addresses IEVS program rules and regulations.
2. Training regarding the IEVS procedure was conducted for all ongoing staff and has been incorporated into all new worker training.
3. All transfer, audit and worker checklist forms contain a check of IEVS to ensure multiple checks and balances.
4. The Department converted a technical position to function as a quality control position. The quality control position is responsible for auditing a random selection of intake cases monthly.

Effective:

January 1, 2006 and March 16, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

**Finding 05-06 - CFDA 93.558, TANF, U.S. Department of Health and Human Services,  
Passed through the Colorado Department of Human Services**

Criteria or  
Specific  
Requirement:

The TANF program mandates that an individual convicted under Federal or State law of any offense which is classified as a felony and which involves the possession, use, or distribution of a controlled substance (as defined in the Controlled Substances Act (21 USC 802(6)) is ineligible for assistance if the conviction was based on conduct occurring after August 22, 1996. A State shall require each individual applying for assistance under TANF to state in writing whether the individual or any member of his/her household has been convicted of such a felony involving a controlled substance.

Condition and  
Context:

The County's corrective action plan implemented in response to 2003 federal award findings. During 2004 and 2005, there were still areas of delinquency involving implementation of this policy.

Questioned Costs: Unable to determine due to lack of documentation.

Effect: A person convicted of a felony involving a controlled substance may be improperly classified as eligible for benefits.

Cause: The Colorado information gathering form did not contain this requirement, and the County did not enforce the use of the supplemental document.

Recommendation: We recommend the County use the checklist implemented on March 16, 2006 to assure intake workers are adhering to the requirements of this policy.

Views of  
Responsible  
Officials:

Management agrees.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-06 (Continued)**

Corrective

Action Plan:

1. The County initiated a checklist for all intake staff to complete and sign indicating that all aspects of the case have been addressed and are correct, including a signed EPC-66 (the supplemental intake form that asks the question regarding a drug-related felony after 1997).
2. The Department converted a technical position to function as a quality control position. The quality control position is responsible for auditing a random selection of intake cases monthly.
3. The County continues to work with the State on providing applications that contain the drug-related question. The State has revised the online applications effective March 2005, however, has not, as of yet, updated the applications out of CBMS or updated CBMS to reflect the question.

Effective:

March 16, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

**Finding 05-07 - CFDA 93.778, Title XIX, U.S. Department of Health and Human Services,  
Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement:

Per volume 8100.27 of the Colorado State Department of Human Services rules and regulations, the County department shall process an application for Medicaid benefits within ninety days for persons who apply for Medicaid on the basis of a disability or within forty-five days for all other Medicaid applicants.

Condition and  
Context:

In 2004, of the thirty individuals tested, four applications were not processed within the required time. This trend was repeated during our 2005 testing. The timeliness requirement is not being met.

Questioned Costs:

None.

Effect:

Eligible individuals would not receive their Medicaid benefits on a timely basis.

Cause:

The County was required by the State to change computer applications during the year. Due to the system conversion, applications were not being processed timely.

Recommendation:

We recommend the County establish internal controls to ensure all Medicaid applications are processed within the prescribed time.

Views of  
Responsible  
Officials:

Management agrees.

Corrective  
Action Plan:

1. Additional staff were hired by the County to work specifically on Medicaid applications in order to bring processing times into compliance.
2. Two County intake staff were placed at Peak Vista – the County’s largest Medicaid provider and where 80% of Medicaid applications originate in order to process Medicaid applications more timely and efficiently.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section III - Federal Award Findings and Questioned Costs (Continued)**

**Finding 05-07 (Continued)**

3. Supervisors are required to work pending lists weekly to ensure that staff are meeting the timelines associated with processing.
4. Management continues to work with the State and with the CBMS project with regards to system concerns associated with CBMS that have a negative impact on Medicaid processing. There are currently over 100 change requests into the CBMS project to correct eligibility issues with Medicaid within the system.

Effective: June 1, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-08 - CFDA 93.778, Title XIX, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement: Per the Department of Health Care Policy and Financing 160.2, the department or its designee shall notify the applicant within ten calendar days of a decision regarding eligibility.

