

# **El Paso County Colorado**

*Prepared by: Financial and Contract Services Division*



# **Comprehensive Annual Financial Report**

**For the Year Ended  
December 31, 2008**



# **EL PASO COUNTY, COLORADO**

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
December 31, 2008

Prepared by:  
Financial and Contract Services Division

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El Paso County, Colorado  
Comprehensive Annual Financial Report  
For the year ended December 31, 2008

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## **I. INTRODUCTORY SECTION**

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**SUPPORT SERVICES DEPARTMENT  
FINANCIAL AND CONTRACT SERVICES DIVISION**

June 30, 2009

**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, 2008.

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, 2008. 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 617,315. 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 typically stable. During the past ten years, the unemployment rate has adjusted from a low of 2.9% in 2000 to a high of 6.3% in 2003 then back down to 4.4% in 2007. In 2008, due to the national economy, unemployment fluctuated from a low of 5.0% in April to 7.0% in December for an annual amount of 5.8% and is predicted to continue to rise in the early part of 2009. Unemployment should begin decreasing later in 2009 due to a few reasons. First, our local Economic Development Corporation has implemented an 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 are taking place to the military bases located within El Paso County.

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

Unrestricted fund balance of \$14.4 million in the general fund slightly exceeded the \$14.0 million estimated for the 2008 budget as submitted to the State 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 2008, El Paso County asked the citizens for a Public Safety Sales Tax to help address these unfunded mandates but the initiative was defeated. Including the Original Adopted Budget plus additional Mid-Year Reductions, El Paso County had to reduce budgets \$20.0 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 Finance & Contract Services Division in conjunction with the Budget Administration 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 2008, El Paso County established the Citizen Budget Oversight Committee (CBOC) comprised of citizens representing various areas of the community. CBOC reviewed the County's financial condition and operational levels and as a result compiled a list of long-term "Recommendations to the Board of County Commissioners." These long-term recommendations in summary were to implement long-term financial goals such as securing on-going revenue streams to address the County's specific financial needs, ensuring strong fiscal health. Additionally, as a result of the non-passage of the Public Safety Sales Tax Initiative, a large reorganization of the Administrative component of El Paso County government occurred. Reductions in force and their related service levels to citizens were implemented. This reorganization identified on-going cost savings for El Paso County and set a sustainable cost basis for future years.

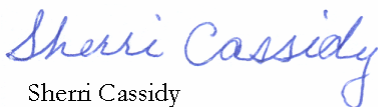
### **Awards and Acknowledgements**

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, 2007. El Paso County received this award for ten consecutive years, from December 31, 1990 through December 31, 1999 and again starting in 2005 to present. 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 Finance & Contract Services Division and the Budget Administration Department. We wish to express our appreciation to all members of these departments 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,



Sherri Cassidy  
Division Manager

# 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, 2007

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



President

Executive Director

**El Paso County, Colorado  
Elected and Appointed Officials  
December 31, 2008**

Commissioners

Chair	Dennis Hisey – District 4
Vice Chair	Jim Bensberg – District 5
Commissioner	Sallie Clark – District 3
Commissioner	Wayne Williams – District 1
Commissioner	Amy Lathen – District 2

