

# Comprehensive Annual Financial Report

For the year ended December 31, 2006



**El Paso County, Colorado**  
Prepared by: Financial Services Department





# **EL PASO COUNTY, COLORADO**

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
December 31, 2006

Prepared by:  
Financial Services Department

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El Paso County, Colorado  
Comprehensive Annual Financial Report  
For the year ended December 31, 2006

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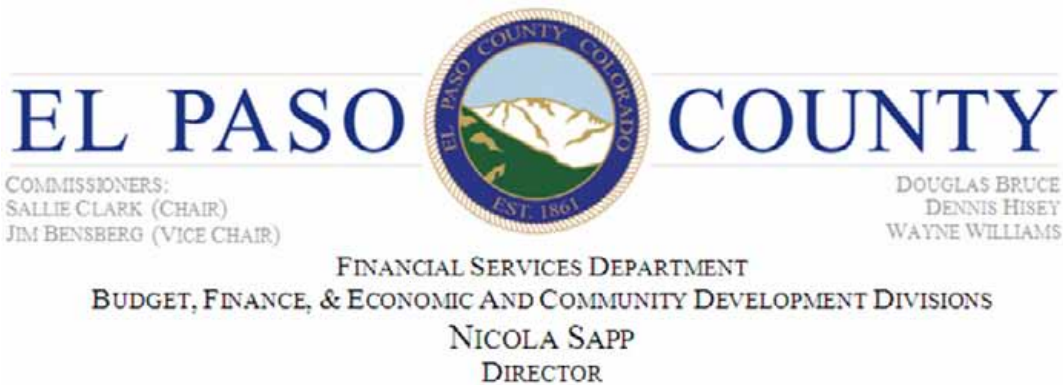
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## **I. INTRODUCTORY SECTION**

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June 20, 2007

### **Transmittal Letter**

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. Publishing of this report is to fulfill that requirement for the fiscal year ended December 31, 2006.

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

Bondi & Co. issued an unqualified (“clean”) opinion on El Paso County’s financial statements for the year ended December 31, 2006. 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 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 576,240. 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 consists of five elected members, one from each district within the County.

El Paso County provides a full range of services, including Sheriff Operations; District Attorney Offices; Department of Human Services; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. El Paso County also is accountable for a legally and 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 only a minor amount from a low of 4.2 percent in 1995 to 4.6 percent in 2006. Unemployment should 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, relocation of several military troops will take place 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, but the increased unfunded mandates that we continue to experience each year, threaten our ability to maintain a 10 percent fund balance. This complies with the 2006 Budget Resolution as approved by the BoCC for budgetary and planning purposes. Given the fact that revenues have not been increasing in conjunction with these mandates and other cost indicators such as population increases and increases in the consumer price index, we continue to face reductions in our operational budgets and ultimately our service levels. However, 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 operational, in early 2005. Construction of this new addition was in an effort to address the increasing numbers of inmates. The Judicial Building, Parking Garage, and Central Utilities Plant were completed and dedicated in 2006.

### ***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, 2005. El Paso County received this award for ten consecutive years, from December 31, 1990, through December 31, 1999, but had not applied for it again until 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 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

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

El Paso County  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

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



President

Executive Director

**El Paso County, Colorado  
Elected and Appointed Officials  
December 31, 2006**

Commissioners

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

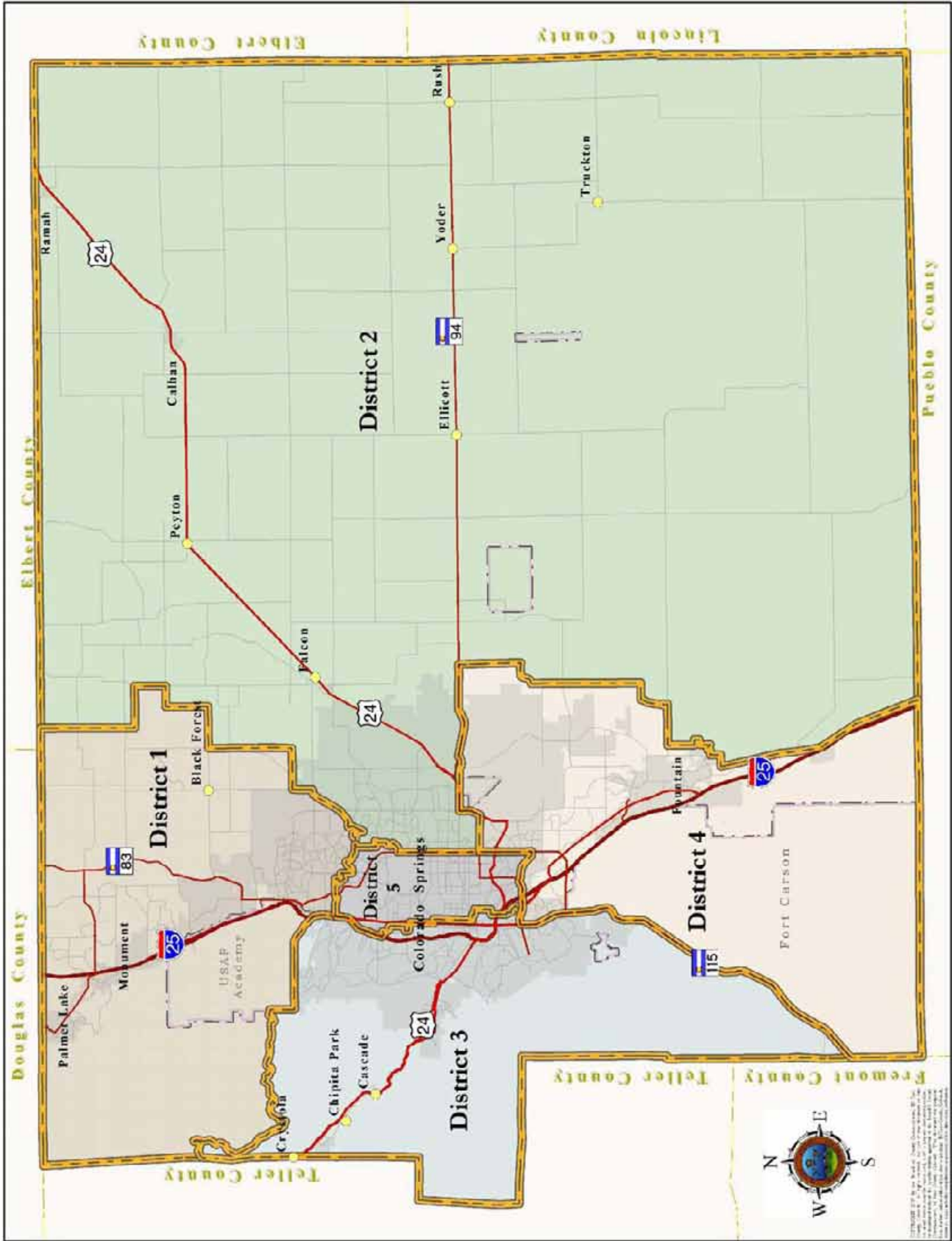
Elected Officials

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

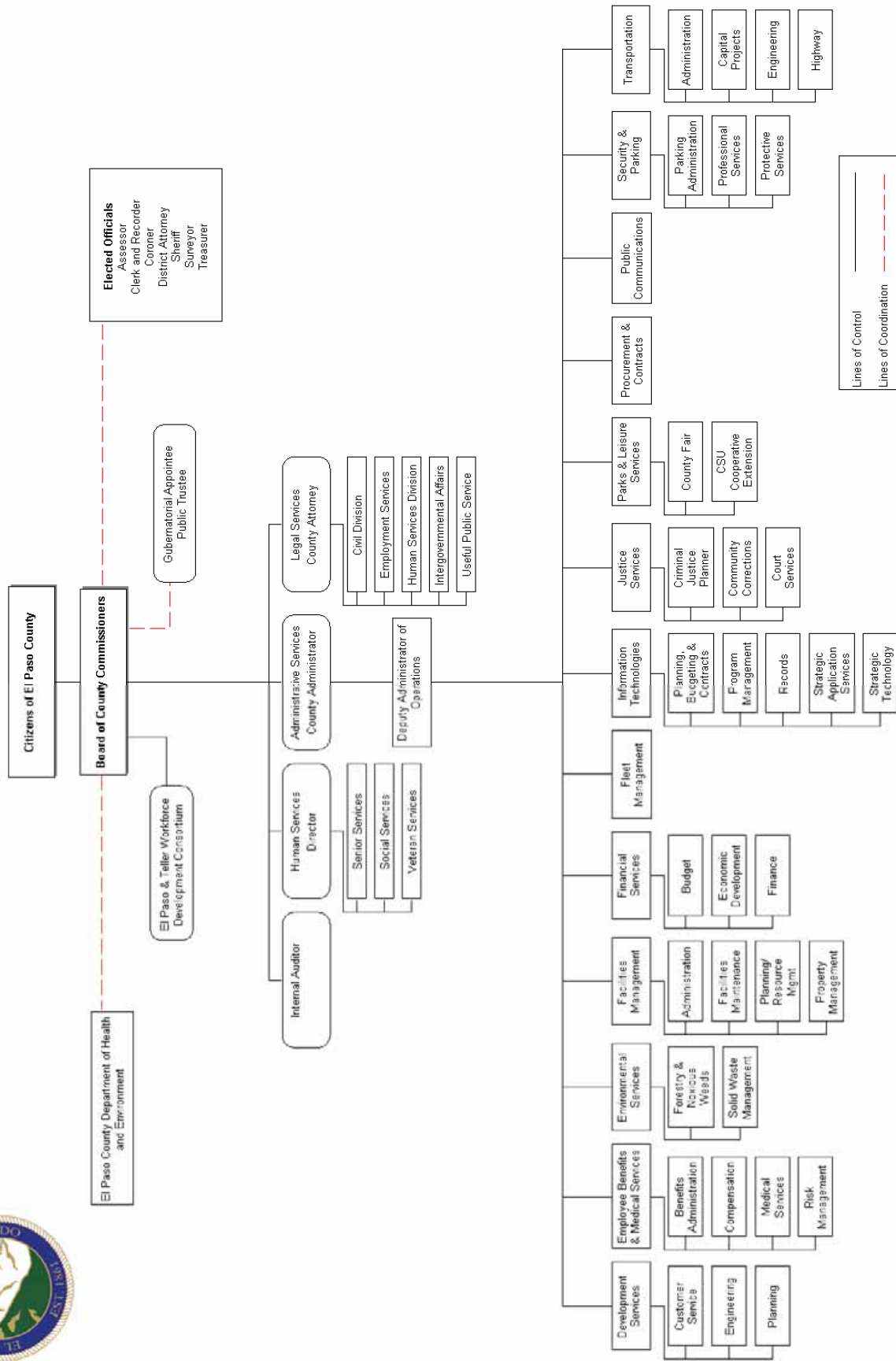
Appointed Officials

Public Trustee	Holly Williams
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El Paso County, Colorado  
 District Map  
 December 31, 2006



# El Paso County Organizational Chart



Lines of Control ———  
Lines of Coordination - - -



## II. FINANCIAL SECTION

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**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

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(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, 2006, 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 7 percent and 4 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, 2006, 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 15, 2007 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, budgetary comparison information on pages 65 through 70 and modified approach schedules on page 72 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 15, 2007

  
BONDI & Co. LLC

## Management's Discussion and Analysis

(Un-audited)

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

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, 2006. Please read it in conjunction with the County's financial statements, which begin on page 25.

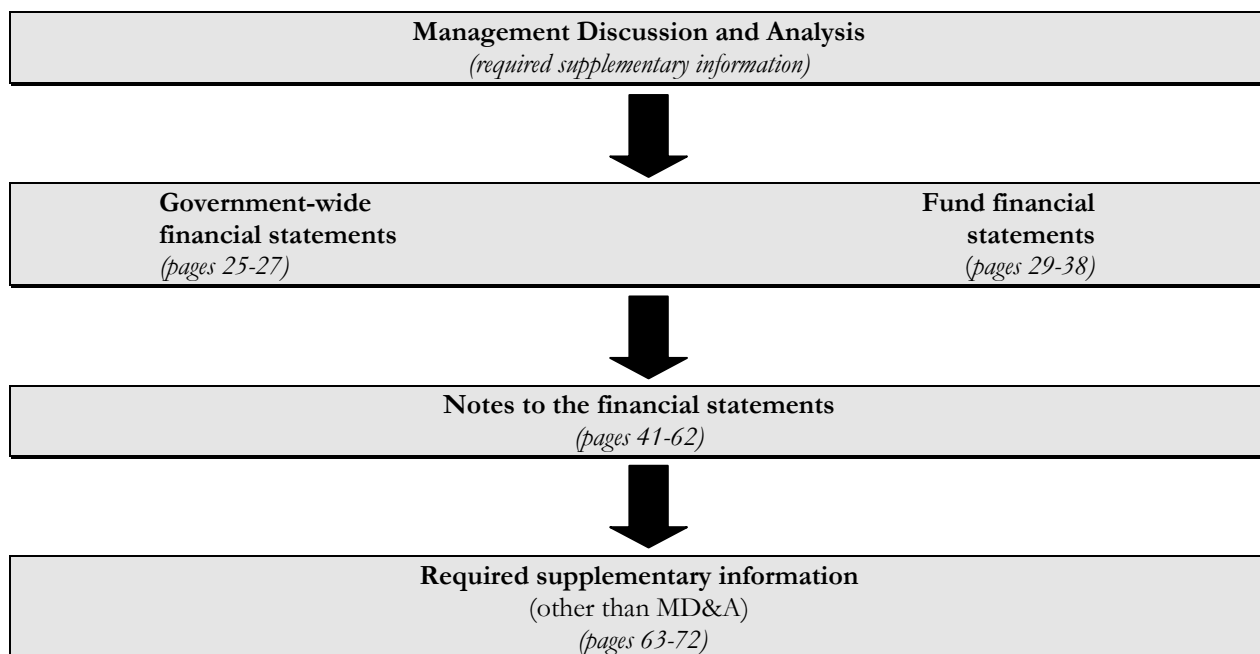
### Financial Highlights

- The County's capital amounts increased \$331.5 million to \$662.6 million as of December 31, 2006. The increase was due to the retroactive reporting of infrastructure assets as required by GASB 34. Without this one-time adjustment, the impacts to fund balance in 2006 as a result of operations is a negative or reduction of fund balance of \$2.0 million.
- In comparing the 2006 statement of Activities to 2005, several reclassifications within the categories have occurred. The Coroner's operation was moved from Health & Welfare to Public Safety and the Enterprise Zone Activity reported in the Economic Development Fund was reclassified from General Government to Outside agencies. Taking into account these reclassifications, the General Government expense decreased in 2006 by \$1.2 million over 2005. The Public Safety expenses increased \$5 million due to an increase in unfunded mandates such as personnel and support staff for additional judges and courtrooms. Public Works decreased \$2.0 million as a result of the weather affecting the timing and their ability to complete projects. Health and Welfare increased \$2.0 million due to an increase in operational levels and funding from the State. Outside agencies increased \$2.0 million as a result of an increase in private charitable donations to not-for-profit projects administered through the Enterprise Zone.
- Charges for services increase a small amount of \$800,000 which is attributed to a \$250,000 increase in Road and Bridge fees and an increase in Public Trustee Fees and Treasurer Fees. Operational Grants increased \$5.6 million which was a combination of increased State support to the Department of Human Services and an increase in charitable contributions as pass-through funds to the Economic Development Fund (Enterprise Zone).
- Sales tax collections came in at a minor percentage over 2005 which is a direct result of what is occurring locally in our economy. This minor increase was not recognized until the last five months of the 2006 year. Highway User Tax Funds came in \$2.6 million more in 2006 than in 2005 which is due to a change in timing from the State of Colorado as to how and when the County reaches individual tiers within the State's calculation.
- Restricted cash and investments decreased \$10 million due the completion of the major construction projects in the Community Investment Fund. Cash and investments decreased \$6.5 million due to spending into fund balance on various funds as a result of not having sufficient revenues to address increasing mandates.



## 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 29. 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 non-financial factors, such as changes in the County's property tax base and the condition of the County's roads.

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

- ***Governmental activities*** - Most of the County's basic services are included here, such as sheriff, public works, health and welfare, auxiliary services and general administration. Taxes and intergovernmental revenues finance most of these activities.

- ***Business-type activities*** - The County charges fees to customers to help it cover the costs of certain services it provides. The County's Solid Waste Management 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 is properly using certain taxes and grants.

The County has three types of funds:

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

- Enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- Internal service funds are used to report activities that provide supplies and services for the County's other programs and activities.
- **Fiduciary funds** - The County is the trustee, or fiduciary for other assets that, because of a trust arrangement, can be used only for the trust's beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net 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

The **General Fund** is the County's primary operating fund, accounting for all financial resources of the general government, except those required to be accounted for in another fund. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$14,322,359 of which \$10.8 million is designated for cash flows representing only 36 days of cash flow at the end of 2006. The other \$1,602,700 in unreserved fund balance mostly represents the portion of re-appropriated funds from 2006 to 2007 that has been Board designated, but not yet obligated in a contract. The undesignated fund balance of \$1,919,659 represents the amount of funds available to the Board of County Commissioners to be used to address any emergency items that occur in the subsequent year.

In 2006, the Contingency "Emergency" Reserve (TABOR) was transferred from the Contingency Fund to become a component of the General Fund reserve and can be found under the reserved section under "declared emergencies". The transfer of the \$4.3 million fund balance is a component of the change in fund balance, but should be taken out when looking at the actual operational activity for the year. Without the one-time transfer of contingency funds, the change in fund balance was a reduction \$2.2 million. This spending into fund balance was mainly due to under collection of sales tax, our primary revenue source.

The **Road and Bridge Fund** accounts for construction and maintenance of County roads and bridges financed by property taxes, highway user fees, and other revenues restricted to use on roads and bridges. At the end of the current fiscal year, the unreserved fund balance of the Road and Bridge Fund was \$9,874,877. The fund balance for 2006 increased by \$2,453,213 over 2005, mainly due to an increase in the highway user tax revenue.

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. While there is no fund balance reported at the end of the fiscal year, the Social Services Fund is currently operating with an advance from the State of Colorado for cash flow purposes in the amount of \$2,273,349.

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. In 2006, we spent into fund balance by \$11.5 million which was mostly due to capital outlay expenditures representing the finalization of the construction of our major projects, the Criminal Justice Center, Central Utility Plant, Parking Structure, and the new Judicial Complex.



**Net assets** - The County's combined net assets were \$504.8 million in 2006. 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, next page) of the County's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 95.7	\$ 108.6	\$ 3.7	\$ 4.6	\$ 99.4	\$ 113.2
Capital assets	566.9	224.3	1.4	1.1	568.3	225.4
Total assets	<u>662.6</u>	<u>332.9</u>	<u>5.1</u>	<u>5.7</u>	<u>667.7</u>	<u>338.6</u>
Long-term debt outstanding	107.0	110.5	0.3	0.3	107.3	110.8
Other liabilities	55.4	53.6	0.2	0.3	55.6	53.6
Total liabilities	<u>162.4</u>	<u>164.1</u>	<u>0.5</u>	<u>0.3</u>	<u>162.9</u>	<u>164.4</u>
Net assets:						
Invested in capital assets, net of related debt	473.8	135.6	1.4	1.1	475.2	136.7
Restricted	5.8	5.7			5.8	5.7
Unrestricted	20.6	27.5	3.2	4.3	23.8	31.8
Total net assets	<u>\$ 500.2</u>	<u>\$ 168.8</u>	<u>\$ 4.6</u>	<u>\$ 5.4</u>	<u>\$ 504.8</u>	<u>\$ 174.2</u>

For information that is more detailed see the Statement of Net Assets on page 25.

### 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 affect (increase/decrease) current assets and unrestricted net assets.

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

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

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

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

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

Net assets of the County's governmental activities were \$500.2 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). An unrestricted net asset 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 \$20.6 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, 2006 is \$5.1 million.