Condition and  
Context:

During 2004 testing, three of the ten individuals tested did not have a letter of notification dated within the prescribed ten days. This trend was repeated during testing performed on applications received in 2005.

Questioned costs: None.

Effect: Individuals who are eligible for Medicaid benefits may not be receiving their benefits timely.

Cause: There is a lack of internal controls and monitoring to ensure the letters of notification are mailed timely.

Recommendation: We recommend the County implement internal controls and monitoring procedures to ensure letters of notification are processed timely. According to management, CBMS was updated in February 2006 to address part of the timeliness delinquency. The ultimate responsibility still lies with the County, however, to get the applications processed so CBMS can generate the necessary notification.

Views of  
Responsible  
Officials:

Management agrees.

Corrective  
Action Plan:

1. The county will continue to monitor pending Medicaid applications to ensure timely processing in CBMS so that the system mails notices timely.
2. See response to related finding 05-07.

Effective: June 1, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section III - Federal Award Findings and Questioned Costs (Continued)

**Finding 05-09 - CFDA 93.575 and 93.596, CCDF Cluster, Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or Specific

Requirement: Parental fees for child care benefits are calculated based on income, family size and number of children in child care. Internal controls should be in place to ensure that parental fees are accurately calculated.

Condition and  
Context:

Three of the thirty applicants tested in 2004 had incorrectly calculated parental fees. This finding was addressed on January 1, 2006 with the implementation of a new procedure. Therefore, it was still a finding throughout 2005.

Questioned Costs: None known.

Recommendation: We recommend that the County improve the review process of child care applications to include recalculation of the parental fees. The new procedure implemented on January 1, 2006 should assist with this.

Views of  
Responsible  
Officials:

Management agrees.

Corrective  
Action Plan:

1. The child care program has developed and implemented an intake audit checklist designed to be used at intake to ensure that all components of eligibility are addressed to include earned income, unearned income and copay calculations.
2. The child care program supervisor initiated an intake worksheet to be used by all child care intake staff to document eligibility components and how the worker arrived at the copay amount. The supervisor audits the worksheets on a daily basis.
3. Additional training for all staff on eligibility, documentation, and accuracy.

Effective: January 1, 2006

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs

**Finding 04-1 — CFDA 10.551 and 10.561, Food Stamp Cluster, U.S. Department of Agriculture, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement:

The County is required to maintain adequate security over EBT cards per 7 CFR Section 274.12(i)(3). In order to comply with this requirement, the County has set up many procedures, including:

- maintenance of an EBT daily issuance log.
- requiring participant signature and copy of photo ID in order to issue an EBT card.
- identifying missing signatures on the daily issuance log and sending follow-up letters.
- reconciling the EBT daily issuance log with a documented supervisory review.
- preparing monthly EBT inventory reconciliations.
- maintaining EBT destruction logs with signatures to document controls over the destruction of EBT cards.

Condition and  
Context:

The County's corrective action plan established in response to last year's federal award findings was implemented on September 1, 2004. Therefore, the federal award findings for this year are split between those that occurred prior to September 1, 2004 and those that occurred after September 1, 2004.

One participant included on the thirty EBT issuance logs tested did not have the participant's signature to substantiate the participant's receipt of the EBT card. This participant received an EBT card after September 1, 2004.

Four participants included on the thirty EBT issuance logs tested did not have copies of the participant's photo ID or notations describing the alternate procedures performed, if any.

	<u>Number</u>
Before September 1, 2004	2
After September 1, 2004	<u>2</u>
	<u>4</u>



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-1 (Continued)**

Eleven participants included on the thirty EBT issuance logs tested did not have the authorization forms or had unsigned authorization forms. The signed authorization forms are required in order to issue a new participant EBT card.

	<u>Number</u>
Before September 1, 2004	5
After September 1, 2004	<u>6</u>
	<u>11</u>

Two of the thirty EBT daily issuance log reconciliations did not have a supervisor's signature indicating review of the reconciliation.

	<u>Number</u>
Before September 1, 2004	1
After September 1, 2004	<u>1</u>
	<u>2</u>

One of the thirty EBT daily issuance log reconciliations tested did not have a preparer's signature documenting who prepared the reconciliation. This log was prepared after September 1, 2004.