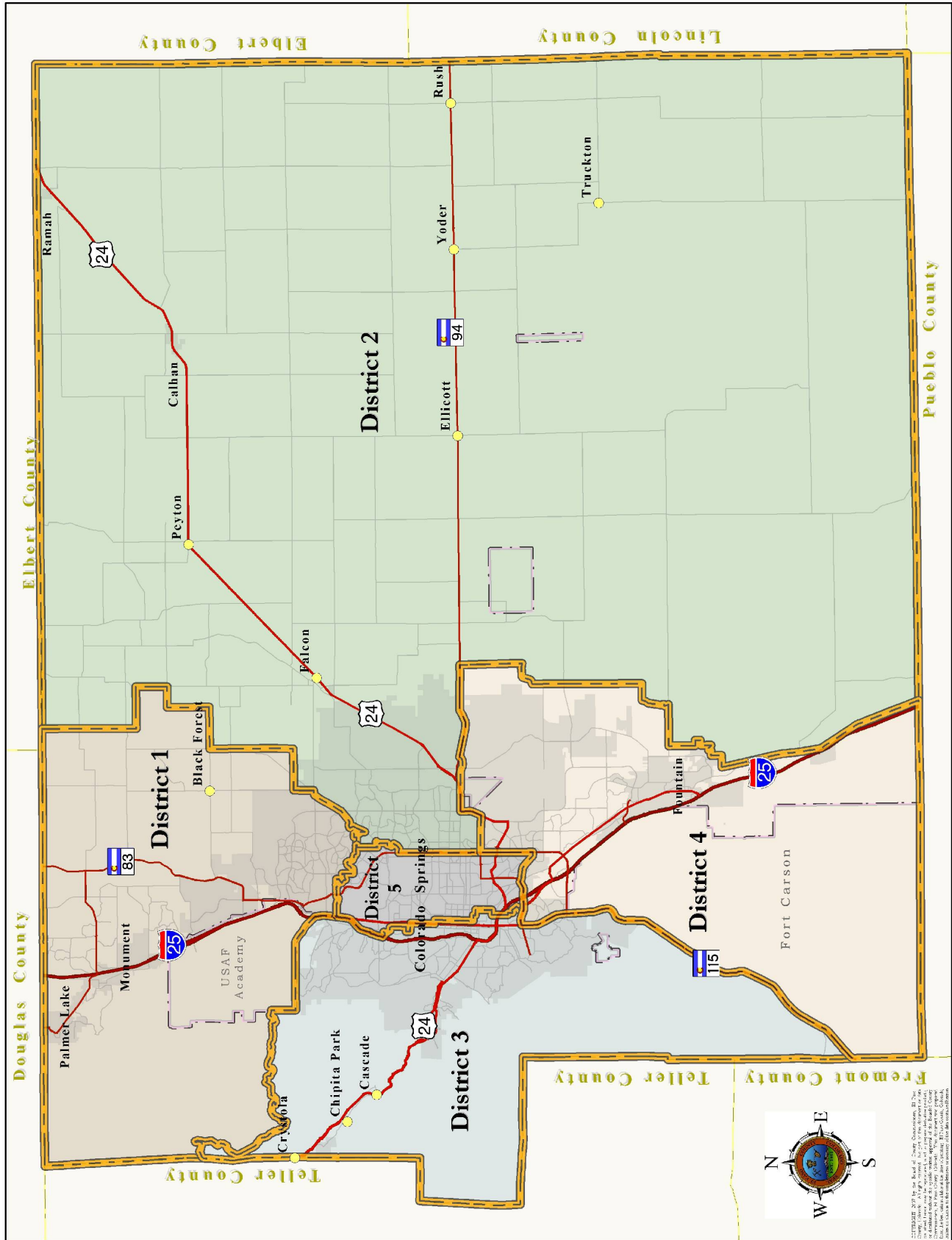
Elected Officials

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

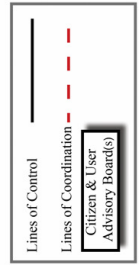
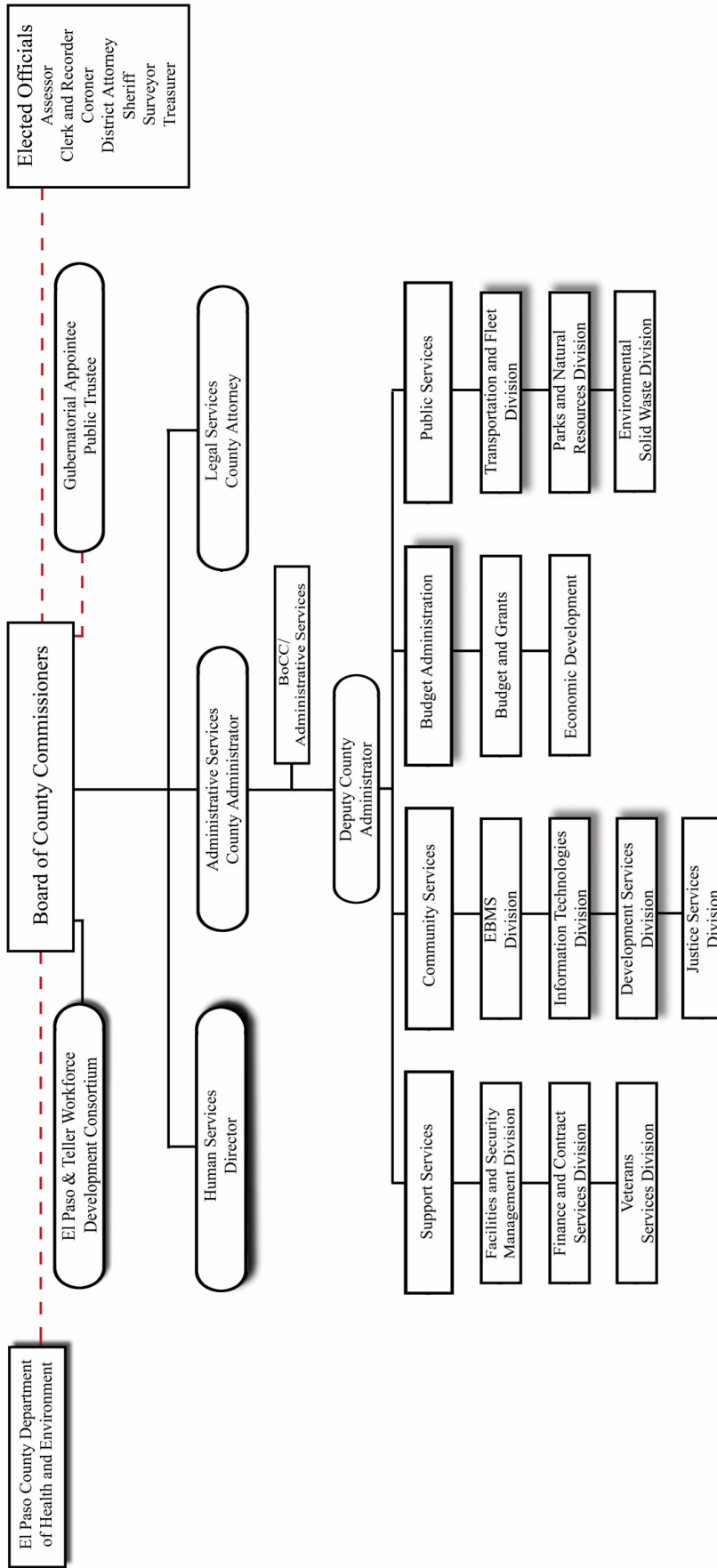
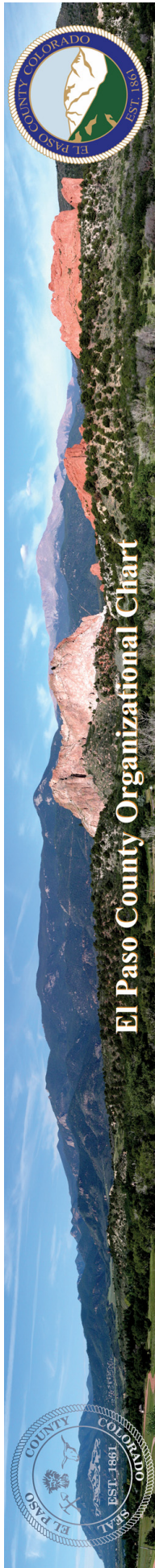
Appointed Officials

Public Trustee	Thomas Mowle
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El Paso County, Colorado  
 District Map  
 December 31, 2008



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## II. FINANCIAL SECTION

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**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

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ENGLEWOOD, COLORADO 80112

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

(303) 799-6926 FAX

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

**Independent Auditors' Report**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County, Colorado, as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of El Paso County, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which represents 8 percent of assets, 20 percent of fund balances, and 3 percent of revenues of the aggregate nonmajor governmental funds; the financial statements of the El Paso County Retirement Plan, which is reported as the pension trust fund; and the financial statements of the 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. 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, audited by other auditors, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented



El Paso County  
Board of County Commissioners  
Colorado Springs, Colorado

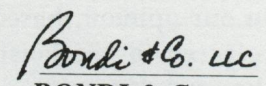
component units, each major fund, and the aggregate remaining fund information of El Paso County, Colorado, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2009 on our consideration of El Paso County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 13 through 22, the budgetary comparison information on pages 70 through 75, and the schedule of funding progress on page 76 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 El Paso County, Colorado's basic financial statements. The introductory section; combining and individual fund financial statements; Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; Local Highway Finance Report; Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements; Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; Local Highway Finance Report and Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied 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 the 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 and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

June 26, 2009

  
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.

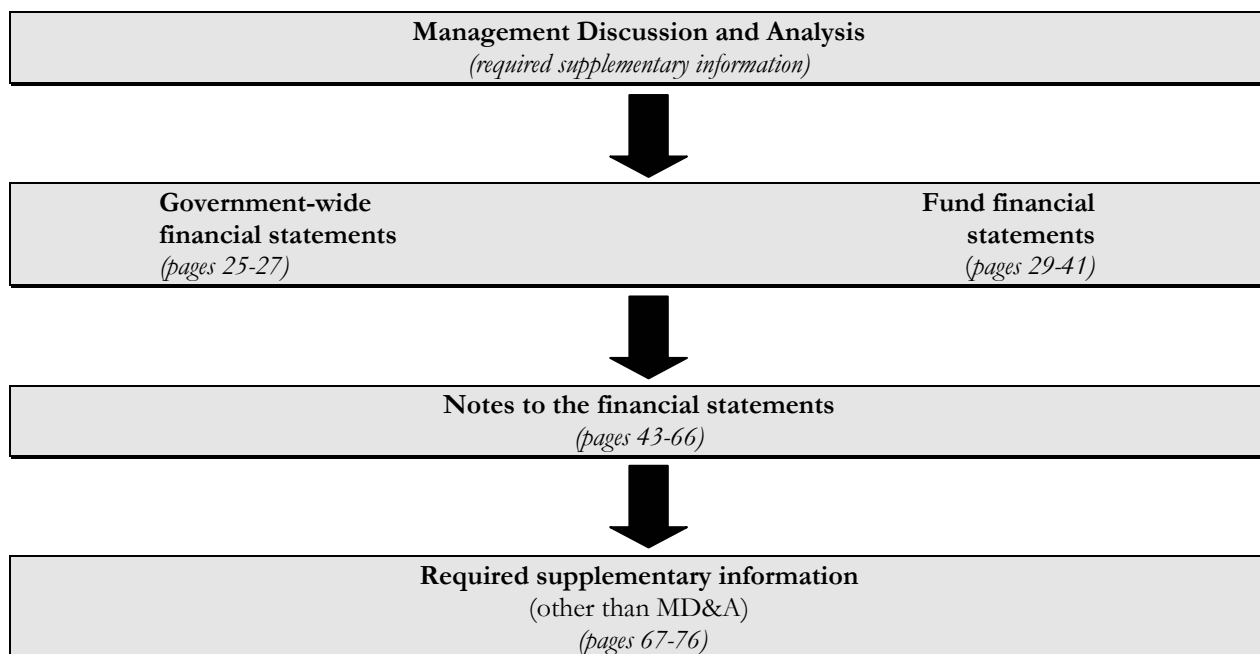
Our discussion and analysis of El Paso County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the County's financial statements, which begin on page 25.