**Changes in net assets** - The County's total revenues were \$228.3 million for 2006. Approximately 9.6% of the County's revenues come from charges for services. The total cost of all programs and services was \$205.8 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 21.5	\$ 20.7	\$ 3.0	\$ 3.4	\$ 24.5	\$ 24.1
Operating grants	58.0	52.4			58.0	52.4
Capital grants	27.0	8.7			27.0	8.7
General revenues						
Property taxes	35.5	33.6			35.5	33.6
Sales tax	68.5	67.8			68.5	67.8
Other taxes	11.4	9.2			11.4	9.2
Other revenues	3.2	5.6	0.7	(3.3)	3.4	2.3
Total revenue	<u>\$ 225.1</u>	<u>\$ 198.0</u>	<u>\$ 3.7</u>	<u>\$ 0.1</u>	<u>\$ 228.3</u>	<u>\$ 198.1</u>
<b>EXPENSES</b>						
General government	\$ 49.6	\$ 53.1	\$	\$	\$ 49.6	\$ 53.1
Public safety	68.3	63.5			68.3	63.5
Public works	15.1	17.4			15.1	17.4
Health and welfare	54.1	52.0	0.7	0.6	54.8	52.6
Culture and recreation	3.0	3.3		0.4	3.0	3.7
Auxiliary services	0.3	0.5	3.5	1.3	3.8	1.8
Outside agencies	6.6				6.6	
Interest on long term debt	4.6	4.7	-	-	4.6	4.7
Total expenses	<u>\$ 201.6</u>	<u>\$ 194.5</u>	<u>\$ 4.2</u>	<u>\$ 2.3</u>	<u>\$ 205.8</u>	<u>\$ 196.8</u>
Increase (decrease) in net assets before transfers	23.6	3.5	(0.9)	(2.2)	22.7	1.3
Transfers	<u>(0.5)</u>		<u>0.5</u>			
Increase (decrease) in net assets	<u>\$ 23.1</u>	<u>\$ 3.5</u>	<u>\$ (0.4)</u>	<u>\$ (2.2)</u>	<u>\$ 22.7</u>	<u>\$ 1.3</u>
Ending Net Assets	<u><u>\$ 500.2</u></u>	<u><u>\$ 168.8</u></u>	<u><u>\$ 4.6</u></u>	<u><u>\$ 5.4</u></u>	<u><u>\$ 504.8</u></u>	<u><u>\$ 174.2</u></u>

## Governmental Activities

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

### Revenues:

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

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

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

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

### Expenses:

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

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

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

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

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

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

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

	Total Cost of Services		Net Cost (Revenue) of Services	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Public safety	\$ 68.3	\$ 63.5	\$ 54.8	\$ 47.9
Public works	15.1	17.4	(11.1)	9.9
Health and welfare	54.1	52.0	15.0	16.2
Culture and recreation	3.0	3.3	1.2	1.9
Total	<u>\$ 140.5</u>	<u>\$ 136.2</u>	<u>\$ 59.9</u>	<u>\$ 75.9</u>

## Financial Analysis of the County's Funds

As the County completed the year, the governmental funds reported a combined fund balance of \$39.2 million. However, included in this year's total change in fund balance was a \$11.3 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 80 resolutions for a net increase of \$13,919,156. The ten largest budget resolutions follow and total \$12,089,920. The remaining resolutions with a total of \$1,829,236 were all under \$155,000 each.

- Resolution 06-322 was approved to transfer \$4,319,461 from the fund balance of the Contingency Reserve Fund into the fund balance of the General Fund.
- Resolution 06-48 was approved to reappropriate \$3,465,291 of 2005 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 2006.
- Resolution 06-36 was approved to appropriate \$1,200,000 received from Inmate Processing Fees, Work Release, and State Detentions (Department of Corrections housing fees) to cover the Sheriff's Office outstanding compensatory time from increased workloads, and scheduling requirements.
- Resolution 06-73 was approved in the amount of \$1,139,250 for the Help America Vote Act (HAVA) federal grant to the Clerk and Recorder's office, for the purpose of purchasing and upgrading voting equipment.
- Resolution 06-34 was approved in the amount of \$704,092 for the Homeland Security federal grant funds to the Sheriff's Office for pass-through to the City of Colorado Springs.
- Resolution 06-270 was approved in the amount of \$420,419 to establish 13 full time equivalent employees to District Attorney's office and three to Sheriff's office to support two additional judges being appointed to the Fourth Judicial District by the State of Colorado.
- Resolution 06-320 was approved in the amount of \$296,133 for the Department of Public Safety, Division of Criminal Justice contract revenue for the purpose of providing community correction services through subcontractors.
- Resolution 06-321 was approved in the amount of \$200,000 to transfer funds from the undesignated fund balance of the General Fund to Fleet Management Department in order to cover the cost of increasing fuel expenses.
- Resolution 06-343 was approved in the amount of \$187,097 to increase the Clerk and Recorder's 2006 budget as a result of an Intergovernmental Agreement with Colorado Springs School District 11 for the purpose of conducting a Recall Election of the School District's Board of Directors by Mail Ballot.
- Resolution 06-277 was approved in the amount of \$156,277 for the Department of Public Safety, Division of Criminal Justice contract revenue for the purpose of providing community correction services through subcontractors.

## Capital Assets and Debt Administration

### Capital Assets

At the end of 2006, the County had invested \$637.0 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)**

	Governmental Activities	
	2006	2005
Land	\$ 14.1	\$ 14.1
Construction in progress	93.9	79.9
Buildings & improvements	91.3	88.7
Machinery and equipment	55.3	52.5
Infrastructure	382.4	62.0
Total	\$ 637.0	\$ 297.2

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2006, amounts to \$568.3 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 2006, there was \$6,970,808 of construction in progress purchased for the construction of the Judicial Building.
- During 2006, there was \$94,821 of construction in progress purchased for the construction of the Detention Facilities Expansion.
- During 2006, there was \$622,280 of construction in progress purchased for the architect and engineering services for the Central Utilities Plant.
- During 2006, there was \$4,570,636 for Machinery & equipment and vehicles.
- During 2006, there was \$320,418,087 for infrastructure.

## Infrastructure Assets

El Paso County has elected to use the modified approach to account and report on infrastructure assets. The current condition levels were used to determine our targeted levels. Due to the lack of available additional funds, it is the goal of management to maintain our current infrastructure at the following condition levels:

<u>Targeted condition levels</u>		
Good	not less than	69%
Fair	not less than	23%
Poor	not less than	4%
Unknown	not more than	4%

### For 2006, our condition distribution is:

Good	70%
Fair	24%
Poor	5%
Unknown	1%

Additional information on El Paso County's capital assets can be found in the notes to the financial statements of this report on pages 48, 53, 54, and 61.

## Long-term Debt

During 2006, El Paso County had a net reduction in long-term debt accounts of \$4,860,839. 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 12/31/06 to report.

## Contacting the County's Financial Management

The purpose of this financial report is 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**

**Governmental-Wide Financial Statements**



El Paso County, Colorado  
Statement of Net Assets  
December 31, 2006

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	El Paso County Department of Health and Environment	The El Paso County Housing Authority
<b>ASSETS</b>					
Cash and investments	\$ 28,978,283	\$ 3,430,978	\$ 32,409,261	\$ 4,100,319	\$ 3,192,945
Receivables					
Property taxes	39,130,575		39,130,575		
Accounts	3,163,235	236,707	3,399,942	22,670	
Intergovernmental	19,839,055	3,781	19,842,836	2,434,393	
Interest	3,148		3,148		18,366
Notes					2,678,094
Internal balances	(80,415)	80,415			
Inventories	1,765,898		1,765,898		
Prepaid items	79,976		79,976	56,120	
Restricted cash and investments	1,332,886		1,332,886		
Unamortized issuance costs	1,530,838		1,530,838		
Capital assets, not depreciated	490,418,644		490,418,644		
Capital assets, net of accumulated depreciation	76,491,624	1,387,518	77,879,142	1,329,186	
Total assets	662,653,747	5,139,399	667,793,146	7,942,688	5,889,405
<b>LIABILITIES</b>					
Accounts payable	\$ 9,119,895	\$ 243,098	\$ 9,362,993	\$ 560,945	\$ 256,564
Due to other governments	2,301,340		2,301,340		
Interest payable	370,117		370,117		
Accrued liabilities	4,482,605		4,482,605	1,275,150	4,810
Deferred revenue	39,134,543		39,134,543	144,634	
Noncurrent liabilities					
Due within one year	4,957,738	15,136	4,972,874		
Due in more than one year	102,067,932	273,730	102,341,662		236
Total liabilities	162,434,170	531,964	162,966,134	1,980,729	261,610
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 473,797,276	\$ 1,387,518	\$ 475,184,794	\$ 1,329,186	\$
Restricted for:					
Declared emergencies	5,063,914		5,063,914	545,278	
Debt service	699,738		699,738		
Unrestricted	20,658,649	3,219,917	23,878,566	4,087,495	5,627,795
Total net assets	\$ 500,219,577	\$ 4,607,435	\$ 504,827,012	\$ 5,961,959	\$ 5,627,795

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Statements of Activities  
For the year ended December 31, 2006

<b>Functions/Programs</b>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities				
General government	\$ 49,588,735	\$ 17,205,184	\$ 727,284	\$ 1,204,250
Public safety	68,322,881	2,743,137	10,394,330	353,942
Public works	15,126,834	358,491	646,065	25,178,457
Health and welfare	54,071,254	575,555	38,514,218	
Culture and recreation	3,049,572	410,763	1,228,056	223,843
Auxiliary services	276,546		5,625	
Outside agencies	6,636,067	240,988	6,519,030	
Interest on long-term debt	4,571,516			
Total governmental activities	201,643,405	21,534,118	58,034,608	26,960,492
Business-type activities				
Solid waste management	657,857	761,139		
Land development	3,458,822	2,285,934		
Total business-type activities	4,116,679	3,047,073		
Total primary government	\$ 205,760,084	\$ 24,581,191	\$ 58,034,608	\$ 26,960,492
<b>Component units:</b>				
Health department	\$ 24,122,896	\$ 2,844,747	\$ 20,456,992	\$
Housing authority	762,983	424,423	658,642	
Total component units	\$ 24,885,879	\$ 3,269,170	\$ 21,115,634	\$

General revenues:  
 Property taxes  
 Sales taxes  
 Specific ownership tax  
 Highway users tax  
 Investment earnings  
 Gain (loss) on sale of capital assets

Total general revenues

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		
\$ (30,452,017)	\$	\$ (30,452,017)	\$	\$
(54,831,472)		(54,831,472)		
11,056,179		11,056,179		
(14,981,481)		(14,981,481)		
(1,186,910)		(1,186,910)		
(270,921)		(270,921)		
123,951		123,951		
(4,571,516)		(4,571,516)		
(95,114,187)		(95,114,187)		
	103,282	103,282		
	(1,172,888)	(1,172,888)		
	(1,069,606)	(1,069,606)		
\$ (95,114,187)	\$ (1,069,606)	\$ (96,183,793)	\$	\$
\$	\$	\$	\$ 821,157	\$ 320,082
			\$ 821,157	\$ 320,082
35,549,331		35,549,331		
68,520,201		68,520,201		
776,998		776,998		
10,615,746		10,615,746		
3,429,584	179,621	3,609,205	251,585	196,373
(179,211)		(179,211)		
118,712,649	179,621	118,892,270	251,585	196,373
(486,487)	486,487			
118,226,162	666,108	118,892,270	251,585	196,373
23,111,975	(403,498)	22,708,477	(569,572)	516,455
168,755,265	5,010,933	173,766,198	6,531,531	2,966,058
308,352,337		308,352,337		2,145,282
\$ 500,219,577	\$ 4,607,435	\$ 504,827,012	\$ 5,961,959	\$ 5,627,795

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## **Fund Financial Statements**

El Paso County, Colorado  
Governmental Funds  
Balance Sheet  
December 31, 2006

	General Fund	Road and Bridge	Social Services
<b>ASSETS</b>			
Cash and investments	\$ 7,934,775	\$ 9,763,645	\$ 1,575,082
Taxes receivable	11,128,530	8,286,067	6,478,251
Accounts receivable	1,397,292	35,018	31,354
Due from other funds	1,382,859	190	60,890
Due from other governments	13,994,871	1,543,916	2,594,167
Inventories	171,373	977,970	
Prepaid items	60,976		
Restricted cash and investments			628
	<u>\$ 36,070,676</u>	<u>\$ 20,606,806</u>	<u>\$ 10,740,372</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,234,814	\$ 599,388	\$ 1,049,653
Accrued wages	28,137	123,299	
Due to other funds	182,459	14,208	938,491
Due to other governments	3,502	24,489	2,273,349
Deferred revenue	11,131,869	8,286,067	6,478,879
	<u>14,580,781</u>	<u>9,047,451</u>	<u>10,740,372</u>
Fund Balances:			
Reserved			
Declared emergencies	\$ 5,063,914	\$	\$
Encumbrances	801,621	706,508	
Inventories	171,373	977,970	
Prepaid items	60,976		
Debt service			
Construction			
Legally restricted	1,069,652		
Unreserved			
Designated for cash flows	10,800,000		
Designated for subsequent year's expenditures	1,602,700		
Capital projects fund			
Designated for subsequent year's expenditures/cash flows			
Special revenue funds			
Designated for subsequent year's expenditures/cash flows		9,874,877	
Undesignated	1,919,659		
	<u>21,489,895</u>	<u>11,559,355</u>	
Total liabilities and fund balances	<u>\$ 36,070,676</u>	<u>\$ 20,606,806</u>	<u>\$ 10,740,372</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,186,867	\$ 4,169,433	\$ 24,629,802
7,281,755	3,696,118	36,870,721
	1,677,515	3,141,179
	55,408	1,499,347
	1,165,855	19,298,809
		1,149,343
		60,976
1,332,258		1,332,886
\$ 9,800,880	\$ 10,764,329	\$ 87,983,063
\$ 100,149	\$ 2,609,530	\$ 7,593,534
		151,436
	773,934	1,909,092
		2,301,340
7,281,755	3,696,118	36,874,688
7,381,904	7,079,582	48,830,090
\$ 25,440	\$ 243,260	\$ 5,063,914
		1,776,829
		1,149,343
		60,976
1,300,821		1,300,821
1,092,715		1,092,715
		1,069,652
		10,800,000
		1,602,700
	1,796,221	11,671,098
	1,645,266	3,564,925
2,418,976	3,684,747	39,152,973
\$ 9,800,880	\$ 10,764,329	\$ 87,983,063

El Paso County, Colorado  
Governmental Funds  
Statement of Revenues and Changes in Fund Balances  
For the year ended December 31, 2006

	General Fund	Road and Bridge	Social Services
<b>REVENUE</b>			
Property taxes	\$ 12,859,410	\$ 8,050,759	\$ 6,362,084
Sales taxes	68,520,201		
Specific ownership taxes	87,038	689,960	
Highway user taxes		10,615,746	
Intergovernmental	13,311,828	1,217,256	30,615,341
Fees and fines	575,532		
Licenses and permits	284,181		
Charges for services	16,544,308	336,818	16,643
Investment earnings	2,655,943	469,950	
Miscellaneous	1,548,614	66,231	31,683
	<hr/>	<hr/>	<hr/>
Total revenues	116,387,055	21,446,720	37,025,751
<b>EXPENDITURES</b>			
Current:			
General government	39,944,006		
Public safety	53,817,430		
Public works		14,112,138	
Health and welfare	5,086,595		40,218,020
Culture and recreation	2,019,771		
Outside agencies			
Auxiliary services	328,360		
Debt service:			
Principal			
Interest and other charges			
Capital outlay	3,829,657	4,405,453	
	<hr/>	<hr/>	<hr/>
Total expenditures	105,025,819	18,517,591	40,218,020
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	11,361,236	2,929,129	(3,192,269)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of fixed assets	56,534	27	
Transfers in	4,319,461		3,787,443
Transfers out	(13,578,295)	(475,943)	(742,154)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(9,202,300)	(475,916)	3,045,289
	<hr/>	<hr/>	<hr/>
Net change in fund balances	2,158,936	2,453,213	(146,980)
	<hr/>	<hr/>	<hr/>
Fund balances - January 1	19,330,959	9,106,142	146,980
Fund balances - December 31	<u>\$ 21,489,895</u>	<u>\$ 11,559,355</u>	<u>\$</u>

The accompanying notes are an integral part of this statement.



Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 4,644,995	\$ 3,632,083	\$ 35,549,331
		68,520,201
		776,998
		10,615,746
	10,201,105	55,345,530
	322,510	898,042
		284,181
		16,897,769
212,963	92,587	3,431,443
	6,547,341	8,193,869
<u>4,857,958</u>	<u>20,795,626</u>	<u>200,513,110</u>
69,802	5,353,683	45,367,491
	11,165,683	64,983,113
		14,112,138
	7,357,882	52,662,497
	707,220	2,726,991
	6,636,067	6,636,067
		328,360
3,490,000		3,490,000
4,570,462		4,570,462
8,457,475	203,011	16,895,596
<u>16,587,739</u>	<u>31,423,546</u>	<u>211,772,715</u>
<u>(11,729,781)</u>	<u>(10,627,920)</u>	<u>(11,259,605)</u>
166,215	10,429,125	56,561
	(4,392,339)	18,702,244
		(19,188,731)
<u>166,215</u>	<u>6,036,786</u>	<u>(429,926)</u>
(11,563,566)	(4,591,134)	(11,689,531)
13,982,542	8,275,881	50,842,504
<u>\$ 2,418,976</u>	<u>\$ 3,684,747</u>	<u>\$ 39,152,973</u>

El Paso County, Colorado  
 Governmental Funds  
 Reconciliation of the Balance Sheet to the  
 Statement of Net Assets  
 For the year ended December 31, 2006

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

Fund balances - total governmental funds (page 31)	\$	39,152,973
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		558,817,256
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.		7,796,442
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.		3,148
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		(370,117)
Capital leases payable		(135,028)
Compensated absences payable		(13,268,830)
Certificates of participation payable		(91,918,378)
Unamortized premium (to be amortized as interest expense)		(1,388,727)
Elimination of due to/from interfund balances		
Unamortized issuance costs (to be amortized over life of debt)		1,530,838
		1,530,838
Net assets - governmental activities (page 27)	\$	500,219,577

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
 Governmental Funds  
 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, 2006

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net change in fund balances - total governmental funds (page 33)	\$ (11,689,531)
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	16,895,596
Depreciation	(6,346,807)
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.	24,562,707
Transfers and capital purchases from general government operating	(160,541)
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.	(235,770)
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	3,490,000
Amortization of debt premium	(76,114)
Amortization of issuance costs	
Payment of capital leases as a reduction of long term debt	135,028
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	(170,476)
Accrued interest	9,998
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	(3,647,375)
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	347,119
	(1,859)
Change in net assets - governmental activities (page 27)	\$ 23,111,975

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, 2006

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues		
Charges for services	\$ 3,044,073	\$ 15,828,245
Operating expenses		
Insurance premiums		743,872
Claim settlements		15,463,566
Depreciation	103,645	1,633,181
Administration and operations	4,026,543	8,789,307
Total operating expenses	4,130,188	26,629,926
Operating income (loss)	(1,086,115)	(10,801,681)
Nonoperating revenues/expenses		
Taxes		6,916,190
Investment Earnings	179,621	
Gain (loss) on sale of fixed assets		35,241
Miscellaneous	3,000	77,688
Total nonoperating revenues/expenses	182,621	7,029,119
Income (loss) before transfers	(903,494)	(3,772,562)
Transfers in	498,223	125,188
Transfers out	(11,735)	
Change in net assets	(417,006)	(3,647,374)
Net assets - January 1	5,010,933	11,443,817
Net assets - December 31	\$ 4,593,927	\$ 7,796,443
Change in net assets	(417,006)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	13,508	
Total net assets - business-type activities (page 25)	\$ (403,498)	

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, 2006

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 3,028,525	\$ (307,467)	\$ 2,721,058
Receipts from interfund services provided	62,031	15,938,462	16,000,493
Payments to suppliers	(491,427)	(4,476,133)	(4,967,560)
Payments to employees	(2,261,528)	(15,329,846)	(17,591,374)
Payments for interfund services used	(1,080,983)	(3,484,798)	(4,565,781)
Net cash provided by (used in) operating activities	<u>(743,382)</u>	<u>(7,659,782)</u>	<u>(8,403,164)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes received		6,916,190	6,916,190
Transfers out	486,488		486,488
Net cash provided by (used in) noncapital financing activities	<u>486,488</u>	<u>6,916,190</u>	<u>7,402,678</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of fixed assets		67,863	67,863
Capital expenditures	(416,731)	(962,182)	(1,378,913)
Net cash provided by (used in) capital and related financing activities	<u>(416,731)</u>	<u>(894,319)</u>	<u>(1,311,050)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	179,621		179,621
Net cash provided by (used in) investing activities	<u>179,621</u>		<u>179,621</u>
Net decrease in cash and cash equivalents	(494,004)	(1,637,911)	(2,131,915)
Cash and cash equivalents - January 1	3,924,982	5,986,392	9,911,374
Cash and cash equivalents - December 31	<u>\$ 3,430,978</u>	<u>\$ 4,348,481</u>	<u>\$ 7,779,459</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (1,086,115)	\$ (10,801,681)	\$ (11,887,796)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue	3,000	77,688	80,688
Depreciation expense	103,645	1,633,181	1,736,826
(Increase) decrease in assets			
Accounts receivable	(34,006)	(168,181)	(202,187)
Intergovernmental receivables	16,208	(539,869)	(523,661)
Due from other funds	62,031	110,217	172,248
Inventories		(85,017)	(85,017)
Increase (decrease) in liabilities			
Accounts payable	186,972	389,382	576,354
Accrued liabilities		1,200,246	1,200,246
Compensated absences	17,939	10,127	28,066
Due to other funds	(12,306)	191,230	178,924
Deferred revenue	(750)	322,895	322,145
Net cash provided by (used in) operating activities	<u>\$ (743,382)</u>	<u>\$ (7,659,782)</u>	<u>\$ (8,403,164)</u>
<b>Noncash investing, capital, and financing activities:</b>			
Fixed assets transferred from other funds	<u>\$</u>	<u>\$ 125,188</u>	<u>\$</u>

The accompanying notes are an integral part of this statement.