For the month of April 2004, all issuance logs, copies of participant photo IDs, authorization forms and daily issuance reconciliations could not be located for the main office and could not be tested.

Five of the nineteen monthly EBT inventory reconciliations for the main office and a remote location had undetected mathematical errors.

	<u>Number</u>
Before September 1, 2004	4
After September 1, 2004	<u>1</u>
	<u>5</u>

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)

Finding 04-1 (Continued)

Three of the nineteen monthly EBT inventory reconciliations for the main office and remote location had variances between the ending balance and physical count that were unexplained and unresolved by the County.

	<u>Number</u>
Before September 1, 2004	1
After September 1, 2004	<u>2</u>
	<u>3</u>

Five monthly EBT inventory reconciliations for October, November and December 2004 had not been completed and were unavailable for testing.

Two of the ten EBT destruction logs tested did not have one or more signatures to document internal controls over the destruction of EBT cards.

	<u>Number</u>
Before September 1, 2004	1
After September 1, 2004	<u>1</u>
	<u>2</u>

Three of the ten EBT destruction logs tested did not have supervisory initials to document internal controls over the destruction of EBT cards.

	<u>Number</u>
Before September 1, 2004	2
After September 1, 2004	<u>1</u>
	<u>3</u>

Questioned Costs: None

Effect: The internal controls over EBT card security do not appear to be operating effectively and could result in inadequate tracking and potential inappropriate possession of EBT cards.

Cause: Ineffective enforcement of internal controls over EBT card security.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-1 (Continued)**

Recommendation: We recommend that the County improve the monitoring process to ensure that internal controls are operating effectively. The County needs to add review procedures to assure that all required signatures, documents, authorizations and retention policies are obtained/followed.

Views of  
Responsible  
Officials and  
Planned  
Corrective  
Actions:

Management agrees. Management recognized the need to add additional levels of monitoring to ensure proper procedures are followed with regard to the security and issuance of EBT cards.

Ongoing training of management, supervisory and issuance staff is provided and in process. Training of newly hired eligibility technical staff is provided and ongoing training will be provided to current eligibility technical staff. A review process has been developed for daily, weekly and monthly review of issuance logs and documentation by several levels of supervision and management with added review by DHS Financial Services Staff. File review process variances are discussed with responsible staff and managers.

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen.

Auditor's  
Comments:

We found there are still findings for EBT cards. While some of the areas above have been addressed and resolved, others are still delinquent. Please see Finding 05-01 for the EBT card findings in the current year, which were also weaknesses in 2004.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-2 — CFDA 93.558, Temporary Assistance for Needy Families (TANF), U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or

Specific

Requirement:

A Notice of Case Action or an entry in the case record that no case action is necessary must be executed within 45 days of the receipt of the IEVS system report per 45 CFR Section 205.56. In addition, OMB Circular A-133 Section .300 requires that the auditee maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws and regulations and provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition and

Context:

No reports were available to document that the grant requirement was met or to provide the auditor with a population for testing. Reports are received monthly and distributed to case workers for completion. Any items not resolved by the case workers will appear on subsequent reports. However, the reports that are distributed to the case workers are not retained.

Questioned Costs:

Unable to determine due to lack of documentation.

Effect:

There is no evidence of internal controls or compliance with IEVS monitoring compliance. Testing could not be performed to determine potential effects, which could include ineligible participants receiving benefits.

Cause:

No procedures exist to comply with this requirement.

Recommendation:

We recommend the County establish internal controls to monitor timely completion of the IEVS report evaluations and retain documentation of such review.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-2 (Continued)**

Views of  
Responsible  
Officials and  
Planned  
Corrective  
Actions:

Management agrees.

Management recognizes the Colorado Benefit Management System (CBMS) interfaces from the IEVS system will change the methods of monitoring and documenting the completion and review of IEVS reports.

A process to document the worker review of the IEVS interface and supervisory monitoring is being developed. An internal control policy task force of administrators and managers has been convened to review and provide additional oversight and guidance.