### Financial Highlights

- The County's assets decreased \$60.2 million to \$659.3 million as of December 31, 2008. This is primarily due to the \$87.1 million expense to the County when reverting from the modified approach back to standard depreciation.
- In comparing the 2008 Statement of Activities to 2007, general government expenses decreased \$13.8 million due to the one-time initial OPEB expense occurring in 2007, deteriorating economic conditions, mid-year budget reductions, and the unfunded mandates in 2008 for public safety that had to be shifted from general government. Public safety expenses also decreased from 2007 due to the same OPEB one-time initial expense not occurring in 2008. Public works expenses increased \$78.8 million over 2007 primarily due an \$87.1 million depreciation expense for the County to revert from the modified approach back to standard depreciation plus the decrease for the one-time OPEB expense in 2007. Health and welfare decreased \$5.6 million from 2007 due to fewer federal grants for Pikes Peak Workforce Center and the one-time OPEB expense in 2007.
- The culture and recreation charges for services increased \$3.8 million, primarily due to the Parks Trust, Urban Parks Trust, and Land Development Funds being closed into the General Fund. The public works charges for services increased \$1.0 million, primarily due to Struthers Road and Fleet Services Funds being closed into the Road and Bridge Fund.
- Operational Grants decreased a net of \$1.1 million which was primarily due to a decrease in charitable contributions as pass-through funds to the Economic Development Fund (Enterprise Zone).
- Capital Grants increased \$10.2 million from 2007. The major change was in Public Works completing several construction projects during 2008.
- Property taxes increased \$6.7 million due to 2007 being a reassessment year with taxes collectable during 2008.
- Sales taxes decreased \$19 million from 2007. This was due to \$17.8 million going directly to the Self Insurance Fund as charges for services and the remaining decrease due to economic conditions.
- Highway users tax decreased \$0.6 million from 2007 due to economic conditions.
- Earnings on investments decreased \$2.5 million from 2007 due to economic conditions.

## 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 \$17,222,930 of which \$12.8 million is designated for cash flows representing 51 days of cash flow at the end of 2008. The undesignated fund balance of \$0 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 \$8,378,829 which is 14.5% lower than 2007.

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 2008, our fund balance decreased due to funds held on behalf of ongoing construction project funded by COP's being used. These projects include the Judicial Complex renovation and asbestos abatement.



**Net assets** - The County's combined net assets were \$417.1 million in 2008. 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 124.4	\$ 129.9	\$ 1.5	\$ 3.0	\$ 125.9	\$ 132.9
Capital assets	<u>534.9</u>	<u>586.3</u>	<u>0.9</u>	<u>1.4</u>	<u>535.8</u>	<u>587.7</u>
Total assets	659.4	716.2	2.4	4.4	661.8	720.6
Long-term debt outstanding	184.5	182.2		0.4	184.5	182.6
Other liabilities	<u>60.0</u>	<u>59.1</u>	<u>0.1</u>	<u>0.1</u>	<u>60.1</u>	<u>59.2</u>
Total liabilities	244.5	241.3	0.1	0.5	244.6	241.8
Net assets:						
Invested in capital assets, net of related debt	426.5	568.2	0.8	1.3	427.3	569.5
Restricted	15.8	11.6			15.8	11.6
Unrestricted	<u>(27.5)</u>	<u>(104.9)</u>	<u>1.5</u>	<u>2.6</u>	<u>(26.0)</u>	<u>(102.3)</u>
Total net assets	<u>\$ 414.8</u>	<u>\$ 474.9</u>	<u>\$ 2.3</u>	<u>\$ 3.9</u>	<u>\$ 417.1</u>	<u>\$ 478.8</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 \$414.7 million. This shows a deterioration of the County's net assets from 2007 of \$60.2 million. However, most of those net assets either are restricted as to the purposes they can be used for or are in capital assets (buildings, roads, bridges, and so on). An unrestricted net asset is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net assets showed a \$27.5 million deficit at the end of this year. This deficit shows the current condition of the County as a whole and indicates that the County is functioning on day to day cash without any cushion. The designations are disclosed in the fund financial statements. 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, 2008 is \$5.1 million.