El Paso County, Colorado  
Fiduciary Funds  
Statements of Changes in Net Assets  
For the year ended December 31, 2006

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employers	\$ 6,155,876	\$
Employees	6,866,368	
Total contributions	13,022,244	
Charges for services		903,806
Other income	67,431	
Investment earnings:		
Net appreciation in fair value of investments	31,346,373	
Interest and dividend income	5,962,895	184,598
Total investment earnings	37,309,268	184,598
Less investment expenses	(1,696,196)	
Net investment income	35,613,072	184,598
Total additions	48,702,747	1,088,404
<b>DEDUCTIONS</b>		
Outside agencies		692,095
Benefits	10,919,437	
Refunds	2,355,208	
Administrative expenses	340,454	
Total deductions	13,615,099	692,095
Change in net assets	35,087,648	396,309
Net assets - January 1	240,733,254	3,836,392
Net assets - December 31	\$ 275,820,902	\$ 4,232,701

The accompanying notes are an integral part of this statement.



**Notes to Financial Statements**

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## Note A – Summary of Significant Accounting Policies

### 1. *Reporting entity*

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

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

#### Blended component units

##### El Paso County Sheriff Special Investigation Fund

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

##### District Attorney Offices of the Fourth Judicial District

The District Attorney is the prosecutor for the 4th Judicial District of Colorado and is made up 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 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.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

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

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

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

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

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

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

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

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

The County reports the following major governmental funds:

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

The *road and bridge fund* 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.

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

Additionally, the County reports the following fund types:

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

*Contingency funds* account for the resources accumulated to fund emergencies, disaster, 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. During 2006 this became a component of general fund.

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

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

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

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

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

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

*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.

The *Land Development Review Fund* was established to collect and account for land development fees and charges and is governed by the Planning Commission that 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  
Notes to Financial Statements  
December 31, 2006

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.

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.

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* 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.

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

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

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 inter-fund 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, 2006

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

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.

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.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

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, 2006, was \$1,092,715. 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, 2006, was \$1,300,821.

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. As of December 31, 2006, the County has fully implemented GASB 34 and has retroactively capitalized approximately \$308 million from 1980 to 2002 related the infrastructure and land under the infrastructure. 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.

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

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



El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

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.

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.

I. Prior period adjustment

The prior period adjustments reflected in the Statement of Activities on page 27 pertain to the following:

Governmental activities – Retroactive infrastructure reporting – per GASB Statement No.34, “state, local, and municipal governments are to calculate the original cost of infrastructure constructed or improved during the 20-year period prior to the Statement’s issuance date in their annual financial reports”. The county had until December 31, 2006, to report infrastructure costs. The county has been reporting infrastructure since 2002; the \$308,352,337 represents infrastructure cost up to 2002.

Housing authority –	
HUD 52861 Prior year settlement	\$ (8,930)
Change in according principle	2,154,212
Total	\$ 2,145,282

**Note B – Stewardship, Compliance, and Accountability**

1. *Budgetary Information*

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

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances. Encumbrances outstanding as of December 31, 2006, 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 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. No fund had excesses of expenditures over appropriations for the year ended December 31, 2006.
- H. Bradley Road 1986-1 Agency fund had a beginning adopted budget of \$100 for revenues, but since there were no revenues received and no expenditures, a resolution was done to reduce budget to zero; therefore, this fund will not have a budget schedule.

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 which are determined by state regulators. All banks used by the County for depository and investments are on the approved list. Deposit amounts in excess of Federal insurance levels must be collateralized. The County's collateralized funds total \$11,079,452, which includes the money market funds.

PDPA allows institutions to create a single collateral pool for all public funds which is maintained by another institution or held in trust for all uninsured public deposits. The market value of the collateral must be at least equal to 102% of uninsured deposits. The County invests its collateral pool with the Colorado Government

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Liquid Asset Trust (ColoTrust), a local government investment pool established primarily for local government entities pursuant to Part 7 of Article of Title 24 of the Colorado Revised Statutes.

The County's investments are subject to interest rate, credit risk and concentration of credit risk. Management places all funds in high quality financial institutions to minimize our credit risk. As a means of limiting its exposure, 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 CRS, Section 24-75-601.1(k). State investment pools authorized under CRS, Section 24-75-701, direct obligations of the U.S. Government, Federal Instrumentality Security and prime commercial paper are also authorized. In order to limit its exposure to fair value losses arising from higher interest rates, the County's investment policy limits the investment maturities to five years, unless, specifically approved in advance by the Board of County Commissioners.

As of December 31, 2006, investments within the ColoTrust investment pool have an AAA rating. 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 the securities held by the counterparty or by its trust department but not in the County's name.
3. PDPA collateral.

All money market funds for the primary government are held by USBank and are "on balance sheet" accounts.

As of December 31, 2006, 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	Credit Rating
U. S. Treasuries	\$ 5,000,000	\$ 2,000,000	\$ 3,000,000	US Govt Guar
Instrumentality				
Federal Housing Loan Mortgage Corporation (FHLMC)	\$ 3,933,534	\$ 955,231	\$ 2,978,304	AAA
Federal Home Credit Bank (FFCB)	\$ 1,933,762		\$ 1,933,762	AAA
Federal Home Loan Bank (FHLB)	\$ 2,000,000		\$ 2,000,000	AAA
Total Investments controlled by the County	\$ 12,867,296	\$ 2,955,231	\$ 9,912,066	
Percent of Total		23%	77%	
Reconciliation to Total Deposits and Investments				
Add:				
Cash and deposits	\$ 2,658,485			
Money Market funds	\$ 8,620,967	S&P rating range from A+ to AA and A-1+		
ColoTrust	\$ 8,262,513			
Total Deposits and Investments	<u>\$ 32,409,261</u>			

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

	Fair Value	Credit Rating	Maturity Date	Callable
ColoTrust	\$ 5,011,221	A-1	Demand	No
U. S. Treasuries	\$ 1,201,994	US Govt Guar	2 & 5/07	No
Instrumentality:				
Government National Mortgage Association (GNMA)	\$ 47,006	AAA	2016	Yes
	<u>\$ 6,260,221</u>			
Cash and deposits	\$ 1,025,305			
Repurchase agreement	\$ 7,738			
	<u>\$ 7,293,264</u>			

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

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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, 2006.

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 maturity of these funds as of December 31, 2006, 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.

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, 2006, the Plan had no credit risk exposure to borrowers because the amount 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, 2006.

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, 2006, the fair value of lent securities was \$30,764,368. The fair value of associated cash collateral was \$31,959,969. The Plan's income, net of expenses from securities lending, was \$47,773.

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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, 2006, was 7.710 mills. The County's assessed valuation for 2006 was \$5,708,723,860. Therefore, the County could have collected \$44,014,265 for 2006 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2007 total \$39,198,138 net of tax credits and refunds.

3. *Capital assets*

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance January 1, 2006	Increases	Decreases	Balance December 31, 2006
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,069,596	\$	\$	\$ 14,069,596
Construction in progress	79,871,338	15,422,861	(1,373,724)	93,920,475
Infrastructure	62,010,486	320,418,087		382,428,573
<b>Total capital assets, not being depreciated</b>	<b>155,951,420</b>	<b>335,840,948</b>	<b>(1,373,724)</b>	<b>490,418,644</b>
Capital assets, being depreciated:				
Buildings	80,070,842			80,070,842
Improvements other than buildings	8,648,929	2,611,845	(79,255)	11,181,519
Machinery and equipment	52,500,205	4,570,636	(1,728,583)	55,342,258
<b>Total capital assets, being depreciated</b>	<b>141,219,976</b>	<b>7,182,481</b>	<b>(1,807,838)</b>	<b>146,594,619</b>
Less accumulated depreciation for:				
Buildings	(31,127,551)	(1,903,022)		(33,030,573)
Improvements other than buildings	(1,226,798)	(389,822)		(1,616,620)
Machinery and equipment	(31,031,979)	(5,758,825)	1,335,003	(35,455,801)
Infrastructure	(9,363,896)		9,363,896	
<b>Total accumulated depreciation</b>	<b>(72,750,224)</b>	<b>(8,051,669)</b>	<b>10,698,899</b>	<b>(70,102,994)</b>
<b>Total capital assets, being depreciated, net</b>	<b>68,469,752</b>	<b>(869,188)</b>	<b>8,891,061</b>	<b>76,491,625</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 224,421,172</b>	<b>\$ 334,971,760</b>	<b>\$ 7,517,337</b>	<b>\$ 566,910,269</b>

\* Increase amounts include the retroactive infrastructure required by GASB 34 back to 1980 for pedestrian ramps, sidewalks, bridges and land under infrastructure. This is the final phase-in to complete the implementation of GASB 34. The \$320,418,087 increase in infrastructure includes \$308,352,337 of retroactive infrastructure.

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	Balance January 1, 2006	Increases	Decreases	Balance December 31, 2006
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$	\$	\$	\$
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital assets, being depreciated:				
Buildings	979,968			979,968
Improvements other than buildings	83,365			83,365
Machinery and equipment	184,281	416,731		601,012
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets, being depreciated	1,247,614	416,731		1,664,345
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Less accumulated depreciation for:				
Buildings	(91,940)	(24,499)		(116,439)
Improvements other than buildings	(5,002)	(3,335)		(8,337)
Machinery and equipment	(76,238)	(75,811)		(152,049)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total accumulated depreciation	(173,180)	(103,645)		(276,825)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets, being depreciated, net	1,074,434	313,086		1,387,520
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Business-type activities capital assets, net	\$ 1,074,434	\$ 313,086	\$	\$ 1,387,520
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

Governmental activities:		
General government	\$	3,176,164
Public safety		2,129,467
Public works		535,763
Health and welfare		366,320
Culture and recreation		210,237
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>1,633,718</u>
Total depreciation expense - governmental activities:	<u>\$</u>	<u>8,051,669</u>
Business-type activities:		
Waste management		28,781
Land development		<u>74,864</u>
Total depreciation expense - business-type activities:	<u>\$</u>	<u>103,645</u>

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4. *Inter-fund receivables, payables, and transfers*

The composition of inter-fund balances as of December 31, 2006, is as follows:

Due to/from other funds:	Payable fund	Amount
<u>Receivable fund</u>		
General	Road and bridge	\$ 9,359
	Social services	504,037
	Non-major internal service funds	232,756
	Non-major enterprise funds	3,807
	Non-major governmental funds	632,901
Road and bridge	General	
	Non-major internal service funds	190
	Non-major enterprise funds	
Department of Social Services	General	60,890
Non-major governmental funds	General	
	Social services	315
	Non-major governmental funds	55,093
Non-major internal service	General	48,076
	Road and bridge	4,850
	Social services	435,629
	Non-major governmental funds	85,942
	Non-major internal service funds	7,273
	Non-major enterprise funds	1,444
Non-major enterprise funds	General	72,003
	Road and bridge	
	Non-major internal service funds	155
Total		<u>\$ 2,154,719</u>

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

Inter-fund transfers (excluding transfers of capital assets between governmental activities and business-type activities):

	Transfers out:					Total
	General fund	Road and Bridge fund	Social Services fund	Non-major governmental funds	Non-Major enterprise funds	
Transfers in:						
General fund	\$	\$	\$	\$ 4,319,461	\$	\$ 4,319,461
Social Services fund	3,787,443					3,787,443
Non-major governmental funds	<u>9,790,852</u>	<u>475,943</u>	<u>742,154</u>	<u>72,878</u>	<u>11,735</u>	<u>11,093,562</u>
Total	<u>\$ 13,578,295</u>	<u>\$ 475,943</u>	<u>\$ 742,154</u>	<u>\$ 4,392,339</u>	<u>\$ 11,735</u>	<u>\$ 19,200,466</u>

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Transfers are used to move revenues from the fund that statute or budget requires collecting them, to the fund that statute or budget requires to expend them, and to 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, 2006.

	Beginning balance 12/31/2005	Additions	Reductions	Ending balance 12/31/2006	Due within one year
Governmental activities:					
Certificates of participation	\$ 95,360,000	\$	\$ (3,490,000)	\$ 91,870,000	\$ 3,580,000
Plus issuance premium	1,456,254		(67,527)	1,388,727	67,527
Total certificates of participation	96,816,254		(3,557,527)	93,258,727	3,647,527
Capital leases	250,907		(135,027)	115,880	115,880
Compensated absences	13,402,933	1,339,572	(1,158,969)	13,583,536	1,194,331
Governmental activities long-term liabilities	<u>\$ 110,470,094</u>	<u>\$ 1,339,572</u>	<u>\$ (4,851,523)</u>	<u>\$ 106,958,143</u>	<u>\$ 4,957,738</u>
Business-type activities:					
Compensated absences	<u>\$ 270,926</u>	<u>\$ 27,257</u>	<u>\$ (9,316)</u>	<u>\$ 288,867</u>	<u>\$ 15,136</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$314,706 of internal service funds compensated absences is included in the above amounts. In addition, 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.



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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:

	Governmental activities
Asset:	
Machinery and equipment	\$ 675,156
Less: Accumulated depreciation	(485,457)
Total	\$ 189,699

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, 2006, are as follows:

Year ending December 31, 2007	Amount
	\$ 119,033
Total minimum lease payments	119,033
Less: Amount representing interest	3,153
Present value of minimum lease payments	\$ 115,880

D. Summary of Debt Service Requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2006:

Year ending December 31,	Government activities	
	Certificates of participation	
	Principal	Interest
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	3,290,000	3,895,999
2012-2016	18,915,000	17,037,281
2017-2021	22,210,000	11,818,610
2022-2026	26,940,000	5,728,000
2027	6,220,000	311,000
	\$ 91,870,000	\$ 55,728,400

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E. Conduit debt obligations

From time to time, the County has issued the following types of conduit debt; mortgage bonds and mortgage revenue refunding bonds to assist low-to-middle income residents in purchasing single family residences; exempt facility bonds for residential rental projects to be occupied by low- to middle-income residents and owned by private-sector entities; industrial revenue bonds to provide financial assistance to private-sector entities to promote industry and develop trade or other economic activity; and qualified 501(c)(3) bonds to provide financial assistance to non-profits for the acquisition and construction of eligible facilities. The various bonds are secured by investments under Indentures of Trust, loans that finance the projects, property, loan guarantees, and 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, 2006, the bonds outstanding had an aggregate principal amount payable of \$210,038,311.

**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 \$4,331,169 that are reported in the Self-Insurance Fund at December 31, 2006, 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.

Changes in the claims liability amounts in 2006 and 2005 were:

	Balance January 1, 2006	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2006
Self-Insurance Fund	<u>\$ 3,130,923</u>	<u>\$ 13,531,912</u>	<u>\$ 12,331,666</u>	<u>\$ 4,331,169</u>

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

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2. *Deficit fund balance*

Self Insurance fund had an accumulated deficit in net assets of \$1,324,419 as of December 31, 2006. This internal service fund deficit pertains to incurred but not reported claims.

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

The County believes it complies with the provisions of TABOR. However, many of its provisions will most likely be interpreted by the judicial system and those interpretations could differ from those of the County. Based upon the County's interpretation of TABOR, for 2006 the County's TABOR calculations indicate it did not exceed the fiscal year spending limit. Accordingly, no refund or other similar measures are required.

4. *Deferred compensation plans*

The Internal Revenue Code prior to August 20, 1996, required that all amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights be (until paid or made available for the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Plan assets and income held by the plan on or after August 20, 1996, must be held in trust for the exclusive benefit of participants and their beneficiaries, thereby removing the assets and income from being considered property of the County subject to the claims of the County's general creditors. As of December 31, 2006, the funds held for employees were approximately \$23.9 million.

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5. *El Paso County Retirement Plan*

A. Plan description

All permanent, full-time employees of El Paso County are eligible to participate in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The Plan has five participating employers. The Plan provides benefits to members at retirement or disability, or to their beneficiaries in the event of death. The El Paso County Board of Retirement is the administrator and has the authority to establish and amend benefit provisions of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information, including the required six-year trend information, for the Plan. That report may be obtained by writing to the El Paso County Retirement Plan, 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, 2006, 2005, and 2004, were \$5,797,400, \$5,361,917, and \$5,114,983 respectively, equal to the required contributions each year.

6. *Postretirement benefits*

The County provides postretirement health care benefits, in accordance with Board of County Commissioners policy, to all full-time employees that are eligible for retirement, either by early retirement, Rule of 75 (a combination of years of service and age), or who have reached the retirement age of 62. Of those eligible, 219 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 towards the amount paid for health care benefit premiums based on years of service. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the County. During the year ended December 31, 2006, expenditures of \$408,310 were recognized for postretirement health care premiums.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

7. *Jointly governed organizations*

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

The Board of County Commissioners and the City of Colorado Springs have entered into a joint venture through an Intergovernmental Agreement (IGA) to form a separate legal entity, the El Paso County Emergency Services Agency (ESA). This joint venture, as governed by a five-member board appointed by the City and County, provides ambulance service, emergency medical, and rescue management services for their shared boundaries, while sharing in the costs and avoiding duplication of services. The ESA in which the County participates is not considered a component unit and is, therefore, not included in the County’s reporting entity. The County does not invest in the ESA and it is intended that the ESA administer its fees in order to fully recover all expenses. Since the County has only a residual equity interest, the equity method is not considered appropriate for this joint venture.

8. *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

9. *Construction Commitments*

At year-end, there were projects under construction with commitments of \$858,318.

December 31, 2006 Projects	Amount to Complete Project in 2007
Judicial Complex	\$ 186,646
Criminal Justice Center Addition	217,414
Central Utilities Plant	51,578
Justice Advisory Council project (JAC)	83,892
Morgue Lighting	31,049
Gate Cameras and Grounds Security System	111,186
DOT Security System	1,818
Fencing at Marksheffel Road	14,735
Ute Pass Trail	125,000
Bear Creek Outdoor Classroom	35,000
	\$ 858,318

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2006

10. *Subsequent events*

Under a Lease Purchase Agreement between the El Paso County Facilities Corporation and El Paso County, Colorado, dated as of March 15, 2007, Certificates of Participation (Series 2007A) in the amount of \$77,850,000 were executed and delivered for the Terry R. Harris Judicial Complex Project. These proceeds will be used to pay the purchase option price to terminate the 2002A Lease, to pay for the 2007 Capital Projects, finance the cost of renovating the Original Judicial Building, to pay for costs of a reserve fund surety bond and the Financial Guaranty Insurance Policy, and to pay the costs of executing and delivering the Certificates.