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen and Internal Control Task Force.

Auditor's  
Comments:

Per documentation provided by the client, this finding was addressed by implementing a new procedure on January 1, 2006. Therefore, this finding was still valid during the 2005 operating year. See finding 05-05 for more information.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-3 - CFDA 93.558, TANF, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement:

If the TANF agency determines that an individual is not cooperating in establishing paternity, or in establishing, modifying or enforcing a support order with respect to a child of the individual, the TANF agency must sanction benefits received by the participant per 45 CFR sections 264.30 and 264.31. In addition, OMB Circular A-133 Section .300 requires that the auditee maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws and regulations and provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

Condition and  
Context:

The TANF agency does have a sanction team in place to review potential sanctioned cases. However, there are no internal controls to ensure notifications have been received or a complete monitoring of all cases processed for potential sanction or appropriate application of the sanction. During review of child support enforcement sanction cases, several delays were noted in the implementation of the sanction. The lack of a more detailed policy and process for enforcement of sanctions and the variety of specific circumstances in the violating cases result in inconsistent application of sanctions. For example, if the case is closed prior to entry of the sanction to the system, then the client is never penalized for the violation. Therefore, the timeliness of notifications and processing has a significant impact on the consistency of treatment among clients.

Questioned  
Costs:

Unable to determine due to lack of documentation.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-3 (Continued)**

Effect: The lack of specific guidelines and monitoring could result in a sanction recorded incorrectly for a participant, a sanction not being applied to benefits in the month received, etc., which may result in benefits being incorrectly withheld in future periods or payment of benefits which should have been sanctioned.

Cause: There is a lack of specific policies and internal controls to address the timely execution and processing of the sanction and cure in various circumstances.

Recommendation: We recommend the County establish internal controls to ensure all sanction and cure notices are received and processed timely. In addition, we recommend the County establish policies and internal controls for monitoring the execution of sanctions and activity in the case file during the period of the sanction to ensure proper application of the sanction and consistent treatment across all participants.

Views of  
Responsible  
Officials and  
Planned  
Corrective  
Actions:

Management agrees.

Management recognizes the CBMS system interface between Child Support and the benefit eligibility program will improve the timely processing. Current internal control policies and procedures are under review following the implementation of the new system. An internal control policy task force of administrators and managers has been implemented to review and provide additional oversight and guidance. The process will be implemented by December 31, 2005. Contact person: Elaine Johnsen and Internal Control Task Force.

Auditor's  
Comments:

The integration of CBMS with the clients system has automated this process and satisfied the finding noted above. Auditors consider this finding resolved.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-4 - CFDA 93.558, TANF, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or Specific

Requirement:

TANF program mandates that an individual convicted under Federal or State law of any offense which is classified as a felony and which involves the possession, use, or distribution of a controlled substance (as defined in the Controlled Substances Act (21 USC 802(6)) is ineligible for assistance if the conviction was based on conduct occurring after August 22, 1996. A State shall require each individual applying for assistance under TANF to state in writing whether the individual or any member of his/her household has been convicted of such a felony involving a controlled substance.

Condition and Context:

The County's corrective action plan implemented in response to last year's federal award findings was implemented on September 1, 2004. Therefore, the federal award findings for this year are split between those that occurred prior to September 1, 2004 and those that occurred after September 1, 2004. The current application developed by the State and used by the County does not ask whether the applicant has been convicted of a felony involving a controlled substance. The County does have a supplemental document that addresses this requirement; however, only one of the thirty files tested contained the supplemental document.

	<u>Number</u>
Before September 1, 2004	21
After September 1, 2004	<u>8</u>
	<u>29</u>

Questioned Costs: Known questioned costs: \$ 10,706  
Likely questioned costs: \$4,321,984

Effect: A person convicted of a felony involving a controlled substance may be improperly classified as eligible for benefits.

Cause: The Colorado information gathering form did not contain this requirement, and the County did not enforce the use of the supplemental document.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-4 (Continued)**

Recommendation: We recommend the County consistently use the supplemental document to meet the requirement that individuals applying disclose in writing whether they or any member of their household has been convicted of such a felony involving a controlled substance.

