

# Comprehensive Annual Financial Report

For the year ended December 31, 2007

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





# **EL PASO COUNTY, COLORADO**

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
December 31, 2007

Prepared by:  
Financial Services Department

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El Paso County, Colorado  
Comprehensive Annual Financial Report  
For the year ended December 31, 2007

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## **I. INTRODUCTORY SECTION**

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October 20, 2008

**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, 2007.

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, 2007. The independent auditor’s 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 597,632. 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 raised only a minor amount from a low of 4.1% in 1998 to 4.4% in 2007. Unemployment should remain stable or decrease in the near term due to 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 9.7% range and complies with the 2007 Budget Resolution as approved by the BoCC for budgetary and planning purposes. The increased unfunded mandates that we continue to experience each year threaten our ability to maintain an adequate fund balance. During 2007, El Paso County had to reduce budgets \$4.1 million in order to address revenue shortfalls, provide for unfunded mandates, and maintain an adequate fund balance. 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*

During 2007, the Terry R. Harris Judicial Building Complex has been undergoing asbestos abatement, finishing of additional floors for courtrooms, and adding additional required floors in the parking garage. The old downtown metro jail has also been undergoing renovation to accommodate the Work Release inmates to relieve overcrowding in the Criminal Justice Center.

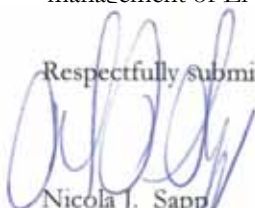
### *Awards and Acknowledgements*

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, 2006. El Paso County received this award for ten consecutive years, from December 31, 1990 through December 31, 1999 and again in 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 the 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, 2006

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.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

**El Paso County, Colorado  
Elected and Appointed Officials  
December 31, 2007**

Commissioners

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

Elected Officials

Assessor	Mark Lowderman
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

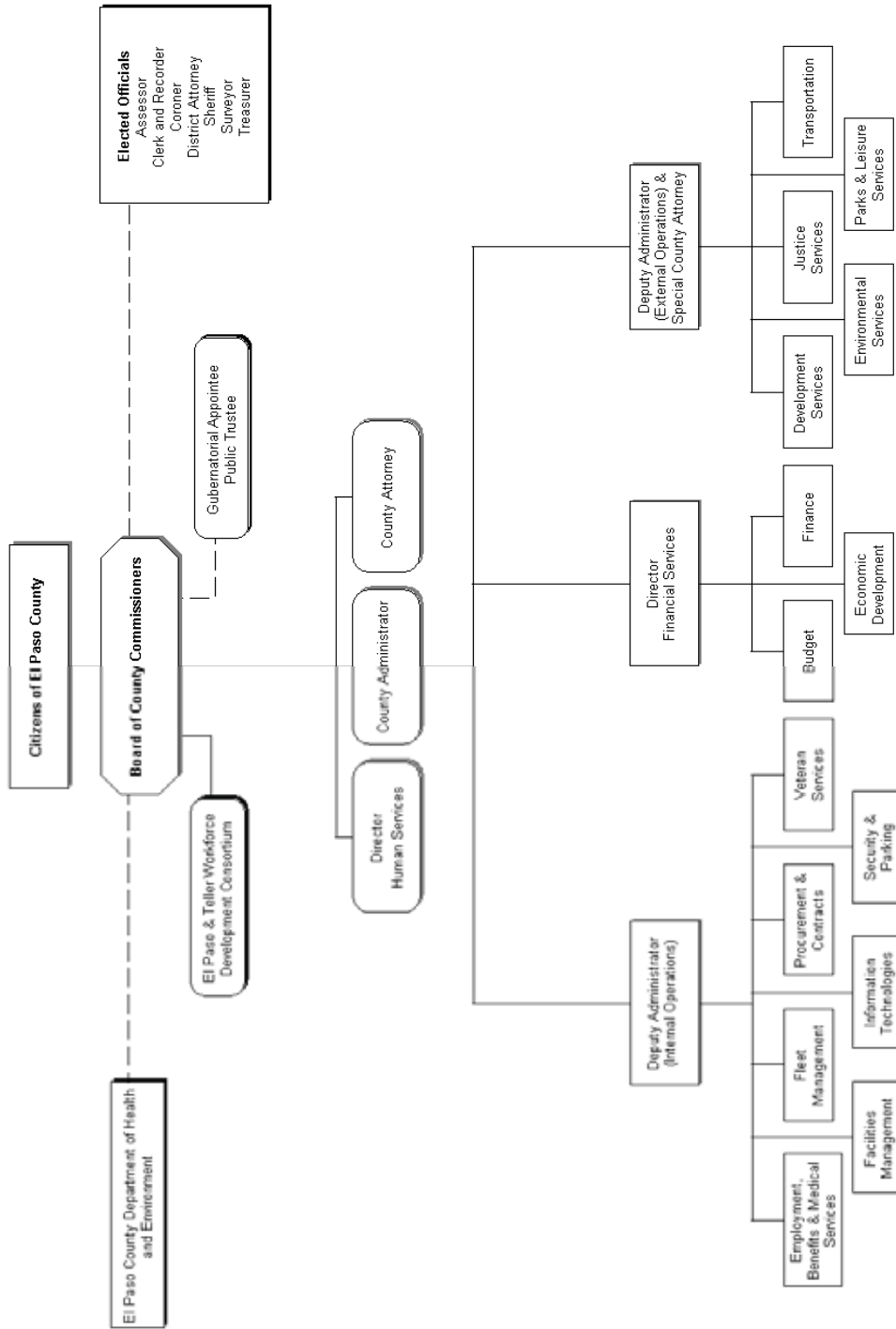
Public Trustee (Interim)	Carol A. Snyder
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El Paso County, Colorado  
 District Map  
 December 31, 2007





# El Paso County Organizational Chart 2007



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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**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 (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which is a nonmajor governmental fund and represents 1 percent of the revenues and less than 1 percent, each, of the assets and net assets/fund balances of the aggregate remaining fund information; the financial statements of the El Paso County Retirement Plan, which is reported as the pension trust fund and represents 84 percent, 97 percent, and 40 percent, respectively, of the assets, net assets/fund balances, and revenues of the aggregate remaining fund information; 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 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

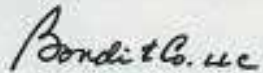
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County, Colorado, as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows 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 October 20, 2008, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 and the required supplemental information section, containing budgetary comparison information and modified approach schedules, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors 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 County's basic financial statements. The introductory section; combining statements and schedules section; capital assets used in the operation of governmental funds section; 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 statements and schedules section; capital assets used in the operation of governmental funds section; 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 by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, 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 by us or the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

October 20, 2008

  
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.

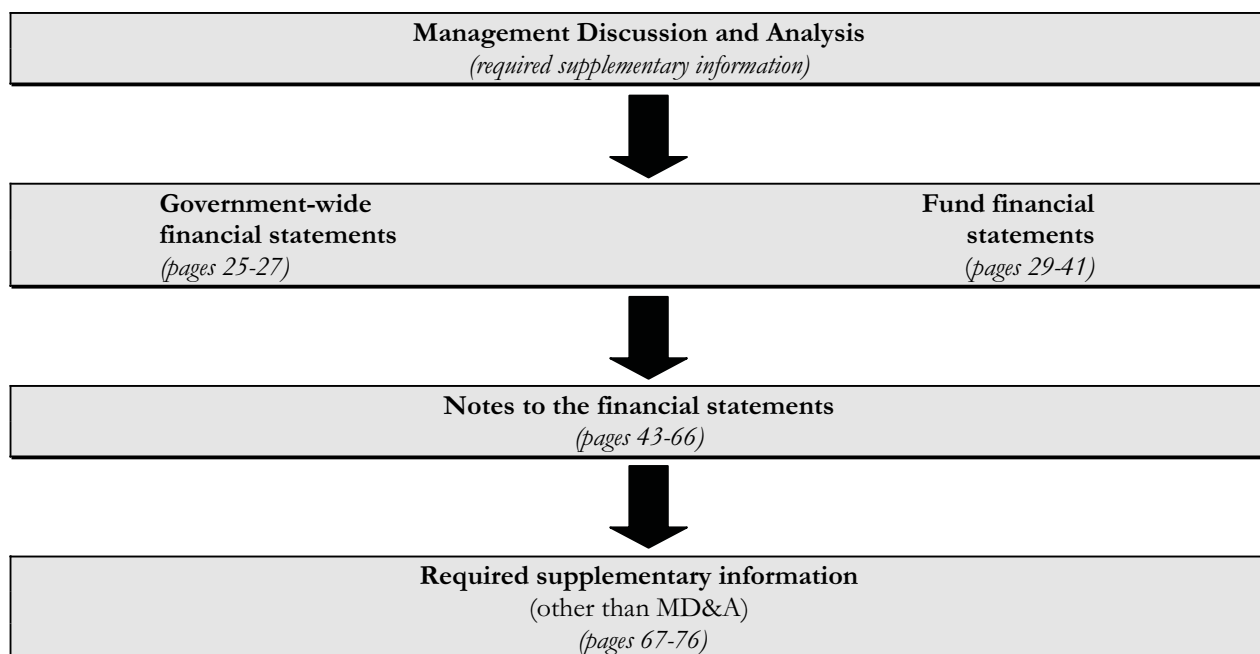
Our discussion and analysis of El Paso County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the County's financial statements, which begin on page 25.

### **Financial Highlights**

- The County's assets increased \$49.9 million to \$716.2 million as of December 31, 2007. This is primarily due to the increase in capital assets for the Clerk and Recorder's office, the Metro Jail, Courthouse renovations, and acquisition of new machinery and equipment plus increases in the current and other assets category.
- In comparing the 2007 Statement of Activities to 2006, Public Safety expenses increased \$2.4 million due to an increase in unfunded mandates such as personnel and support staff for additional judges and courtrooms. Public Works increased \$8.9 million as a result of catching up from delayed projects from 2006. Health and Welfare increased \$1.0 million due to an increase in operational levels and funding from the State. All additional increases are due to the OPEB liability of \$35,383,382.
- Charges for services increased a small amount of \$560,445 which is attributed to a combination of a decrease in General Government plus an increase in Public Safety and Public Works.
- Operational Grants decreased a net of \$914,328 which was a combination of an increase in one time pass-through federal funds for the purchase of the Buffer Zone Land (\$2 million) and a decrease in charitable contributions as pass-through funds to the Economic Development Fund (Enterprise Zone) (\$1.3 million) along with a minor net increase to other categories of \$0.2 million.
- Capital Grants decreased \$18.4 million from 2006. The major change was in Public Works decreasing \$16.6 million due to much less construction and development occurring in 2007.
- Sales tax collections came in at a minor percentage (0.92%) over 2006 which is a direct result of what is occurring locally in our economy. This minor increase over 2006 was below 2007 budgeted projections by \$3.5 million prompting a mid-year budget reduction of \$2.5 million and indirect cost recovery from other funds of \$1.6 million.

## 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 funds. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$14,729,641 of which \$13.9 million is designated for cash flows representing only 37 days of cash flow at the end of 2007. The undesignated fund balance of \$500,188 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.

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 \$9,798,987 which is slightly lower than 2006.

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 only a small fund balance report 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 Project Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. In 2007, our fund balance increased due to funds held on behalf of ongoing construction project funded by COP's. These projects include the completion of additional courtrooms in the Judicial Complex and additional floors in our newest Parking Structure.



**Net assets** - The County's combined net assets were \$479.0 million in 2007. 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>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 129.9	\$ 95.7	\$ 3.0	\$ 3.7	\$ 132.9	\$ 99.4
Capital assets	<u>586.3</u>	<u>566.9</u>	<u>1.4</u>	<u>1.4</u>	<u>587.7</u>	<u>568.3</u>
Total assets	716.2	662.6	4.4	5.1	720.6	667.7
Long-term debt outstanding	182.2	107.0	0.3	0.3	182.5	107.3
Other liabilities	<u>59.2</u>	<u>55.4</u>	<u>0.1</u>	<u>0.2</u>	<u>59.3</u>	<u>55.6</u>
Total liabilities	241.4	162.4	0.4	0.5	241.8	162.9
Net assets:						
Invested in capital assets, net of related debt	568.2	473.8	1.4	1.4	569.6	475.2
Restricted	11.6	5.8			11.6	5.8
Unrestricted	<u>(104.9)</u>	<u>20.6</u>	<u>2.7</u>	<u>3.2</u>	<u>(102.2)</u>	<u>23.8</u>
Total net assets	<u>\$ 474.9</u>	<u>\$ 500.2</u>	<u>\$ 4.1</u>	<u>\$ 4.6</u>	<u>\$ 479.0</u>	<u>\$ 504.8</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 \$474.9 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 \$(104.9) million deficit at the end of this year. This deficit is the result of having fewer current available resources than 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, 2007 is \$5,023,758 million.

**Changes in net assets** - The County's total revenues were \$217.1 million for 2007. Approximately 11.1% of the County's revenues come from charges for services. The total cost of all programs and services was \$243.1 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 21.0	\$ 21.5	\$ 2.8	\$ 3.0	\$ 23.8	\$ 24.5
Operating grants	57.1	58.0			57.1	58.0
Capital grants	15.4	27.0			15.4	27.0
General revenues						
Property taxes	36.7	35.5			36.7	35.5
Sales tax	69.1	68.5			69.1	68.5
Other taxes	9.9	11.4			9.9	11.4
Other revenues	4.9	3.2	0.5	0.7	5.1	3.4
Total revenue	<u>\$ 214.1</u>	<u>\$ 225.1</u>	<u>\$ 3.3</u>	<u>\$ 3.7</u>	<u>\$ 217.1</u>	<u>\$ 228.3</u>
<b>EXPENSES</b>						
General government	\$ 58.4	\$ 49.6	\$	\$	\$ 58.4	\$ 49.6
Public safety	85.9	68.3			85.9	68.3
Public works	18.0	15.1			18.0	15.1
Health and welfare	59.1	54.1	0.8	0.7	59.9	54.8
Culture and recreation	3.8	3.0			3.8	3.0
Auxiliary services	1.3	0.3	3.1	3.5	4.4	3.8
Outside agencies	6.1	6.6			6.1	6.6
Interest on long term debt	6.6	4.6			6.6	4.6
Total expenses	<u>\$ 239.2</u>	<u>\$ 201.6</u>	<u>\$ 3.9</u>	<u>\$ 4.2</u>	<u>\$ 243.1</u>	<u>\$ 205.8</u>
Increase (decrease) in net assets before transfers	(24.9)	23.6	(1.0)	(0.9)	(25.9)	22.7
Transfers	<u>(0.4)</u>	<u>(0.5)</u>	<u>0.4</u>	<u>0.5</u>	<u>(0.4)</u>	<u>(0.5)</u>
Increase (decrease) in net assets	<u>\$ (25.3)</u>	<u>\$ 23.1</u>	<u>\$ (0.6)</u>	<u>\$ (0.4)</u>	<u>\$ (25.9)</u>	<u>\$ 22.7</u>
Ending Net Assets	<u>\$ 474.9</u>	<u>\$ 500.2</u>	<u>\$ 4.0</u>	<u>\$ 4.6</u>	<u>\$ 478.9</u>	<u>\$ 504.8</u>

## Governmental Activities

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

### Revenues:

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

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

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

**Market 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>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Public safety	\$ 85.9	\$ 68.3	\$ 73.1	\$ 54.8
Public works	18.0	15.1	1.3	(11.1)
Health and welfare	59.1	54.1	21.0	15.0
Culture and recreation	3.8	3.0	2.0	1.2
Total	<u>\$ 166.8</u>	<u>\$ 140.5</u>	<u>\$ 97.4</u>	<u>\$ 59.9</u>

## Financial Analysis of the County's Funds

As the County completed the year, the governmental funds reported a combined fund balance of \$70.6 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 111 resolutions for a net increase of \$6,673,376. The ten largest budget resolutions follow and total \$6,653,928. The remaining resolutions with a total of \$19,448. The El Paso County Board of Commissioners approved Resolution 07-456 for budget reductions to balance 2007 budget in the amount of \$2,473,406, offsetting the balance of remaining resolutions.

- Resolution 07-98 was approved in the amount of \$2,165,570 to complete the purchase of buffer zone land for the Fort Carson United States Military Reservation., per Phase II of Resolution 05-501.
- Resolution 07-78 was approved to reappropriate \$1,332,771 of 2006 projects in process but not yet completed and for items ordered but not received. These purchases and projects were scheduled to be completed during 2007.
- Resolution 07-117 was approved in the amount of \$848,040 to authorize the Sheriff's Office to hire six sworn and six civilian employees to staff the Work Release Tent.
- Resolution 07-73 was approved in the amount of \$755,085 to appropriate 2006 General Fund Designated funds into the 2007 Budget for various designated projects at the Sheriff's Office and the Clerk and Recorder's Office.
- Resolution 07-280 was approved in the amount of \$419,484 from the fund balance of the General Fund to cover the cost of additional leave compensation among General Fund supported departments.
- Resolution 07-329 was approved in the amount of \$275,854 for the Department of Justice Services, contract revenue from the Colorado Department of Public Safety, Division of Criminal Justice, for the purpose of providing community corrections services through subcontractors.
- Resolution 07-421 was approved in the amount of \$250,000 for the Clerk and Recorder's Office for the additional \$2 Clerk Motor Vehicle Fee effective September 1, 2007.
- Resolution 07-243 was approved in the amount of \$225,000 for the Department of Justice Services, contract revenue from the Colorado Department of Corrections for the Community Corrections Intensive Supervision Program (ISP).
- Resolution 07-360 was approved in the amount of \$200,000 for the Facilities' Board Approved Projects Budget for the purpose of purchase and setup of a modular office for the Coroner's Office.
- Resolution 07-350 was approved in the amount of \$182,124 for the Department of Justice Services, contract revenue from the Colorado Department of Public Safety, Division of Criminal Justice, for the purpose of providing community corrections services through subcontractors.