**Required Supplementary Information  
(Other than Management's Discussion and Analysis)**

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*Major Governmental Funds Descriptions*

GENERAL FUND

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

ROAD & BRIDGE FUND

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

DEPARTMENT OF HUMAN SERVICES

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

El Paso County, Colorado  
 General Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 13,038,236	\$ 13,038,236	\$ 12,859,410	\$ (178,826)
Sales taxes	70,697,521	70,697,521	68,520,201	(2,177,320)
Other taxes	91,210	91,210	87,038	(4,172)
Intergovernmental	7,276,863	13,098,465	13,311,828	213,363
Fees and fines	510,665	510,665	575,532	64,867
Licenses and permits	365,210	365,210	284,181	(81,029)
Charges for services	16,234,535	16,691,419	16,544,308	(147,111)
Investment earnings	2,035,000	2,035,000	2,655,943	620,943
Miscellaneous	1,314,006	1,679,264	1,548,614	(130,650)
	<u>111,563,246</u>	<u>118,206,990</u>	<u>116,387,055</u>	<u>(1,819,935)</u>
Total revenues				
<b>EXPENDITURES</b>				
General government:				
Administration	1,433,996	1,549,305	1,462,590	86,715
Internal Audit	202,839	171,659	123,230	48,429
Finance	4,680,372	5,766,008	5,321,811	444,197
Security	1,763,541	1,740,352	1,602,390	137,962
Facilities management	8,849,785	8,856,895	7,786,160	1,070,735
Procurement	411,449	416,458	378,300	38,158
Employment services	249,830	194,212	193,910	302
Employee benefits and medical services	901,232	950,212	942,374	7,838
Information technology	7,255,364	7,536,361	7,292,014	244,347
Public communication	301,513	252,029	218,138	33,891
Planning	1,568,433			
County Attorney	1,110,535	1,104,445	832,780	271,665
County Clerk and Recorder	8,660,872	9,229,668	8,812,765	416,903
County Treasurer	1,141,161	1,144,697	1,117,054	27,643
County Assessor	3,406,413	3,408,073	3,237,885	170,188
County Surveyor	2,500	3,770	3,770	
Public Trustee	677,518	694,018	645,730	48,288
	<u>42,617,353</u>	<u>43,018,162</u>	<u>39,970,901</u>	<u>3,047,261</u>
Total general government				
Public safety:				
Community corrections	5,983,125	6,657,473	6,373,646	283,827
Coroner	1,227,360	1,362,583	1,325,171	37,412
County Sheriff	43,633,139	47,417,858	46,118,613	1,299,245
	<u>\$ 50,843,624</u>	<u>\$ 55,437,914</u>	<u>\$ 53,817,430</u>	<u>\$ 1,620,484</u>
Total public safety				

(Continued)

El Paso County, Colorado  
General Fund - Continued  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
For the year ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and welfare:				
Environmental services	\$ 1,277,342	\$ 1,947,189	\$ 1,275,531	\$ 671,658
Senior services		117	116	1
Health administration	3,830,373	3,825,866	3,810,948	14,918
Total health and welfare	<u>5,107,715</u>	<u>5,773,172</u>	<u>5,086,595</u>	<u>686,577</u>
Culture and recreation:				
Parks	2,182,849	2,087,744	2,019,771	67,973
Total culture and recreation:	<u>2,182,849</u>	<u>2,087,744</u>	<u>2,019,771</u>	<u>67,973</u>
Auxiliary services:				
Veterans services		3,100	3,100	
CSU extension service	339,592	339,592	325,260	14,332
Total auxiliary services	<u>339,592</u>	<u>342,692</u>	<u>328,360</u>	<u>14,332</u>
Capital outlay	1,636,772	4,626,190	3,829,657	796,533
Total expenditures	<u>102,727,905</u>	<u>111,285,874</u>	<u>105,052,714</u>	<u>6,233,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,835,341</u>	<u>6,921,116</u>	<u>11,334,341</u>	<u>4,413,225</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of fixed assets	229,000	229,000	56,534	(172,466)
Transfers in		4,319,461	4,319,461	
Transfers out	(12,535,601)	(13,577,307)	(13,578,295)	(988)
Total other financing sources (uses)	<u>(12,306,601)</u>	<u>(9,028,846)</u>	<u>(9,202,300)</u>	<u>(173,454)</u>
Net changes in fund balances	<u>\$ (3,471,260)</u>	<u>\$ (2,107,730)</u>	<u>\$ 2,132,041</u>	<u>\$ 4,239,771</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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 8,930,534	\$ 8,930,534	\$ 8,740,719	\$ (189,815)
Intergovernmental:				
Payment in lieu of taxes	69,000	69,000	69,000	
U.S. Forest Service/Mineral Leasing	15,150	15,150	1,485	(13,665)
Highway users tax	9,085,471	9,085,471	10,615,746	1,530,275
Additional motor vehicle registration	550,000	550,000	571,449	21,449
Federal reimbursements		1,095,104	565,748	(529,356)
Local revenue	1,000	1,000	5,443	4,443
Sale of Materials (BLM)	1,000	1,000	4,131	3,131
Taylor Grazing Act	25	25		(25)
Total intergovernmental	<u>9,721,646</u>	<u>10,816,750</u>	<u>11,833,002</u>	<u>1,016,252</u>
Charges for services	45,000	45,000	336,818	291,818
Interest	250,000	250,000	469,950	219,950
Miscellaneous	6,000	6,000	66,231	60,231
Total revenues	<u>18,953,180</u>	<u>20,048,284</u>	<u>21,446,720</u>	<u>1,398,436</u>
<b>EXPENDITURES</b>				
Public works:				
Personal Services	9,671,394	9,677,394	9,083,756	593,638
Operating Expenses	8,741,806	13,561,477	8,856,875	4,704,602
Capital outlay	675,000	1,783,270	476,168	1,307,102
Total expenditures	<u>19,088,200</u>	<u>25,022,141</u>	<u>18,416,799</u>	<u>6,605,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(135,020)</u>	<u>(4,973,857)</u>	<u>3,029,921</u>	<u>8,003,778</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of fixed assets			27	
Transfers in				
Transfers out	(475,943)	(475,943)	(475,943)	
Total other financing sources (uses)	<u>(475,943)</u>	<u>(475,943)</u>	<u>(475,916)</u>	
Net changes in fund balances	<u>\$ (610,963)</u>	<u>\$ (5,449,800)</u>	<u>\$ 2,554,005</u>	<u>\$ 8,003,778</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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,474,937	\$ 6,474,937	\$ 6,362,084	\$ (112,853)
Intergovernmental - Welfare	33,750,210	33,750,210	30,615,341	(3,134,869)
Charges for services	78,000	78,000	16,643	(61,357)
Miscellaneous	11,500	11,500	31,683	20,183
	<u>40,314,647</u>	<u>40,314,647</u>	<u>37,025,751</u>	<u>(3,288,896)</u>
<b>EXPENDITURES</b>				
Health and welfare:				
County administration block grant	9,626,510	10,217,020	8,341,520	1,875,500
Temporary aid to needy families	8,768,305	8,232,516	8,201,736	30,780
Child welfare block grant	16,045,170	15,263,807	14,711,400	552,407
Child care block grant	1,269,779	1,512,751	1,509,734	3,017
Child Support Enforcement	4,292,500	4,649,030	4,495,543	153,487
Miscellaneous state grants	2,327,291	2,724,984	2,474,412	250,572
Local/county funding	924,391	653,838	483,675	170,163
	<u>43,253,946</u>	<u>43,253,946</u>	<u>40,218,020</u>	<u>3,035,926</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,939,299)</u>	<u>(2,939,299)</u>	<u>(3,192,269)</u>	<u>(252,970)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,725,063	3,725,063	3,787,443	62,380
Transfers out	(785,764)	(785,764)	(742,154)	43,610
	<u>2,939,299</u>	<u>2,939,299</u>	<u>3,045,289</u>	<u>105,990</u>
Net changes in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ (146,980)</u>	<u>\$ (146,980)</u>

El Paso County, Colorado  
 Budgetary Comparison Schedule  
 Budget-to-GAAP Reconciliation  
 For the year ended December 31, 2006

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

	General Fund	Road and Bridge
<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	\$ 120,763,050	\$ 21,446,747
Interest earned on investments held for construction is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes		
Transfers in of fixed assets are not inflows for budgetary purposes but are non-operating revenues for financial reporting purposes		
Gains on sales of fixed assets are not inflows for budgetary purposes but are non-operating revenues for financial reporting purposes		
Revenues are inflows for budgetary purposes but are not reported an agency fund for financial reporting purposes		
Total operating revenues, non-operating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	\$ 120,763,050	\$ 21,446,747
<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	\$ 118,631,009	\$ 18,892,742
Capital outlays are outflows of budgetary resources but are not expenses for financial reporting purposes		
Depreciation is not an outflow of budgetary resources but is an expense for financial reporting purposes		
Accrued wages are not outflows of budgetary resources but are expenditures for financial reporting purposes		123,301
Capital outlays from debt proceeds are not outflows of budgetary resources but are expenditures for financial reporting purposes		
Compensated absences are not outflows of budgetary resources but are expenses for financial reporting purposes		
Inventory adjustments are not outflows of budgetary resources but are expenses for financial reporting purposes	(26,895)	(22,509)
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	\$ 118,604,114	\$ 18,993,534

<u>Capital Projects</u>	<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>
\$ 4,811,210	\$ 814,379	\$ 2,910,538	\$ 16,603,156	\$ 6,286,830	\$ 83,567	\$ 110,623
212,963				125,188		
				(32,622)		
					(83,567)	(110,623)
<u>\$ 5,024,173</u>	<u>\$ 814,379</u>	<u>\$ 2,910,538</u>	<u>\$ 16,603,156</u>	<u>\$ 6,379,396</u>	<u>\$</u>	<u>\$</u>
\$ 8,875,925	\$ 638,824	\$ 3,798,247	\$ 19,128,852	\$ 5,685,107	\$ 116,135	\$ 1,481
7,711,814		(416,731)	(12,925)			
	28,781	74,864	6,145	1,627,036		
				29,742		
				(949,259)		
	1,987	15,951				
				(85,018)		
			1,200,246			
					(116,135)	(1,481)
<u>\$ 16,587,739</u>	<u>\$ 669,592</u>	<u>\$ 3,472,331</u>	<u>\$ 20,322,318</u>	<u>\$ 6,307,608</u>	<u>\$</u>	<u>\$</u>

Modified Approach for the County  
 Department of Transportation  
 Infrastructure capital assets

The county has elected to use the “Modified Approach” as defined by GASB Statement No. 34 to account for and report infrastructure capital assets through an asset management system. The infrastructure is separated into ten major category groups, (Pavement, Structures, ITS, Signs and safety, Aggregate, Storm drain system, Reservoirs, Channels, Pedestrian facilities and Right-of-ways). Through the use of this system the county reports (1) infrastructure inventory, (2) condition levels of the infrastructure assets on a Good/Fair/Poor system and (3) estimates the annual amount to maintain and preserve at the established condition assessment level.

The condition assessments will be performed at least every three years. The county’s next full 3 year assessment cycle will be complete as of December 31, 2009. The county will preserve the infrastructure capital assets at or above the current reported condition levels.

<u>Targeted condition levels</u>		
Good	not less than	69%
Fair	not less than	23%
Poor	not less than	4%
Unknown	not more than	4%

For 2006, our condition distribution is:

Good	70%
Fair	24%
Poor	5%
Unknown	1%

The county has estimated that the amount of annual expenditures required to maintain the condition levels. A schedule of estimated annual amount calculated to maintain and preserve the infrastructure at the current level compared to actual expenditures for the infrastructure maintenance for the last three years is presented below, which are the only years this information is available.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditure</u>
2006	\$20,186,755	\$18,416,709
2005	\$16,740,070	\$16,421,213
2004	\$20,969,398	\$21,608,324



## **Combining Statements and Schedules**

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Non-Major Governmental Funds

***Special Revenue Funds Descriptions***

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

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 that are expended to provide the County contribution for the employee retirement plan.

CONSERVATION TRUST

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

ECONOMIC DEVELOPMENT

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

PIKES PEAK WORKFORCE CENTER

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

DISTRICT ATTORNEY

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

El Paso County, Colorado  
Special Revenue Funds  
Combining Balance Sheet  
December 31, 2006

	Contingency Fund	El Paso County Sheriff Special Investigation Fund	Retirement Contribution
<b>ASSETS</b>			
Cash and investments	\$	\$ 767,141	\$ 517,855
Taxes receivable			3,696,118
Accounts receivable			
Due from other funds			55,408
Due from other governments			
Total assets	\$	\$ 767,141	\$ 4,269,381
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$	\$ 45,692	\$
Due to other funds			
Deferred revenue			3,696,118
Total liabilities		45,692	3,696,118
Fund balances:			
Reserved for:			
Declared emergencies			
Encumbrances		55,471	
Unreserved, reported in:			
Designated for subsequent year's expenditures		234,550	373,420
Undesignated		431,428	199,843
Total fund balances		721,449	573,263
Total liabilities and fund balances	\$	\$ 767,141	\$ 4,269,381

Conservation Trust	Economic Development	Pikes Peak Workforce Center	District Attorney Offices of the Fourth Judicial Court	Total Nonmajor Governmental Funds
\$ 2,032,196	\$ 784,344	\$	\$ 67,897	\$ 4,169,433
	1,619,997	57,518		3,696,118
	12,500	1,074,800	78,555	1,677,515
				55,408
				1,165,855
<u>\$ 2,032,196</u>	<u>\$ 2,416,841</u>	<u>\$ 1,132,318</u>	<u>\$ 146,452</u>	<u>\$ 10,764,329</u>
\$ 682	\$ 2,169,189	\$ 397,237	\$ (2,588)	\$ 2,609,530
		735,081	38,171	773,934
				3,696,118
<u>682</u>	<u>2,169,189</u>	<u>1,132,318</u>	<u>35,583</u>	<u>7,079,582</u>
187,789				243,260
977,382	100,000		110,869	1,796,221
866,343	147,652			1,645,266
<u>2,031,514</u>	<u>247,652</u>		<u>110,869</u>	<u>3,684,747</u>
<u>\$ 2,032,196</u>	<u>\$ 2,416,841</u>	<u>\$ 1,132,318</u>	<u>\$ 146,452</u>	<u>\$ 10,764,329</u>

El Paso County, Colorado  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the year ended December 31, 2006

	Contingency Fund	El Paso County Sheriff Special Investigation Fund	Retirement Contribution
<b>REVENUES</b>			
Property taxes	\$	\$	\$ 3,632,083
Intergovernmental		639,019	381,985
Fees and fines		81,522	
Investment earnings		8,904	
Miscellaneous		343	
Total revenues		729,788	4,014,068
<b>EXPENDITURES</b>			
Current:			
General government			5,353,683
Public safety		1,018,985	
Health and welfare			
Culture and recreation			
Outside agencies			
Capital outlay			
Total expenditures		1,018,985	5,353,683
Excess (deficiency) of revenues over (under) expenditures		(289,197)	(1,339,615)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			1,404,730
Transfers out	(4,319,461)		
Total other financing sources (uses)	(4,319,461)		1,404,730
Net change in fund balances	(4,319,461)	(289,197)	65,115
Fund balances - January 1	4,319,461	1,010,646	508,148
Fund balances - December 31	\$	\$ 721,449	\$ 573,263

Conservation Trust	Economic Development	Pikes Peak Workforce Center	District Attorney Offices of the Fourth Judicial District	Total Nonmajor Governmental Funds
\$ 1,227,906	\$ 12,500	\$ 7,400,332	\$ 539,363	\$ 3,632,083
83,683	240,988			10,201,105
	6,506,530	40,468		322,510
				92,587
				6,547,341
<u>1,311,589</u>	<u>6,760,018</u>	<u>7,440,800</u>	<u>539,363</u>	<u>20,795,626</u>
				5,353,683
			10,146,698	11,165,683
707,220		7,357,882		7,357,882
	6,636,067			707,220
120,093		82,918		6,636,067
				203,011
<u>827,313</u>	<u>6,636,067</u>	<u>7,440,800</u>	<u>10,146,698</u>	<u>31,423,546</u>
484,276	123,951		(9,607,335)	(10,627,920)
			9,024,395	10,429,125
(36,725)			(36,153)	(4,392,339)
(36,725)			8,988,242	6,036,786
447,551	123,951		(619,093)	(4,591,134)
1,583,963	123,701		729,962	8,275,881
<u>\$ 2,031,514</u>	<u>\$ 247,652</u>	<u>\$</u>	<u>\$ 110,869</u>	<u>\$ 3,684,747</u>

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



El Paso County, Colorado  
 Retirement Contribution Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,696,458	\$ 3,696,458	\$ 3,632,083	\$ (64,375)
Intergovernmental	347,291	430,261	381,985	(48,276)
Total revenues	<u>4,043,749</u>	<u>4,126,719</u>	<u>4,014,068</u>	<u>(112,651)</u>
<b>EXPENDITURES</b>				
Employer contributions	5,495,836	5,495,836	5,299,104	196,732
Treasurer fees	55,447	55,447	54,579	868
Total expenditures	<u>5,551,283</u>	<u>5,551,283</u>	<u>5,353,683</u>	<u>197,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,507,534)</u>	<u>(1,424,564)</u>	<u>(1,339,615)</u>	<u>84,949</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,499,844	1,416,874	1,404,730	(12,144)
Total other financing sources (uses)	<u>1,499,844</u>	<u>1,416,874</u>	<u>1,404,730</u>	<u>(12,144)</u>
Net change in fund balances	<u>\$ (7,690)</u>	<u>\$ (7,690)</u>	<u>\$ 65,115</u>	<u>\$ 72,805</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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 975,000	\$ 975,000	\$ 1,227,906	\$ 252,906
Investment earnings	50,000	50,000	83,683	33,683
Total revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,311,589</u>	<u>286,589</u>
<b>EXPENDITURES</b>				
Culture and recreation	754,035	777,445	707,220	70,225
Capital outlay	275,000	329,087	120,093	208,994
Total expenditures	<u>1,029,035</u>	<u>1,106,532</u>	<u>827,313</u>	<u>279,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,035)</u>	<u>(81,532)</u>	<u>484,276</u>	<u>565,808</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(36,725)</u>	<u>(36,725)</u>	<u>(36,725)</u>	
Total other financing sources (uses)	<u>(36,725)</u>	<u>(36,725)</u>	<u>(36,725)</u>	
Net change in fund balances	<u>\$ (40,760)</u>	<u>\$ (118,257)</u>	<u>\$ 447,551</u>	<u>\$ 565,808</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 9,500	\$ 9,500	\$ 12,500	\$ 3,000
Charges for services	115,000	115,000	240,988	125,988
Miscellaneous	2,885,000	6,511,567	6,506,530	(5,037)
	<u>3,009,500</u>	<u>6,636,067</u>	<u>6,760,018</u>	<u>123,951</u>
<b>EXPENDITURES</b>				
General government	<u>3,009,500</u>	<u>6,636,067</u>	<u>6,636,067</u>	
	<u>3,009,500</u>	<u>6,636,067</u>	<u>6,636,067</u>	
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 123,951</u>	<u>\$ 123,951</u>

El Paso County, Colorado  
Pikes Peak Workforce Center Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
For the year ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 8,106,249	\$ 8,106,249	\$ 7,400,332	\$ (705,917)
Miscellaneous	5,000	5,000	40,468	35,468
	8,111,249	8,111,249	7,440,800	(670,449)
<b>EXPENDITURES</b>				
Health and welfare	8,111,249	8,026,249	7,357,882	668,367
Capital outlay		85,000	82,918	2,082
	8,111,249	8,111,249	7,440,800	670,449
Net change in fund balances	\$	\$	\$	\$

El Paso County, Colorado  
 District Attorney of the Fourth Judicial District  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 580,935	\$ 501,577	\$ 539,363	\$ 37,786
Total revenues	<u>580,935</u>	<u>501,577</u>	<u>539,363</u>	<u>37,786</u>
<b>EXPENDITURES</b>				
General government	9,888,514	10,211,338	10,146,698	64,640
Total expenditures	<u>9,888,514</u>	<u>10,211,338</u>	<u>10,146,698</u>	<u>64,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,307,579)</u>	<u>(9,709,761)</u>	<u>(9,607,335)</u>	<u>102,426</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,642,807	9,004,464	9,024,395	19,931
Transfers out	<u>(26,678)</u>	<u>(36,153)</u>	<u>(36,153)</u>	
Total other financing sources (uses)	<u>8,616,129</u>	<u>8,968,311</u>	<u>8,988,242</u>	<u>19,931</u>
Net change in fund balances	<u>\$ (691,450)</u>	<u>\$ (741,450)</u>	<u>\$ (619,093)</u>	<u>\$ 122,357</u>

Major Funds

*Capital Projects Fund Description*

CAPITAL PROJECTS FUND

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

El Paso County, Colorado  
 Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 4,727,342	\$ 4,727,342	\$ 4,644,995	\$ (82,347)
Total revenues	<u>4,727,342</u>	<u>4,727,342</u>	<u>4,644,995</u>	<u>(82,347)</u>
<b>EXPENDITURES</b>				
General government				
Purchased services	66,351	66,351	69,803	(3,452)
Debt service	8,060,941	8,060,941	8,036,555	24,386
Capital outlay	403,215	1,068,247	769,567	298,680
Total expenditures	<u>8,530,507</u>	<u>9,195,539</u>	<u>8,875,925</u>	<u>319,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,803,165)</u>	<u>(4,468,197)</u>	<u>(4,230,930)</u>	<u>237,267</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	166,215	166,215	166,215	
Total other financing sources (uses)	<u>166,215</u>	<u>166,215</u>	<u>166,215</u>	
Net change in fund balances	<u>\$ (3,636,950)</u>	<u>\$ (4,301,982)</u>	<u>\$ (4,064,715)</u>	<u>\$ 237,267</u>

Proprietary Funds

***Enterprise Funds Descriptions***

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

**SOLID WASTE MANAGEMENT**

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

**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 that 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.

***Internal Service Funds Descriptions***

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

**SELF-INSURANCE FUND**

El Paso 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.