Views of  
Responsible  
Officials and  
Planned  
Corrective  
Actions:

Management disagrees.

Management is concerned that this required question does not exist in any of the State of Colorado paper or computerized system applications for benefits. Application for all assistance programs are State, not County documents. The County has no authority to alter State application forms except as identified in State statute. The County agency has requested the changes from the State of Colorado and will continue to follow through with the status of the requests.

The County agency will continue to use the County developed supplemental form and develop a system of review to ensure the proper and consistent use of this form.

The County disagrees with the questioned costs as an assumption that 100% of the applicants without the supplemental form were convicted of a felony involving a controlled substance after 1997.

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen and Cheryl Schnell.

Auditor's  
Comments:

Per documentation provided by the client, this finding was addressed by implementing a new procedure on March 16, 2006. Therefore, this finding was still valid during the 2005 operating year. See finding 05-06 for more information.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-5 - CFDA 93.558, TANF, U.S. Department of Health and Human Services,  
Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement:

Per volume 3.604.4 of the Colorado State Department of Human Services rules and regulations, as a condition of eligibility, the caretaker relative shall provide verification or written confirmation by a physician or nurse pursuant to records in the immunization tracking system as set forth in Section 25-4-1705(5)(e), C.R.S., that all children whose needs are included in the assistance unit receiving Colorado Works benefits are being brought up-to-date with immunization and that, no later than the first redetermination of eligibility, each child has received all immunization for which the child is eligible according to the age of the child, unless exempt due to religious or medical reasons in accordance with Federal law.

Condition and  
Context:

The County's corrective action plan implemented in response to last year's federal award findings was implemented on September 1, 2004. Therefore, the federal award findings for this year are split between those that occurred prior to September 1, 2004 and those that occurred after September 1, 2004.

This requirement was not met for four of thirty files.

	<u>Number</u>
Before September 1, 2004	4
After September 1, 2004	<u>0</u>
	<u>4</u>

Questioned Costs: The majority of costs are questioned in Finding 04-4.

Effect: The County has not obtained the additional immunization records as required by the State.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-5 (Continued)**

Recommendation: We recommend the County ensure policies and procedures are in place and monitored for effectiveness.

Views of  
Responsible  
Officials  
and Planned  
Corrective  
Actions:

Management agrees.

Management recognizes that CBMS requires a response during the intake interview to document immunization of clients before eligibility is determined. In the current testing, there were no findings after the September 1, 2004 implementation of CBMS.

Training on the requirements of the new system is provided to workers. Additionally, supervisory reviews will be conducted to ensure the system is used properly by workers.

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen and Cheryl Schnell.

Auditor's  
Comments:

Through our testing, we were able to determine that this finding has been adequately addressed and corrected. Auditors consider this finding resolved.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-6 - CFDA 93.558, TANF, U.S. Department of Health and Human Services,  
Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement: Per volume 3604.2 of the Colorado State Department of Human Services rules and regulations, as a condition of eligibility, applicants must statutorily assign all rights to child support on his/her behalf or on behalf of any member of the assistance unit for whom the application is made.

Condition and  
Context:

The current application developed by the State and used by the County has two parts to the application that must be signed by the applicant. Of the thirty files tested, one file did not contain part I of the application.

Questioned Costs:	Known questioned costs	\$ 280
	Likely questioned costs	\$ 111,397

Questioned costs related to this file have also been reported at finding 04-4.

Effect: A person who does not statutorily assign all rights to child support is ineligible for assistance.

Cause: Part I was not maintained in the file as a result of clerical oversight.

Recommendation: We recommend the County put internal controls in place to ensure the applicant signs all parts of the application before processing any payments.

Views of  
Responsible  
Officials  
and Planned

Corrective Actions: Management agrees.

Additional training will be provided to intake and ongoing workers to ensure that required application signatures are completed prior to processing of benefits and filed correctly.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended December 31, 2005**

**Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)**

**Finding 04-6 (Continued)**

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen and Cheryl Schnell.