**Changes in net assets** - The County's total revenues were \$216.0 million for 2008. Approximately 13.3% of the County's revenues come from charges for services. The total cost of all programs and services was \$284.0 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 26.3	\$ 21.5	\$ 2.4	\$ 3.0	\$ 28.7	\$ 24.5
Operating grants	56.0	58.0			56.0	58.0
Capital grants	25.6	27.0			25.6	27.0
General revenues						
Property taxes	43.5	35.5			43.5	35.5
Sales tax	50.1	68.5			50.1	68.5
Other taxes	9.5	11.4			9.5	11.4
Other revenues	2.6	3.2		0.7	2.6	3.9
Total revenue	<u>\$ 213.6</u>	<u>\$ 225.1</u>	<u>\$ 2.4</u>	<u>\$ 3.7</u>	<u>\$ 216.0</u>	<u>\$ 228.8</u>
<b>EXPENSES</b>						
General government	\$ 44.5	\$ 49.6	\$	\$	\$ 44.5	\$ 49.6
Public safety	70.4	68.3			70.4	68.3
Public works	96.7	15.1			96.7	15.1
Health and welfare	53.5	54.1	0.9	0.7	54.4	54.8
Culture and recreation	2.9	3.0			2.9	3.0
Auxiliary services	2.0	0.3	2.8	3.5	4.8	3.8
Outside agencies	4.6	6.6			4.6	6.6
Interest on long term debt	5.7	4.6			5.7	4.6
Total expenses	<u>\$ 280.3</u>	<u>\$ 201.6</u>	<u>\$ 3.7</u>	<u>\$ 4.2</u>	<u>\$ 284.0</u>	<u>\$ 205.8</u>
Increase (decrease) in net assets before transfers	(67.0)	23.6	(1.2)	(0.9)	(68.2)	22.7
Transfers	0.0	(0.5)	(0.0)	0.5		
Increase (decrease) in net assets	<u>\$ (67.0)</u>	<u>\$ 23.1</u>	<u>\$ (1.2)</u>	<u>\$ (0.4)</u>	<u>\$ (68.2)</u>	<u>\$ 22.7</u>
Ending Net Assets	<u><u>\$ 414.7</u></u>	<u><u>\$ 500.2</u></u>	<u><u>\$ 2.4</u></u>	<u><u>\$ 4.6</u></u>	<u><u>\$ 417.1</u></u>	<u><u>\$ 504.8</u></u>

## Governmental Activities

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

### Revenues:

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

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

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

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

### Expenses:

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

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

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

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

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

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

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

	Total Cost of Services		Net Cost (Revenue) of Services	
	2008	2007	2008	2007
Public safety	\$ 70.4	\$ 68.3	\$ 55.4	\$ 54.8
Public works	96.7	15.1	68.5	(11.1)
Health and welfare	53.5	54.1	15.8	15.0
Culture and recreation	2.9	3.0	(2.8)	1.2
<b>Total</b>	<b>\$ 223.5</b>	<b>\$ 140.5</b>	<b>\$ 136.9</b>	<b>\$ 59.9</b>

## Financial Analysis of the County's Funds

As the County completed the year, the governmental funds reported a combined fund balance of \$57.6 million. Included in this year's total change in fund balance was a \$16.5 million decrease in the Capital Fund due to construction expenditures for major capital projects.

### El Paso County Budgetary Highlights

Over the course of the year, the County Commissioners revised the overall County's Budget with a total of 113 resolutions for a net increase of \$29,646,394. The ten largest budget resolutions follow and total \$26,046,490. The remaining resolutions combined total \$3,599,904. The El Paso County Board of Commissioners approved Resolution 08-249 and Resolution 08-365 for mid-year budget reductions to balance the 2008 budget, in the amount of \$1,594,858, offsetting the balance of the remaining resolutions.