El Paso County, Colorado  
Enterprise Funds  
Combining Statement of Net Assets  
December 31, 2006

	Solid Waste Management	Land Development Review	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,209,475	\$ 2,221,503	\$ 3,430,978
Accounts receivable	183,301	53,406	236,707
Due from other funds		72,158	72,158
Intergovernmental		3,781	3,781
Total current assets	1,392,776	2,350,848	3,743,624
Noncurrent assets:			
Capital assets, net of accumulated depreciation	943,767	443,751	1,387,518
Total assets	<u>\$ 2,336,543</u>	<u>\$ 2,794,599</u>	<u>\$ 5,131,142</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 36,762	\$ 206,336	\$ 243,098
Compensated absences		15,136	15,136
Due to other funds	677	4,574	5,251
Total current liabilities	37,439	226,046	263,485
Noncurrent liabilities:			
Compensated absences	31,777	241,953	273,730
Total liabilities	69,216	467,999	537,215
<b>NET ASSETS</b>			
Invested in capital assets	943,767	443,751	1,387,518
Unrestricted	1,323,560	1,882,849	3,206,409
Total net assets	<u>\$ 2,267,327</u>	<u>\$ 2,326,600</u>	<u>\$ 4,593,927</u>

El Paso County, Colorado  
Enterprise Funds  
Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Assets  
For the year ended December 31, 2006

	Solid Waste Management	Land Development Review	Totals
Operating revenues:			
Charges for services	\$ 761,139	\$ 2,282,934	\$ 3,044,073
Operating expenses:			
Personal services	182,063	2,261,018	2,443,081
Operating expenses	42,320	1,136,449	1,178,769
Depreciation	28,781	74,864	103,645
Administration	404,693		404,693
Total operating expenses	657,857	3,472,331	4,130,188
Operating income (loss)	103,282	(1,189,397)	(1,086,115)
Nonoperating revenues (expenses):			
Investment earnings	53,240	126,381	179,621
Miscellaneous		3,000	3,000
Total nonoperating revenues (expenses)	53,240	129,381	182,621
Income (loss) before contributions and transfers	156,522	(1,060,016)	(903,494)
Transfers in (out)	(11,735)	498,223	486,488
Change in net assets	144,787	(561,793)	(417,006)
Net assets - January 1	2,122,540	2,888,393	5,010,933
Net assets - December 31	\$ 2,267,327	\$ 2,326,600	\$ 4,593,927

El Paso County, Colorado  
Enterprise Funds  
Combing Statement of Cash Flows  
For the year ended December 31, 2006

	Solid Waste Management	Land Development Review	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 751,482	\$ 2,277,043	\$ 3,028,525
Receipts from interfund services provided		62,031	62,031
Payments to suppliers	17,117	(508,544)	(491,427)
Payments to employees	(178,316)	(2,083,212)	(2,261,528)
Payments for interfund services used	(452,307)	(628,676)	(1,080,983)
Net cash provided by (used in) operating activities	<u>137,976</u>	<u>(881,358)</u>	<u>(743,382)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	(11,735)	498,223	486,488
Net cash provided by (used in) noncapital financing activities	<u>(11,735)</u>	<u>498,223</u>	<u>486,488</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital expenditures		(416,731)	(416,731)
Net cash used in capital financing activities		<u>(416,731)</u>	<u>(416,731)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	53,240	126,381	179,621
Net cash provided by investing activities	53,240	126,381	179,621
Net increase (decrease) in cash and cash equivalents	179,481	(673,485)	(494,004)
Cash and cash equivalents - January 1	1,029,994	2,894,988	3,924,982
Cash and cash equivalents - December 31	<u>\$ 1,209,475</u>	<u>\$ 2,221,503</u>	<u>\$ 3,430,978</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 103,282	\$ (1,189,397)	\$ (1,086,115)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue		3,000	3,000
Depreciation expense	28,781	74,864	103,645
(Increase) decrease in assets			
Accounts receivable	(9,657)	(24,349)	(34,006)
Intergovernmental receivables		16,208	16,208
Due from other funds		62,031	62,031
Increase (decrease) in liabilities			
Accounts payable	17,117	169,855	186,972
Compensated absences	1,987	15,952	17,939
Due to other funds	(3,534)	(8,772)	(12,306)
Deferred revenue		(750)	(750)
Net cash provided by (used in) operating activities	<u>\$ 137,976</u>	<u>\$ (881,358)</u>	<u>\$ (743,382)</u>

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

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 675,000	\$ 675,000	\$ 759,388	\$ 84,388
Interest	25,000	25,000	53,240	28,240
Miscellaneous			1,751	1,751
Total revenues	700,000	700,000	814,379	114,379
<b>EXPENDITURES</b>				
Personal services	223,408	198,408	180,076	18,332
Operating expenses	409,540	425,820	404,693	21,127
Administration	37,500	46,220	42,320	3,900
Total expenditures	670,448	670,448	627,089	43,359
Excess (deficiency) of revenues over (under) expenditures	29,552	29,552	187,290	157,738
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(11,735)	(11,735)	(11,735)	
Total other financing sources (uses)	(11,735)	(11,735)	(11,735)	
Net change in fund balances	\$ 17,817	\$ 17,817	\$ 175,555	\$ 157,738

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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 2,611,283	\$ 2,611,283	\$ 2,282,934	\$ (328,349)
Interest	50,000	50,000	126,381	76,381
Miscellaneous			3,000	3,000
	<u>2,661,283</u>	<u>2,661,283</u>	<u>2,412,315</u>	<u>(248,968)</u>
<b>EXPENDITURES</b>				
Personal services	2,466,308	2,443,689	2,245,067	198,622
Other operating	1,771,489	1,824,980	1,136,449	688,531
Capital outlay	300,000	946,190	416,731	529,459
	<u>4,537,797</u>	<u>5,214,859</u>	<u>3,798,247</u>	<u>1,416,612</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,876,514)</u>	<u>(2,553,576)</u>	<u>(1,385,932)</u>	<u>1,167,644</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	1,568,433	1,568,433	498,223	(1,070,210)
Net change in fund balances	<u>\$ (308,081)</u>	<u>\$ (985,143)</u>	<u>\$ (887,709)</u>	<u>\$ 97,434</u>

El Paso County, Colorado  
Internal Service Funds  
Combining Statement of Net Assets  
December 31, 2006

	Self- Insurance Fund	Fleet Services Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 3,311,401	\$ 1,037,080	\$ 4,348,481
Receivables			
Accounts receivable	21,758	298	22,056
Taxes	2,259,854		2,259,854
Intergovernmental receivable	537,663	2,583	540,246
Due from other funds	562,478	20,736	583,214
Prepaid expenses	19,000		19,000
Inventories		616,555	616,555
Total current assets	<u>6,712,154</u>	<u>1,677,252</u>	<u>8,389,406</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	55,304	8,037,708	8,093,012
Total assets	<u>\$ 6,767,458</u>	<u>\$ 9,714,960</u>	<u>\$ 16,482,418</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1,272,637	\$ 267,234	\$ 1,539,871
Accrued liabilities	4,331,169		4,331,169
Compensated absences		13,575	13,575
Deferred revenue	2,259,855		2,259,855
Due to other funds	228,216	12,158	240,374
Total current liabilities	<u>8,091,877</u>	<u>292,967</u>	<u>8,384,844</u>
Noncurrent liabilities:			
Compensated absences		301,131	301,131
Total liabilities	<u>8,091,877</u>	<u>594,098</u>	<u>8,685,975</u>
<b>NET ASSETS</b>			
Invested in capital assets	55,304	8,037,708	8,093,012
Unrestricted	(1,379,723)	1,083,154	(296,569)
Total net assets	<u>(1,324,419)</u>	<u>9,120,862</u>	<u>7,796,443</u>
Total liabilities and net assets	<u>\$ 6,767,458</u>	<u>\$ 9,714,960</u>	<u>\$ 16,482,418</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, 2006

	Self- Insurance Fund	Fleet Services Fund	Totals
Operating revenues:			
Charges for services	\$ 14,612,501	\$ 1,215,744	\$ 15,828,245
Operating expenses:			
Insurance premiums	743,872		743,872
Claim settlements	15,463,566		15,463,566
Depreciation	6,145	1,627,036	1,633,181
Administration and operations	4,108,735	4,680,572	8,789,307
Total operating expenses	20,322,318	6,307,608	26,629,926
Operating income (loss)	(5,709,817)	(5,091,864)	(10,801,681)
Nonoperating revenues (expenses)			
Taxes	1,929,110	4,987,080	6,916,190
Gain (loss) on sale of fixed assets		35,241	35,241
Intergovernmental			
Miscellaneous	61,545	16,143	77,688
Total nonoperating revenues (expenses)	1,990,655	5,038,464	7,029,119
Income (loss) before transfers	(3,719,162)	(53,400)	(3,772,562)
Transfers in		125,188	125,188
Change in net assets	(3,719,162)	71,788	(3,647,374)
Net assets - January 1	2,394,743	9,049,074	11,443,817
Net assets - December 31	\$ (1,324,419)	\$ 9,120,862	\$ 7,796,443



El Paso County, Colorado  
Internal Service Funds  
Combing Statement of Cash Flows  
For the year ended December 31, 2006

	Self- Insurance Fund	Fleet Services Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ (342,314)	\$ 34,847	\$ (307,467)
Receipts from interfund services provided	14,724,849	1,213,613	15,938,462
Payments to suppliers	(4,557,376)	81,243	(4,476,133)
Payments to employees	(13,596,895)	(1,732,951)	(15,329,846)
Payments for interfund services used	(442,181)	(3,042,617)	(3,484,798)
Net cash used in operating activities	<u>(4,213,917)</u>	<u>(3,445,865)</u>	<u>(7,659,782)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Taxes received	1,929,110	4,987,080	6,916,190
Net cash provided by noncapital financing activities	<u>1,929,110</u>	<u>4,987,080</u>	<u>6,916,190</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of fixed assets		67,863	67,863
Capital expenditures	(12,925)	(949,257)	(962,182)
Net cash used in capital and related financing activities	<u>(12,925)</u>	<u>(881,394)</u>	<u>(894,319)</u>
Net increase (decrease) in cash and cash equivalents	(2,297,732)	659,821	(1,637,911)
Cash and cash equivalents - January 1	5,609,133	377,259	5,986,392
Cash and cash equivalents - December 31	<u>\$ 3,311,401</u>	<u>\$ 1,037,080</u>	<u>\$ 4,348,481</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss	\$ (5,709,817)	\$ (5,091,864)	\$ (10,801,681)
Adjustments to reconcile operating loss to net cash used in operating activities			
Miscellaneous revenue	61,545	16,143	77,688
Depreciation expense	6,145	1,627,036	1,633,181
(Increase) decrease in assets			
Accounts receivable	(189,091)	20,910	(168,181)
Intergovernmental receivables	(537,663)	(2,206)	(539,869)
Due from other funds	112,348	(2,131)	110,217
Inventories		(85,017)	(85,017)
Increase (decrease) in liabilities			
Accounts payable	302,053	87,329	389,382
Accrued liabilities	1,200,246		1,200,246
Compensated absences		10,127	10,127
Due to other funds	217,422	(26,192)	191,230
Deferred revenue	322,895		322,895
Net cash used in operating activities	<u>\$ (4,213,917)</u>	<u>\$ (3,445,865)</u>	<u>\$ (7,659,782)</u>
<b>Noncash investing, capital, and financing activities:</b>			
Fixed assets transfer from other funds	<u>\$</u>	<u>\$ 125,188</u>	<u>\$</u>

**Internal Service Funds**  
**Schedules of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual**

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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 14,181,049	\$ 14,181,049	\$ 14,325,196	\$ 144,147
Taxes	1,963,589	1,963,589	1,929,110	(34,479)
Intergovernmental			287,305	287,305
Miscellaneous	20,000	20,000	42,378	22,378
Insurance recoveries			19,167	19,167
Total revenues	<u>16,164,638</u>	<u>16,164,638</u>	<u>16,603,156</u>	<u>438,518</u>
<b>EXPENDITURES</b>				
Claim settlements	12,309,655	14,442,910	14,442,911	(1)
Administration and operations	3,614,660	3,929,145	3,929,145	
Insurance premiums	920,000	743,872	743,872	
Capital outlay		12,926	12,925	1
Total expenditures	<u>16,844,315</u>	<u>19,128,853</u>	<u>19,128,853</u>	
Net change in fund balances	<u>\$ (679,677)</u>	<u>\$ (2,964,215)</u>	<u>\$ (2,525,697)</u>	<u>\$ 438,518</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,232,752	\$ 5,232,752	\$ 4,987,080	\$ (245,672)
Charges for services	376,613	576,613	1,215,744	639,131
Miscellaneous	6,000	6,000	16,143	10,143
Total revenues	5,615,365	5,815,365	6,218,967	403,602
<b>EXPENDITURES</b>				
Administration and operations	4,446,409	4,732,489	4,739,797	(7,308)
Capital outlay	1,539,000	1,518,674	945,310	573,364
Total expenditures	5,985,409	6,251,163	5,685,107	566,056
Excess (deficiency) of revenues over (under) expenditures	(370,044)	(435,798)	533,860	969,658
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	256,700	256,700		(256,700)
Total other financing sources (uses)	256,700	256,700		(256,700)
Net change in fund balances	\$ (113,344)	\$ (179,098)	\$ 533,860	\$ 712,958

## Fiduciary Funds

### ***Private-Purpose Trust Funds Descriptions***

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

#### 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 parklands 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 Descriptions***

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

#### TREASURER'S AGENCY FUND

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.

#### 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, 2006

	Park Fees	School's Trust	Urban Park	Totals
<b>ASSETS</b>				
Cash and investments	\$ 3,185,106	\$ 137,957	\$ 969,266	\$ 4,292,329
Total assets	3,185,106	137,957	969,266	4,292,329
<b>LIABILITIES</b>				
Accounts payable	59,628			59,628
<b>NET ASSETS</b>				
Held in trust	\$ 3,125,478	\$ 137,957	\$ 969,266	\$ 4,232,701

El Paso County, Colorado  
Private-Purpose Trust Funds  
Combining Statement of Changes in  
Fiduciary Net Assets  
For the year ended December 31, 2006

	Park Fees	School's Trust	Urban Park	Totals
<b>ADDITIONS</b>				
Charges for services				
Park fees	\$ 485,480	\$	\$ 125,684	\$ 611,164
School fees		292,642		292,642
Total charges for services	485,480	292,642	125,684	903,806
Investment earnings	141,122		43,476	184,598
Total additions	626,602	292,642	169,160	1,088,404
<b>DEDUCTIONS</b>				
Outside agencies	\$ 195,504	\$ 496,591	\$	\$ 692,095
Change in net assets	431,098	(203,949)	169,160	396,309
Net assets - January 1	2,694,380	341,906	800,106	3,836,392
Net assets - December 31	\$ 3,125,478	\$ 137,957	\$ 969,266	\$ 4,232,701

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



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, 2006

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 245,000	\$ 245,000	\$ 485,480	\$ (240,480)
Interest	65,000	65,000	141,122	76,122
	<u>310,000</u>	<u>310,000</u>	<u>626,602</u>	<u>316,602</u>
<b>EXPENDITURES</b>				
Outside agencies	795,000	1,029,083	195,504	833,579
	<u>795,000</u>	<u>1,029,083</u>	<u>195,504</u>	<u>833,579</u>
Net change in fund balances	<u>\$ (485,000)</u>	<u>\$ (719,083)</u>	<u>\$ 431,098</u>	<u>\$ 1,150,181</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$	154,685	\$ 292,642	\$ 137,957
Total Revenues		154,685	292,642	137,957
<b>EXPENDITURES</b>				
Outside agencies		496,591	496,591	
Total expenditures		496,591	496,591	
Net change in fund balances	\$	(341,906)	\$ (203,949)	\$ 137,957

El Paso County, Colorado  
 Urban Park Fees Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 110,000	\$ 110,000	\$ 125,684	\$ (15,684)
Interest	15,000	15,000	43,476	28,476
	<u>125,000</u>	<u>125,000</u>	<u>169,160</u>	<u>44,160</u>
<b>EXPENDITURES</b>				
Outside agencies				
Total expenditures				
Net change in fund balances	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 169,160</u>	<u>\$ 44,160</u>

El Paso County, Colorado  
 Agency Funds  
 Combining Statement of Fiduciary Net Assets  
 December 31, 2006

	Treasurer's	Public Trustee	Struther's Road	Rancho Colorado	Total
<b>ASSETS</b>					
Cash and investments	\$ 27,729,380	\$ 1,181,517	\$ 138,372	\$ 293,073	\$ 29,342,342
<b>LIABILITIES</b>					
Due to other governments	\$ 20,338,726	\$	\$	\$	\$ 20,338,726
Escrow deposits held by trustee		536,133			536,133
Funds due to bondholders			138,372	293,073	431,445
Other	7,390,654	645,384			8,036,038
Total liabilities	\$ 27,729,380	\$ 1,181,517	\$ 138,372	\$ 293,073	\$ 29,342,342

El Paso County, Colorado  
 Agency Funds  
 Combining Statement of Changes in Fiduciary Net  
 Assets and Liabilities  
 For the year ended December 31, 2006

**TREASURER'S AGENCY FUND**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>ASSETS</b>				
Cash and investments	\$ 25,130,222	\$ 728,289,763	\$ 725,690,605	\$ 27,729,380
<b>LIABILITIES</b>				
Due to other governments	\$ 23,457,141	\$ 571,166,270	\$ 574,284,685	\$ 20,338,726
Other	1,673,081	157,123,493	151,405,920	7,390,654
Total liabilities	\$ 25,130,222	\$ 728,289,763	\$ 725,690,605	\$ 27,729,380

**PUBLIC TRUSTEE AGENCY FUND**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>ASSETS</b>				
Cash and investments	\$ 1,143,450	\$ 86,153,873	\$ 86,115,806	\$ 1,181,517
<b>LIABILITIES</b>				
Escrow deposits held by trustee	\$ 530,601	\$ 84,688,743	\$ 84,683,211	\$ 536,133
Other	612,849	1,465,130	1,432,595	645,384
Total liabilities	\$ 1,143,450	\$ 86,153,873	\$ 86,115,806	\$ 1,181,517

(Continued)

El Paso County, Colorado  
Agency Funds  
Combining Statement of Changes in Fiduciary Net  
Assets and Liabilities - Continued  
For the year ended December 31, 2006

**STRUTHER'S ROAD AGENCY FUND**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>ASSETS</b>				
Cash and investments	\$ 170,940	\$ 83,567	\$ 116,135	\$ 138,372
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 170,940	\$ 83,567	\$ 116,135	\$ 138,372

**RANCHO COLORADO AGENCY FUND**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>ASSETS</b>				
Cash and investments	\$ 183,931	\$ 110,623	\$ 1,481	\$ 293,073
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 183,931	\$ 110,623	\$ 1,481	\$ 293,073

**TOTALS - ALL AGENCY FUNDS**

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
<b>ASSETS</b>				
Cash and investments	\$ 26,628,543	\$ 814,637,826	\$ 811,924,027	\$ 29,342,342
<b>LIABILITIES</b>				
Due to other governments	\$ 23,457,141	\$ 571,166,270	\$ 574,284,685	\$ 20,338,726
Escrow deposits held by trustee	530,601	84,688,743	84,683,211	536,133
Funds due to bondholders	354,871	194,190	117,616	431,445
Other	2,285,930	158,588,623	152,838,515	8,036,038
Total liabilities	\$ 26,628,543	\$ 814,637,826	\$ 811,924,027	\$ 29,342,342

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

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ 110,000	\$ 110,000	\$ 73,214	\$ (36,786)
Interest	2,300	2,300	10,353	8,053
	<u>112,300</u>	<u>112,300</u>	<u>83,567</u>	<u>(28,733)</u>
<b>EXPENDITURES</b>				
Debt service	116,760	116,760	116,135	625
	<u>116,760</u>	<u>116,760</u>	<u>116,135</u>	<u>625</u>
Net change in fund balances	<u>\$ (4,460)</u>	<u>\$ (4,460)</u>	<u>\$ (32,568)</u>	<u>\$ (28,108)</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 100,000	\$ 100,000	\$ 98,713	\$ (1,287)
Interest	1,500	1,500	11,910	10,410
	101,500	101,500	110,623	9,123
<b>EXPENDITURES</b>				
Debt service		1,481	1,481	
		1,481	1,481	
Net change in fund balances	\$ 101,500	\$ 100,019	\$ 109,142	\$ 9,123

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**Capital Assets Used in the Operation of  
Governmental Funds**

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El Paso County, Colorado  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Source  
 For the year ended December 31, 2006

Governmental funds capital assets:	
Land	\$ 14,069,596
Building	80,070,842
Improvements other than buildings	11,161,953
Infrastructure	382,428,573
Machinery and equipment	17,148,694
Furniture and fixtures	2,449,490
Computer equipment	14,826,688
Construction in progress	93,920,475
	<hr/>
Total governmental funds capital assets	\$ 616,076,311
	<hr/> <hr/>
Investment in governmental funds capital assets by source:	
General fund	\$ 42,658,490
Special Revenue fund	354,327,275
Capital Projects fund	156,096,886
Donations	62,993,660
	<hr/>
Total governmental funds capital assets	\$ 616,076,311
	<hr/> <hr/>

\* 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  
For the year ended December 31, 2006

Function and activity	Land	Buildings	Improvements other than buildings	Infrastructure
General government:				
Office of the Board	\$	\$	\$ 6,387	\$
Security			199,772	
Facilities management	13,012,621	14,578,436	2,968,441	
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>3,286,979</u>	
Public Safety:				
Coroner		851,620	147,974	
Sheriff				
Sheriff operation		1,820,264	192,216	
Commissary				
Jail		5,817,506		
District attorney				
Judicial building		9,715,219	88,033.00	
Criminal justice center		15,975,910	1,075,126	
Sheriff Special Investigation				
Total public safety		<u>34,180,519</u>	<u>1,503,349</u>	
Public Works:				
Department of transportation	554,810	8,486,461	3,397,505	382,428,573
Total public works	<u>554,810</u>	<u>8,486,461</u>	<u>3,397,505</u>	<u>382,428,573</u>
Health and welfare:				
Department of human services		4,982,081	46,998	
Health department		4,065,600		
One Stop Job Center			113,493	
Total health and welfare		<u>9,047,681</u>	<u>160,491</u>	
Culture and recreation:				
Parks	502,165	3,916,741	2,813,629	
Total culture and recreation	<u>502,165</u>	<u>3,916,741</u>	<u>2,813,629</u>	
Total governmental funds capital assets	<u>\$ 14,069,596</u>	<u>\$ 80,070,842</u>	<u>\$ 11,161,953</u>	<u>\$ 382,428,573</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
\$	\$	\$	\$	\$
21,100		8,843		6,387
397,626	91,305	60,258	5,567,198	229,715
	6,676	18,013		36,675,885
	20,002	83,405		18,013
7,876,223	281,537	676,885	249,282	90,081
		9,016,149		785,320
172,055	729,373	8,428		23,858,003
13,000		2,299,587		8,428
	71,550	125,869		3,201,015
		96,447		138,869
		222,170		167,997
				226,418
				3,445,890
<u>8,480,004</u>	<u>1,200,443</u>	<u>12,616,054</u>	<u>5,816,480</u>	<u>68,852,021</u>
58,443	216,772	257,283	2,800	1,534,892
5,790,041	426,738	1,027,289		9,256,548
				0
				5,817,506
81,995		99,457		181,452
			42,074,382	51,877,634
12,966.00			37,685,254	54,749,256
690,471				690,471
<u>6,633,916</u>	<u>643,510</u>	<u>1,384,029</u>	<u>79,762,436</u>	<u>124,107,759</u>
1,829,749	270,281	215,488	7,875,446	405,058,313
<u>1,829,749</u>	<u>270,281</u>	<u>215,488</u>	<u>7,875,446</u>	<u>405,058,313</u>
134,939	319,212	249,846		5,733,076
				4,065,600
23,022	9,244	324,052		469,811
<u>157,961</u>	<u>328,456</u>	<u>573,898</u>		<u>10,268,487</u>
47,064	6,800	37,219	466,113	7,789,731
<u>47,064</u>	<u>6,800</u>	<u>37,219</u>	<u>466,113</u>	<u>7,789,731</u>
<u>\$ 17,148,694</u>	<u>\$ 2,449,490</u>	<u>\$ 14,826,688</u>	<u>\$ 93,920,475</u>	<u>\$ 616,076,311</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, 2006