## Capital Assets and Debt Administration

### Capital Assets

At the end of 2007, the County had invested \$660.7 million in a broad range of capital assets, including land, buildings, equipment, infrastructure, park facilities, etc. (See Table 4.)

**Table 4**  
**El Paso County Capital Assets**  
**(in millions)**

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
Land	\$ 14.1	\$ 14.1
Construction in progress	7.9	93.9
Buildings & improvements	179.0	91.3
Machinery and equipment	57.4	55.3
Infrastructure	402.3	382.4
Total	<u>\$ 660.7</u>	<u>\$ 637.0</u>

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to \$587.7 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 financial year included the following:

- During 2007 there was \$3,055,520 for the purchase of the Clerk and recorder's office on Powers Blvd.
- During 2007 there was \$297,982 of construction in progress for the Metro Jail.
- During 2007 there was \$443,580 of construction in progress for the Clerk and Recorder's Office.
- During 2007 there was \$743,816 of construction in progress for the Courthouse renovations.
- During 2007 there was \$229,476 of construction in progress for the Parking Structure.
- During 2007 there was \$4,653,458 for Machinery and equipment and vehicles.
- During 2007 there was \$19,866,974 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 our most recent assessment done in 2006, our condition distribution was:

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

Our next assesment will be completed in 2009.

Additional information on El Paso County's capital assets can be found in the notes to the financial statements of this report on pages 50, 56, 57, and 66.

## Long-term Debt

During 2007, El Paso County had a net reduction in long-term debt accounts of \$50,081,231. 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 12/31/07 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, 2007

	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	\$ 40,453,391	\$ 2,390,583	\$ 42,843,974	\$ 3,390,055	\$ 2,409,397
Receivables					
Property taxes	42,858,470		42,858,470		
Accounts	3,302,946	236,404	3,539,350	26,631	
Intergovernmental	19,644,350	49	19,644,399	2,216,861	
Interest					20,106
Notes					3,394,107
Internal balances	(383,896)	383,896			
Inventories	1,988,026		1,988,026		
Prepaid items	381,652		381,652	40,977	183
Restricted cash and investments	19,535,663		19,535,663		
Unamortized issuance costs	2,080,785		2,080,785		
Capital assets, not depreciated	424,335,217		424,335,217		
Capital assets, net of accumulated depreciation	162,033,801	1,358,758	163,392,559	309,907	
Total assets	<u>716,230,405</u>	<u>4,369,690</u>	<u>720,600,095</u>	<u>5,984,431</u>	<u>5,823,793</u>
<b>LIABILITIES</b>					
Accounts payable	10,135,847	74,708	10,210,555	739,294	7,807
Due to other governments	2,306,319		2,306,319		
Interest payable	463,281		463,281		
Accrued liabilities	3,376,589		3,376,589	1,293,341	2,272
Deferred revenue	42,859,393		42,859,393	220,261	
Noncurrent liabilities					
Due within one year	5,494,042	18,978	5,513,020		
Due in more than one year	176,666,384	268,452	176,934,836		276
Total liabilities	<u>241,301,855</u>	<u>362,138</u>	<u>241,663,993</u>	<u>2,252,896</u>	<u>10,355</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	568,270,750	1,358,758	569,629,508	309,907	
Restricted for:					
Declared emergencies	5,023,758		5,023,758	545,278	
Debt service	6,627,053		6,627,053		
Unrestricted	(104,993,011)	2,662,302	(102,330,709)	2,876,350	5,813,438
Total net assets	<u>\$474,928,550</u>	<u>\$ 4,021,060</u>	<u>\$478,949,610</u>	<u>\$ 3,731,535</u>	<u>\$ 5,813,438</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Statement of Activities  
For the year ended December 31, 2007

<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	\$ 58,370,104	\$ 15,965,622	\$ 2,742,896	
Public safety	85,943,749	3,266,421	9,622,956	2,439
Public works	17,968,376	602,212	698,542	15,339,628
Health and welfare	59,075,189	383,931	37,655,357	
Culture and recreation	3,774,357	542,084	1,176,878	27,970
Auxiliary services	1,255,626		2,400	
Outside agencies	6,132,634	213,393	5,221,251	
Interest on long-term debt	6,578,057			
Total governmental activities	239,098,092	20,973,663	57,120,280	15,370,037
Business-type activities				
Solid waste management	794,749	846,968		
Land development	3,120,259	1,957,808		
Total business-type activities	3,915,008	2,804,776		
Total primary government	\$ 243,013,100	\$ 23,778,439	\$ 57,120,280	\$ 15,370,037
<b>Component units:</b>				
Health department	\$ 26,044,731	\$ 2,950,898	\$ 20,666,184	\$
Housing authority	904,808	202,343	671,318	
Total component units	\$ 26,949,539	\$ 3,153,241	\$ 21,337,502	\$

General revenues:  
Property taxes  
Sales taxes  
Specific ownership tax  
Highway users tax  
Investment earnings  
Gain 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		
\$ (39,661,586)	\$	\$ (39,661,586)	\$	\$
(73,051,933)		(73,051,933)		
(1,327,994)		(1,327,994)		
(21,035,901)		(21,035,901)		
(2,027,425)		(2,027,425)		
(1,253,226)		(1,253,226)		
(697,990)		(697,990)		
(6,578,057)		(6,578,057)		
(145,634,112)		(145,634,112)		
	52,219	52,219		
	(1,162,451)	(1,162,451)		
	(1,110,232)	(1,110,232)		
\$ (145,634,112)	\$ (1,110,232)	\$ (146,744,344)	\$	\$
\$	\$	\$	\$ (2,427,649)	\$ (31,147)
\$	\$	\$	\$ (2,427,649)	\$ (31,147)
36,748,742		36,748,742		
69,146,880		69,146,880		
640,777		640,777		
9,291,183		9,291,183		
4,818,667	139,961	4,958,628	197,225	216,790
80,732		80,732		
120,726,981	139,961	120,866,942	197,225	216,790
(383,896)	383,896			
120,343,085	523,857	120,866,942	197,225	216,790
(25,291,027)	(586,375)	(25,877,402)	(2,230,424)	185,643
500,219,577	4,607,435	504,827,012	5,961,959	5,627,795
\$ 474,928,550	\$ 4,021,060	\$ 478,949,610	\$ 3,731,535	\$ 5,813,438

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## **Fund Financial Statements**

El Paso County, Colorado  
Governmental Funds  
Balance Sheet  
December 31, 2007

	General Fund	Road and Bridge	Human Services
<b>ASSETS</b>			
Cash and investments	\$ 7,992,651	\$ 9,080,629	\$ 894,290
Taxes receivable	23,867,855	7,591,294	
Accounts receivable	1,438,669	27,703	69,568
Due from other funds	1,707,779	719	266,195
Due from other governments	13,135,015	1,890,131	3,408,435
Inventories	267,731	1,015,694	
Prepaid items	100,652		
Restricted cash and investments			628
Total assets	48,510,352	19,606,170	4,639,116
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	3,638,197	549,759	1,231,138
Accrued wages	11,799	94,832	6,440
Due to other funds	652,307	39,962	957,291
Due to other governments		32,970	2,273,349
Deferred revenue	23,868,778	7,591,294	
Total liabilities	28,171,081	8,308,817	4,468,218
Fund Balances:			
Reserved			
Declared emergencies	5,023,758		
Encumbrances	217,489	482,672	
Inventories	267,731	1,015,694	
Prepaid items	100,652		
Debt service			
Construction			
Unreserved			
Designated for cash flows	13,902,067		
Designated for subsequent year's expenditures	327,386		
Capital projects fund			
Designated for subsequent year's expenditures/cash flows			
Special revenue funds			
Designated for subsequent year's expenditures/cash flows		3,692,810	170,898
Undesignated	500,188	6,106,177	
Total fund balances	20,339,271	11,297,353	170,898
Total liabilities and fund balances	\$ 48,510,352	\$ 19,606,170	\$ 4,639,116

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,049,928	\$ 4,626,358	\$ 38,643,856
7,467,544	3,931,777	42,858,470
	1,758,068	3,294,008
	33,659	2,008,352
	828,159	19,261,740
		1,283,425
		100,652
19,535,035		19,535,663
<u>43,052,507</u>	<u>11,178,021</u>	<u>126,986,166</u>
596,366	2,712,582	8,728,042
		113,071
	757,712	2,407,272
		2,306,319
7,467,544	3,931,777	42,859,393
<u>8,063,910</u>	<u>7,402,071</u>	<u>56,414,097</u>
15,453,562	463,595	5,023,758
		16,617,318
		1,283,425
		100,652
6,627,053		6,627,053
12,907,982		12,907,982
		13,902,067
		327,386
	1,622,248	5,485,956
	1,690,107	8,296,472
<u>34,988,597</u>	<u>3,775,950</u>	<u>70,572,069</u>
<u>\$ 43,052,507</u>	<u>\$ 11,178,021</u>	<u>\$ 126,986,166</u>

El Paso County, Colorado  
 Governmental Funds  
 Reconciliation of the Balance Sheet to the  
 Statement of Net Assets  
 For the year ended December 31, 2007

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

Fund balances - total governmental funds (page 31)	\$ 70,572,069
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	576,915,528
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.	(29,169,026)
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	
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	(463,281)
Compensated absences payable	(13,367,412)
Certificates of participation payable	(129,567,254)
Unamortized premium (to be amortized as interest expense)	(1,647,359)
Elimination of due to/from interfund balances	(425,500)
Unamortized issuance costs (to be amortized over life of debt)	<u>2,080,785</u>
Net assets - governmental activities (page 25)	<u><u>\$ 474,928,550</u></u>

The accompanying notes are an integral part of this statement.



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El Paso County, Colorado  
Governmental Funds  
Statement of Revenues and Changes in Fund Balances  
For the year ended December 31, 2007

	General Fund	Road and Bridge	Human Services
<b>REVENUE</b>			
Property taxes	\$ 11,123,814	\$ 8,250,816	\$ 6,446,458
Sales taxes	69,146,880		
Specific ownership taxes		640,777	
Highway user taxes		9,291,183	
Intergovernmental	11,599,980	1,155,612	30,293,394
Fees and fines	568,611		
Licenses and permits	289,866		
Charges for services	15,444,239	459,681	
Investment earnings	2,385,381	584,476	
Miscellaneous	2,473,954	22,732	141,371
	<hr/>	<hr/>	<hr/>
Total revenues	113,032,725	20,405,277	36,881,223
<b>EXPENDITURES</b>			
Current:			
General government	38,013,692		
Public safety	55,035,463		
Public works		15,876,121	
Health and welfare	4,822,655		39,236,379
Culture and recreation	2,004,251		
Outside agencies			
Auxiliary services	581,234		
Debt service:			
Principal			
Interest and other charges			
Capital outlay	1,111,981	2,825,902	32,447
	<hr/>	<hr/>	<hr/>
Total expenditures	101,569,276	18,702,023	39,268,826
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	11,463,449	1,703,254	(2,387,603)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from issuance of certificates of participation (COP)			
Proceeds from sale of capital assets	78,291		
Transfers in	1,500,735		3,305,016
Transfers out	(14,193,099)	(1,965,256)	(746,515)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(12,614,073)	(1,965,256)	2,558,501
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(1,150,624)	(262,002)	170,898
	<hr/>	<hr/>	<hr/>
Fund balances - January 1	21,489,895	11,559,355	0
Fund balances - December 31	<u>\$ 20,339,271</u>	<u>\$ 11,297,353</u>	<u>\$ 170,898</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 7,249,650	\$ 3,678,004	\$ 36,748,742
		69,146,880
		640,777
		9,291,183
	10,463,938	53,512,924
	267,743	836,354
		289,866
		15,903,920
1,708,097	108,043	4,785,997
	5,280,501	7,918,558
<u>8,957,747</u>	<u>19,798,229</u>	<u>199,075,201</u>
115,323	5,446,677	43,575,692
19,049	11,539,291	66,593,803
		15,876,121
	7,589,672	51,648,706
	832,984	2,837,235
	5,473,129	5,473,129
		581,234
3,375,000		3,375,000
6,588,783		6,588,783
5,719,720	540,496	10,230,546
<u>15,817,875</u>	<u>31,422,249</u>	<u>206,780,249</u>
<u>(6,860,128)</u>	<u>(11,624,020)</u>	<u>(7,705,048)</u>
39,429,749		39,429,749
		78,291
	11,833,237	16,638,988
	(118,014)	(17,022,884)
<u>39,429,749</u>	<u>11,715,223</u>	<u>39,124,144</u>
32,569,621	91,203	31,419,096
2,418,976	3,684,747	39,152,973
<u>\$ 34,988,597</u>	<u>\$ 3,775,950</u>	<u>\$ 70,572,069</u>

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, 2007

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

Net change in fund balances - total governmental funds (page 35)	\$ 31,419,096
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	10,230,546
Depreciation	(6,998,570)
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.	15,002,357
Transfers and capital purchases from general government operating	
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.	(136,062)
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:	
Certificates of participation issued	(39,429,749)
Premiums on insurance of certificates of participation	(1,321,765)
Principal repayments	3,375,000
Amortization of debt premium	(101,606)
Amortization of issuance costs	
Payment of capital leases as a reduction of long term debt	115,879
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	(98,582)
Accrued interest	10,726
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.	
	(36,965,467)
Elimination of due to/from interfund balances	
	(425,500)
Interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	
	32,670
Change in net assets - governmental activities (page 27)	\$ (25,291,027)

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Proprietary Funds  
Statement of Net Assets  
December 31, 2007

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,390,583	\$ 1,809,534
Accounts receivable	236,404	8,938
Intergovernmental receivable	50	382,610
Due from other funds	1,561	893,779
Prepaid expenses		281,000
Inventories		704,601
Total current assets	2,628,598	4,080,462
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,358,757	9,453,492
Total assets	3,987,355	13,533,954
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	74,708	1,407,803
Accrued liabilities		3,263,518
Capital lease obligation		623,307
Compensated absences	18,978	16,820
Due to other funds	43,163	453,255
Total current liabilities	136,849	5,764,703
Noncurrent liabilities:		
Capital lease obligation		1,246,624
Compensated absences	268,452	308,269
Other postemployment benefits		35,383,382
Total current liabilities	268,452	36,938,275
Total liabilities	405,301	42,702,978
<b>NET ASSETS</b>		
Invested in capital assets	1,358,757	9,453,492
Unrestricted	2,223,297	(38,622,516)
Total net assets	\$ 3,582,054	\$ (29,169,024)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	439,006	
Total net assets - business-type activities (page 25)	\$ 4,021,060	

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, 2007

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues		
Charges for services	\$ 2,804,776	\$ 18,221,876
Operating expenses		
Insurance premiums		821,795
Claim settlements		50,623,146
Depreciation	158,269	1,742,877
Administration and operations	4,182,237	10,004,200
Total operating expenses	4,340,506	63,192,018
Operating income (loss)	(1,535,730)	(44,970,142)
Nonoperating revenues/expenses		
Taxes		7,562,653
Investment Earnings	139,961	
Gain (loss) on sale of capital assets		255,371
Miscellaneous		186,651
Total nonoperating revenues/expenses	139,961	8,004,675
Income (loss) before transfers	(1,395,769)	(36,965,467)
Transfers in	504,907	
Transfers out	(121,011)	
Change in net assets	(1,011,873)	(36,965,467)
Net assets - January 1	4,593,927	7,796,443
Net assets - December 31	\$ 3,582,054	\$ (29,169,024)
Change in net assets	(1,011,873)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	425,498	
Total net assets - business-type activities (page 27)	\$ (586,375)	

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, 2007

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,808,813	\$ 357,404	\$ 3,166,217
Receipts from interfund services provided	70,597	17,911,311	17,981,908
Payments to suppliers	(1,484,693)	(5,901,620)	(7,386,313)
Payments to employees	(2,240,999)	(16,785,879)	(19,026,878)
Payments for interfund services used	(588,463)	(2,834,829)	(3,423,292)
Net cash provided by (used in) operating activities	<u>(1,434,745)</u>	<u>(7,253,613)</u>	<u>(8,688,358)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes received		7,562,653	7,562,653
Transfers in	383,896		383,896
Net cash provided by (used in) noncapital financing activities	<u>383,896</u>	<u>7,562,653</u>	<u>7,946,549</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of capital assets		265,073	265,073
Capital expenditures	(129,507)	(3,113,060)	(3,242,567)
Net cash provided by (used in) capital and related financing activities	<u>(129,507)</u>	<u>(2,847,987)</u>	<u>(2,977,494)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	139,961		139,961
Net cash provided by (used in) investing activities	<u>139,961</u>		<u>139,961</u>
Net decrease in cash and cash equivalents	(1,040,395)	(2,538,947)	(3,579,342)
Cash and cash equivalents - January 1	3,430,978	4,348,481	7,779,459
Cash and cash equivalents - December 31	<u>\$ 2,390,583</u>	<u>\$ 1,809,534</u>	<u>\$ 4,200,117</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (1,535,730)	\$ (44,970,142)	\$ (46,505,872)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue		186,652	186,652
Depreciation expense	158,269	1,742,877	1,901,146
(Increase) decrease in assets			
Accounts receivable	303	2,272,971	2,273,274
Intergovernmental receivables	3,731	157,636	161,367
Due from other funds	70,597	(310,565)	(239,968)
Inventories		(88,045)	(88,045)
Increase (decrease) in liabilities			
Accounts payable	(168,390)	(132,068)	(300,458)
Accrued liabilities		34,315,731	34,315,731
Capital lease obligation		1,869,931	1,869,931
Compensated absences	(1,437)	10,383	8,946
Due to other funds	37,912	212,881	250,793
Deferred revenue		(2,521,855)	(2,521,855)
Net cash provided by (used in) operating activities	<u>\$ (1,434,745)</u>	<u>\$ (7,253,613)</u>	<u>\$ (8,688,358)</u>
<b>Noncash investing, capital, and financing activities:</b>			
Capital assets transferred from other funds	<u>\$ 504,907</u>	<u>\$</u>	<u>\$ 504,907</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Fiduciary Funds  
Statement of Net Assets  
December 31, 2007

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,849,670	\$	\$ 27,849,077
Investments			
Equities:			
Domestic stocks and equity mutual funds	111,139,841		
International stocks	72,778,783		
Fixed income:			
Fixed income mutual funds	38,287,685		
U.S. government and agency securities	6,218,864		
Corporate fixed income securities	15,202,798		
Real estate mutual fund	32,426,655		
Total investments	276,054,626		
Securities lending collateral	34,299,734		
Receivables			
Interest and dividends	547,290		
Securities sold	14,398,962		
Other	79,645	4,240,638	
Total receivables	15,025,897	4,240,638	
Capital assets - net	208,084		
Total assets	329,438,011	4,240,638	27,849,077
<b>LIABILITIES</b>			
Securities lending obligation	34,299,734		
Accounts payable and accrued liabilities	304,115	74,227	
Due to other governments			20,479,108
Payable for securities purchased	1,509,778		
Escrow deposits held by trustee			516,371
Funds due to bondholders			342,507
Other			6,511,091
Total liabilities	36,113,627	74,227	27,849,077
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	\$ 293,324,384	\$ 4,166,411	\$

The accompanying notes are an integral part of this statement.