Auditor's

Comments:

Through our testing, we were able to determine that this finding is still valid. Please see the current year finding 05-04 for more detail.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-7 - CFDA 93.558, TANF, Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or Specific

Requirement: Per volume 3613.1 of the Colorado State Department of Human Services rules and regulations, a re-determination of eligibility shall mean a face-to-face review with necessary verifications to determine whether the participant continues to be eligible for Colorado Works. Re-determination shall be accomplished every twelve (12) months.

Condition and

Context: There was no evidence of a face-to-face review for re-determination of eligibility on four of the thirty files tested. One of the four files had documentation that the monthly status report was used for re-determination. Three of the four files had no documentation as to how re-determination was performed.

Questioned Costs: Known questioned costs: \$ 498  
Likely questioned costs: \$ 61,445

Questioned costs related to these files have also been reported at finding 04-4.

Effect: Individual benefits may be continuing when eligibility has not been re-determined according to State regulations.

Cause: The County did not document sufficiently how re-determination of eligibility was performed.

Recommendation: We recommend the County document clearly that a face-to-face review was completed when using a Monthly Status Report for re-determination.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-7 (Continued)**

Views of  
Responsible  
Officials  
and Planned  
Corrective  
Actions:

Management agrees. With the advent of CBMS, we are reviewing all policies and procedures relating to documentation. Due to the transition from the Legacy systems to CBMS, we are experiencing issues regarding documentation processes. Re-training of staff has been provided, and ongoing training is planned as the system is fixed and changed. The process of review will begin by December 31, 2005.

Contact person: Elaine Johnsen and Cheryl Schnell.

Auditor's  
Comments:

Through our testing we were able to determine that this finding has been adequately addressed. Auditors consider this finding resolved.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-8 - CFDA 93.778, Title XIX, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement: Per volume 8100.27 of the Colorado State Department of Human Services rules and regulations, the County department shall process an application for Medicaid benefits within ninety days for persons who apply for Medicaid on the basis of a disability or within forty-five days for all other Medicaid applicants.

Condition and  
Context:

Of the thirty individuals tested, four applications were not processed within the required time.

Questioned Costs: None.

Effect: Eligible individuals would not receive their Medicaid benefits on a timely basis.

Cause: The County was required by the State to change computer applications during the year. Due to the system conversion, applications were not being processed timely.

Recommendation: We recommend the County establish internal controls to ensure all Medicaid applications are processed within the prescribed time.

Views of Responsible  
Officials and  
Planned Corrective

Actions: Management agrees. Management recognizes timely processing issues for Medicaid applicants. With the implementation of CBMS, the new computer eligibility system, management recognized the system required more time to process each application and sufficient staff to learn the system as well as process. Counties did not receive additional county administration funding to accommodate increased case processing time linked to CBMS.



**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)**

**Finding 04-8 (Continued)**

With supplemental funding in State Fiscal Year 2005, the County has hired temporary staff to assist with the processing of applications. Depending on funding resources, continuing employment of temporary staff or adding additional permanent staff may occur. As the computer system continues to be fixed and effectively improves, the County anticipates that processing times will decrease for Medicaid applications.

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen and Cheryl Schnell.

**Auditor's  
Comments:**

Per documentation provided by the client and our testing, we were able to determine that this finding is still valid for the 2005 operating year. See finding 05-07 for more information.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-9 - CFDA 93.778, Title XIX, U.S. Department of Health and Human Services,  
Passed through the Colorado Department of Human Services**

Criteria or  
Specific

Requirement: Per the Department of Health Care Policy and Financing 160.2, the department or its designee shall notify the applicant within ten calendar days of a decision regarding eligibility.

Condition and  
Context:

Three of the ten individuals tested did not have a letter of notification dated within the prescribed ten days.

Questioned costs: None.

Effect: Individuals who are eligible for Medicaid benefits may not be receiving their benefits timely.

Cause: There is a lack of internal controls and monitoring to ensure the letters of notification are mailed timely.

Recommendation: We recommend the County implement internal controls and monitoring procedures to ensure letters of notification are processed timely.

Views of responsible  
Officials and  
Planned

Corrective Actions: Management agrees.

Management recognizes timely notification is required.