Function and activity	Governmental Funds Capital Assets January 1, 2006	Additions	Deletions	Governmental Funds Capital Assets December 31, 2006
<b>General government:</b>				
Office of the Board	\$ 6,387		\$	\$ 6,387
Security	208,615	21,100		229,715
Facilities management	35,247,455	2,124,250	695,820	36,675,885
Environmental services	18,013			18,013
Employment services	90,081			90,081
Finance	528,848	335,727	79,255	785,320
Information services	23,420,010	570,053	132,060	23,858,003
County attorney	8,428			8,428
Clerk and recorder	2,008,516	1,192,499		3,201,015
Treasurer	145,809		6,940	138,869
Assessor	167,997			167,997
Public trustee	226,418			226,418
Parking	3,445,890			3,445,890
Total general government	<u>65,522,467</u>	<u>4,243,629</u>	<u>914,075</u>	<u>68,852,021</u>
<b>Public safety:</b>				
Coroner	1,485,018	49,874		1,534,892
Sheriff				
Sheriff operation	8,585,113	1,123,660	452,225	9,256,548
Commissary	505,933		505,933	0
Jail	5,817,506			5,817,506
District attorney	173,902	62,455	54,905	181,452
Judicial building	44,818,793	7,058,841		51,877,634
Criminal justice center	54,621,034	128,222		54,749,256
Sheriff special investigation	690,471			690,471
Total public safety	<u>116,697,770</u>	<u>8,423,052</u>	<u>1,013,063</u>	<u>124,107,759</u>
<b>Public works:</b>				
Department of transportation	77,100,849	328,546,160	588,696	405,058,313
Total public works	<u>77,100,849</u>	<u>328,546,160</u>	<u>588,696</u>	<u>405,058,313</u>
<b>Health and welfare:</b>				
Department of human services	5,733,076			5,733,076
Health department	4,065,600			4,065,600
One stop job center	386,893	82,918		469,811
Total health and welfare	<u>10,185,569</u>	<u>82,918</u>		<u>10,268,487</u>
<b>Culture and recreation:</b>				
Parks	7,309,465	480,266		7,789,731
Total culture and recreation	<u>7,309,465</u>	<u>480,266</u>		<u>7,789,731</u>
Total governmental funds capital assets	<u>\$ 276,816,120</u>	<u>\$ 341,776,025</u>	<u>\$ 2,515,834</u>	<u>\$ 616,076,311</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**

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El Paso County, Colorado  
Human Services Fund  
Schedule of EBT Authorizations, Warrant  
Expenditures, and Total Expenditures  
For the year ended December 31, 2006

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
Program	EBT Authorizations	County Share of EBT Auth.	Expenditures by Warrant	EBT plus Warrant Exp	Total County Expenditures
Old Age Pension	\$ 5,476,832	\$ 8,657	\$	\$ 5,476,832	\$ 8,657
LEAP	\$ 6,629,215	\$	\$ 353,142	\$ 6,982,356	\$ 353,142
TANF	\$ 12,472,224	\$ 3,137,503	\$ 5,064,233	\$ 17,536,457	\$ 8,201,736
Administration			\$ 9,179,513	\$ 9,179,513	\$ 9,179,513
Child Welfare	\$ 29,329,664	\$ 5,893,520	\$ 7,748,950	\$ 37,078,614	\$ 13,642,470
Core Services	\$ 4,472,717	\$ 649,417	\$ 221,939	\$ 4,694,656	\$ 871,356
AND			\$ 494,189	\$ 494,189	\$ 494,189
IV-D Administration			\$ 4,480,840	\$ 4,480,840	\$ 4,480,840
Child Care	\$ 9,377,036	\$ 1,153,818	\$ 355,916	\$ 9,732,952	\$ 1,509,734
Senior Service/Vet's	\$	\$	\$ 508,019	\$ 508,019	\$ 508,019
Grants/Other ***	\$ 166,559	\$	\$ 1,710,519	\$ 1,877,078	\$ 1,710,519
Sub-Total	\$ 67,924,247	\$ 10,842,916	\$ 30,117,258	\$ 98,041,505	\$ 40,960,174
Food Assistance	\$ 43,733,026	\$	\$	\$ 43,733,026	
Grand Total	\$ 111,657,272	\$ 10,842,916	\$ 30,117,258	\$ 141,774,531	\$ 40,960,174

- 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, and noted on CFMS as Settled outside CFMS

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County:
	YEAR ENDING : December 2006

This Information From The Records Of (example - City of _ or County of _):	Prepared By: Vladyslav Tverdokhlib, Budget/Grants Analyst Phone: 719-520-6482
--	--

**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)	10,208,872
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,846,806
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	972,968
2. General fund appropriations		b. Snow and ice removal	1,041,974
3. Other local imposts (from page 2)	13,947,952	c. Other	3,447,551
4. Miscellaneous local receipts (from page 2)	6,719,943	d. Total (a. through c.)	5,462,492
5. Transfers from toll facilities		4. General administration & miscellaneous	8,473,290
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	29,991,461
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)	20,667,895	b. Redemption	
<b>B. Private Contributions</b>	50,000	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	11,187,195	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	640,364	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	32,545,454	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>	29,991,461

**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
	9,106,142	32,545,454	29,991,461	11,660,135	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2006

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	8,050,760	a. Interest on investments	469,950
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	336,818	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,560,374	g. Other Misc. Receipts	48,342
6. Total (1. through 5.)	5,897,192	h. Other	6,201,651
c. Total (a. + b.)	13,947,952	i. Total (a. through h.)	6,719,943
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	10,615,746	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	571,449	d. Federal Transit Admin	565,748
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	74,616
f. Total (a. through e.)	571,449	g. Total (a. through f.)	640,364
4. Total (1. + 2. + 3.f)	11,187,195	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		224,265	224,265
b. Engineering Costs		2,192,990	2,192,990
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		7,791,617	7,791,617
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	7,791,617	7,791,617
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	10,208,872	10,208,872
			(Carry forward to page 1)

Notes and Comments:

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### **III. STATISTICAL SECTION**

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**El Paso County, Colorado  
Statistical Section**

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

FINANCIAL TRENDS

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

*Net Assets by Component  
Changes in Net Assets  
Fund Balances, Governmental Funds  
Changes in Fund Balances, Governmental Funds*

REVENUE CAPACITY

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

*Assessed Value and Actual Value of Taxable Property  
Direct and Overlapping Property Tax Rates  
Principal Sales Tax Payers  
General Fund Property Tax Levies and Collections*

DEBT CAPACITY

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

*Ratios of Outstanding Debt by Type*

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

*Demographic and Economic Statistics  
Principal Employers – Private Sector*

OPERATING INFORMATION

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

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

## Financial Trends

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

	Fiscal Year		
	2004	2005	2006
Governmental activities			
Invested in capital assets, net of related debt	\$ 127,978,967	\$ 135,624,461	\$ 473,797,276
Restricted	7,173,760	5,652,345	5,763,652
Unrestricted	30,101,673	27,478,459	20,658,649
Total governmental activities net assets	<u>\$ 172,428,160</u>	<u>\$ 168,755,265</u>	<u>\$ 500,219,577</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 4,586,665	\$ 1,074,434	\$ 1,387,518
Unrestricted	2,964,582	4,283,618	3,219,917
Total business-type activities net assets	<u>\$ 7,551,247</u>	<u>\$ 5,358,052</u>	<u>\$ 4,607,435</u>
Primary government			
Invested in capital assets, net of related debt	\$ 132,565,632	\$ 136,698,895	\$ 475,184,794
Restricted	7,173,760	5,652,345	5,763,652
Unrestricted	33,066,255	31,762,077	23,878,566
Total primary government net assets	<u>\$ 172,805,647</u>	<u>\$ 174,113,317</u>	<u>\$ 504,827,012</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**

<b>Expenses</b>	<b>Fiscal Year</b>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
Governmental activities:			
General government	\$ 49,900,240	\$ 53,148,164	\$ 49,588,735
Public Safety	58,589,412	63,502,622	68,322,881
Public Works	13,936,364	17,441,950	15,126,834
Health and Welfare	51,108,682	52,030,311	54,071,254
Culture and recreation	2,984,955	3,293,236	3,049,572
Auxiliary services	348,134	461,330	276,546
Outside agencies			6,636,067
Interest on long-term debt	4,244,308	4,665,637	4,571,516
Total governmental activities expenses	<u>181,112,095</u>	<u>194,543,250</u>	<u>201,643,405</u>
Business-type activities:			
County Fair	390,042		
Arts facility	13,921,652		
Waste management	547,995	611,002	657,857
Land Development	829,191	1,293,983	3,458,822
Total business-type activities expenses	<u>15,688,880</u>	<u>1,904,985</u>	<u>4,116,679</u>
Total primary government expenses	<u>\$ 196,800,975</u>	<u>\$ 196,448,235</u>	<u>\$ 205,760,084</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 15,363,829	\$ 16,823,845	\$ 17,205,184
Public safety	2,354,944	2,961,540	2,743,137
Public works	127,994	99,519	358,491
Health and Welfare	133,268	392,601	575,555
Culture and recreation	145,294	419,361	410,763
Outside agencies	136,317	3,546	240,988
Operating grants and contributions	48,826,210	52,447,436	58,034,608
Capital grants and contributions	13,263,876	8,670,183	26,960,492
Total governmental activities program revenues	<u>80,351,732</u>	<u>81,818,031</u>	<u>106,529,218</u>
Business-type activities:			
Charges for services:			
County Fair	208,660		
Arts facility	784,586		
Waste management	708,886	765,166	761,139
Land Development	948,010	2,595,240	2,285,934
Operating grants and contributions	18,000		
Total business-type activities program revenues	<u>2,668,142</u>	<u>3,360,406</u>	<u>3,047,073</u>
Total primary government program revenues	<u>\$ 83,019,874</u>	<u>\$ 85,178,437</u>	<u>\$ 109,576,291</u>

(Continued)

**Schedule 2 - Continued**  
**El Paso County**  
**Changes in Net Assets**  
**Last Three Fiscal Years**

	<b>Fiscal Year</b>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Net (Expense) Revenue</b>			
Governmental activities	(100,760,363)	(112,725,219)	(95,114,187)
Business-type activities	(13,269,326)	1,093,430	(1,069,606)
Total primary government net expense	<u>\$ (111,631,789)</u>	<u>\$ (111,631,789)</u>	<u>\$ (96,183,793)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes			
Property taxes	\$ 32,452,212	\$ 33,625,151	\$ 35,549,331
Sales taxes	64,372,866	67,839,928	68,520,201
Other taxes	10,356,101	9,184,444	11,392,744
Investment earnings	1,770,007	4,433,373	3,429,584
Gain/Loss on sale of capital assets	30,417	1,140,836	(179,211)
Transfers	296,975	(17,648)	(486,487)
Total governmental activities	<u>109,278,578</u>	<u>116,206,084</u>	<u>118,226,162</u>
Business-type activities:			
Investment earnings	41,858	128,952	179,621
Loss on sale of capital assets		(3,433,225)	
Transfers	(296,975)	17,648	486,487
Total business-type activities	<u>(255,117)</u>	<u>(3,286,625)</u>	<u>666,108</u>
Total primary government	<u>\$ 109,023,461</u>	<u>\$ 112,919,459</u>	<u>\$ 118,892,270</u>
<b>Change in Net Assets</b>			
Governmental activities	\$ 8,518,215	\$ 3,480,865	\$ 23,111,975
Business-type activities	(13,524,443)	(2,193,195)	(403,498)
Total primary government	<u>\$ (5,006,228)</u>	<u>\$ 1,287,670</u>	<u>\$ 22,708,477</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>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
General Fund			
Reserved	\$ 834,885	\$ 1,075,248	\$ 7,167,536
Unreserved	17,939,715	18,255,711	14,322,359
Total general fund	<u>\$ 18,774,600</u>	<u>\$ 19,330,959</u>	<u>\$ 21,489,895</u>
All Other Governmental Funds			
Reserved	\$ 54,429,269	\$ 18,295,204	\$ 4,346,714
Unreserved, reported in:			
Special revenue funds	12,861,205	11,138,582	13,316,364
Capital projects funds	2,863,497	2,077,759	
Debt service funds			
Total all other governmental funds	<u>\$ 70,153,971</u>	<u>\$ 31,511,545</u>	<u>\$ 17,663,078</u>
Total governmental funds	<u><u>\$ 88,928,571</u></u>	<u><u>\$ 50,842,504</u></u>	<u><u>\$ 39,152,973</u></u>

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

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

	<b>Fiscal Year</b>			
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>REVENUES</b>				
Property taxes	\$ 33,073,152	\$ 28,301,314	\$ 31,881,652	\$ 34,414,074
Sales taxes	44,972,364	48,081,408	52,317,559	58,415,299
Specific ownership taxes	4,069,417	4,666,970	5,297,249	5,293,623
Intergovernmental	72,340,208	57,746,128	61,525,576	71,490,405
Fees and fines	389,331	381,323	213,382	276,355
Licenses and permits	2,133,101	2,214,668	2,514,316	2,706,926
Charges for services	10,342,439	12,930,445	13,765,291	13,352,044
Investment earnings	4,270,838	3,927,129	3,444,110	5,572,011
Miscellaneous	4,202,622	6,194,318	4,073,122	6,012,791
Total revenues	<u>175,793,472</u>	<u>164,443,703</u>	<u>175,032,257</u>	<u>197,533,528</u>
<b>EXPENDITURES</b>				
Current				
General government	36,778,459	40,337,033	42,423,756	44,322,211
Public safety	30,349,360	34,915,626	36,865,296	38,246,793
Public works	19,451,419	20,082,091	21,398,459	28,171,087
Health and welfare	68,923,221	52,141,410	52,918,360	63,185,698
Culture and recreation				
Outside agencies	3,391,434	3,209,904	2,478,130	2,435,445
Auxiliary services	4,644,805	4,710,624	4,697,579	5,355,459
Debt service:				
Principal	4,024,876	43,362	63,210	809,810
Interest and other charges				
Issuance costs				
Capital outlay	9,302,448	10,968,948	10,844,121	13,619,283
Total expenditures	<u>176,866,022</u>	<u>166,408,998</u>	<u>171,688,911</u>	<u>196,145,786</u>
Excess of revenues over (under) expenditures	(1,072,550)	(1,965,295)	3,343,346	1,387,742
Other Financing Sources (uses)				
Refund of bond issuance costs				
Certificates of participation issued				
Premium on certificates of participation				
Capital lease financing	180,285		10,557,685	
Proceeds from sale of fixed assets	759,131	49,990	300,851	334,478
Transfers in	7,821,414	10,799,198	9,720,367	12,793,655
Transfers out	(7,821,414)	(10,799,198)	(9,720,367)	(12,793,655)
Assumption of deficit fund balance by internal service fund				
Total other financing sources (uses)	<u>939,416</u>	<u>49,990</u>	<u>10,858,536</u>	<u>334,478</u>
Net change in fund balances	<u>\$ (133,134)</u>	<u>\$ (1,915,305)</u>	<u>\$ 14,201,882</u>	<u>\$ 1,722,220</u>
Debt service as a percentage of noncapital expenditures	2.4%	0.04%	0.04%	0.4%

Data Source:  
El Paso County Financial Statements



	2001	2002	2003	2004	2005	2006
\$	30,925,258	\$ 24,764,323	\$ 34,134,150	\$ 32,452,212	\$ 33,625,151	\$ 35,549,331
	61,666,586	60,214,529	60,324,356	64,372,866	67,839,928	68,520,201
	5,684,220	10,435,135	9,419,579	10,356,101	9,184,444	11,392,744
	72,219,198	55,080,511	57,464,012	51,017,932	52,479,434	55,345,530
	285,260	832,409	631,149	592,879	842,382	898,042
	2,766,930	121,301	148,948	266,889	320,994	284,181
	16,267,961	14,283,695	17,606,093	15,538,738	16,786,843	16,897,769
	3,817,483	1,325,299	1,485,815	1,783,878	4,428,366	3,431,443
	5,737,042	2,986,624	3,050,488	4,292,448	5,432,838	8,193,869
	199,369,938	170,043,826	184,264,590	180,673,943	190,940,380	200,513,110
	48,164,585	53,926,618	43,835,780	46,075,565	49,601,464	45,367,491
	41,722,918	43,564,117	53,453,463	54,051,253	60,319,755	64,983,113
	23,433,218	14,982,192	13,731,408	12,858,711	13,105,527	14,112,138
	62,817,472	54,149,719	56,031,953	49,884,332	50,630,532	52,662,497
		2,738,749	2,819,973	2,456,732	2,928,470	2,726,991
	1,243,792					6,636,067
	5,176,635	528,567	581,881	335,263	345,991	328,360
	1,324,436	1,617,938	1,743,693	1,225,000	2,555,000	3,490,000
		582,987	4,584,467	4,584,989	4,648,895	4,570,462
		1,652,925		183,888		
	12,245,687	14,972,896	27,769,819	36,200,625	46,409,060	16,895,596
	196,128,743	188,716,708	204,552,437	207,856,358	230,544,694	211,772,715
	3,241,195	(18,672,882)	(20,287,847)	(27,182,415)	(39,604,314)	(11,259,605)
			33,861	(645,716)		
		84,975,000		6,970,000		
		1,607,413		46,576		
	279,437	395,719				
	1,300,575	38,101	119,364	55,115	1,155,648	56,561
	12,291,171	10,491,140	11,254,281	12,234,379	13,473,846	18,702,244
	(12,252,624)	(14,290,879)	(11,376,514)	(12,537,873)	(13,131,247)	(19,188,731)
	1,618,559	83,216,494	30,992	6,122,481	1,498,247	(429,926)
\$	4,859,754	\$ 64,543,612	\$ (20,256,855)	\$ (21,059,934)	\$ (38,106,067)	\$ (11,689,531)

0.7%

2.2%

3.6%

3.6%

3.6%

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## Revenue Capacity

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

Assessment Year Ended December 31,	Payable in Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property
1997	1998	227,231,550	1,729,685,990	1,088,181,700	321,862,380	14,964,700
1998	1999	216,879,380	1,800,994,280	1,131,151,030	332,188,760	15,829,170
1999	2000	259,604,200	2,062,108,100	1,248,914,180	356,777,920	15,528,770
2000	2001	239,694,050	2,161,401,520	1,319,055,820	343,138,320	9,625,080
2001	2002	302,075,500	2,403,130,940	1,529,818,180	368,301,950	10,844,990
2002	2003	285,479,270	2,527,692,430	1,566,835,300	415,302,620	11,230,610
2003	2004	304,921,310	2,420,184,700	1,586,881,330	352,325,230	12,189,850
2004	2005	281,213,190	2,515,131,740	1,624,789,480	325,357,000	13,713,710
2005	2006	335,975,160	2,892,970,890	1,723,592,810	308,133,320	14,523,730
2006	2007	327,623,600	3,032,146,110	1,775,643,960	302,573,000	14,489,940

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

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

<b>Natural Resources</b>	<b>Oil and Gas</b>	<b>Public Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>*Tax-Exempt Property</b>
3,939,420	93,860	179,044,100	3,565,003,700	9.430	914,879,550
4,086,280	93,860	182,423,300	3,683,646,060	9.430	998,991,730
4,597,560	0	195,542,100	4,143,072,830	8.339	717,535,380
5,037,600	0	192,377,800	4,270,330,190	8.339	1,090,699,030
5,438,030	0	201,121,000	4,820,730,590	7.821	1,171,535,730
5,356,810	0	252,852,100	5,064,749,140	7.880	1,195,377,570
5,174,850	0	224,088,900	4,905,766,170	7.947	1,177,685,410
7,516,620	0	248,252,200	5,015,973,940	8.012	1,232,798,230
7,566,860	0	241,063,500	5,523,826,270	7.673	1,264,464,180
8,026,450	0	248,220,800	5,708,723,860	7.710	1,282,937,580