El Paso County, Colorado  
Fiduciary Funds  
Statement of Changes in Net Assets  
For the year ended December 31, 2007

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employers	\$ 6,276,030	\$
Employees	6,767,934	
Total contributions	13,043,964	
Charges for services		523,861
Other income	15,088	
Investment earnings:		
Net appreciation in fair value of investments	12,542,545	
Interest and dividend income	9,077,469	203,355
Securities and lending income	85,215	
Total investment earnings	21,705,229	203,355
Less investment expenses	(1,730,144)	
Net investment income	19,975,085	203,355
Total additions	33,034,137	727,216
<b>DEDUCTIONS</b>		
Outside agencies		793,506
Benefits	13,048,069	
Refunds	2,165,062	
Administrative expenses	317,524	
Total deductions	15,530,655	793,506
Change in net assets	17,503,482	(66,290)
Net assets - January 1	275,820,902	4,232,701
Net assets - December 31	\$ 293,324,384	\$ 4,166,411

The accompanying notes are an integral part of this statement.

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## 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 and services are provided almost entirely to the primary government.

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, 2007

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, 2007

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 *human 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.

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, 2007

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.

*Strutther's Road Agency Fund* bonds were issued for construction and installation of improvements on a portion of Strutther'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. The interfund services provided and used are not eliminated in the process consolidation.

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, 2007

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, 2007

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, 2007, was \$12,907,982. 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, 2007, was \$6,627,053.

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, 2007, 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 capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects 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

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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.

**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.

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, 2007, 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.

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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, 2007.

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 \$64,296,076, 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 Liquid Asset Trust (ColoTrust), a local government investment pool established primarily for local government entities pursuant to Part 7 of Article of Title 24 of the Colorado Revised Statutes. Financial statements for ColoTrust may be obtained at [www.colotruster.com](http://www.colotruster.com).

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.

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As of December 31, 2007, 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, 2007, the County had the following investments:

Primary Government (Including Fiduciary Funds)	Fair Value	Investment Maturities		Credit Rating
<u>Investment Type</u>	<u>Fair Value</u>	Up to <u>120 days</u>	121 Days <u>to 5 years</u>	<u>Rating</u>
U. S. Treasuries	\$ 4,000,000	\$ 1,000,000	\$ 3,000,000	US Govt Guar
Instrumentality:				
Federal Home Credit Bank (FFCB)	\$ 2,000,000		\$ 2,000,000	AAA
Federal Home Loan Bank (FHLB)	\$ 2,000,000		\$ 2,000,000	AAA
 Total Investments controlled by the County	 \$ 8,000,000	 \$ 1,000,000	 \$ 7,000,000	
Percent of Total		12.5%	87.5%	

Reconciliation to Total Deposits and Investments	Ratings	S&P	Fitch
Add:	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Cash and deposits	\$ 18,176,230	P-1	A-1+
Money Market funds	\$ 9,058,598	P-1	A-1+
ColoTrust	\$ 34,070,293		AAA
Total Deposits and Investments	<u>\$ 69,305,121</u>		

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Maturity Date</u>	<u>Callable</u>
ColoTrust	\$ 3,233,714	A-1	Demand	No
U. S. Treasuries	\$ 1,164,106	US Govt Guar	2 & 5/07	No
Instrumentality:				
Government National Mortgage Association (GNMA)	\$ 131,982	AAA	2016	Yes
	<u>\$ 4,529,802</u>			
Cash and deposits	\$ 1,252,460			
Repurchase agreement	\$ 18,040			
	<u>\$ 5,800,302</u>			

Funds held on behalf of the Department of Health and Environment total \$3,390,955.

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Funds held by Treasurer:	
Treasurer's agency	\$ 26,197,860
GWFS	41,915,073
Fiduciary & LID funds	<u>4,583,145</u>
	\$ 72,696,078
Cash reflected in financials held by other institutions:	
Housing Authority	\$ 2,409,397
Special Investigation	928,901
Retirement Plan	3,849,670
Restricted cash held by US Bank (COP's)	19,535,035
Public Trustee	<u>1,308,709</u>
	\$ 28,107,224
Total cash reflected in financials	<u><u>\$ 100,803,302</u></u>

The Retirement Plan has bank balances of \$748,727 and \$653,286 on deposit with banking institutions at December 31, 2007 and 2006, respectively. Of the bank balances, \$100,000 is insured by the Federal Deposit Insurance Corporation at December 31, 2007 and 2006. In addition, \$3,100,943 and \$4,917,088 was held by the various money managers in banking institutions at December 31, 2007 and 2006, respectively. The uninsured bank balances and money manager balances are collateralized with securities held by the banking institutions but not in the Plan's name.

Investments held by Retirement Plan (Fiduciary Fund):	<u>Fair Value</u>	Credit Rating
Domestic stocks and equity mutual funds	\$ 111,139,841	
International stocks and equity mutual funds	\$ 72,778,783	
Fixed Income Investments:		
Fixed income mutual fund	\$ 24,788,224	AA+
Fixed income mutual fund	\$ 13,499,461	BAA-
U.S. Government Agency securities	\$ 4,099,109	AAA
U.S. Treasury securities	\$ 2,119,755	AAA
Mortgage-backed securities	\$ 1,754,839	AAA
Mortgage-backed securities	\$ 1,398,468	Unrated
Corporate fixed income securities	\$ 825,491	AAA
Corporate fixed income securities	\$ 219,021	AA
Corporate fixed income securities	\$ 1,145,544	AA-
Corporate fixed income securities	\$ 1,511,670	A+
Corporate fixed income securities	\$ 852,760	A
Corporate fixed income securities	\$ 1,009,823	A-
Corporate fixed income securities	\$ 2,208,917	BBB+
Corporate fixed income securities	\$ 1,187,052	BBB
Corporate fixed income securities	\$ 1,052,254	BBB-
Corporate fixed income securities	\$ 667,461	BB+
Corporate fixed income securities	\$ 261,508	BB
Corporate fixed income securities	\$ 57,350	B+
Corporate fixed income securities	\$ 498,916	B
Corporate fixed income securities	\$ 132,000	B-
Other fixed income securities	<u>\$ 419,724</u>	A+
Total Investments held by Retirement Plan	<u><u>\$ 243,627,971</u></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, 2007.

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, 2007, is 7 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, 2007, 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, 2007.

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, 2007, the fair value of lent securities was \$33,362,651. The fair value of associated cash collateral was \$34,299,734. The Plan's income, net of expenses from securities lending, was \$85,215.

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, 2007, was 7.514 mills. The County's assessed valuation for 2007 was \$6,489,749,120. Therefore, the County could have collected \$48,763,990 for 2007 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2008 total \$43,733,133 net of tax credits and refunds.

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3. *Capital assets*

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance January 1, 2007	Increases	Decreases	Balance December 31, 2007
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,069,596	\$	\$	\$ 14,069,596
Construction in progress	93,920,475	3,007,467	(88,957,868)	7,970,074
Infrastructure	382,428,573	19,866,974		402,295,547
Total capital assets, not being depreciated	<u>490,418,644</u>	<u>22,874,441</u>	<u>(88,957,868)</u>	<u>424,335,217</u>
Capital assets, being depreciated:				
Buildings	80,070,842	86,628,284		166,699,126
Improvements other than buildings	11,181,519	1,156,585		12,338,104
Machinery and equipment	55,342,258	4,653,458	(2,623,389)	57,372,327
Total capital assets, being depreciated	<u>146,594,619</u>	<u>92,438,327</u>	<u>(2,623,389)</u>	<u>236,409,557</u>
Less accumulated depreciation for:				
Buildings	(33,030,573)	(2,985,875)		(36,016,448)
Improvements other than buildings	(1,616,620)	(463,589)		(2,080,209)
Machinery and equipment	(35,455,801)	(5,351,938)	2,417,671	(38,390,068)
Total accumulated depreciation	<u>(70,102,994)</u>	<u>(8,801,402)</u>	<u>2,417,671</u>	<u>(76,486,725)</u>
Total capital assets, being depreciated, net	<u>76,491,625</u>	<u>83,636,925</u>	<u>(205,718)</u>	<u>159,922,832</u>
Governmental activities capital assets, net	<u>\$ 566,910,269</u>	<u>\$ 106,511,366</u>	<u>\$ (89,163,586)</u>	<u>\$ 584,258,049</u>



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	Balance January 1, 2007	Increases	Decreases	Balance December 31, 2007
	<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	601,012	129,507		730,519
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total capital assets, being depreciated	1,664,345	129,507		1,793,852
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Less accumulated depreciation for:				
Buildings	(116,439)	(24,499)		(140,938)
Improvements other than buildings	(8,337)	(3,335)		(11,672)
Machinery and equipment	(152,049)	(130,435)		(282,484)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total accumulated depreciation	(276,825)	(158,269)		(435,094)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total capital assets, being depreciated, net	1,387,520	(28,762)		1,358,758
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Business-type activities capital assets, net	\$ 1,387,520	\$ (28,762)	\$	\$ 1,358,758
	<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	\$ 3,246,187
Public safety	2,722,351
Public works	546,678
Health and welfare	315,200
Culture and recreation	228,109
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,742,877
Total depreciation expense - governmental activities:	\$ 8,801,402
Business-type activities:	
Waste management	28,782
Land development	129,487
Total depreciation expense - business-type activities:	\$ 158,269

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

The composition of inter-fund balances as of December 31, 2007, is as follows:

Due to/from other funds:	<u>Payable fund</u>	<u>Amount</u>
<u>Receivable fund</u>		
General	Road and bridge	\$ 14,089
	Social services	515,301
	Non-major internal service funds	430,614
	Non-major enterprise funds	39,079
	Non-major governmental funds	708,696
Road and bridge	General	
	Social services	14
	Non-major internal service funds	
	Non-major enterprise funds	705
Department of Social Services	General	266,195
Non-major governmental funds	General	9,922
	Social services	643
	Non-major governmental funds	23,094
Non-major internal service	General	374,629
	Road and bridge	25,873
	Social services	441,334
	Non-major governmental funds	28,971
	Non-major internal service funds	22,641
	Non-major enterprise funds	331
Non-major enterprise funds	General	1,561
	Road and bridge	
	Non-major internal service funds	
Total		<u>\$ 2,903,692</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
	<u>General fund</u>	<u>Road and Bridge fund</u>	<u>Social Services fund</u>	<u>Non-major governmental funds</u>	<u>Non-Major enterprise funds</u>	
Transfers in:						
General fund	\$	\$1,484,393	\$	\$ 16,342	\$	\$ 1,500,735
Social Services fund	3,305,016					3,305,016
Non-major governmental fund	<u>10,888,083</u>	<u>480,863</u>	<u>746,515</u>	<u>210,948</u>	<u>11,735</u>	<u>12,338,144</u>
Total	<u>\$ 14,193,099</u>	<u>\$1,965,256</u>	<u>\$ 746,515</u>	<u>\$ 227,290</u>	<u>\$ 11,735</u>	<u>\$ 17,143,895</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, 2007.

	Beginning balance 12/31/2006	Additions	Reductions	Ending balance 12/31/2007	Due within one year
Governmental activities:					
Certificates of participation	\$ 91,870,000	\$ 77,850,000	\$ (47,455,000)	\$ 122,265,000	\$ 2,885,000
Plus issuance premium	1,388,727	363,377	(104,745)	1,647,359	104,745
Total certificates of participation	93,258,727	78,213,377	(47,559,745)	123,912,359	2,989,745
Capital leases	115,880	2,340,000	(739,187)	1,716,693	623,307
Compensated absences	13,583,536	1,870,933	(1,761,968)	13,692,501	1,390,990
Governmental activities long-term liabilities	<u>\$ 106,958,143</u>	<u>\$ 82,424,310</u>	<u>\$ (50,060,900)</u>	<u>\$ 139,321,553</u>	<u>\$ 5,004,042</u>
Business-type activities:					
Compensated absences	<u>\$ 288,867</u>	<u>\$ 18,894</u>	<u>\$ (20,331)</u>	<u>\$ 287,430</u>	<u>\$ 18,978</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, \$325,089 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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During 2007, the County, through the El Paso County Facilities Corporation, issued \$77,850,000 in Certificates of Participation, Series 2007, which were dated March 15, 2007. The 2007 certificates carry interest rates ranging from 4.00% to 5.50% and mature December 1, 2007, through December 1, 2022.

C. Capital lease obligations

The County entered into lease agreements as lessee for financing high-speed copiers and motor graders. 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	\$ 2,340,000
Less: Accumulated depreciation	(117,000)
Total	\$ 2,223,000

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, 2007, are as follows:

Year ending December 31,	Amount
2008	\$ 623,307
2009	623,307
2010	623,307
2011	10
Total minimum lease payments	1,869,931
Less: Amount representing interest	153,238
Present value of minimum lease payments	\$ 1,716,693

D. Summary of debt service requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2007:

Year ending December 31,	Government activities	
	Certificates of participation	
	Principal	Interest
2008	\$ 2,885,000	\$ 5,559,368
2009	2,975,000	5,442,643
2010	4,175,000	5,314,430
2011	4,335,000	5,151,180
2012	4,510,000	4,978,499
2013-2017	25,845,000	21,632,088
2018-2022	29,860,000	15,022,830
2023-2027	36,610,000	7,578,050
2028-2029	11,070,000	710,600
	\$ 122,265,000	\$ 71,389,688

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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, 2007, the bonds outstanding had an aggregate principal amount payable of \$271,490,491.

F. Pollution remediation

The County is currently in the process of an asbestos abatement (removal and disposal) project of friable and non-friable asbestos-containing materials in accordance with applicable Federal, State and local requirements of the original south tower of the Terry R. Harris Judicial Complex. This project is a direct result of a mandate by the State of Colorado to house additional courtrooms.

Design and technical specifications for the asbestos removal started in 2007. Total payment costs for 2007 were \$221,736. The abatement is tentatively scheduled to begin on Monday, June 9, 2008, with a duration time of 2 -2 ½ years with a total project cost of \$12,180,870. The total cost is based off the contractor's estimates. There is the potential for the total project costs to go up due to cost of goods used in construction, etc. We do not anticipate any potential recoveries to offset any of the costs.

**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 \$350,000 (plus a \$100,000 corridor), \$250,000, and \$175,000 for each worker's compensation claim, for each general liability claim, and for each health claim, respectively. The limit of coverage on the general liability claims is \$3,000,000. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior- and current-year claims. Claims liabilities of \$3,263,518 that are reported in the Self-Insurance Fund at December 31, 2007, 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 3.5 percent.

El Paso County, Colorado  
Notes to Financial Statements  
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Changes in the claims liability amounts in 2007 and 2006 were:

	Balance January 1, 2007	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2007
Self-Insurance Fund	\$ 4,331,169	\$ 13,552,923	\$ 14,620,574	\$ 3,263,518
	Balance January 1, 2006	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2006
Self-Insurance Fund	\$ 3,130,923	\$ 13,531,912	\$ 12,331,666	\$ 4,331,169

2. *Deficit fund balance*

Self Insurance fund had an accumulated deficit in net assets of \$37,925,099 as of December 31, 2007. 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 2007 the County's TABOR calculations indicate it did not exceed the fiscal year spending limit. Accordingly, no refund or other similar measures are required.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2007

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, 2007, the funds held for employees were approximately \$25.1 million.

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, 2007, 2006, and 2005, were \$5,904,704, \$5,797,400, and \$5,361,917 respectively, equal to the required contributions each year.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2007

6. *Postretirement benefits*

A. Postretirement health care 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, 279 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, 2007, expenditures of \$507,791 were recognized for postretirement health care premiums.

B. Other postemployment benefit (OPEB)

Plan Description

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

Funding Policy

The contribution requirements for the plan members and their employers are established annually by the Employee Benefits Committee. The required contributions are based on pay-as-you-go financing requirements. For fiscal year 2007, the County contributed \$11,086,467 to the plan for current premiums, which accounted for 79% of total revenues recorded for medical benefits. Plan members contributed \$2,888,225 for medical benefits through their required contributions, which accounted for 21% of revenues.

The retiree Pre-Medicare monthly premium rates before subsidy range from \$275.28 for a retiree or spouse only to \$2,295.77 for a retiree and family. The County subsidy rates for this same category range from \$150 to \$280.88 for individuals with at least 8 years of service to 20+ years of service.