Noticing is an automatic function of the State CBMS system that occurs upon the processing of the case to completion. The notice should be automatically generated and sent to each family upon the determination of the benefits. Notices have been voluminous, contradictory, and unreliable.

Given the volume of these notices, it would be impossible for workers to monitor the accuracy and timely delivery to clients.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-9 (Continued)**

When the system is properly fixed to generate the correct and timely notices, training will be provided to workers and supervisors to review the notifications generated by the system. We currently expect a fix to this problem in January or February 2006.

The process will be implemented based upon the State fix to the system.

Contact person: Elaine Johnsen and Cheryl Schnell.

Auditor's  
Comments:

Per documentation provided by the client and our testing, we were able to determine that this finding is still valid for the 2005 operating year. See finding 05-08 for more information.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-10 - CFDA 93.778, Title XIX, U.S. Department of Health and Human Services,  
Passed through the Colorado Department of Human Services**

Criteria or  
Specific  
Requirement:           The Medicaid program mandates the County maintain sufficient  
documentation to support a determination of an individual's eligibility.

Condition and  
Context:                The County could not provide required documentation of eligibility for one  
of the thirty files tested.

Questioned Costs:    Known questioned costs:                   \$     589  
Likely questioned costs:                   \$  54,193

Effect:                An individual who does not qualify for Medicaid benefits may be receiving  
them.

Cause:                Clerical oversight over the possession and security of the individual file.

Recommendation:    We recommend that a more sophisticated method of tracking the location  
of files be implemented.

Views of Responsible  
Officials  
and Planned

Corrective Actions:  Management agrees.

Management recognizes the importance of the tracking of files.

The Records Manager is in the process of reviewing options for the best  
solution for tracking all records within the fiscal ability of the agency.

The process of reviewing the options will be implemented by December  
31, 2005.

Contact person: Elaine Johnsen and Christine Schmidt.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2005**

**Section IV - Prior Year Federal Award Findings and Questioned Costs (Continued)**

**Finding 04-10 (Continued)**

Auditor's

Comments:

Per documentation provided by the client and our testing, we were able to determine that this finding has been adequately addressed. Auditors consider this finding resolved.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-11 - CFDA 93.575 and 93.596, CCDF Cluster, Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or Specific

Requirement: Parental fees for child care benefits are calculated based on income, family size and number of children in child care. Internal controls should be in place to ensure that parental fees are accurately calculated.

Condition and

Context: Three of the thirty applicants tested had incorrectly calculated parental fees.

Questioned Costs: The amount of questioned costs is \$104. The total sample size was \$6,513. The grant total was \$7,767,454. Therefore, the likely questioned cost is \$124,031.

Effect: The State overpaid benefits for child care services provided due to incorrect parental fees.

Recommendation: We recommend that the County improve the review process of child care applications to include recalculation of the parental fees.

Views of Responsible

Officials and

Planned

Corrective

Actions:

Management agrees.

Management will implement review forms, and one staff member will conduct random quality assurance reviews to ensure that staff understands and is appropriately calculating parental fees.

Management stresses the need for continuing training and review on the proper use and calculation of parental fees.

DHS also has an aggressive fee recovery process in place to re-capture money given when errors occur.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2005

Section IV – Prior Year Federal Award Findings and Questioned Costs (Continued)

**Finding 04-11 (Continued)**

The process will be implemented by December 31, 2005.

Contact person: Elaine Johnsen and Cheryl Schnell.

Auditor's  
Comments:

Per documentation provided by the client, this finding was addressed by implementing a new procedure on January 1, 2006. Therefore, this finding was still valid during the 2005 operating year. See finding 05-09 for more information.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARD**



El Paso County, Colorado  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended December 31, 2005