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

	Taxes Payable	1998	1999	2000	2001
	Assessment Year	1997	1998	1999	2000
<b>County direct rates</b>					
General		2.527	2.527	2.793	2.814
Abatement		0.000	0.000	0.000	0.000
Road & Bridge		2.931	2.931	2.350	2.350
Social Services		2.112	2.112	1.687	1.687
Capital		0.800	0.800	0.707	0.707
Insurance		0.100	0.100	0.021	0.000
Retirement		0.960	0.960	0.781	0.781
Debt Service		0.000	0.000	0.000	0.000
Fleet		0.000	0.000	0.000	0.000
<b>City and town rates</b>					
Calhan		16.059	17.058	17.248	17.563
Colorado Springs		5.607	5.607	5.323	5.323
Fountain		10.239	10.239	10.239	10.239
Green Mountain Falls		14.588	14.588	14.588	14.588
Manitou Springs		16.253	16.850	15.981	15.981
Monument		9.000	8.920	7.607	7.042
Palmer Lake		14.325	14.310	12.909	24.560
Ramah		15.847	19.827	19.827	19.827
<i>Levy Ranges for the following districts are:</i>					
Fire Protection Districts		1.944-9.672	1.944-9.500	1.944-10.341	1.944-9.500
Sanitation Districts		0.749-9.591	0.749-9.638	0.679-7.731	0.679-7.028
Water Districts		0.503-12.236	0.503-12.236	0.503-11.238	0.532-11.238
Sanitation & Water Districts		5.00-26.370	3.535-26.370	3.631-30.863	3.758-30.863
Special Improvement Districts		1.678-43.500	1.678-43.500	1.653-43.000	1.653-55.000
Regional Library District		3.493	3.548	3.336	3.448
Metropolitan Districts		0.487-100.000	0.463-100.000	0.425-100.000	4.192-100.000
School Districts		28.783-60.216	26.135-60.169	26.182-58.159	26.143-58.897

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

	2002	2003	2004	2005	2006	2007
	2001	2002	2003	2004	2005	2006
	3.167	2.864	2.923	2.995	2.599	2.179
	0.000	0.059	0.067	0.065	0.057	0.037
	1.842	1.582	1.582	1.582	1.582	1.568
	1.324	1.204	1.454	1.319	1.319	1.290
	0.660	1.443	0.893	1.023	0.963	1.450
	0.000	0.000	0.300	0.300	0.400	0.450
	0.728	0.728	0.728	0.728	0.753	0.736
	0.000	0.000	0.000	0.000	0.000	0.000
	0.100	0.000	0.000	0.000	0.000	0.000
	16.856	17.307	17.563	17.563	17.525	17.563
	5.032	5.032	5.032	4.944	4.944	4.944
	10.239	10.239	10.239	10.239	10.239	10.239
	14.588	14.588	14.588	14.588	14.588	14.588
	17.836	18.277	17.368	17.836	17.284	17.284
	6.407	6.469	6.454	6.408	5.872	6.458
	19.442	20.038	21.536	21.753	19.070	16.544
	19.827	19.827	19.827	19.827	19.827	19.827
	1.865-10.466	1.899-10.797	2.139-10.842	0.467-12.813	2.130-12.527	2.322-12.660
	0.664-5.439	0.664-4.999	0.665-5.254	0.666-3.714	0.650-3.759	0.650-4.134
	0.532-11.238	0.532-12.870	0.532-15.300	0.532-16.279	0.532-14.437	0.532-14.437
	3.191-26.960	3.174-26.960	3.429-32.198	3.981-34.044	3.831-26.995	4.142-31.840
	1.009-60.000	1.009-60.000	1.009-65.000	1.000-49.500	1.000-45.000	1.000-45.000
	3.216	3.271	3.434	3.495	3.296	3.515
	3.568-100.000	2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000
	24.591-58.897	24.686-58.897	21.717-60.216	21.568-60.216	20.096-60.216	19.699-60.216

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

Taxpayer	2003			2004		
	Sales Tax Collected	Rank	Percentage of Total County Sales Tax Collected	Sales Tax Collected	Rank	Percentage of Total County Sales Tax Collected
Wal Mart Stores Inc	\$ 2,809,241	1	4.96%	\$ 3,194,205	1	5.29%
Qwest Corporation	1,553,587	2	2.74%	1,325,973	3	2.34%
Home Depot USA Inc	1,381,578	3	2.44%	1,615,248	2	2.85%
Target Corporation	1,024,936	4	1.81%	1,051,705	5	1.86%
City of Colorado Springs	1,001,706	5	1.77%	1,085,993	4	1.92%
Broadmoor Hotel Inc	819,993	6	1.45%	896,846	6	1.58%
Sam's West Inc	697,755	7	1.23%	715,762	7	1.26%
Best Buy Stores LP	600,478	8	1.06%	654,644	8	1.16%
Phil Long Ford, LLC	598,438	9	1.06%	613,110	9	1.08%
Lowe's HIW Inc	573,211	10	1.01%	563,089	10	0.99%
Verizon Wireless (VAW), LLC						
Total	<u>\$ 11,060,924</u>		<u>19.54%</u>	<u>\$ 11,716,574</u>		<u>20.35%</u>

Data Source:  
 El Paso County Financial Statements  
 Colorado Department of Revenue  
 \*Data not available prior to 2003



2005			2006		
Sales Tax Collected	Rank	Percentage of Total County Sales Tax Collected	Sales Tax Collected	Rank	Percentage of Total County Sales Tax Collected
3,427,575	1	5.38%	\$ 3,522,957	1	5.47%
1,394,574	4	2.19%	1,340,919	3	2.08%
1,876,642	2	2.95%	1,650,259	2	2.56%
1,111,509	5	1.75%	1,189,186	5	1.85%
1,444,928	3	2.27%	1,337,349	4	2.08%
920,445	6	1.45%	1,058,353	6	1.64%
735,353	7	1.15%	749,602	9	1.16%
689,640	9	1.08%	735,419	10	1.14%
599,784	10	0.94%	975,791	7	1.51%
718,781	8	1.13%	773,302	8	1.20%
<u>\$ 12,919,231</u>		<u>20.28%</u>	<u>\$ 13,333,137</u>		<u>20.69%</u>

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
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%
2006	13,038,236	12,812,122	98.27%	4,145	12,816,267	98.30%

Data Source:  
 El Paso County Revenue Summary

## Debt Capacity

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			
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		13,190,000	0.22%	29,603
2001	11,695,000	274,701	11,969,701	0.25%	30,136
2002	96,717,413	612,481	97,329,894	0.03%	29,983
2003	95,023,116	498,788	95,521,904	0.03%	30,592
2004	99,770,923	378,399	100,149,322	0.03%	32,018
2005	96,816,254	250,907	97,067,161	*	*
2006	93,258,727	115,880	93,374,607	*	*

\* Data not available

Data source:

El Paso County Financial Statements

US Department of Commerce

Bureau of Economic Analysis

**Demographic and Economic Information**

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

Year	Population				Per Capita Personal Income		
	Colorado	Change from Prior Period	El Paso County	Change from Prior Period	Colorado	El Paso County	El Paso County as a Percentage of Colorado
1997	4,018,293		486,934		26,846	23,918	89.09%
1998	4,116,639	2.45%	498,062	2.29%	28,784	25,876	89.90%
1999	4,226,018	2.66%	509,044	2.20%	30,492	27,387	89.82%
2000	4,338,789	2.67%	520,571	2.26%	33,367	29,603	88.72%
2001	4,446,919	2.49%	533,530	2.49%	34,481	30,136	87.40%
2002	4,521,798	1.68%	541,066	1.41%	34,014	29,983	88.15%
2003	4,586,780	1.44%	547,571	1.20%	34,059	30,592	89.82%
2004	4,653,004	1.44%	554,587	1.28%	35,810	32,018	89.41%
2005	4,722,460	1.49%	565,341	1.94%	37,510	*	*
2006	4,804,353	1.73%	576,240	1.93%	39,186	*	*

\* Data not available

Data source:

US Department of Commerce

Bureau of Economic Analysis

Colorado Department of Local Affairs

Colorado Department of Education

US Department of Labor

US Census Bureau

**El Paso County Labor Force**

<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>	<b>Public School Enrollment</b>	<b>Motor Vehicles Registered</b>
244,606	9,566	3.8%	*	508,000
250,252	10,738	4.1%	*	520,715
258,363	9,287	3.5%	93,883	553,868
257,305	7,467	2.8%	94,012	598,278
256,682	11,960	4.5%	96,379	652,372
257,736	17,444	6.3%	97,959	594,193
261,557	17,840	6.4%	99,165	583,461
267,952	16,128	5.7%	101,115	594,065
272,215	15,252	5.3%	103,069	636,537
284,819	12,663	4.3%	104,608	695,650

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

Employer	2002			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
World Com	3,330	1	1.28%			
Penrose-St. Francis Health Services	2,910	2	1.12%	3,632	2	1.37%
Wal Mart Stores Inc	2,790	3	1.07%	3,290	1	1.24%
Hewlett Packard	2,600	4	1.00%	2,500	4	0.95%
Lockheed Martin Corp	2,000	5	0.77%	2,000	3	0.76%
Atmel Corporation	1,900	6	0.73%	1,800	5	0.68%
The Broadmoor Hotel	1,520	7	0.58%	1,607	6	0.61%
Agilent Technologies, Inc.	1,400	8	0.54%			
Wells Fargo	1,317	9	0.51%	1,237	7	0.47%
Safeway	1,284	10	0.49%	1,100	10	0.42%
Memorial Hospital						
MCI				2,500	4	0.95%
(USAA) United Services Auto Assoc				1,150	8	0.44%
Focus on the Family						
Checks Unlimited				1,100	10	0.42%
(SCI) Sanmina (Plant #12)						
Kings Soopers				1,112	9	0.42%
Phil Long Dealerships				1,100	10	0.42%
Progressive Insurance						
Verizon						
Total	<u>21,051</u>		<u>8.07%</u>	<u>24,128</u>		<u>9.13%</u>

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  
 \*Data not available prior to 2002



2004			2005			2006		
Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
3,070	2	1.13%	2,956	2	1.09%	2,730	2	0.96%
3,200	1	1.18%	3,292	1	1.21%	3,877	1	1.36%
2,200	4	0.81%	2,300	3	0.84%	2,098	4	0.74%
2,400	3	0.88%	2,100	4	0.77%	2,100	3	0.74%
1,800	5	0.66%	2,000	5	0.73%	2,010	5	0.71%
1,650	6	0.61%	1,650	8	0.61%	1,850	6	0.65%
1,214	9	0.45%	1,226	10	0.45%			
1,224	8	0.45%	1,427	9	0.52%	1,386	8	0.49%
1,400	7	0.51%	1,900	6	0.70%			
1,210	10	0.44%						
			1,793	7	0.66%	1,412	7	0.50%
						1,300	9	0.46%
						1,300	10	0.46%
<u>19,368</u>		<u>7.12%</u>	<u>20,644</u>		<u>7.58%</u>	<u>20,063</u>		<u>7.04%</u>

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## **Operating Information**

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									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
County Commissioners	5	5	5	5	5	5	5	5	5	5
Internal Audit									2	2
County Assessor	68	68	68	63	63	66	66	66	66	66
County Clerk & Recorder -Operations	25	26	26	26	26	26	26	26	26	26
Motor Vehicle	78	79	79	79	79	79	79	79	83	83
Elections	15	16	16	16	16	16	16	17	17	17
Driver's Licenses	0	0	0	0	0	2	2	4	5	5
County Coroner	7	7	7	7	7	8	9	13	13	17
County Sheriff -Operations	206	224	226	222	226	229	230	231	235	242
Detentions	312	320	319	297	297	297	305	333	359	362
Pretrial Services (P.R. Bond)	4	10	0	0	0	0	0	0	0	0
Office of Emergency Management	3	3	3	3	0	0	0	0	0	0
County Treasurer	18	18	18	18	18	18	19	19	19	19
Public Trustee	10	10	10	11	11	14	14	14	14	14
County Attorney -General Fund	8	9	9	9	9	9	9	8	10	9
Dept. of Human Services	10	10	14	25	25	26	26	23	17	17
District Attorney - EPC Funded	129	132	137	144	146	152	157	157	157	177
Teller County Funded	0	0	0	0	0	0	1	1	1	1
Grant Funded	0	0	0	0	0	9	10	10	12	13
Human Services -General	350	350	350	350	350	351	361	361	360	360
Senior Services	2	3	4	4	4	4	4	4	3	3
Veterans Services	4	4	4	4	4	4	4	4	4	4
Pikes Peak Workforce Center	0	0	30	34	34	100	100	100	100	100

(Continued)

**Full-time Equivalent Employees as of December 31**

<b>Function/Program</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Administrative Services -Administration	3	4	5	7	7	5	7	5	6	5
Community Relations	1	1	1	1	1	0	0	0	0	0
County Fair	1	2	2	1	1	2	2	1	0	0
CSU Extension	3	4	4	4	4	4	4	4	4	4
Development Review	0	0	0	0	0	6	14	14	36	34
Land Use Study	0	0	0	0	0	0	5	5	5	5
Economic Development	3	3	3	3	3	3	4	4	0	0
Employee Benefits/Med Serv	0	0	0	0	0	0	0	8	12	16
Employment Services										
Environmental Services	0	0	0	0	2	7	7	9	9	10
Facilities	45	45	46	47	47	46	46	49	51	51
Financial Services	11	11	16	16	16	17	23	24	25	25
Fleet Services	0	0	0	0	0	33	32	32	32	33
Forestry & Noxious Weeds	2	2	2	2	2	2	2	0	0	0
Human Resources	5	5	6	6	6	8	11	5	0	0
Information Services	56	57	54	58	59	64	70	69	68	69
Justice Services	0	0	13	13	13	14	14	14	15	15
Planning	15	15	16	18	18	18	17	16	0	0
Public Communications										
Procurements & Contracts	6	6	7	7	7	6	6	7	7	7
Risk Management	4	4	4	4	4	4	4	4	0	0
Security	28	29	29	29	29	29	34	35	45	44
Solid Waste	2	2	3	3	3	3	4	4	4	4
800 MHz	0	0	0	0	0	1	1	1	1	1
Parks & Community Resources -Parks	42	42	44	43	41	39	41	40	41	41
Penrose Equestrian Center	6	11	10	10	10	10	10	10	0	0
Pikes Peak Center	7	7	10	10	10	10	10	10	0	0
Transportation -Engineering	23	27	27	27	29	26	30	30	24	24
Road & Bridge Fund	185	185	194	194	194	161	158	159	166	164
Health and Environment	203	205	208	208	208	208	208	208	194	207
Retirement	0	0	3	3	3	3	3	3	3	3
<b>Total</b>	<b>1,905</b>	<b>1,961</b>	<b>2,032</b>	<b>2,031</b>	<b>2,037</b>	<b>2,144</b>	<b>2,210</b>	<b>2,245</b>	<b>2,256</b>	<b>2,304</b>

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			
	1998	1999	2000*	2001
BoCC Administrative Services				
Board Meetings	165	175		122
Board/Committee/Commission Appointments	116	120		100
Facilities Management				
Number of buildings maintained		72		72
Square feet total maintained		2,200,000		2,200,000
Parks				
Acres of Regional Parks, Recreation areas and conservation lands	3,247			4,000
Miles of Regional, Park & Nature Trails	57.1			70
County Office Sites (landscape maintenance)	9	17		17
Procurement and Contracts				
Purchase Orders Issued	3,000	2,422		853
Purchase Orders Issued (dollars)		51,089,952		53,775,996
Surplus sales (\$)	50,000	217,865		372,709
Financial/Budget				
Payroll Serviced		54,187		53,161
Journal Entries Processed		1,271		1,300
Processed Payment Requests		23,501		49,405
Public safety				
Claims Submitted	1,441	1,175		2,138
Personal Contacts (excl DSS)	3,700	3,939		5,124
Telephone Information	15,000	12,104		17,672
Medicaid Nursing Home Clients	80	19		25
Briefings on VA Benefits	4,550	3,313		4,076
HS quality assurance inquiries	40	31		44
Human Services - Senior Services				
Number seniors/participation levels	42,276	46,503		20,063
CSU Extension				
Printed brochures and SIAs	232,844	175,133		151,972
Phone, walk-in, individual	23,265	49,543		42,123
County Attorney - General Fund				
Board of Equalization	466	1,354		1,370
Contracts/Agreements (drafted or reviewed)	450	600		750
Litigation (For and against the county)	670	645		705
Liquor License matters	14	21		20
Notices of Claims reviewed	47	50		90
Ordinances (new)	3	1		2
Resolutions (drafted or reviewed)	60	70		90
Written legal opinions	35	47		75
Meetings/hearings attended	845	860		895
Safety and Risk Management				
Safety Training Seminars -- Attendance	12			16
Personal Safety & Awareness consultations	220	220		250
Wellness programs	12	12		20
Employee orientations	6	36		48
Safety training/meetings	13	18		
Safety/Wellness publications/ website information	12	12		16
Risk management & insurance consultations	825	275		800
Clerk and Recorder				
Documents recorded	183,240	198,624		193,759
Documents processed	90,000	101,000		215,735
Meetings (agendas, minutes, etc.)	176	165		122
Vehicles Registered	533,000	553,868		652,372
Number of precincts	358	354		355
Ballot Combinations	75	55		47
Registered Voters	300,000	316,767		322,566
Jurisdictions for which elections are administered	100	100		107

2002	2003	2004	2005	2006
126	125	134	125	130
112	100	70	122	73
120	121	121	124	118
2,200,000	2,246,207	2,246,207	2,414,566	2,343,423
5,000	5,000	5,300	5,500	5,900
80	85.0	85	85	87
17	17	10	10	11
831	900	885	875	1,000
54,659,536	57,154,000	94,063,491	60,000,000	70,000,000
686,630	350,000	245,753	250,000	275,000
49,103	49,893	53,821	54,062	52,673
2,770	2,770	23,819	24,711	26,078
56,005	54,503	57,674	63,376	67,739
2,138	2,468	2,219	2,338	3,185
5,124	5,356	7,766	8,640	8,800
17,672	21,298	21,995	23,292	23,500
25	48	50	50	50
4,076	2,166	1,240	1,630	2,450
44	30	30	130	675 (all)
22,368	3,000	3,200	3,500	3,900
141,551	141,745	142,004	142,555	142,820
67,068	69,623	68,950	72,770	73,125
590	730	625	650	640
750	775	400	425	435
705	720	812	820	820
20	20	20	18	18
90	80	39	35	36
2	2		1	1
90	95	170	180	180
75	75	78	85	95
895	910	900	925	940
16	16			
275	275	300	325	350
24	18	15	24	25
48		170	292	300
16	16			
16	16	16	16	16
900	900	1,100	1,200	1,500
234,569	298,968	215,111	203,454	200,000
259,899	325,978	255,575	262,312	228,000
1,890	2,054	2,098	2,000	2,000
428,479	424,226	438,644	451,803	452,598
371	378	378	381	386
120	25	77	35	35
336,993	321,811	354,059	340,000	343,000
110	146	162	170	170

(Continued)

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

Function/Program	Fiscal Year			
	1998	1999	2000*	2001
<b>County Treasurer</b>				
Annual Tax Statements	188,648	192,552		
Delinquent Tax Statements	10,163	11,929		
Property Tax Payments Processed	304,795	313,580		
Tax roll changes (abatements)	1,600	1,695		
Non-property tax revenue transactions	21,097	19,860		
Tax Liens Sold--manufactured housing	135	150		
Tax Liens Sold--real estate	1,150	998		
Tax Liens redeemed	981	1,338		
Tax Deeds issued	30	19		
Certificates of Taxes Due Reports	35,390	35,105		
County warrants paid	38,000			
<b>County Assessor</b>				
Abstracts provided to all taxing entities	yes	135		115
Telephone calls handled	42,000	120,000		62,201
Maps produced for the public	20,500	2,600		2,410
Appeals heard by the assessor	2,000	8,000		4,936
Residences inventoried and measured	9,000	4,000		5,969
Property transfers logged	25,000	32,300		49,900
<b>District Attorney</b>				
Felony cases prosecuted	5,104	4,220		4,623
Traffic and misdemeanor cases prosecuted	40,870	37,564		35,860
Juvenile cases prosecuted	2,120	2,378		1,490
<b>Sheriff's Office Detentions</b>				
Average daily population - Metro & CJC	880	850		980
Initial inmate classifications	7,980	9,595		9,986
Total attendance, Inmate programs--CJC	76,000	40,235		47,768
Total attendance, Inmate programs--Metro	42,000	28,804		27,455
Number of commitments	19,458	21,630		21,381
Number of releases	18,838	21,572		21,187
Number of prisoner transports	65,900	27,247		26,321
<b>Transportation/Engineering in later years</b>				
Miles of road graveled	50	37	35	6
Miles of dust control applied	62	68	66	80
Miles of surface treatment applied	40	41	66	30
Drainage crosspans constructed	17	29	20	26
Feet of curb, gutter or sidewalks	4,270	1,900	2,110	1,120
Miles of road paved	29	30	7	14
Paved roads (miles)	811	837	857	858
Gravel roads (miles)	1,077	1,068	1,068	1,073
<b>Self Insurance Fund</b>				
Lawsuits/notice of claims	67	81		33
Litigations cost (\$)	175,000	75,946		221,199
Property claims	65	55		48
Cost (\$)	100,000	40,531		201,373
Liability claims	170	133		141
Cost (\$)	200,000	74,008		258,720
<b>Solid Waste Management Fund</b>				
Household chemical waste programs	3	3		4
Yard waste collection programs/days	52	52		52
Black Forest wildfire mitigation mulch programs	49	49		49
<b>Worker's Compensation Fund</b>				
Workers' compensation claims	338	326		336
Claims cost (\$)	600,000	476,100		922,294
<b>Economic Development</b>				
Businesses certified (Enterprize zone)	440	413	382	411
Contributions to Zone projects	295	294	272	142
Enterprize Zone Projects	10	10	11	14
Active affordable housing programs/projects	31	40	55	61
Personal Property Tax Credit Agreements	7	12	15	28
<b>Human Resources</b>				
Applications processed	8,000	10,000		10,030
Number of authorized positions-El Paso County		2,001		2,033
Employee recognition awards	278	331		294