Annual OPEB cost and net OPEB obligation

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



El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2007

Annual Required Contribution (ARC)	\$ 24,383,611
Interest on Net OPEB Obligation	975,344
Adjustment to ARC	
Annual OPEB Cost	\$ 25,358,955
Contributions Made	(16,178,906)
Increase in Net OPEB Obligation	9,180,049
NET OPEB - Beginning of Year	26,203,333
NET OPEB - End of Year	\$ 35,383,382

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 and the preceding year were as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2006	23,358,955	61%	26,203,333
12/31/2007	25,358,955	63%	35,383,382

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.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2007

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 \$26,557,819

December 31, 2006 Projects	Amount to Complete Project in 2007
Metro Jail Renovation (2007 COP)	\$ 3,066,225
DMV Renovation (2007 COP)	240,900
Courthouse Renovation (2007 COP)	16,743,148
Parking Structure (2007 COP)	6,218,605
Justice Advisory Council Project (JAC)	8,892
Brush Fire Truck	52,003
GIS/GPS	49,871
Well & Storage Tanks - Ellicot	69,394
Automated Vehicle Locate System	35,550
Fountain Creek Reg Park	8,330
Stratmoor Valley Trailhead	8,356
Willow Springs Improvements	55,360
Fountain Creek Trail Improvements	1,185
	\$ 26,557,819

**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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 11,128,530	\$ 11,128,530	\$ 11,123,814	\$ (4,716)
Sales taxes	72,639,420	72,639,420	69,146,880	(3,492,540)
Other taxes				
Intergovernmental	8,932,764	13,073,846	11,599,980	(1,473,866)
Fees and fines	511,665	511,665	568,611	56,946
Licenses and permits	326,100	326,100	289,866	(36,234)
Charges for services	16,397,250	16,984,922	15,444,239	(1,540,683)
Investment earnings	2,535,000	2,535,000	2,385,381	(149,619)
Miscellaneous	1,099,684	2,614,609	2,473,954	(140,655)
	<u>113,570,413</u>	<u>119,814,092</u>	<u>113,032,725</u>	<u>(6,781,367)</u>
Total revenues				
<b>EXPENDITURES</b>				
General government:				
Administration	1,634,535	3,729,752	3,713,193	16,559
Internal Audit	174,188	27,146	27,146	
Finance	2,915,185	3,760,565	3,527,745	232,820
Security	1,837,996	1,693,283	1,576,570	116,713
Facilities management	8,063,924	7,581,055	7,111,798	469,257
Procurement	421,564	416,379	404,135	12,244
Employment services	197,870	144,370	144,369	1
Employee benefits and medical services	851,385	819,145	819,143	2
Information technology	7,148,056	7,130,593	7,095,065	35,528
Public communication	249,255	145,037	144,379	658
Planning				
County Attorney	991,329	969,675	782,916	186,759
County Clerk and Recorder	8,369,807	8,098,431	7,348,279	750,152
County Treasurer	1,186,885	1,164,313	1,164,313	
County Assessor	3,473,596	3,450,512	3,450,512	
County Surveyor	8,953	8,953	8,202	751
Public Trustee	693,778	781,862	780,486	1,376
	<u>38,218,306</u>	<u>39,921,071</u>	<u>38,098,251</u>	<u>1,822,820</u>
Total general government				
Public safety:				
Community corrections	6,346,771	6,959,208	6,452,285	506,923
Coroner	1,391,271	1,487,717	1,476,935	10,782
County Sheriff	45,201,457	48,854,538	47,106,243	1,748,295
	<u>\$ 52,939,499</u>	<u>\$ 57,301,463</u>	<u>\$ 55,035,463</u>	<u>\$ 2,266,000</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Health and welfare:				
Environmental services	\$ 1,081,270	\$ 1,086,643	\$ 1,011,707	\$ 74,936
Senior services				
Health administration	3,830,373	3,810,948	3,810,948	
Total health and welfare	<u>4,911,643</u>	<u>4,897,591</u>	<u>4,822,655</u>	<u>74,936</u>
Culture and recreation:				
Parks	2,148,296	2,036,786	2,004,251	32,535
Total culture and recreation:	<u>2,148,296</u>	<u>2,036,786</u>	<u>2,004,251</u>	<u>32,535</u>
Auxiliary services:				
Veterans services		271,795	271,071	724
CSU extension service	313,370	310,280	310,163	117
Total auxiliary services	<u>313,370</u>	<u>582,075</u>	<u>581,234</u>	<u>841</u>
Capital outlay	1,064,560	1,708,677	1,111,981	596,696
Total expenditures	<u>99,595,674</u>	<u>106,447,663</u>	<u>101,653,835</u>	<u>4,793,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,974,739</u>	<u>13,366,429</u>	<u>11,378,890</u>	<u>(1,987,539)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	100,000	100,000	78,291	(21,709)
Transfers in		1,696,363	1,500,735	(195,628)
Transfers out	(14,374,483)	(14,195,870)	(14,193,099)	2,771
Total other financing sources (uses)	<u>(14,274,483)</u>	<u>(12,399,507)</u>	<u>(12,614,073)</u>	<u>(214,566)</u>
Net changes in fund balances	<u>\$ (299,744)</u>	<u>\$ 966,922</u>	<u>\$ (1,235,183)</u>	<u>\$ (2,202,105)</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 8,910,007	\$ 8,910,007	\$ 8,891,593	\$ (18,414)
Intergovernmental:				
Payment in lieu of taxes	69,000	69,000	69,000	
U.S. Forest Service/Mineral Leasing	15,000	15,000	16,472	1,472
Highway users tax	9,085,471	9,085,471	9,291,183	205,712
Additional motor vehicle registration	575,000	575,000	613,056	38,056
Federal reimbursements		1,697,211	337,271	(1,359,940)
Local revenue	1,000	1,000	119,800	118,800
Sale of Materials (BLM)	1,000	1,000	13	(987)
Taylor Grazing Act	25	25		(25)
	<u>9,746,496</u>	<u>11,443,707</u>	<u>10,446,795</u>	<u>(996,912)</u>
Charges for services	417,500	615,450	459,681	(155,769)
Interest	425,000	441,546	584,476	142,930
Miscellaneous	6,000	6,000	22,732	16,732
	<u>19,505,003</u>	<u>21,416,710</u>	<u>20,405,277</u>	<u>(1,011,433)</u>
<b>EXPENDITURES</b>				
Public works:				
Personal Services	10,061,249	10,101,002	9,740,727	360,275
Operating Expenses	8,735,873	15,401,537	8,533,091	6,868,446
Capital outlay	675,000	2,187,309	494,396	1,692,913
	<u>19,472,122</u>	<u>27,689,848</u>	<u>18,768,214</u>	<u>8,921,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,881</u>	<u>(6,273,138)</u>	<u>1,637,063</u>	<u>7,910,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets				
Transfers in				
Transfers out	(475,943)	(480,863)	(1,965,256)	(1,484,393)
	<u>(475,943)</u>	<u>(480,863)</u>	<u>(1,965,256)</u>	<u>(1,484,393)</u>
Net changes in fund balances	<u>\$ (443,062)</u>	<u>\$ (6,754,001)</u>	<u>\$ (328,193)</u>	<u>\$ 6,425,808</u>



El Paso County, Colorado  
Human Services Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
For the year ended December 31, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,478,251	\$ 6,478,251	\$ 6,446,458	\$ (31,793)
Intergovernmental - Welfare	32,344,492	32,344,492	30,293,394	(2,051,098)
Charges for services				
Miscellaneous	8,750	8,750	141,371	132,621
Total revenues	<u>38,831,493</u>	<u>38,831,493</u>	<u>36,881,223</u>	<u>(1,950,270)</u>
<b>EXPENDITURES</b>				
Health and welfare:				
County administration block grant	8,514,168	9,587,625	9,212,995	374,630
Temporary aid to needy families	8,323,205	8,345,510	8,008,471	337,039
Child welfare block grant	14,794,026	15,790,278	14,704,302	1,085,976
Child care block grant	1,370,729	1,370,729	1,222,631	148,098
Child Support Enforcement	4,567,000	4,584,710	4,563,091	21,619
Miscellaneous state grants	3,321,700	1,570,519	1,322,008	248,511
Local/county funding	607,391	248,848	233,032	15,816
Total expenditures	<u>41,498,219</u>	<u>41,498,219</u>	<u>39,266,530</u>	<u>2,231,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,666,726)</u>	<u>(2,666,726)</u>	<u>(2,385,307)</u>	<u>281,419</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,557,699	3,557,699	3,305,016	(252,683)
Transfers out	(785,764)	(785,764)	(742,371)	43,393
Total other financing sources (uses)	<u>2,771,935</u>	<u>2,771,935</u>	<u>2,562,645</u>	<u>(209,290)</u>
Net changes in fund balances	<u>\$ 105,209</u>	<u>\$ 105,209</u>	<u>\$ 177,338</u>	<u>\$ 72,129</u>

El Paso County, Colorado  
 Budgetary Comparison Schedule  
 Budget-to-GAAP Reconciliation  
 For the year ended December 31, 2007

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

	General Fund	Road and Bridge	Human Services
<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	\$ 114,611,751	\$ 20,405,277	\$ 40,186,239
Interest earned on investments held for construction is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes			
Gains on sales of capital 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	\$ 114,611,751	\$ 20,405,277	\$ 40,186,239
<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	\$ 115,846,934	\$ 20,733,470	\$ 40,008,901
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	11,799	(28,467)	6,440
Other postemployment benefits			
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	(96,358)	(37,724)	
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	\$ 115,762,375	\$ 20,667,279	\$ 40,015,341

<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>
\$ 7,249,650	\$ 909,428	\$ 2,540,216	\$ 20,002,682	\$ 6,233,571	\$ 78,662	\$ 84,247
1,708,097						
				(9,703)		
<u>39,429,749</u>					<u>(78,662)</u>	<u>(84,247)</u>
<u>\$ 48,387,496</u>	<u>\$ 909,428</u>	<u>\$ 2,540,216</u>	<u>\$ 20,002,682</u>	<u>\$ 6,223,868</u>	<u>\$</u>	<u>\$</u>
\$ 8,138,342	\$ 775,117	\$ 3,659,075	\$ 22,281,191	\$ 6,178,904	\$ 691	\$ 251,156
5,007,366		(129,507)	(6,500)	(1,236,627)		
	28,781	129,488	12,940	1,729,937		
			35,383,382			
	2,586	(4,023)		(4,487)		
				(88,046)		
			(1,067,651)			
<u>2,672,167</u>					<u>(691)</u>	<u>(251,156)</u>
<u>\$ 15,817,875</u>	<u>\$ 806,484</u>	<u>\$ 3,655,033</u>	<u>\$ 56,603,362</u>	<u>\$ 6,588,655</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 our most recent assessment done in 2006, our condition distribution was:

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

Our next assessment will be completed in 2009.

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 four years is presented below, which are the only years this information is available.

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditure</u>
2007	\$20,287,130	\$18,768,214
2006	\$20,186,755	\$18,416,799
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.

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, 2007

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
<b>ASSETS</b>			
Cash and investments	\$ 928,901	\$ 566,945	\$ 2,130,982
Taxes receivable		3,931,777	
Accounts receivable			
Due from other funds		33,659	
Due from other governments			
Total assets	<u>\$ 928,901</u>	<u>\$ 4,532,381</u>	<u>\$ 2,130,982</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 30,179	\$ (11,605)	\$ 36,181
Due to other funds		21,527	17,422
Deferred revenue		3,931,777	
Total liabilities	<u>30,179</u>	<u>3,941,699</u>	<u>53,603</u>
Fund balances:			
Reserved for:			
Encumbrances	392,229		71,366
Unreserved, reported in:			
Designated for subsequent year's expenditures	219,600	569,639	808,009
Undesignated	286,893	21,043	1,198,004
Total fund balances	<u>898,722</u>	<u>590,682</u>	<u>2,077,379</u>
Total liabilities and fund balances	<u>\$ 928,901</u>	<u>\$ 4,532,381</u>	<u>\$ 2,130,982</u>



Economic Development	Pikes Peak Workforce Center	District Attorney Offices of the Fourth Judicial Court	Total Nonmajor Governmental Funds
\$ 999,530	\$		\$ 4,626,358
1,751,268	6,800		3,931,777
	828,159		1,758,068
			33,659
			828,159
<u>\$ 2,750,798</u>	<u>\$ 834,959</u>	<u>\$</u>	<u>\$ 11,178,021</u>
\$ 2,533,647	\$ 124,180		\$ 2,712,582
7,984	710,779		757,712
			3,931,777
<u>2,541,631</u>	<u>834,959</u>		<u>7,402,071</u>
			463,595
25,000			1,622,248
184,167			1,690,107
<u>209,167</u>			<u>3,775,950</u>
<u>\$ 2,750,798</u>	<u>\$ 834,959</u>	<u>\$</u>	<u>\$ 11,178,021</u>

El Paso County, Colorado  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the year ended December 31, 2007

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
<b>REVENUES</b>			
Property taxes	\$	\$ 3,678,004	\$
Intergovernmental	978,870	250,651	1,153,542
Fees and fines	78,825		
Investment earnings	9,245		98,798
Miscellaneous	290		
Total revenues	<u>1,067,230</u>	<u>3,928,655</u>	<u>1,252,340</u>
<b>EXPENDITURES</b>			
Current:			
General government		5,446,677	
Public safety	685,132		
Health and welfare			
Culture and recreation			832,984
Outside agencies			
Capital outlay	<u>204,825</u>		<u>335,671</u>
Total expenditures	<u>889,957</u>	<u>5,446,677</u>	<u>1,168,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>177,273</u>	<u>(1,518,022)</u>	<u>83,685</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		1,535,441	
Transfers out			(37,820)
Total other financing sources (uses)		<u>1,535,441</u>	<u>(37,820)</u>
Net change in fund balances	177,273	17,419	45,865
Fund balances - January 1	721,449	573,263	2,031,514
Fund balances - December 31	<u>\$ 898,722</u>	<u>\$ 590,682</u>	<u>\$ 2,077,379</u>

Economic Development	Pikes Peak Workforce Center	District Attorney Offices of the Fourth Judicial District	Total Nonmajor Governmental Funds
\$	\$	\$	\$
12,500	7,542,687	525,688	3,678,004
188,918			10,463,938
			267,743
			108,043
5,233,226	46,985		5,280,501
5,434,644	7,589,672	525,688	19,798,229
			5,446,677
		10,854,159	11,539,291
	7,589,672		7,589,672
			832,984
5,473,129			5,473,129
			540,496
5,473,129	7,589,672	10,854,159	31,422,249
(38,485)		(10,328,471)	(11,624,020)
		10,297,796	11,833,237
		(80,194)	(118,014)
		10,217,602	11,715,223
(38,485)		(110,869)	91,203
247,652		110,869	3,684,747
\$ 209,167	\$	\$	\$ 3,775,950

**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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,696,118	\$ 3,696,118	\$ 3,678,004	\$ (18,114)
Intergovernmental	300,000	495,186	250,651	(244,535)
Total revenues	<u>3,996,118</u>	<u>4,191,304</u>	<u>3,928,655</u>	<u>(262,649)</u>
<b>EXPENDITURES</b>				
Employer contributions	5,279,136	5,391,322	5,391,322	
Treasurer fees	55,442	55,442	55,355	87
Total expenditures	<u>5,334,578</u>	<u>5,446,764</u>	<u>5,446,677</u>	<u>87</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,338,460)</u>	<u>(1,255,460)</u>	<u>(1,518,022)</u>	<u>(262,562)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,338,460</u>	<u>1,255,460</u>	<u>1,535,441</u>	<u>279,981</u>
Total other financing sources (uses)	<u>1,338,460</u>	<u>1,255,460</u>	<u>1,535,441</u>	<u>279,981</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 17,419</u>	<u>\$ 17,419</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,120,000	\$ 1,120,000	\$ 1,153,542	\$ 33,542
Investment earnings	70,000	70,000	98,798	28,798
Total revenues	1,190,000	1,190,000	1,252,340	62,340
<b>EXPENDITURES</b>				
Culture and recreation	785,900	832,984	832,984	
Capital outlay	390,000	530,748	335,671	195,077
Total expenditures	1,175,900	1,363,732	1,168,655	195,077
Excess (deficiency) of revenues over (under) expenditures	14,100	(173,732)	83,685	257,417
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(37,820)	(37,820)	(37,820)	
Total other financing sources (uses)	(37,820)	(37,820)	(37,820)	
Net change in fund balances	\$ (23,720)	\$ (211,552)	\$ 45,865	\$ 257,417

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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 12,500	\$ 500
Charges for services	140,000	140,000	188,918	48,918
Miscellaneous	3,860,000	5,282,644	5,233,226	(49,418)
Total revenues	<u>4,012,000</u>	<u>5,434,644</u>	<u>5,434,644</u>	
<b>EXPENDITURES</b>				
General government	<u>4,087,000</u>	<u>5,509,644</u>	<u>5,473,129</u>	<u>36,515</u>
Total expenditures	<u>4,087,000</u>	<u>5,509,644</u>	<u>5,473,129</u>	<u>36,515</u>
Net change in fund balances	<u><u>\$ (75,000)</u></u>	<u><u>\$ (75,000)</u></u>	<u><u>\$ (38,485)</u></u>	<u><u>\$ 36,515</u></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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 8,106,249	\$ 8,106,249	\$ 7,542,687	\$ (563,562)
Miscellaneous	5,000	5,000	46,985	41,985
Total revenues	<u>8,111,249</u>	<u>8,111,249</u>	<u>7,589,672</u>	<u>(521,577)</u>
<b>EXPENDITURES</b>				
Health and welfare	8,111,249	8,095,640	7,589,672	505,968
Capital outlay		15,609		15,609
Total expenditures	<u>8,111,249</u>	<u>8,111,249</u>	<u>7,589,672</u>	<u>521,577</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>