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>Office of National Drug Policy</u>		
Rocky Mountain High Intensity Drug Trafficking Total	07.xxx	\$ 363,984 <u>363,984</u>
<u>U.S. Department of Agriculture</u>		
Passed through Colorado Department of Human Services Food Stamps Food Stamps Administration	10.551 10.561	41,653,323 1,412,584
Passed through Colorado State Forest Service Bureau of Land Management Total	10.664	<u>18,113</u> 43,084,020
<u>U.S. Department of Housing &amp; Urban Development</u>		
Passed through Colorado Department of Local Affairs Community Development Block Grant Total	14.228	<u>47,359</u> 47,359
<u>U.S. Department of the Interior</u>		
Passed through Colorado Department of Natural Resources Section 6 Endangered Species Grant Total	15.615	<u>28,501</u> 28,501
<u>U.S. Department of Criminal Justice</u>		
Supervised Visitation Crime Victim Assistance Grant Comprehensive Drug Enforcement Program Office for Victims of Crime DVERT Grant Local Law Enforcement Block Grant Community Gun Violence Prosecution Program COPS Total	16.527 16.575 16.579 16.582 16.590 16.592 16.609 16.710	152,504 44,430 167,339 4,776 138,012 77,209 44,376 <u>7,186</u> 635,832
<u>U.S. Department of Labor</u>		
Passed through Colorado Department of Labor and Employment Employment Services Reed Act	17.207 17.225	1,433,895 373,125

El Paso County, Colorado  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
 For the year ended December 31, 2005

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Labor (Continued)</u>		
Workforce Investment Act Adult Program	17.258	1,031,129
Workforce Investment Act Youth Activities	17.259	1,132,771
Workforce Investment Act Dislocated Worker	17.260	2,888,902
Disabled Program Navigator	17.266	19,554
Disabled Veterans Program	17.801	50,658
Local Veterans Employment	17.804	27,972
Total		5,150,986
<u>U.S. Department of Transportation</u>		
Seatbelt Enforcement Program	20.600	3,500
Passed through Colorado Department of Transportation ISTEA	20.205	860,852
Total		864,352
<u>U.S. Federal Emergency Management Agency</u>		
Assistance to Firefighters Grant	83.554	26,134
Passed through Colorado Department of Local Affairs Hazard Mitigation Grant	83.548	2,633
Passed through Colorado Office of Emergency Management Performance Grant	83.552	1,941
Total		30,708
<u>U.S. Department of Health and Human Services</u>		
Passed through Colorado Department of Human Services		
Promoting Safe and Stable Families	93.556	424,833
TANF	93.558	15,820,435
Title IV-D Administration	93.563	3,193,390
Title IV-D Demo Grants	93.564	29,474
Low Income Energy Assistance Programs	93.568	3,709,417
Child Care and Development Block Grant - Discretionary Fund	93.575	2,808,259
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	3,532,727
Title IV-B	93.645	705,699
Title IV-E	93.658	3,909,014
Adoption	93.659	3,851,873
Adjustment to Federal Assistance	93.xxx	215,729
Title XX	93.667	3,234,478
Title IV-E (Independent Living)	93.674	221,491
Title XIX	93.778	4,164,029

El Paso County, Colorado  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
For the year ended December 31, 2005

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Health and Human Services (Continued)</u>		
Passed through Colorado Secretary of State Voting Access for Individuals with Disabilities	93.617	256
Passed through Fountain Valley Senior Citizens Title III-B, Senior Transportation Grant	93.044	35,146
Passed through Colorado Department of Local Affairs Community Services Block Grant	93.569	498,783
Passed through Colorado Department of Public Health & Environment Injury Prevention and Control Research and State and Community Based Programs	93.136	1,725
Total		<u>46,356,758</u>
<u>Social Security Administration</u>		
Passed through Colorado Department of Education Social Security Research and Demonstration	96.007	110,472
Total		<u>110,472</u>
<u>U.S. Department of Homeland Security</u>		
Passed through Colorado Community College System Homeland Security Grant Program - Citizen Corps	97.067	40,585
Passed through Colorado Department of Public Safety Homeland Security Grant Program Terrorism Prevention	97.067	345,042
Passed through Colorado Office of Emergency Management Homeland Security Grant Program	97.067	2,646,777
Emergency Management Performance Grant	97.042	62,945
Citizen Corps	97.053	1,038
Total		<u>3,096,387</u>
Total Expenditures of Federal Awards		<u>\$ 101,576,379</u>

The following note is an integral part of this schedule.

Note 1. Basis of Presentation

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