\*Some data not available for 2000

Data Source:  
El Paso County Budget Book



2002	2003	2004	2005	2006
209,790	221,286	226,088	231,896	238,495
9,923	10,275	13,508	13,521	13,288
342,555	367,689	367,709	376,266	380,000
3,159	1,060	406	1,200	1,000
21,584	17,373	25,817	26,000	28,500
202	240	201	240	200
1,471	1,512	1,711	2,000	1,800
1,747	1,611	2,004	2,100	2,100
7	16	14	20	20
62,819	76,548	71,170	72,000	50,000
35,020	33,086	33,086	33,500	33,500
117	119	119	162	200
63,000	67,000	60,000	55,400	47,000
2,680	1,500	1,129	900	1,400
760	5,244	1,113	5,151	951
6,500	6,259	7,000	6,500	7,156
50,300	50,800	52,300	50,000	44,000
4,740	5,138	5,830	6,120	6,342
37,487	40,953	43,239	47,470	31,040
1,989	2,124	1,887	1,976	1,924
1,092	1,131	1,209	1,425	1,427
11,448	11,692	22,174	24,000	25,008
56,100	56,724	45,000	50,000	54,000
31,440	38,851	20,000	closed	closed
21,670	22,495	22,174	24,782	25,008
21,252	22,529	12,763	22,482	24,734
28,300	23,352	22,323	22,993	34,872
37	60	65	80	66
102	115	118	123	123
12	8	8		
12	14	9	26	28
7,344	2,613	1,566	6,385	28,459
19	18	5.7	15	19
879	894	894	900	930
1,074	1,076	1,075	1,078	1,073
52	30	29	22	25
248,806	293,567	441,285	160,100	253,800
83	77	149	78	105
144,905	356,591	346,773	139,277	250,000
154	180	172	160	105
188,474	63,596	441,285	378,988	253,800
4	3	3		2
52	52	52	52	52
49	49	49	49	49
322	334	310	350	378
1,014,095	945,568	1,166,527	486,593	1,800,000
400	354	347	358	318
159	283	451	654	1,061
10	17	19	25	36
71	85	110	113	125
20	22	N/A	N/A	N/A
11,000	12,056	14,488	17,572	14,918
1,922	1,958	2,029	2,066	
269	287	330	305	304

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

Function/Program	Fiscal Year			
	1997	1998	1999	2000
<b>Sherriff</b>				
Patrol units and other vehicles	170	194	201	194
<b>Department of Transportation</b>				
Paved roads (miles)	783.48	810.88	837.32	856.8
Gravel roads (miles)	1086.65	1077	1068.38	1067.95
<b>Engineering</b>				
Miles of road graveled	37	50	37	35
Drainage crosspans constructed	26	17	29	20
Feet of curb, gutter or sidewalks	4,641	4,270	1,900	2,110
<b>Parks</b>				
Acres of Regional Parks, Recreation areas and conservation lands	3,219	3,247	*	*
Acres of Other Parks/Properties	648	648	*	*
Miles of Regional, Park & Nature Trails	57.1	57.1	*	*
County Office Sites (landscape maintenance)	9	9	17	*
<b>Facilities</b>				
Number of buildings maintained	80	*	72	*
Square feet total maintained	1,600,000	*	2,200,000	*
<b>County Fairgrounds</b>				
Buildings	18	18	18	18
Stadium	1	1	1	1
Lighted outdoor dance floor	1	1	1	1
Outdoor arena	1	1	1	1
Indoor arena	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

2001	2002	2003	2004	2005	2006
210	204	185	196	214	226
858.12	878.67	894.05	894	900	930
1073.12	1073.68	1076.41	1075	1078	1073
6	37	60	65	80	66
26	12	14	9	26	28
1,120	7,344	2,613	1,566	6,385	28,459
4,000	5,000	5,000	5,300	5,500	5,900
70	80	85.0	85	85	87
17	17	17	10	10	11
72	120	121	121	124	118
2,200,000	2,200,000	2,246,207	2,246,207	2,414,566	2,343,423
18	18	18	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1

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**IV. SINGLE AUDIT SECTION**

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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, 2006, which collectively comprise El Paso County, Colorado's basic financial statements, and have issued our report thereon dated June 15, 2007. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which represents 7 percent and 4 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of El Paso County, Colorado's internal control

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Board of County Commissioners  
Colorado Springs, Colorado**

expressing an opinion on the effectiveness of El Paso County, Colorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of El Paso County, Colorado's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the El Paso County, Colorado's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the El Paso County, Colorado's financial statements that is more than inconsequential will not be prevented or detected by the El Paso County, Colorado's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. Those significant deficiencies include 06-01 and 06-04.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the El Paso County, Colorado's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.



El Paso County  
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Colorado Springs, Colorado

Compliance and Other Matters

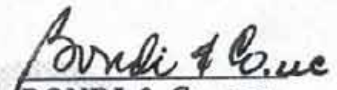
As part of obtaining reasonable assurance about whether El Paso County, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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, 2007.

El Paso County, Colorado's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit El Paso County, Colorado's responses and, accordingly, we express no opinion on them.

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 15, 2007

  
BONDI & Co. LLC





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El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

**Report on Compliance with Requirements Applicable to Each  
Major Program and on 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, 2006. El Paso County, Colorado's major federal programs are identified in the summary of auditors' 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 County, 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 El Paso County, Colorado's compliance with those requirements.

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Colorado Springs, Colorado

As described in items 06-02 and 06-03 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, 2006.

#### 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of El Paso County, Colorado's internal control over compliance.

A control deficiency in El Paso County, Colorado's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects El Paso County, Colorado's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by El Paso County, Colorado's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over compliance. Those significant deficiencies include 06-01 and 06-04.

El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by El Paso County, Colorado's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

El Paso County, Colorado's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit El Paso County, Colorado's responses and, accordingly, we express no opinion on them.

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 15, 2007

  
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, 2006

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' 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 auditors' 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
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds
93.658	Foster Care - Title IV-E

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

Section I - Summary of Auditors' Results (Continued)

Identification of major programs (continued):

93.659

Adoption Assistance - Title IV-E

93.778

Medical Assistance Program - Title XIX

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

yes

no



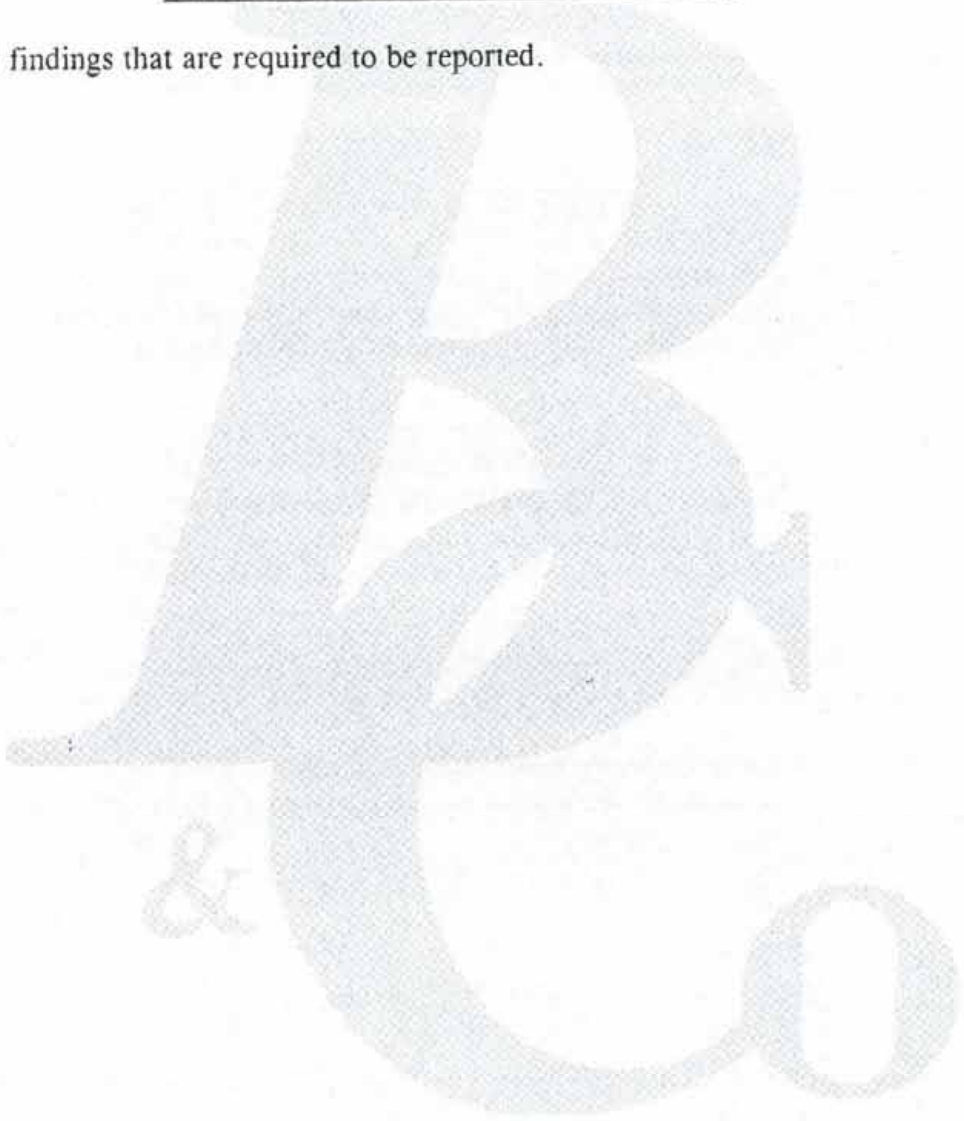
EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

Section II - Financial Statement Findings

There were no findings that are required to be reported.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

Section III - Federal Award Findings and Questioned Costs

Finding 06-01 - 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) and the Agency Letter Gen-06-03-P dated May 8, 2006. Some of the requirements are as follows:

- A. On a daily and weekly basis, each issuance office is required to perform an audit and reconciliation of EBT cards remaining in inventory to be issued the following day. Any discrepancies are required to be reported and investigated the following day.
- B. Damaged or otherwise returned cards are to be destroyed daily.
- C. Supervisory staff shall 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. Additionally, card issuance staff is not to share their inventory of blank cards with other staff members.
- D. Security of the CAPS devices is required by locking the machine in a secure location.

Condition and  
Context:

On three of the ten weekly reconciliations tested, there were mathematical discrepancies which went uninvestigated or other reconciling errors. This is a direct violation of point "A" above and is a repeat finding from the 2004 and 2005 audits.

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 "B" above. This finding is based on data examined during the early part of 2006. Similar data pertaining to the latter part of 2006 was also tested and this finding was not replicated. Furthermore, the County received no such finding in an examination performed by the Colorado Department of Human Services, Office of Self Sufficiency, Division of Food Assistance. This examination was also conducted using 2006 data.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

Section III - Federal Award Findings and Questioned Costs

**Finding 06-01 (Continued)**

On ten of the weekly reconciliations, we found it was routine to issue more than 20 cards at any one time. We found one instance where seven (7) cards were issued. The quantity of cards issued does not necessarily coincide with the amount of cards activated during the day. This violates point "C" above.

In further violation, County staff has been found to "share" cards rather than abiding by the issuance policy. This finding was found while testing data pertaining to the beginning of 2006. The County showed improvement in this area during the year as the finding was not replicated while testing data pertaining to the latter part of 2006.

The County does not secure the CAPS device at either card issuance location. This violates point "D" above.

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 and Plan  
of Corrective  
Action:

Management will continue to support training and monitoring of all EBT card controls. Management will place additional emphasis on the review and reconciliation process with regard to effectiveness.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

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

**Finding 06-02 — 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:	Recipients may not refuse to engage in required work while receiving TANF benefits. Individual Responsibility Contract's (IRC's) are a tool used to aid recipients in fulfilling this requirement. IRC's are mandatory for each applicant and should be kept in his/her file.
Condition and Context:	One of the 20 files we tested did not contain an IRC.
Questioned Costs:	\$1,529
Effect:	The failure to obtain a signed IRC from each client could result in the unauthorized payment of benefits.
Cause:	Intake workers violated the policies and procedures of the State and County and authorized benefits for clients without receiving all 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 and Plan of Corrective Action:	Management will continue to support the training of staff with regard to the importance of obtaining and retaining all required documentation in order to ensure that all TANF cases have signed IRC's. The county has

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

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

**Finding 06-02 (Continued)**

Views of  
Responsible  
Officials and Plan  
of Corrective

Action (Continued): increased oversight in this area through the use of a designated person to review cases and increased supervisory audits. In addition, staff have received additional training on IRC development and the critical nature of IRC's. Intake procedures have been amended to include mandatory IRC's at intake for all TANF cases. Management believes that this is no longer an issue.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 06-03 — 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 must have minor children to qualify for the TANF program. These children must be properly immunized.

Condition and  
Context:

Three of the 20 files we tested did not contain immunization records for the child(ren).

Questioned  
Costs:

\$6,188

Effect:

Failure to obtain immunization records for each child results in unauthorized payments of benefits to the client.

Cause:

Intake workers violated the policies and procedures of the State and County and authorized benefits for clients without verifying 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 and Plan  
of Corrective  
Action:

Management will continue its oversight and improvement in the area of immunizations to include increased internal auditing, additional training and supervisory follow-up. In addition, it has been brought to the attention of the state that the current computer system, CBMS, does not discontinue

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 06-03 (Continued)**

Views of  
Responsible  
Officials and Plan  
of Corrective

Action (Continued): a case for eligibility if immunization information is not entered timely. We feel that a system fix will ensure that our county (as well as all the counties) would benefit from such a fix as the issue then becomes automated.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

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

**Finding 06-04 - 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. In 2006, one out of the 20 files tested did not adhere to the application process requirements.

Questioned Costs: None.

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

Cause: Due to the 2005 system conversion which rolled into 2006, all applications were not being processed timely.

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

Views of Responsible Officials and Plan of Corrective Action: Management has implemented consistent business processes for the processing of Medicaid applications and is continuously striving to meet all timely processing requirements. The County employees carry very high caseloads partially due to current funding structures. The State is currently



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

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

**Finding 06-04 (Continued)**

Views of  
Responsible  
Officials and Plan  
of Corrective

Action (Continued): in the process of conducting a workload study to determine both funding and staffing recommendations. Management will evaluate the results of the study and make recommendations at that time.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

Section IV – Prior Federal Award Findings and Questioned Costs

Finding 05-01 & 04-01 – 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, 2006

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

Finding 05-01 & 04-01 (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.

Auditor Response:

Point A - This finding has been corrected.

Point B - This is still a finding. Please see 06-01.

Point C - This is still a finding. Please see 06-01.

Point D - This is still a finding. Please see 06-01.

Point E - This finding has been corrected.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

Section IV - Prior 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 are 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, 2006

Section IV – Prior 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.

**Auditor Response:** This case still has not gone to trial. As of May 2007, the County is pursuing an insurance claim which would carry a \$10,000 deductible. The State has given the County until September 2007 to resolve the situation with the insurance company. Following the criminal proceedings, the County intends to initiate a civil case. There was no further evidence found indicative of additional fraud related to this case during our 2006 testing.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

Section IV - Prior 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.
Auditor Response:	This is still a finding. Please see 06-02.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 05-04 & 04-03 – 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:

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.

Auditor Response:

This finding has been corrected.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2006

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

**Finding 05-05 & 04-02 — 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:

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.

Auditor Response: This finding has been corrected.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 05-06 & 04-04 - 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 was 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.

Auditor Response:

This finding has been corrected.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 05-07 & 04-08 - 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 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.
Auditor Response:	This is still a finding. Please see 06-04.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 05-08 & 04-09 - 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.

Auditor Response:

This finding has been corrected.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2006

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

**Finding 05-09 & 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 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.

Auditor Response: This finding has been corrected.

**Schedule of Expenditures of Federal Awards**

El Paso County, Colorado  
Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2006

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	07.xxx	\$ 351,208
Total		<u>351,208</u>
<u>U.S. Department of Agriculture</u>		
Passed through Colorado Department of Human Services		
Food Stamps	10.551	43,812,706
Food Stamps Administration	10.561	1,576,766
Passed through Colorado State Forest Service		
Bureau of Land Management	10.664	8,000
Total		<u>45,397,472</u>
<u>U.S. Department of Housing &amp; Urban Development</u>		
Passed through Colorado Department of Local Affairs		
Community Development Block Grant	14.228	65,834
Total		<u>65,834</u>
<u>U.S. Department of the Interior</u>		
2006 Rural Fire Assistance Program	15.242	5,019
Passed through Colorado Department of Natural Resources		
Section 6 Endangered Species Grant	15.615	651,499
Passed Through CO State Parks State Trails Program		
Black Squirrel Creek Bridge	15.916	26,643
Ute Pass Trail - Phase II	15.916	77,200
Total		<u>760,361</u>
<u>U.S. Department of Criminal Justice</u>		
Alcohol, Tobacco and Firearms	16.012	2,999
Supervised Visitation	16.527	199,062
Comprehensive Drug Enforcement Program	16.579	64,629
Office for Victims of Crime	16.582	49,179
DVERT Grant	16.590	46,392
Bullet Proof Vest Program	16.607	27,334
Community Gun Violence Prosecution Program	16.609	7,591
COPS Secure our Schools	16.710	22,510
Pass through Colorado Springs Police Department		
2005 Justice Assistance Grant	16.738	110,602
Total		<u>530,298</u>

(Continued)

El Paso County, Colorado  
Schedule of Expenditures of Federal Awards - Continued  
For the year ended December 31, 2006

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Labor</u>		
Passed through Colorado Department of Labor and Employment		
Wagner-Peyser Employment Services	17.207	1,331,489
Workforce Investment Act Title I Adult Program	17.258	1,593,640
Workforce Investment Act Title I Youth Program	17.259	1,405,679
Workforce Investment Act Title I Dislocated Worker Program	17.260	1,794,714
Workforce Investment Act NEG Military Grant	17.260	963,740
Passed through State of Colorado		
Disabled Program Navigator	17.266	42,679
Disabled Veteran's Program	17.801	57,170
Local Veteran's Employment	17.804	23,142
Total		7,212,253
<u>U.S. Department of Transportation</u>		
Passed through Colorado Department of Transportation		
ISTEA	20.205	665,748
Seatbelt Enforcement Program	20.600	7,550
Total		673,298
<u>U.S. Election Assistance Commission</u>		
Help America Vote Act of 2002 (HAVA)	90.401	1,139,250
<u>U.S. Department of Health and Human Services</u>		
Passed through Colorado Department of Human Services		
Passed through Fountain Valley Senior Citizens		
Older Americans Act Title III-B Senior Transportation Grant	93.044	3,214
Passed through Colorado Secretary of State		
(Election Assistance for Individuals with Disabilities (EAID))	93.617	760
Passed through Colorado Department of Human Services		
Promoting Safe & Stable Families	93.556	402,639
TANF Work Participation Refund	93.558	15,129,035
Title IV-D Administration	93.563	3,035,498
Low Income Energy Assistance Programs	93.568	4,976,144
Child Care and Development Block Grant - Discretionary Fund	93.575	3,075,099
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	3,504,925
Title IV-B	93.645	588,457
Title IV-E	93.658	4,476,510
Adoption	93.659	3,774,399
Adjustment to Federal Assistance	93.xxx	6,840
Title XX	93.667	2,696,639
Title IV-E (Independent Living)	93.674	241,024
Title XIX	93.778	2,979,564

(Continued)

El Paso County, Colorado  
 Schedule of Expenditures of Federal Awards - Continued  
 For the year ended December 31, 2006

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 Department of Local Affairs Community Service Block Grant	93.569	493,386
Total		<u>45,384,133</u>
<u>Social Security Administration</u>		
Passed through Colorado Department of Education Social Security Research and Demonstration	96.007	188,078
Total		<u>188,078</u>
<u>U.S. Department of Homeland Security</u>		
Passed through Colorado Division of Emergency Management 2006/2007 Colorado State Hazard Mitigation Program	97.039	7,661
Emergency Management Performance Grant	97.042	40,000
Citizen Corps	97.067	3,569
Passed through Colorado Department of Public Safety Homeland Security Grant Program Terrorism Prevention	97.067	763,900
Passed through Colorado Office of Emergency Management Homeland Security Grant Program	97.067	311,568
Law Enforcement Terrorism Prevention Program 2004 (LETTP)	97.074	752,832
Buffer Zone Protection Program (BZPP)	97.078	20,314
Total		<u>1,899,844</u>
Total Expenditures of Federal Awards		<u>\$ 103,602,029</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.

Note 2. Pass Through

El Paso County does not pass through funds to sub-recipients