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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 737,471	\$ 525,688	\$ 525,688	\$
Total revenues	<u>737,471</u>	<u>525,688</u>	<u>525,688</u>	
<b>EXPENDITURES</b>				
General government	11,184,627	10,922,235	10,854,159	68,076
Total expenditures	<u>11,184,627</u>	<u>10,922,235</u>	<u>10,854,159</u>	68,076
Excess (deficiency) of revenues over (under) expenditures	<u>(10,447,156)</u>	<u>(10,396,547)</u>	<u>(10,328,471)</u>	68,076
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,280,400	10,260,400	10,297,796	37,396
Transfers out	<u>(33,244)</u>	<u>(63,852)</u>	<u>(80,194)</u>	<u>(16,342)</u>
Total other financing sources (uses)	<u>10,247,156</u>	<u>10,196,548</u>	<u>10,217,602</u>	21,054
Net change in fund balances	<u>\$ (200,000)</u>	<u>\$ (199,999)</u>	<u>\$ (110,869)</u>	<u>\$ 89,130</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 7,281,755	\$ 7,281,755	\$ 7,249,650	\$ (32,105)
Total revenues	<u>7,281,755</u>	<u>7,281,755</u>	<u>7,249,650</u>	<u>(32,105)</u>
<b>EXPENDITURES</b>				
General government				
Purchased services	114,226	115,323	115,323	
Debt service	8,021,412	7,314,349	7,291,613	22,736
Capital outlay		999,941	731,406	268,535
Total expenditures	<u>8,135,638</u>	<u>8,429,613</u>	<u>8,138,342</u>	<u>291,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(853,883)</u>	<u>(1,147,858)</u>	<u>(888,692)</u>	<u>259,166</u>
Net change in fund balances	<u>\$ (853,883)</u>	<u>\$ (1,147,858)</u>	<u>\$ (888,692)</u>	<u>\$ 259,166</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, 2007

	Solid Waste Management	Land Development Review	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,340,957	\$ 1,049,626	\$ 2,390,583
Accounts receivable	211,811	24,593	236,404
Due from other funds		1,561	1,561
Intergovernmental		50	50
Total current assets	1,552,768	1,075,830	2,628,598
Noncurrent assets:			
Capital assets, net of accumulated depreciation	914,986	443,771	1,358,757
Total assets	<u>\$ 2,467,754</u>	<u>\$ 1,519,601</u>	<u>\$ 3,987,355</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 21,757	\$ 52,951	\$ 74,708
Compensated absences		18,978	18,978
Due to other funds	41,362	1,801	43,163
Total current liabilities	63,119	73,730	136,849
Noncurrent liabilities:			
Compensated absences	34,364	234,088	268,452
Total liabilities	97,483	307,818	405,301
<b>NET ASSETS</b>			
Invested in capital assets	914,986	443,771	1,358,757
Unrestricted	1,455,285	768,012	2,223,297
Total net assets	<u>\$ 2,370,271</u>	<u>\$ 1,211,783</u>	<u>\$ 3,582,054</u>
Total liabilities and net assets	<u>\$ 2,467,754</u>	<u>\$ 1,519,601</u>	<u>\$ 3,987,355</u>

El Paso County, Colorado  
Enterprise Funds  
Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Assets  
For the year ended December 31, 2007

	Solid Waste Management	Land Development Review	Totals
Operating revenues:			
Charges for services	\$ 846,968	\$ 1,957,808	\$ 2,804,776
Operating expenses:			
Personal services	218,265	2,115,953	2,334,218
Operating expenses	34,336	1,300,316	1,334,652
Depreciation	28,781	129,488	158,269
Administration	513,367		513,367
Total operating expenses	794,749	3,545,757	4,340,506
Operating income (loss)	52,219	(1,587,949)	(1,535,730)
Nonoperating revenues (expenses):			
Investment earnings	(62,460)	(77,501)	(139,961)
Total nonoperating revenues (expenses)	(62,460)	(77,501)	(139,961)
Income (loss) before contributions and transfers	(114,679)	1,510,448	1,395,769
Transfers in		(504,907)	(504,907)
Transfers out	11,735	109,276	121,011
Change in net assets	(102,944)	1,114,817	1,011,873
Net assets - January 1	(2,267,327)	(2,326,600)	(4,593,927)
Net assets - December 31	(2,370,271)	(1,211,783)	(3,582,054)

El Paso County, Colorado  
Enterprise Funds  
Combining Statement of Cash Flows  
For the year ended December 31, 2007

	Solid Waste Management	Land Development Review	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 818,459	\$ 1,990,354	\$ 2,808,813
Receipts from interfund services provided		70,597	70,597
Payments to suppliers	(356,728)	(1,127,965)	(1,484,693)
Payments to employees	(213,437)	(2,027,562)	(2,240,999)
Payments for interfund services used	(167,537)	(420,926)	(588,463)
Net cash provided by (used in) operating activities	<u>80,757</u>	<u>(1,515,502)</u>	<u>(1,434,745)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	<u>(11,735)</u>	395,631	383,896
Net cash provided by (used in) noncapital financing activities	<u>(11,735)</u>	<u>395,631</u>	<u>383,896</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital expenditures		<u>(129,507)</u>	<u>(129,507)</u>
Net cash used in capital financing activities		<u>(129,507)</u>	<u>(129,507)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	<u>62,460</u>	<u>77,501</u>	<u>139,961</u>
Net cash provided by investing activities	<u>62,460</u>	<u>77,501</u>	<u>139,961</u>
Net increase (decrease) in cash and cash equivalents	131,482	(1,171,877)	(1,040,395)
Cash and cash equivalents - January 1	1,209,475	2,221,503	3,430,978
Cash and cash equivalents - December 31	<u>\$ 1,340,957</u>	<u>\$ 1,049,626</u>	<u>\$ 2,390,583</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 52,219	\$ (1,587,949)	\$ (1,535,730)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue			
Depreciation expense	28,781	129,488	158,269
(Increase) decrease in assets			
Accounts receivable	(28,510)	28,813	303
Intergovernmental receivables		3,731	3,731
Due from other funds		70,597	70,597
Increase (decrease) in liabilities			
Accounts payable	(15,005)	(153,385)	(168,390)
Compensated absences	2,587	(4,024)	(1,437)
Due to other funds	40,685	(2,773)	37,912
Deferred revenue			
Net cash provided by (used in) operating activities	<u>\$ 80,757</u>	<u>\$ (1,515,502)</u>	<u>\$ (1,434,745)</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 675,000	\$ 675,000	\$ 846,761	\$ 171,761
Interest	50,000	50,000	62,460	12,460
Miscellaneous			207	207
	<u>725,000</u>	<u>725,000</u>	<u>909,428</u>	<u>184,428</u>
<b>EXPENDITURES</b>				
Personal services	230,220	215,678	215,678	
Operating expenses	447,040	547,704	547,704	
	<u>677,260</u>	<u>763,382</u>	<u>763,382</u>	
Excess (deficiency) of revenues over (under) expenditures	47,740	(38,382)	146,046	184,428
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(11,735)	(11,735)	(11,735)	
	<u>(11,735)</u>	<u>(11,735)</u>	<u>(11,735)</u>	
Net change in fund balances	<u>\$ 36,005</u>	<u>\$ (50,117)</u>	<u>\$ 134,311</u>	<u>\$ 184,428</u>

El Paso County, Colorado  
 Land Development Review Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 2,261,950	\$ 2,261,950	\$ 1,957,808	\$ (304,142)
Interest	100,000	100,000	77,501	(22,499)
Total revenues	<u>2,361,950</u>	<u>2,361,950</u>	<u>2,035,309</u>	<u>(326,641)</u>
<b>EXPENDITURES</b>				
Personal services	2,508,538	2,298,867	2,119,976	178,891
Other operating	1,474,463	1,871,208	1,300,316	570,892
Capital outlay		199,847	129,507	70,340
Total expenditures	<u>3,983,001</u>	<u>4,369,922</u>	<u>3,549,799</u>	<u>820,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,621,051)</u>	<u>(2,007,972)</u>	<u>(1,514,490)</u>	<u>493,482</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	504,907	504,907	504,907	
Transfers out		(109,276)	(109,276)	
Total other financing sources (uses)	<u>504,907</u>	<u>395,631</u>	<u>395,631</u>	
Net change in fund balances	<u>\$ (1,116,144)</u>	<u>\$ (1,612,341)</u>	<u>\$ (1,118,859)</u>	<u>\$ 493,482</u>

El Paso County, Colorado  
Internal Service Funds  
Combining Statement of Net Assets  
December 31, 2007

	Self- Insurance Fund	Fleet Services Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 800,042	\$ 1,009,492	\$ 1,809,534
Receivables			
Accounts receivable	7,294	1,644	8,938
Intergovernmental receivable	375,090	7,520	382,610
Due from other funds	845,036	48,743	893,779
Prepaid expenses	281,000		281,000
Inventories		704,601	704,601
Total current assets	<u>2,308,462</u>	<u>1,772,000</u>	<u>4,080,462</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>48,865</u>	<u>9,404,627</u>	<u>9,453,492</u>
Total assets	<u>\$ 2,357,327</u>	<u>\$ 11,176,627</u>	<u>\$ 13,533,954</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 1,183,229	\$ 224,574	\$ 1,407,803
Accrued liabilities	3,263,518		3,263,518
Capital lease obligation		623,307	623,307
Compensated absences		16,820	16,820
Due to other funds	452,297	958	453,255
Total current liabilities	<u>4,899,044</u>	<u>865,659</u>	<u>5,764,703</u>
Noncurrent liabilities:			
Capital lease obligation		1,246,624	1,246,624
Compensated absences		308,269	308,269
Other postemployment benefits	35,383,382		35,383,382
Total noncurrent liabilities	<u>35,383,382</u>	<u>1,554,893</u>	<u>36,938,275</u>
Total liabilities	<u>40,282,426</u>	<u>2,420,552</u>	<u>42,702,978</u>
<b>NET ASSETS</b>			
Invested in capital assets	48,865	9,404,627	9,453,492
Unrestricted	(37,973,964)	(648,552)	(38,622,516)
Total net assets	<u>(37,925,099)</u>	<u>8,756,075</u>	<u>(29,169,024)</u>
Total liabilities and net assets	<u>\$ 2,357,327</u>	<u>\$ 11,176,627</u>	<u>\$ 13,533,954</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, 2007

	Self- Insurance Fund	Fleet Services Fund	Totals
Operating revenues:			
Charges for services	\$ 17,583,804	\$ 638,072	\$ 18,221,876
Operating expenses:			
Insurance premiums	821,795		821,795
Claim settlements	50,623,146		50,623,146
Depreciation	12,940	1,729,937	1,742,877
Administration and operations	5,145,481	4,858,719	10,004,200
Total operating expenses	56,603,362	6,588,656	63,192,018
Operating income (loss)	(39,019,558)	(5,950,584)	(44,970,142)
Nonoperating revenues (expenses)			
Taxes	2,248,259	5,314,394	7,562,653
Gain (loss) on sale of capital assets		255,371	255,371
Miscellaneous	170,619	16,032	186,651
Total nonoperating revenues (expenses)	2,418,878	5,585,797	8,004,675
Income (loss) before transfers	(36,600,680)	(364,787)	(36,965,467)
Change in net assets	(36,600,680)	(364,787)	(36,965,467)
Net assets - January 1	(1,324,419)	9,120,862	7,796,443
Net assets - December 31	\$ (37,925,099)	\$ 8,756,075	\$ (29,169,024)

El Paso County, Colorado  
Internal Service Funds  
Combining Statement of Cash Flows  
For the year ended December 31, 2007

	Self- Insurance Fund	Fleet Services Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 347,656	\$ 9,748	\$ 357,404
Receipts from interfund services provided	17,301,246	610,065	17,911,311
Payments to suppliers	(7,533,181)	1,631,561	(5,901,620)
Payments to employees	(15,092,920)	(1,692,959)	(16,785,879)
Payments for interfund services used	224,081	(3,058,910)	(2,834,829)
Net cash used in operating activities	<u>(4,753,118)</u>	<u>(2,500,495)</u>	<u>(7,253,613)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Taxes received	2,248,259	5,314,394	7,562,653
Net cash provided by noncapital financing activities	<u>2,248,259</u>	<u>5,314,394</u>	<u>7,562,653</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of fixed assets		265,073	265,073
Capital expenditures	(6,500)	(3,106,560)	(3,113,060)
Net cash used in capital and related financing activities	<u>(6,500)</u>	<u>(2,841,487)</u>	<u>(2,847,987)</u>
Net increase (decrease) in cash and cash equivalents	(2,511,359)	(27,588)	(2,538,947)
Cash and cash equivalents - January 1	3,311,401	1,037,080	4,348,481
Cash and cash equivalents - December 31	<u>\$ 800,042</u>	<u>\$ 1,009,492</u>	<u>\$ 1,809,534</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss	\$ (39,019,558)	\$ (5,950,584)	\$ (44,970,142)
Adjustments to reconcile operating loss to net cash used in operating activities			
Miscellaneous revenue	170,619	16,033	186,652
Depreciation expense	12,940	1,729,937	1,742,877
(Increase) decrease in assets			
Accounts receivable	2,274,317	(1,346)	2,272,971
Intergovernmental receivables	162,573	(4,937)	157,636
Due from other funds	(282,558)	(28,007)	(310,565)
Inventories		(88,045)	(88,045)
Increase (decrease) in liabilities			
Accounts payable	(89,408)	(42,660)	(132,068)
Accrued liabilities	34,315,731		34,315,731
Capital lease obligation		1,869,931	1,869,931
Compensated absences		10,383	10,383
Due to other funds	224,081	(11,200)	212,881
Deferred revenue	(2,521,855)		(2,521,855)
Net cash used in operating activities	<u>\$ (4,753,118)</u>	<u>\$ (2,500,495)</u>	<u>\$ (7,253,613)</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 16,804,112	\$ 16,804,112	\$ 17,267,660	\$ 463,548
Taxes	2,259,855	2,259,855	2,248,259	(11,596)
Intergovernmental			316,144	316,144
Miscellaneous			10,719	10,719
Insurance recoveries		33,500	159,900	126,400
Total revenues	19,063,967	19,097,467	20,002,682	905,215
<b>EXPENDITURES</b>				
Claim settlements	13,418,438	16,339,786	16,307,415	32,371
Administration and operations	4,624,375	5,156,857	5,145,481	11,376
Insurance premiums	990,430	836,979	821,795	15,184
Capital outlay		6,500	6,500	
Total expenditures	19,033,243	22,340,122	22,281,191	58,931
Net change in fund balances	<u>\$ 30,724</u>	<u>\$ (3,242,655)</u>	<u>\$ (2,278,509)</u>	<u>\$ 964,146</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 5,173,962	\$ 5,173,962	\$ 5,314,394	\$ 140,432
Charges for services	765,781	799,575	638,072	(161,503)
Miscellaneous	6,000	6,000	16,031	10,031
Total revenues	<u>5,945,743</u>	<u>5,979,537</u>	<u>5,968,497</u>	<u>(11,040)</u>
<b>EXPENDITURES</b>				
Administration and operations	4,867,450	6,253,114	5,412,345	840,769
Capital outlay	1,539,000	766,559	766,559	
Total expenditures	<u>6,406,450</u>	<u>7,019,673</u>	<u>6,178,904</u>	<u>840,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(460,707)</u>	<u>(1,040,136)</u>	<u>(210,407)</u>	<u>829,729</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	165,000	165,000	265,074	100,074
Total other financing sources (uses)	<u>165,000</u>	<u>165,000</u>	<u>265,074</u>	<u>100,074</u>
Net change in fund balances	<u>\$ (295,707)</u>	<u>\$ (875,136)</u>	<u>\$ 54,667</u>	<u>\$ 929,803</u>



## 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, 2007

	Park Fees	School's Trust	Urban Park	Totals
<b>ASSETS</b>				
Cash and investments	\$ 2,962,861	\$ 177,864	\$ 1,099,913	\$ 4,240,638
Total assets	2,962,861	177,864	1,099,913	4,240,638
<b>LIABILITIES</b>				
Accounts payable	74,227			74,227
<b>NET ASSETS</b>				
Held in trust	\$ 2,888,634	\$ 177,864	\$ 1,099,913	\$ 4,166,411

El Paso County, Colorado  
Private-Purpose Trust Funds  
Combining Statement of Changes in  
Fiduciary Net Assets  
For the year ended December 31, 2007

	Park Fees	School's Trust	Urban Park	Totals
<b>ADDITIONS</b>				
Charges for services				
Park fees	\$ 281,957	\$	\$ 80,320	\$ 362,277
School fees		161,584		161,584
Total charges for services	281,957	161,584	80,320	523,861
Investment earnings	153,028		50,327	203,355
Total additions	434,985	161,584	130,647	727,216
<b>DEDUCTIONS</b>				
Outside agencies	\$ 671,829	\$ 121,677	\$	\$ 793,506
Change in net assets	(236,844)	39,907	130,647	(66,290)
Net assets - January 1	3,125,478	137,957	969,266	4,232,701
Net assets - December 31	\$ 2,888,634	\$ 177,864	\$ 1,099,913	\$ 4,166,411

**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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 345,000	\$ 345,000	\$ 281,957	\$ 63,043
Interest	120,000	120,000	153,028	33,028
Total revenues	<u>465,000</u>	<u>465,000</u>	<u>434,985</u>	<u>(30,015)</u>
<b>EXPENDITURES</b>				
Outside agencies	665,000	1,181,878	671,829	510,049
Total expenditures	<u>665,000</u>	<u>1,181,878</u>	<u>671,829</u>	<u>510,049</u>
Net change in fund balances	<u>\$ (200,000)</u>	<u>\$ (716,878)</u>	<u>\$ (236,844)</u>	<u>\$ 480,034</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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 400,000	\$ 400,000	\$ 161,584	\$ (238,416)
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>161,584</u>	<u>(238,416)</u>
<b>EXPENDITURES</b>				
Outside agencies	<u>400,000</u>	<u>400,000</u>	<u>121,677</u>	<u>278,323</u>
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>121,677</u>	<u>278,323</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 39,907</u>	<u>\$ 39,907</u>

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 110,000	\$ 110,000	\$ 80,320	\$ 29,680
Interest	40,000	40,000	50,327	10,327
	150,000	150,000	130,647	(19,353)
Net change in fund balances	\$ 150,000	\$ 150,000	\$ 130,647	\$ (19,353)

El Paso County, Colorado  
 Agency Funds  
 Combining Statement of Fiduciary Net Assets  
 December 31, 2007