- Resolution 08-43 was approved in the amount of \$6,859,033 to the Department of Transportation's budget for construction management related services for the Woodmen Road improvements capacity project.
- Resolution 09-100 was approved in the amount of \$4,289,974 to close the Struther's Road and Fleet Services Funds into the Road and Bridge restricted fund and to close the Parks and Land Development Funds into the General Fund restricted.
- Resolution 08-42 was approved in the amount of \$4,082,169 to reappropriate 2008 contracts, projects and purchase orders from the Road and Bridge fund balance for the Woodmen Road Project. These projects were scheduled to be completed during 2008.
- Resolution 08-522 was approved in the amount of \$3,600,000 as a result of the 2008 mid-year budget balancing options and to maintain compliance with C.R.S. 29-1-103(2), to transfer Regional Parks Trust and Urban Parks Trust funds to the General Fund, and to appropriate funds from the General Fund unrestricted Board Reserve to cover one time payouts for position eliminations.
- Resolution 08-104 was approved in the amount of \$3,187,234 to reappropriate 2008 projects in process but not yet completed and for purchases that have been ordered but not yet received. These purchases and projects were scheduled to be completed in 2008.
- Resolution 09-27 was approved in the amount of \$2,870,721 to the Department of Transportation Fund, for a contract with the Colorado Department of Transportation for construction services on the Woodmen Road Project.
- Resolution 08-363 was approved in the amount of \$327,981 to the Department of Justice Services from the Department of Public Safety, Division of Criminal Justice, for allocation letters to subcontractors providing community corrections services.
- Resolution 08-385 was approved in the amount of \$294,000 to the Department of Transportation, for construction of the Mulberry Road Bridge.
- Resolution 08-408 was approved in the amount of \$276,559 from the United States Department of Defense to the General Fund to complete the purchase of the Buffer Zone Land located in the Rancho Colorado Subdivision.
- Resolution 08-463 was approved in the amount of \$258,819 from the U.S. Department of Justice to the Sheriff's Office budget for the State Criminal Alien Assistance Program (SCAAP) to be used toward total salaries for Sheriff's Office detention deputies.

## Capital Assets and Debt Administration

### Capital Assets

At the end of 2008, the County had invested \$707.5 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	
	2008	2007
Land	\$ 14.0	\$ 14.1
Construction in progress	26.1	7.9
Buildings & improvements	189.4	179.0
Machinery and equipment	58.1	57.4
Infrastructure	419.9	402.3
Total	\$ 707.5	\$ 660.7

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2008, amounts to \$535.7 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 fiscal year included the following:

- During 2008, there was \$6,228,136 of construction in progress for the addition to the Parking Structure.
- During 2008, there was \$3,318,408 of construction in progress for the Metro Jail renovation.
- During 2008, there was \$7,355,324 of construction in progress for the Courthouse renovation.
- During 2008, there was \$17,565,628 used in Road and Bridge infrastructure.
- During 2008, the Metro Jail Renovations and the Parking Structure addition were completed.

Table 4 presents capital balances related to governmental funds and internal service funds.

### **Modified Approach for the County Department of Transportation Infrastructure Capital Assets**

Due to economic conditions, El Paso County does not have the funding to maintain assets at approved levels. Therefore, El Paso County has elected to revert to straight line depreciation to account and report on infrastructure assets. Making a change from the modified approach to straight line depreciation will require reporting retroactive infrastructure with an estimated historical cost of \$402 million and \$67 million in accumulated depreciation as of December 31, 2008.

## Reconciliation of Capital Asset Schedules

<u>Page</u>	<u>Amount</u>	<u>Explanation</u>
21	707.5	Total capital including Governmental & Internal Services Funds
25	40,145,686	Capital not Depreciated - Governmental & Internal Services Funds
	<u>494,760,529</u>	Capital net of Depreciation - Governmental & Internal Services Funds
	\$ 534,906,215	
56	40,145,686	Capital not Depreciated - Governmental & Internal Services Funds
	<u>667,307,049</u>	Total Capital to Depreciate - Governmental & Internal Services Funds
	\$ 707,452,735	Total before Depreciation
	<u>(172,546,520)</u>	Depreciation
	\$ 534,906,215	Net of Depreciation
122-124	707,384,786	Capital Assets Governmental Only
	<u>67,948</u>	Internal Services Fund Capital Assets from Note on page 56
	\$ 707,452,734	

### Infrastructure Assets

Information on El Paso County's capital assets can be found in the notes to the financial statements of this report on pages 50, 51, 56, 57, and 66.