	Treasurer's	Public Trustee	Struther's Road	Rancho Colorado	Total
<b>ASSETS</b>					
Cash and investments	\$ 26,197,861	\$ 1,308,709	\$ 216,343	\$ 126,164	\$ 27,849,077
<b>LIABILITIES</b>					
Due to other governments	\$ 20,479,108	\$	\$	\$	\$ 20,479,108
Escrow deposits held by trustee		516,371			516,371
Funds due to bondholders			216,343	126,164	342,507
Other	5,718,753	792,338			6,511,091
Total liabilities	\$ 26,197,861	\$ 1,308,709	\$ 216,343	\$ 126,164	\$ 27,849,077



El Paso County, Colorado  
Agency Funds  
Combining Statement of Changes in Fiduciary Net  
Assets and Liabilities  
For the year ended December 31, 2007

**TREASURER'S AGENCY FUND**

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>ASSETS</b>				
Cash and investments	\$ 27,729,380	\$ 791,488,804	\$ 793,020,323	\$ 26,197,861
<b>LIABILITIES</b>				
Due to other governments	\$ 20,338,726	\$ 589,127,213	\$ 588,986,831	\$ 20,479,108
Other	7,390,654	202,361,591	204,033,492	5,718,753
Total liabilities	\$ 27,729,380	\$ 791,488,804	\$ 793,020,323	\$ 26,197,861

**PUBLIC TRUSTEE AGENCY FUND**

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>ASSETS</b>				
Cash and investments	\$ 1,181,515	\$ 67,021,482	\$ 66,894,288	\$ 1,308,709
<b>LIABILITIES</b>				
Escrow deposits held by trustee	\$ 536,133	\$ 65,451,389	\$ 65,471,151	\$ 516,371
Other	645,382	1,570,093	1,423,137	792,338
Total liabilities	\$ 1,181,515	\$ 67,021,482	\$ 66,894,288	\$ 1,308,709

(Continued)

El Paso County, Colorado  
 Agency Funds  
 Combining Statement of Changes in Fiduciary Net  
 Assets and Liabilities - Continued  
 For the year ended December 31, 2007

**STRUTHER'S ROAD AGENCY FUND**

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>ASSETS</b>				
Cash and investments	\$ 138,372	\$ 78,662	\$ 691	\$ 216,343
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 138,372	\$ 78,662	\$ 691	\$ 216,343

**RANCHO COLORADO AGENCY FUND**

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>ASSETS</b>				
Cash and investments	\$ 293,073	\$ 84,247	\$ 251,156	\$ 126,164
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 293,073	\$ 84,247	\$ 251,156	\$ 126,164

**TOTALS - ALL AGENCY FUNDS**

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>ASSETS</b>				
Cash and investments	\$ 29,342,340	\$ 858,673,195	\$ 860,166,458	\$ 27,849,077
<b>LIABILITIES</b>				
Due to other governments	\$ 20,338,726	\$ 589,127,213	\$ 588,986,831	\$ 20,479,108
Escrow deposits held by trustee	536,133	65,451,389	65,471,151	516,371
Funds due to bondholders	431,445	162,909	251,847	342,507
Other	8,036,036	203,931,684	205,456,629	6,511,091
Total liabilities	\$ 29,342,340	\$ 858,673,195	\$ 860,166,458	\$ 27,849,077

**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, 2007

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Special assessments	\$ 69,195	\$ 69,195	\$ 69,100	\$ (95)
Interest	6,500	6,500	9,562	3,062
Total revenues	<u>75,695</u>	<u>75,695</u>	<u>78,662</u>	<u>2,967</u>
<b>EXPENDITURES</b>				
Debt service	<u>116,357</u>	<u>116,357</u>	<u>691</u>	<u>115,666</u>
Total expenditures	<u>116,357</u>	<u>116,357</u>	<u>691</u>	<u>115,666</u>
Net change in fund balances	<u>\$ (40,662)</u>	<u>\$ (40,662)</u>	<u>\$ 77,971</u>	<u>\$ 118,633</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 65,500	\$ 65,500	\$ 77,153	\$ 11,653
Interest	7,500	7,500	7,094	(406)
Total revenues	73,000	73,000	84,247	11,247
<b>EXPENDITURES</b>				
Debt service	250,983	251,156	251,156	
Total expenditures	250,983	251,156	251,156	
Net change in fund balances	\$ (177,983)	\$ (178,156)	\$ (166,909)	\$ 11,247

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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  
 December 31, 2007

Governmental funds capital assets:	
Land	\$ 14,069,596
Building	166,699,126
Improvements other than buildings	12,318,538
Infrastructure	402,295,547
Machinery and equipment	16,585,677
Furniture and fixtures	2,162,745
Computer equipment	15,716,814
Construction in progress	<u>7,970,074</u>
Total governmental funds capital assets	<u><u>\$ 637,818,117</u></u>
Investment in governmental funds capital assets by source:	
General fund	\$ 42,499,795
Special Revenue fund	360,232,367
Capital Projects fund	156,809,241
Donations	<u>78,276,714</u>
Total governmental funds capital assets	<u><u>\$ 637,818,117</u></u>

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

El Paso County, Colorado  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 December 31, 2007

Function and activity	Land	Buildings	Improvements other than buildings	Infrastructure
<b>General government:</b>				
Office of the Board	\$	\$	\$ 6,387	\$
Security			199,772	
Facilities management	13,012,621	14,578,436	2,968,441	
Environmental services				
HR - personnel				
Finance			88,433	
Information services		6,415,114	19,698	
County attorney				
Clerk and recorder		3,055,520		
Treasurer				
Assessor				
Public trustee			4,248	
Parking		9,037,258		
Total general government	<u>13,012,621</u>	<u>33,086,328</u>	<u>3,286,979</u>	
<b>Public Safety:</b>				
Coroner		851,620	179,669	
Sheriff				
Sheriff operation		1,820,264	192,216	
Jail		5,817,506		
District attorney				
Judicial building		49,914,029	88,033	
Criminal justice center		53,758,496	1,075,126	
Sheriff Special Investigation				
Total public safety		<u>112,161,915</u>	<u>1,535,044</u>	
<b>Public Works:</b>				
Department of transportation	554,810	8,486,461	3,766,356	402,295,547
Total public works	<u>554,810</u>	<u>8,486,461</u>	<u>3,766,356</u>	<u>402,295,547</u>
<b>Health and welfare:</b>				
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>	
<b>Culture and recreation:</b>				
Parks	502,165	3,916,741	3,569,668	
Total culture and recreation	<u>502,165</u>	<u>3,916,741</u>	<u>3,569,668</u>	
Total governmental funds capital assets	<u>\$ 14,069,596</u>	<u>\$ 166,699,126</u>	<u>\$ 12,318,538</u>	<u>\$ 402,295,547</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		148,843		6,387
397,626	91,305	60,258		369,715
		18,013		31,108,687
	6,676	83,405		18,013
	20,002	697,166		90,081
7,480,504	281,537	9,507,055	324,282	805,601
		8,428		24,028,190
172,055	729,373	2,369,861	443,580	8,428
		125,869		6,770,389
	71,550	96,447		125,869
		222,170		167,997
			229,476	226,418
				9,266,734
<u>8,071,285</u>	<u>1,200,443</u>	<u>13,337,515</u>	<u>997,338</u>	<u>72,992,509</u>
58,443	216,772	372,002		1,678,506
5,600,672	426,738	1,052,463	95,991	9,188,344
			297,982	6,115,488
81,995		99,457		181,452
			743,816	50,745,878
12,966				54,846,588
690,471				690,471
<u>6,444,547</u>	<u>643,510</u>	<u>1,523,922</u>	<u>1,137,789</u>	<u>123,446,727</u>
1,864,820	244,484	230,302	5,698,692	423,141,472
<u>1,864,820</u>	<u>244,484</u>	<u>230,302</u>	<u>5,698,692</u>	<u>423,141,472</u>
134,939	58,264	263,804		5,486,086
				4,065,600
23,022	9,244	324,052		469,811
<u>157,961</u>	<u>67,508</u>	<u>587,856</u>		<u>10,021,497</u>
47,064	6,800	37,219	136,255	8,215,912
<u>47,064</u>	<u>6,800</u>	<u>37,219</u>	<u>136,255</u>	<u>8,215,912</u>
<u>\$ 16,585,677</u>	<u>\$ 2,162,745</u>	<u>\$ 15,716,814</u>	<u>\$ 7,970,074</u>	<u>\$ 637,818,117</u>

El Paso County, Colorado  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 December 31, 2007

Function and activity	Governmental Funds Capital Assets January 1, 2007	Additions	Deletions	Governmental Funds Capital Assets December 31, 2007
<b>General government:</b>				
Office of the Board	\$ 6,387	\$	\$	\$ 6,387
Security	229,715	140,000		369,715
Facilities management	36,675,885		5,567,198	31,108,687
Environmental services	18,013			18,013
Employment services	90,081			90,081
Finance	785,320	20,281		805,601
Information services	23,858,003	565,906	395,719	24,028,190
County attorney	8,428			8,428
Clerk and recorder	3,201,015	3,569,374		6,770,389
Treasurer	138,869		13,000	125,869
Assessor	167,997			167,997
Public trustee	226,418			226,418
Parking	3,445,890	5,820,844		9,266,734
Total general government	<u>68,852,021</u>	<u>10,116,405</u>	<u>5,975,917</u>	<u>72,992,509</u>
<b>Public safety:</b>				
Coroner	1,534,892	143,614		1,678,506
Sheriff				
Sheriff operation	9,256,548	717,879	786,083	9,188,344
Jail	5,817,506	297,982		6,115,488
District attorney	181,452			181,452
Judicial building	51,877,634	859,305	1,991,061	50,745,878
Criminal justice center	54,749,256	97,332		54,846,588
Sheriff special investigation	690,471			690,471
Total public safety	<u>124,107,759</u>	<u>2,116,112</u>	<u>2,777,144</u>	<u>123,446,727</u>
<b>Public works:</b>				
Department of transportation	405,058,313	18,108,956	25,797	423,141,472
Total public works	<u>405,058,313</u>	<u>18,108,956</u>	<u>25,797</u>	<u>423,141,472</u>
<b>Health and welfare:</b>				
Department of human services	5,733,076	32,447	279,437	5,486,086
Health department	4,065,600			4,065,600
One stop job center	469,811			469,811
Total health and welfare	<u>10,268,487</u>	<u>32,447</u>	<u>279,437</u>	<u>10,021,497</u>
<b>Culture and recreation:</b>				
Parks	7,789,731	426,181		8,215,912
Total culture and recreation	<u>7,789,731</u>	<u>426,181</u>		<u>8,215,912</u>
Total governmental funds capital assets	<u>\$ 616,076,311</u>	<u>\$ 30,800,101</u>	<u>\$ 9,058,295</u>	<u>\$ 637,818,117</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, 2007

	<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	\$ 5,663,947	\$ 20,458	\$	\$ 5,663,947	\$ 20,458
LEAP	\$ 3,760,490	\$	\$ 424,681	\$ 4,185,171	\$ 424,681
TANF	\$ 9,963,650	\$ 3,088,399	\$ 4,920,069	\$ 14,883,719	\$ 8,008,468
Administration	\$	\$	\$ 9,046,808	\$ 9,046,808	\$ 9,046,808
Child Welfare	\$ 31,350,578	\$ 6,353,627	\$ 7,534,010	\$ 38,884,588	\$ 13,887,637
Core Services	\$ 4,743,222	\$ 681,842	\$ 134,820	\$ 4,878,042	\$ 816,662
AND	\$ 1,987,175	\$ 773	\$ 469,081	\$ 2,456,255	\$ 469,853
IV-D Administration	\$	\$	\$ 4,544,745	\$ 4,544,745	\$ 4,544,745
Child Care	\$ 9,774,875	\$ 980,366	\$ 242,271	\$ 10,017,146	\$ 1,222,636
Senior Service/Vet's	\$	\$	\$ 185,459	\$	\$ 185,459
Grants/Other ***	\$	\$	\$ 1,387,933	\$	\$ 1,387,933
Sub-Total	\$ 67,243,937	\$ 11,125,465	\$ 28,889,876	\$ 94,560,422	\$ 40,015,341
Food Assistance	\$ 45,563,415	\$	\$	\$ 45,563,415	\$
Grand Total	\$ 112,807,353	\$ 11,125,465	\$ 28,889,876	\$ 140,123,837	\$ 40,015,341

- 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 EBT's (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.

LOCAL HIGHWAY FINANCE REPORT		City or County:			
		El Paso County			
This Information From The Records Of: County of El Paso, Colorado		YEAR ENDING:			
		December 2007			
		Prepared By: Vlad Tverdokhlib, Budget/Grants Analyst Phone: 719-520-6482			
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
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)	11,726,874		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,005,708		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	897,935		
2. General fund appropriations		b. Snow and ice removal	2,423,417		
3. Other local imposts (from page 2)	14,905,919	c. Other	3,513,849		
4. Miscellaneous local receipts (from page 2)	8,866,462	d. Total (a. through c.)	6,835,201		
5. Transfers from toll facilities		4. General administration & miscellaneous	10,859,774		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	34,427,557		
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)	23,772,381	b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	9,904,239	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	422,757	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	34,099,377	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>	34,427,557		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (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	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	11,660,135	34,099,377	34,427,557	11,331,955	0
<b>Notes and Comments:</b>					



**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2007

**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	8,250,816	a. Interest on investments	584,476
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	459,681	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	6,195,422	g. Other Misc. Receipts	47,265
6. Total (1. through 5.)	6,655,103	h. Other	8,234,721
c. Total (a. + b.)	14,905,919	i. Total (a. through h.)	8,866,462
	(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	9,291,183	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	14,899
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	613,056	d. Federal Transit Admin	337,271
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	70,587
f. Total (a. through e.)	613,056	g. Total (a. through f.)	422,757
4. Total (1. + 2. + 3.f)	9,904,239	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		24,340	24,340
b. Engineering Costs		595,268	595,268
c. Construction:			
(1). New Facilities		8,234,721	8,234,721
(2). Capacity Improvements			0
(3). System Preservation		2,872,545	2,872,545
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	11,107,266	11,107,266
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	11,726,874	11,726,874
			(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**

	<b>Fiscal Year</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Governmental activities			
Invested in capital assets, net of related debt	\$ 135,624,461	\$ 473,797,276	\$ 568,270,750
Restricted	5,652,345	5,763,652	11,650,811
Unrestricted	27,478,459	20,658,649	(104,993,011)
Total governmental activities net assets	<u>\$ 168,755,265</u>	<u>\$ 500,219,577</u>	<u>\$ 474,928,550</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 1,074,434	\$ 1,387,518	\$ 1,358,758
Unrestricted	4,283,618	3,219,917	2,662,302
Total business-type activities net assets	<u>\$ 5,358,052</u>	<u>\$ 4,607,435</u>	<u>\$ 4,021,060</u>
Primary government			
Invested in capital assets, net of related debt	\$ 136,698,895	\$ 475,184,794	\$ 569,629,508
Restricted	5,652,345	5,763,652	11,650,811
Unrestricted	31,762,077	23,878,566	(102,330,709)
Total primary government net assets	<u>\$ 174,113,317</u>	<u>\$ 504,827,012</u>	<u>\$ 478,949,610</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>2005</b>	<b>2006</b>	<b>2007</b>
Governmental activities:			
General government	\$ 53,148,164	\$ 49,588,735	\$ 58,370,104
Public Safety	63,502,622	68,322,881	85,943,749
Public Works	17,441,950	15,126,834	17,968,376
Health and Welfare	52,030,311	54,071,254	59,075,189
Culture and recreation	3,293,236	3,049,572	3,774,357
Auxiliary services	461,330	276,546	1,255,626
Outside agencies		6,636,067	6,132,634
Interest on long-term debt	4,665,637	4,571,516	6,578,057
Total governmental activities expenses	<u>194,543,250</u>	<u>201,643,405</u>	<u>239,098,092</u>
Business-type activities:			
County Fair			
Arts facility			
Waste management	611,002	657,857	794,749
Land Development	1,293,983	3,458,822	3,120,259
Total business-type activities expenses	<u>1,904,985</u>	<u>4,116,679</u>	<u>3,915,008</u>
Total primary government expenses	<u>\$ 196,448,235</u>	<u>\$ 205,760,084</u>	<u>\$ 243,013,100</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 16,823,845	\$ 17,205,184	\$ 15,965,622
Public safety	2,961,540	2,743,137	3,266,421
Public works	99,519	358,491	602,212
Health and Welfare	392,601	575,555	383,931
Culture and recreation	419,361	410,763	542,084
Outside agencies	3,546	240,988	213,393
Operating grants and contributions	52,447,436	58,034,608	57,120,280
Capital grants and contributions	8,670,183	26,960,492	15,370,037
Total governmental activities program revenues	<u>81,818,031</u>	<u>106,529,218</u>	<u>93,463,980</u>
Business-type activities:			
Charges for services:			
County Fair			
Arts facility			
Waste management	765,166	761,139	846,968
Land Development	2,595,240	2,285,934	1,957,808
Operating grants and contributions			
Total business-type activities program revenues	<u>3,360,406</u>	<u>3,047,073</u>	<u>2,804,776</u>
Total primary government program revenues	<u>\$ 85,178,437</u>	<u>\$ 109,576,291</u>	<u>\$ 96,268,756</u>

(Continued)



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

	<b>Fiscal Year</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Net (Expense) Revenue</b>			
Governmental activities	(112,725,219)	(95,114,187)	(145,634,112)
Business-type activities	1,093,430	(1,069,606)	(1,110,232)
Total primary government net expense	<u>\$ (111,631,789)</u>	<u>\$ (96,183,793)</u>	<u>\$ (146,744,344)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes			
Property taxes	\$ 33,625,151	\$ 35,549,331	\$ 36,748,742
Sales taxes	67,839,928	68,520,201	69,146,880
Other taxes	9,184,444	11,392,744	9,931,960
Investment earnings	4,433,373	3,429,584	4,818,667
Gain/Loss on sale of capital assets	1,140,836	(179,211)	80,732
Transfers	(17,648)	(486,487)	(383,896)
Total governmental activities	<u>116,206,084</u>	<u>118,226,162</u>	<u>120,343,085</u>
Business-type activities:			
Investment earnings	128,952	179,621	139,961
Loss on sale of capital assets	(3,433,225)		
Transfers	17,648	486,487	383,896
Total business-type activities	<u>(3,286,625)</u>	<u>666,108</u>	<u>523,857</u>
Total primary government	<u>\$ 112,919,459</u>	<u>\$ 118,892,270</u>	<u>\$ 120,866,942</u>
<b>Change in Net Assets</b>			
Governmental activities	\$ 3,480,865	\$ 23,111,975	\$ (25,291,027)
Business-type activities	(2,193,195)	(403,498)	(586,375)
Total primary government	<u>\$ 1,287,670</u>	<u>\$ 22,708,477</u>	<u>\$ (25,877,402)</u>

Data source:  
Statement of Activities  
El Paso County Financial Statements

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

	Fiscal Year		
	2005	2006	2007
General Fund			
Reserved	\$ 1,075,248	\$ 7,167,536	\$ 5,609,630
Unreserved	18,255,711	14,322,359	14,729,641
Total general fund	<u>\$ 19,330,959</u>	<u>\$ 21,489,895</u>	<u>\$ 20,339,271</u>
All Other Governmental Funds			
Reserved	\$ 18,295,204	\$ 4,346,714	\$ 36,950,558
Unreserved, reported in:			
Special revenue funds	11,138,582	13,316,364	13,282,240
Capital projects funds	2,077,759		
Debt service funds			
Total all other governmental funds	<u>\$ 31,511,545</u>	<u>\$ 17,663,078</u>	<u>\$ 50,232,798</u>
Total governmental funds	<u><u>\$ 50,842,504</u></u>	<u><u>\$ 39,152,973</u></u>	<u><u>\$ 70,572,069</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>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>REVENUES</b>				
Property taxes	\$ 28,301,314	\$ 31,881,652	\$ 34,414,074	\$ 30,925,258
Sales taxes	48,081,408	52,317,559	58,415,299	61,666,586
Specific ownership taxes	4,666,970	5,297,249	5,293,623	5,684,220
Intergovernmental	57,746,128	61,525,576	71,490,405	72,219,198
Fees and fines	381,323	213,382	276,355	285,260
Licenses and permits	2,214,668	2,514,316	2,706,926	2,766,930
Charges for services	12,930,445	13,765,291	13,352,044	16,267,961
Investment earnings	3,927,129	3,444,110	5,572,011	3,817,483
Miscellaneous	6,194,318	4,073,122	6,012,791	5,737,042
Total revenues	<u>164,443,703</u>	<u>175,032,257</u>	<u>197,533,528</u>	<u>199,369,938</u>
<b>EXPENDITURES</b>				
Current				
General government	40,337,033	42,423,756	44,322,211	48,164,585
Public safety	34,915,626	36,865,296	38,246,793	41,722,918
Public works	20,082,091	21,398,459	28,171,087	23,433,218
Health and welfare	52,141,410	52,918,360	63,185,698	62,817,472
Culture and recreation				
Outside agencies	3,209,904	2,478,130	2,435,445	1,243,792
Auxiliary services	4,710,624	4,697,579	5,355,459	5,176,635
Debt service:				
Principal	43,362	63,210	809,810	1,324,436
Interest and other charges				
Issuance costs				
Capital outlay	10,968,948	10,844,121	13,619,283	12,245,687
Total expenditures	<u>166,408,998</u>	<u>171,688,911</u>	<u>196,145,786</u>	<u>196,128,743</u>
Excess of revenues over (under) expenditures	(1,965,295)	3,343,346	1,387,742	3,241,195
Other Financing Sources (uses)				
Refund of bond issuance costs				
Certificates of participation issued				
Premium on certificates of participation				
Capital lease financing		10,557,685		279,437
Proceeds from sale of fixed assets	49,990	300,851	334,478	1,300,575
Transfers in	10,799,198	9,720,367	12,793,655	12,291,171
Transfers out	(10,799,198)	(9,720,367)	(12,793,655)	(12,252,624)
Assumption of deficit fund balance by internal service fund				
Total other financing sources (uses)	<u>49,990</u>	<u>10,858,536</u>	<u>334,478</u>	<u>1,618,559</u>
Net change in fund balances	<u>\$ (1,915,305)</u>	<u>\$ 14,201,882</u>	<u>\$ 1,722,220</u>	<u>\$ 4,859,754</u>
Debt service as a percentage of noncapital expenditures	0.03%	0.04%	0.44%	0.72%

Data Source:  
El Paso County Financial Statements

	2002	2003	2004	2005	2006	2007
\$	24,764,323	\$ 34,134,150	\$ 32,452,212	\$ 33,625,151	\$ 35,549,331	\$ 36,748,742
	60,214,529	60,324,356	64,372,866	67,839,928	68,520,201	69,146,880
	10,435,135	9,419,579	10,356,101	9,184,444	11,392,744	9,931,960
	55,080,511	57,464,012	51,017,932	52,479,434	55,345,530	53,512,924
	832,409	631,149	592,879	842,382	898,042	836,354
	121,301	148,948	266,889	320,994	284,181	289,866
	14,283,695	17,606,093	15,538,738	16,786,843	16,897,769	15,903,920
	1,325,299	1,485,815	1,783,878	4,428,366	3,431,443	4,785,997
	2,986,624	3,050,488	4,292,448	5,432,838	8,193,869	7,918,558
	170,043,826	184,264,590	180,673,943	190,940,380	200,513,110	199,075,201
	53,926,618	43,835,780	46,075,565	49,601,464	45,367,491	43,575,692
	43,564,117	53,453,463	54,051,253	60,319,755	64,983,113	66,593,803
	14,982,192	13,731,408	12,858,711	13,105,527	14,112,138	15,876,121
	54,149,719	56,031,953	49,884,332	50,630,532	52,662,497	51,648,706
	2,738,749	2,819,973	2,456,732	2,928,470	2,726,991	2,837,235
					6,636,067	5,473,129
	528,567	581,881	335,263	345,991	328,360	581,234
	1,617,938	1,743,693	1,225,000	2,555,000	3,490,000	3,375,000
	582,987	4,584,467	4,584,989	4,648,895	4,570,462	6,588,783
	1,652,925		183,888			
	14,972,896	27,769,819	36,200,625	46,409,060	16,895,596	10,230,546
	188,716,708	204,552,437	207,856,358	230,544,694	211,772,715	206,780,249
	(18,672,882)	(20,287,847)	(27,182,415)	(39,604,314)	(11,259,605)	(7,705,048)
		33,861	(645,716)			
	84,975,000		6,970,000			39,429,749
	1,607,413		46,576			
	395,719					
	38,101	119,364	55,115	1,155,648	56,561	78,291
	10,491,140	11,254,281	12,234,379	13,473,846	18,702,244	16,638,988
	(14,290,879)	(11,376,514)	(12,537,873)	(13,131,247)	(19,188,731)	(17,022,884)
	83,216,494	30,992	6,122,481	1,498,247	(429,926)	39,124,144
\$	64,543,612	\$ (20,256,855)	\$ (21,059,934)	\$ (38,106,067)	\$ (11,689,531)	\$ 31,419,096

2.22%

3.58%

3.49%

3.91%

4.14%

5.07%

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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
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
2007	2008	411,181,000	3,476,511,140	1,998,462,020	311,518,010	15,032,210

\*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>
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
7,955,940	0	269,088,800	6,489,749,120	7.514	1,463,061,020

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

	Taxes Payable	1999	2000	2001	2002
	Assessment Year	1998	1999	2000	2001
<b>County direct rates</b>					
General		2.527	2.793	2.814	3.167
Abatement		0.000	0.000	0.000	0.000
Road & Bridge		2.931	2.350	2.350	1.842
Social Services		2.112	1.687	1.687	1.324
Capital		0.800	0.707	0.707	0.660
Insurance		0.100	0.021	0.000	0.000
Retirement		0.960	0.781	0.781	0.728
Debt Service		0.000	0.000	0.000	0.000
Fleet		0.000	0.000	0.000	0.100
<b>City and town rates</b>					
Calhan		17.058	17.248	17.563	16.856
Colorado Springs		5.607	5.323	5.323	5.032
Fountain		10.239	10.239	10.239	10.239
Green Mountain Falls		14.588	14.588	14.588	14.588
Manitou Springs		16.850	15.981	15.981	17.836
Monument		8.920	7.607	7.042	6.407
Palmer Lake		14.310	12.909	24.560	19.442
Ramah		19.827	19.827	19.827	19.827
<i>Levy Ranges for the following districts are:</i>					
Fire Protection Districts		1.944-9.500	1.944-10.341	1.944-9.500	1.865-10.466
Sanitation Districts		0.749-9.638	0.679-7.731	0.679-7.028	0.664-5.439
Water Districts		0.503-12.236	0.503-11.238	0.532-11.238	0.532-11.238
Sanitation & Water Districts		3.535-26.370	3.631-30.863	3.758-30.863	3.191-26.960
Special Improvement Districts		1.678-43.500	1.653-43.000	1.653-55.000	1.009-60.000
Regional Library District		3.548	3.336	3.448	3.216
Metropolitan Districts		0.463-100.000	0.425-100.000	4.192-100.000	3.568-100.000
School Districts		26.135-60.169	26.182-58.159	26.143-58.897	24.591-58.897

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

<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
2.864	2.923	2.995	2.599	2.179	4.182
0.059	0.067	0.065	0.057	0.037	0.037
1.582	1.582	1.582	1.582	1.568	1.280
1.204	1.454	1.319	1.319	1.290	0.000
1.443	0.893	1.023	0.963	1.450	1.320
0.000	0.300	0.300	0.400	0.450	0.000
0.728	0.728	0.728	0.753	0.736	0.695
0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000
17.307	17.563	17.563	17.525	17.563	17.563
5.032	5.032	4.944	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	15.558
18.277	17.368	17.836	17.284	17.284	15.951
6.469	6.454	6.408	5.872	6.458	6.289
20.038	21.536	21.753	19.070	16.544	15.340
19.827	19.827	19.827	19.827	19.827	19.827
1.899-10.797	2.139-10.842	0.467-12.813	2.130-12.527	2.322-12.660	1.635-12.423
0.664-4.999	0.665-5.254	0.666-3.714	0.650-3.759	0.650-4.134	0.650-4.500
0.532-12.870	0.532-15.300	0.532-16.279	0.532-14.437	0.532-14.437	0.534-14.437
3.174-26.960	3.429-32.198	3.981-34.044	3.831-26.995	4.142-31.840	4.065-31.423
1.009-60.000	1.009-65.000	1.000-49.500	1.000-45.000	1.000-45.000	1.000-51.000
3.271	3.434	3.495	3.296	3.515	3.325
2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000	2.031-100.000
24.686-58.897	21.717-60.216	21.568-60.216	20.096-60.216	19.699-60.216	19.715-60.216

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>

Note: This schedule reflects only the total sales tax collected by the State of Colorado

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

2005			2006			2007		
Sales Tax Collected	Rank	Percentage of Total County Sales Tax Collected	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%	\$ 3,766,349	1	5.77%
1,394,574	4	2.19%	1,340,919	3	2.08%	1,267,467	5	1.94%
1,876,642	2	2.95%	1,650,259	2	2.56%	1,390,911	3	2.13%
1,111,509	5	1.75%	1,189,186	5	1.85%	1,288,386	4	1.97%
1,444,928	3	2.27%	1,337,349	4	2.08%	1,454,791	2	2.23%
920,445	6	1.45%	1,058,353	6	1.64%	1,126,944	6	1.73%
735,353	7	1.15%	749,602	9	1.16%	757,237	10	1.16%
689,640	9	1.08%	735,419	10	1.14%	757,812	9	1.16%
599,784	10	0.94%	975,791	7	1.51%	779,751	7	1.19%
718,781	8	1.13%	773,302	8	1.20%	767,202	8	1.17%
<u>\$ 12,919,231</u>		<u>20.28%</u>	<u>\$ 13,333,137</u>		<u>20.69%</u>	<u>\$ 13,356,850</u>		<u>20.45%</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
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%
2007	11,128,530	11,087,810	99.63%	17,856	11,105,666	99.79%

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			
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	0.03%	33,577
2006	93,258,727	115,880	93,374,607	0.04%	34,189
2007	123,912,359	1,716,693	125,629,052	N/A	*

\* 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
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	33,577	89.51%
2006	4,804,353	1.73%	576,240	1.93%	39,491	34,189	86.57%
2007	4,908,152	2.16%	597,632	3.71%	41,042	*	*

\* 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>
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	445,909
284,819	12,663	4.3%	104,608	443,464
288,436	13,199	4.4%	105,157	479,917

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## **Operating Information**

**Schedule 12**  
**El Paso County**  
**Full-time Equivalent County Government**  
**Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Full-time Equivalent Employees</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>	<b>2007</b>
County Commissioners	5	5	5	5	5	5	5	5	5	5
Internal Audit	0	0	0	0	0	0	0	0	2	0
County Assessor	68	68	63	63	66	66	66	66	66	66
County Clerk & Recorder -Operations	26	26	26	26	26	26	26	26	26	26
Motor Vehicle	79	79	79	79	79	79	79	79	83	83
Elections	16	16	16	16	16	16	17	17	17	17
Driver's Licenses	0	0	0	0	2	2	4	4	5	5
County Coroner	7	7	7	7	8	9	13	13	13	16
County Sheriff -Operations	224	226	222	226	229	230	231	231	239	240
Detentions	320	319	297	297	297	305	333	336	359	362
Pretrial Services (P.R. Bond)	10	0	0	0	0	0	0	0	0	0
Office of Emergency Management	3	3	3	0	0	0	0	0	0	0
County Treasurer	18	18	18	18	18	19	19	19	19	19
Public Trustee	10	10	11	11	14	14	14	14	14	14
County Attorney -General Fund	9	9	9	9	9	9	8	8	10	9
Useful Public Service	0	0	0	0	0	0	0	0	2	0
Dept. of Human Services	10	14	25	25	26	26	23	23	17	17
Employment Services	0	0	0	0	0	0	0	0	7	6
District Attorney - EPC Funded	132	137	144	146	152	157	157	157	163	177
Teller County Funded	0	0	0	0	0	1	1	1	1	1
Grant Funded	0	0	0	0	9	10	10	10	13	13
Human Services -General	350	350	350	350	351	361	361	361	360	360
Senior Services	3	4	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	30	34	34	100	100	100	100	100	100

<b>Function/Program</b>	<b>Full-time Equivalent Employees</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>	<b>2007</b>
Administrative Services -Administration	4	5	7	7	5	7	5	5	4	5
Community Relations	1	1	1	1	0	0	0	0	0	0
County Fair	2	2	1	1	2	2	1	0	0	0
CSU Extension	4	4	4	4	4	4	4	4	4	4
Development Review	0	0	0	0	6	14	14	30	36	34
Land Use Study	0	0	0	0	0	5	5	5	5	5
Economic Development	3	3	3	3	3	4	4	4	0	0
Employee Benefits/Med Serv	0	0	0	0	0	0	8	8	12	16
Environmental Services	0	0	0	2	7	7	9	9	9	10
Facilities	45	46	47	47	46	46	49	51	51	51
Financial Services	11	16	16	16	17	23	24	24	25	25
Fleet Services	0	0	0	0	33	32	32	32	32	33
Forestry & Noxious Weeds	2	2	2	2	2	2	0	0	0	0
Human Resources	5	6	6	6	8	11	5	5	0	0
Information Services	57	54	58	59	64	70	69	69	68	69
Justice Services	0	13	13	13	14	14	14	17	15	15
Planning	15	16	18	18	18	17	16	0	0	0
Procurements & Contracts	6	7	7	7	6	6	7	7	7	7
Public Communications	0	0	0	0	0	0	0	0	4	3
Risk Management	4	4	4	4	4	4	4	4	0	0
Security	29	29	29	29	29	34	35	44	45	45
Solid Waste	2	3	3	3	3	4	4	4	4	4
800 MHz	0	0	0	0	1	1	1	1	1	1
Parks & Community Resources -Parks	42	44	43	41	39	41	40	41	41	41
Penrose Equestrian Center	11	10	10	10	10	10	10	10	0	0
Pikes Peak Center	7	10	10	10	10	10	10	0	0	0
Transportation -Engineering	27	27	27	29	26	30	30	30	24	24
Road & Bridge Fund	185	194	194	194	161	158	159	162	166	164
Health and Environment	205	208	208	208	208	208	208	194	194	225
Retirement	0	3	3	3	3	3	3	3	3	3
<b>Total</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>2,241</b>	<b>2,278</b>	<b>2,327</b>

Data Source:  
El Paso County Final Budget

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

<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>1998</b>	<b>1999</b>	<b>2000*</b>	<b>2001</b>
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	2007
126	125	134	125	130	148
112	100	70	122	73	94
120	121	121	124	118	120
2,200,000	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011
5,000	5,000	5,300	5,500	5,900	6,900
80	85.0	85	85	87	93
17	17	10	10	11	11
831	900	885	875	1,000	1,000
54,659,536	57,154,000	94,063,491	60,000,000	70,000,000	75,000,000
686,630	350,000	245,753	250,000	275,000	275,000
49,103	49,893	53,821	54,062	52,673	52,937
2,770	2,770	23,819	24,711	26,078	26,860
56,005	54,503	57,674	63,376	67,739	71,125
2,138	2,468	2,219	2,338	3,185	3,200
5,124	5,356	7,766	8,640	8,800	9,200
17,672	21,298	21,995	23,292	23,500	24,000
25	48	50	50	50	50
4,076	2,166	1,240	1,630	2,450	2,500
44	30	30	130	675 (all)	700
22,368	3,000	3,200	3,500	3,900	4,100
141,551	141,745	142,004	142,555	142,820	142,820
67,068	69,623	68,950	72,770	73,125	73,125
590	730	625	650	640	650
750	775	400	425	435	440
705	720	812	820	820	830
20	20	20	18	18	20
90	80	39	35	36	40
2	2		1	1	1
90	95	170	180	180	185
75	75	78	85	95	110
895	910	900	925	940	930
16	16				
275	275	300	325	350	350
24	18	15	24	25	25
48		170	292	300	300
16	16				
16	16	16	16	16	16
900	900	1,100	1,200	1,500	1,500
234,569	298,968	215,111	203,454	200,000	190,000
259,899	325,978	255,575	262,312	228,000	216,600
1,890	2,054	2,098	2,000	2,000	2,000
428,479	424,226	438,644	451,803	452,598	459,387
371	378	378	381	386	396
120	25	77	35	35	80
336,993	321,811	354,059	340,000	343,000	360,000
110	146	162	170	170	180

(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 cross spans 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	2007
209,790	221,286	226,088	231,896	238,495	245,295
9,923	10,275	13,508	13,521	13,288	13,600
342,555	367,689	367,709	376,266	380,000	390,000
3,159	1,060	406	1,200	1,000	1,000
21,584	17,373	25,817	26,000	28,500	29,000
202	240	201	240	200	200
1,471	1,512	1,711	2,000	1,800	2,000
1,747	1,611	2,004	2,100	2,100	2,100
7	16	14	20	20	20
62,819	76,548	71,170	72,000	50,000	50,000
35,020	33,086	33,086	33,500	33,500	33,500
117	119	119	162	200	227
63,000	67,000	60,000	55,400	47,000	45,000
2,680	1,500	1,129	900	1,400	2,095
760	5,244	1,113	5,151	951	8,000
6,500	6,259	7,000	6,500	7,156	5,372
50,300	50,800	52,300	50,000	44,000	42,000
4,740	5,138	5,830	6,120	6,342	6,596
37,487	40,953	43,239	47,470	31,040	32,188
1,989	2,124	1,887	1,976	1,924	1,989
1,092	1,131	1,209	1,425	1,427	1,477
11,448	11,692	22,174	24,000	25,008	25,063
56,100	56,724	45,000	50,000	54,000	55,000
31,440	38,851	20,000	closed	closed	closed
21,670	22,495	22,174	24,782	25,008	25,063
21,252	22,529	12,763	22,482	24,734	24,800
28,300	23,352	22,323	22,993	34,872	38,359
37	60	65	80	66	50
102	115	118	123	123	123
12	8	8			19
12	14	9	26	28	31
7,344	2,613	1,566	6,385	28,459	9,500
19	18	5.7	15	19	15
879	894	894	900	930	921
1,074	1,076	1,075	1,078	1,073	1,077
52	30	29	22	25	25
248,806	293,567	441,285	160,100	253,800	200,000
83	77	149	78	105	90
144,905	356,591	346,773	139,277	250,000	200,000
154	180	172	160	105	125
188,474	63,596	441,285	378,988	253,800	250,000
4	3	3		2	4
52	52	52	52	52	52
49	49	49	49	49	49
322	334	310	350	378	395
1,014,095	945,568	1,166,527	486,593	1,800,000	2,000,000
400	354	347	358	318	350
159	283	451	654	1,061	1,110
10	17	19	25	36	40
71	85	110	113	125	129
20	22	N/A	N/A	N/A	N/A
11,000	12,056	14,488	17,572	14,918	15,500
1,922	1,958	2,029	2,066		
269	287	330	305	304	338

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

<b>Function/Program</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Sheriff			
Patrol units and other vehicles	194	201	194
Department of Transportation			
Paved roads (miles)	810.88	837.32	856.8
Gravel roads (miles)	1077	1068.38	1067.95
Engineering			
Miles of road graveled	50	37	35
Drainage crosspans constructed	17	29	20
Feet of curb, gutter or sidewalks	4,270	1,900	2,110
Parks			
Acres of Regional Parks, Recreation areas and conservation lands	3,247	*	*
Acres of Other Parks/Properties	648	*	*
Miles of Regional, Park & Nature Trails	57.1	*	*
County Office Sites (landscape maintenance)	9	17	*
Facilities			
Number of buildings maintained	*	72	*
Square feet total maintained	*	2,200,000	*
County Fairgrounds			
Buildings	18	18	18
Stadium	1	1	1
Lighted outdoor dance floor	1	1	1
Outdoor arena	1	1	1
Indoor arena	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	2007
210	204	185	196	214	226	210
858.12	878.67	894.05	894	900	930	921
1073.12	1073.68	1076.41	1075	1078	1073	1077
6	37	60	65	80	66	50
26	12	14	9	26	28	31
1,120	7,344	2,613	1,566	6,385	28,459	9,500
4,000	5,000	5,000	5,300	5,500	5,900	6,900
70	80	85.0	85	85	87	93
17	17	17	10	10	11	11
72	120	121	121	124	118	120
2,200,000	2,200,000	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011
18	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	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, 2007, which collectively comprise El Paso County, Colorado's basic financial statements, and have issued our report thereon dated October 20, 2008. Our report was modified to include a reference to 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. Other auditors audited the financial statements of 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, as described in our report on El Paso County, Colorado's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the El Paso County Sheriff Special Investigation Fund, the El Paso County Retirement Plan, and the El Paso County Department of Health and Environment were not audited in accordance with *Government Auditing Standards*.

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



Affiliate Offices Worldwide

El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

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 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 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 deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. That significant deficiency is 07-01.

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 the significant deficiency described above is not a material weakness.

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 the management of the County in a separate letter dated June 6, 2008.

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

**El Paso County, Colorado's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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.**

**October 20, 2008**

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



**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, 2007. 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.



El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

As described in items 07-03 and 07-05 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding eligibility that are applicable to the Temporary Assistance for Needy Families (TANF) and Food Stamp Administration programs. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to those programs.

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, 2007.

#### 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 questioned costs to be significant deficiencies in internal control over compliance. Those significant deficiencies include 07-02 and 07-4.

El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

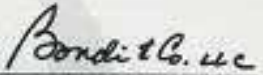
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by El Paso County, Colorado's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we do not consider any of the significant deficiencies to be material weaknesses.

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 questioned costs. 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.

October 20, 2008

  
BONDI & Co. LLC

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EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2007

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

Significant deficiency(ies) 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

Significant deficiency(ies) 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:

CFDA Number(s)

10.551

10.561

93.558

93.778

Name of Federal Program or Cluster

Food Stamps

Food Stamp Administration

Temporary Assistance for Needy Families

Medical Assistance Program - Title XIX

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

\$2,898,000

Auditee qualified as low-risk auditee?

\_\_\_ yes     no



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2007

Section II – Financial Statement Findings

**Finding 07-01 – Payroll Process**

Criteria: System controls should be in place to effectively calculate employee earnings.

Condition and Context: The 2007 federal income tax withholding tables were not updated in the payroll system through our testing in October 2007. Audit tests performed also indicate that the payroll system did not correctly calculate net earnings.

Questioned Costs: Unknown.

Effect: Federal income tax withheld from employee earnings and net earnings paid to three employees may have been incorrect.

Cause: The payroll system was not updated with the 2007 income tax tables at the beginning of the year.

Recommendation: We recommend the County implement procedures to ensure the federal income tables are updated at the beginning of the year. We also recommend staff periodically recalculate a pay period to ensure the system is functioning correctly.

Views of Responsible Officials and Plan of Corrective Action: Financial Services agrees with this finding. It is our standard procedure to do the updates as soon as possible, most generally before the first payroll of the year is generated. When our payroll programmer left employment, IT posted the position but it took approximately nine months to find a qualified replacement which lead to many items being delayed. IT has a CSR request that shows the taxes were updated in May or June 2007. IT tried to verify that the taxes were self-adjusting with the implementation of the new tax tables and they appeared to be. Finance will work closely with IT to ensure the tax tables are updated in a timely manner each year and that the system is calculating net pay and federal income tax correctly.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2007

Section III - Federal Award Findings and Questioned Costs

**Finding 07-02 - 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 Requirement: Specific 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: One of the four monthly reconciliations reviewed contained a discrepancy that was not included in the subsequent month and was not explained on the reconciliation. This is a direct violation of point "A" above. Similar mathematical findings were reported in 2006, 2005 and 2004.

There is no absolute policy on destroying EBT cards. We reviewed daily destruction logs for four months for both the Main and Sand Creek locations. Several of the Main Office logs contain variances between the dates of destruction and the witness to the destruction. Some logs also indicate a lag of a few days before physical destruction was done.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2007

**Finding 07-02 (Continued)**

Condition and Context  
(Continued):

Evidence of daily destruction was not apparent for the Sand Creek location. Three of the four months tested indicated destruction of cards once per month and one month was not filed with other EBT reconciliation logs for our review.

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:

The County is committed to training and oversight for all EBT card controls. The finance office has employees reviewing logs and back-up documentation on a regular basis, and then reporting any discrepancies to management. Identified discrepancies are addressed with EBT management and supervisory personnel. El Paso County DHS updated the process for destruction of returned EBT cards following the 2007 audit. During 2008 the front lobby at 105 N. Spruce St. has been remodeled to include a separate office for the EBT issuance staff. This office is locked and the CAPS machines are now secure. The Sand Creek lobby also received renovations during 2008 and the CAPS machine is now locked and secured when not in use.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended December 31, 2007**

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

**Finding 07-03 — 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:	Eligible recipients must have a minor child living with the parent or relative seeking financial need. Documentation of the minor child should be verified at the time of intake to determine program eligibility and appropriate documentation should be maintained in the case file.
Condition and Context:	One of the 40 files we tested did not contain verification or documentation of a minor child.
Questioned Costs:	\$7,185
Effect:	The failure to properly verify eligibility may result in 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 to ensure program compliance.
Views of Responsible Officials and Plan of Corrective Action:	It is the intention of Management that only families with a minor child living with a parent or other adult caretaker or relative will be determined eligible for TANF benefits and that the appropriate documentation exists in the file to show evidence of a minor child in the home. Supervisors will consistently audit files to ensure this evidence exists in the case file.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2007

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

**Finding 07-04 - 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 90 days for persons who apply for Medicaid on the basis of a disability or within 45 days for all other Medicaid applicants.
Condition and Context:	In 2004, of the 30 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. In 2007, 14 out of 40 files tested did not meet required application processing timelines.
Questioned Costs:	None.
Effect:	Eligible individuals did not receive their Medicaid benefits on a timely basis.
Cause:	Due to the system conversion, all applications were not being processed timely. Excessive caseloads for staff increases potential for untimely processing.
Recommendation:	We recommend the County establish internal controls and procedures 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 conducted a workload study to determine both funding and staffing recommendations. Management evaluated the results of the study and requested additional FTE's for the Food Stamp and Medicaid areas in December 2007. Additional technicians have been hired during 2008, training does take several months and the supervisors have implemented various strategies to improve processing times.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended December 31, 2007**

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

**Finding 07-05 - CFDA 10.551 and 10.561, Food Stamp Cluster, U.S. Department of Agriculture, Passed through the Colorado Department of Human Services**

Criteria or Specific Requirement:	Case files should be adequately maintained to support eligibility requirements.
Condition and Context:	One file of a sample of 45 was not provided during our testing.
Questioned Costs:	\$1,434
Effect:	Benefits disbursed may not have been to an eligible recipient.
Cause:	Case workers were not able to locate the client file to support eligibility of program requirements.
Recommendation:	We recommend the County implement a filing system to ensure that all client files are accounted for and applicable documentation is retained to meet program requirements.
Views of Responsible Officials and Plan of Corrective Action:	Management has taken steps to address the records management system for Food Stamp cases. During 2008 all open Food Stamp cases will now be maintained in the Records Room. Tracking of case files is the responsibility of the record room staff rather than the eligibility staff with very high caseloads to manage. We believe this will address the issue of misplaced files.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2007

Section IV - Prior Federal Award Findings and Questioned Costs

**Finding 06-01, 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 Requirement:	Specific	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: <ul style="list-style-type: none"><li>A. 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.</li><li>B. Damaged or otherwise returned cards are to be destroyed daily.</li><li>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.</li><li>D. Security of the CAPS devices is required by locking the machine in a secure location when not in use.</li><li>E. Supervisory staff is required to review and sign daily reconciliations created by the staff who issues EBT cards.</li></ul>
Condition and Context:		Weekly reconciliations of EBT cards issued contain mathematical errors that went undetected. The County does not consistently destroy EBT cards in compliance with the State requirements. There have also been instances where more than the allowed issuance of 20 EBT cards occurred. The County does not store the CAPS device in a secured location at either issuance location.
Planned 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, 2007**

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

**Finding 06-01, 05-01 & 04-01 (Continued)**

Auditor Response: The County has improved controls over several areas related to EBT card issuance. However, similar results were noted in the 2007 audit, and EBT card security and controls continue to be a finding. Refer to finding 07-02.

**Finding 06-02 & 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 a tool used to aid recipients in fulfilling this requirement and are mandatory for each applicant and should be kept in his/her file.

Condition and Context: In 2006, four of the 30 files tested did not contain an IRC; in 2005, one of 20 files did not contain an IRC.

Planned Action: Management will continue to support the training of staff with regard to the importance of obtaining and retaining all required documentation to ensure that all TANF cases have signed IRC's. The County has increased oversight in this area through the use of a designated person to review cases and increased supervisory audits. In addition, staff has 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.

Auditor Response: This finding has been corrected.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2007

Section IV - Prior 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 in 2006 did not contain immunization records for the child(ren).

Planned 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 a case for eligibility if immunization information is not entered timely. We feel that a system fix will ensure that our county would benefit from such a fix as the issue then becomes automated.

Auditor Response: We tested a sample of 40 case files for immunization records and found all files to be in compliance with immunization requirements. This finding has been resolved.

**Finding 06-04, 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 90 days for persons who apply for Medicaid on the basis of a disability or within 45 days for all other Medicaid applicants.

Condition and Context: In 2006, one of 20 applications tested did not meet prescribed processing timelines. Similar findings occurred in 2004 and 2005.

**EL PASO COUNTY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended December 31, 2007**

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

**Finding 06-04, 05-07 & 04-08 (Continued)**

**Planned 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 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.

**Auditor Response:**

This is still a finding. Please see 07-04.



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**Schedule of Expenditures of Federal Awards**

El Paso County, Colorado  
Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2007

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	\$ 352,263
Total		<u>352,263</u>
<u>U.S. Department of Agriculture</u>		
Passed through Colorado Department of Human Services		
Food Stamps	10.551	45,649,540
Food Stamps Administration	10.561	1,508,831
Passed through Colorado State Forest Service		
Bureau of Land Management	10.664	<u>4,850</u>
Total		<u>47,163,221</u>
<u>U.S. Department of Housing &amp; Urban Development</u>		
Passed through Colorado Department of Local Affairs		
Community Development Block Grant	14.228	<u>663</u>
Total		663
<u>U.S. Department of Criminal Justice</u>		
Alcohol, Tobacco and Firearms	16.012	4,108
Project Exile	16.575	43,638
Comprehensive Drug Enforcement Program	16.579	99,798
Bullet Proof Vest Program	16.607	36,667
Community Gun Violence Prosecution Program	16.609	9,241
COPS Secure our Schools	16.710	16,091
Women/Safe Havens: Supervised Visitation and Safe Exchange	16.527	157,699
Pass through Colorado Springs Police Department		
2005 Justice Assistance Grant	16.738	69,394
Anti-Gang Initiative Grant	16.744	<u>10,412</u>
Total		<u>447,049</u>

(Continued)



El Paso County, Colorado  
Schedule of Expenditures of Federal Awards - Continued  
For the year ended December 31, 2007

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	1,214,942
Workforce Investment Act Title I Adult Program	17.258	2,049,180
Workforce Investment Act Title I Youth Program	17.259	1,490,186
Workforce Investment Act Title I Dislocated Worker Program	17.260	1,504,031
Workforce Investment Act NEG Military Grant	17.260	952,543
Passed through State of Colorado		
Disabled Program Navigator	17.266	18,708
Disabled Veteran's Program	17.801	76,162
Local Veteran's Employment	17.804	8,736
Total		7,314,488
<u>U.S. Department of Transportation</u>		
Passed through Colorado Department of Transportation		
ISTEA	20.205	337,221
Seatbelt Enforcement Program	20.600	19,979
Total		357,200
<u>U.S. Department of Health and Human Services</u>		
Passed through Colorado Department Public Health & Environment		
Grants for Injury Control Research Centers	93.136	2,625
Passed through Colorado Department of Human Services		
Promoting Safe & Stable Families	93.556	375,391
TANF	93.558	12,384,699
Title IV-D Administration	93.563	3,174,604
CSE Research	93.564	7,504
Low Income Energy Assistance Programs	93.568	3,371,482
Child Care and Development Block Grant - Discretionary Fund	93.575	3,084,427
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	4,317,820
Title IV-B	93.645	542,087
Title IV-E	93.658	5,191,914
Adoption	93.659	3,521,968
Adjustment to Federal Assistance	93.xxx	(23,952)
Title XX	93.667	2,044,800
Title IV-E (Independent Living)	93.674	196,511
Title XIX	93.778	1,788,529

(Continued)

El Paso County, Colorado  
 Schedule of Expenditures of Federal Awards - Continued  
 For the year ended December 31, 2007

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	507,786
Total		40,488,193
 <u>Social Security Administration</u>		
Passed through Colorado Department of Education		
Social Security Research and Demonstration	96.007	228,200
Total		228,200
 <u>U.S. Department of Homeland Security</u>		
Passed through Colorado Division of Emergency Management		
Federal Emergency Management Agency (FEMA) under Presidentially-declared Emergency FEMA-EM-3270-CO	97.036	160,159
Emergency Management Performance Grant	97.042	63,325
Buffer Zone Protection Program (BZPP)	97.078	25,730
Total		249,214
Total Expenditures of Federal Awards		\$ 96,600,491

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