### Long-term Debt

During 2008, El Paso County had a net reduction in long-term debt accounts of \$22,530,638. 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 12/31/08 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 and Contract Services Division 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, 2008

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	El Paso County Department of Health and Environment	The El Paso County Housing Authority
<b>ASSETS</b>					
Cash and investments	\$ 28,860,395	\$ 1,311,589	\$ 30,171,984	\$ 2,709,710	\$ 276,791
Receivables					
Property taxes	44,250,095		44,250,095		
Accounts	2,035,918	212,978	2,248,896	45,093	21,252
Intergovernmental Notes	24,207,069		24,207,069	1,971,711	3,729,459
Internal balances	(27,510)	27,510			
Inventories	2,341,050		2,341,050		
Prepaid items	372,931		372,931	3,727	210
Restricted cash and investments	20,298,893		20,298,893		2,113,459
Unamortized issuance costs	2,055,683		2,055,683		
Capital assets, not depreciated	40,145,686		40,145,686		
Capital assets, net of accumulated depreciation	494,760,529	886,205	495,646,734	83,507	
Total assets	<u>659,300,739</u>	<u>2,438,282</u>	<u>661,739,021</u>	<u>4,813,748</u>	<u>6,141,171</u>
<b>LIABILITIES</b>					
Accounts payable	11,013,489	26,516	11,040,005	490,290	375
Due to other governments	2,310,913		2,310,913		
Interest payable	465,632		465,632		
Accrued liabilities	2,053,409		2,053,409	1,246,692	4,134
Deferred revenue	44,252,083		44,252,083	199,077	
Noncurrent liabilities					
Due within one year	26,716,380		26,716,380		440
Due in more than one year	157,743,870	44,607	157,788,477		
Total liabilities	<u>244,555,776</u>	<u>71,123</u>	<u>244,626,899</u>	<u>1,936,059</u>	<u>4,949</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	426,496,580	886,205	427,382,785	83,507	
Restricted for:					
Declared emergencies	5,062,324		5,062,324	545,278	
Debt service	10,723,705		10,723,705		148,228
Unrestricted	(27,537,646)	1,480,954	(26,056,692)	2,248,904	5,987,994
Total net assets	<u>\$414,744,963</u>	<u>\$ 2,367,159</u>	<u>\$417,112,122</u>	<u>\$ 2,877,689</u>	<u>\$ 6,136,222</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Statement of Activities  
For the year ended December 31, 2008

<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	\$ 44,543,821	\$ 15,597,399	\$ 1,103,656	\$ 18,054
Public safety	70,429,035	3,842,816	11,163,460	
Public works	96,727,905	1,892,183	818,534	25,564,392
Health and welfare	53,492,404	402,884	37,321,898	
Culture and recreation	2,942,434	4,336,800	1,332,295	32,790
Auxiliary services	2,003,860		57,185	
Outside agencies	4,613,511	221,753	4,164,277	
Interest on long-term debt	5,700,186			
Total governmental activities	280,453,156	26,293,835	55,961,305	25,615,236
Business-type activities				
Solid waste management	874,130	882,231		
Land development	2,780,985	1,539,145		
Total business-type activities	3,655,115	2,421,376		
Total primary government	\$ 284,108,271	\$ 28,715,211	\$ 55,961,305	\$ 25,615,236
<b>Component units:</b>				
Health department	\$ 25,489,374	\$ 3,075,950	\$ 21,484,394	\$
Housing authority	826,903	240,967	752,882	
Total component units	\$ 26,316,277	\$ 3,316,917	\$ 22,237,276	\$

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		
\$ (27,824,712)	\$	\$ (27,824,712)	\$	\$
(55,422,759)		(55,422,759)		
(68,452,796)		(68,452,796)		
(15,767,622)		(15,767,622)		
2,759,451		2,759,451		
(1,946,675)		(1,946,675)		
(227,481)		(227,481)		
(5,700,186)		(5,700,186)		
<u>(172,582,780)</u>		<u>(172,582,780)</u>		
	8,101	8,101		
	(1,241,840)	(1,241,840)		
	(1,233,739)	(1,233,739)		
<u>\$ (172,582,780)</u>	<u>\$ (1,233,739)</u>	<u>\$ (173,816,519)</u>	<u>\$</u>	<u>\$</u>
			(929,030)	
				166,946
			<u>(929,030)</u>	<u>166,946</u>
43,479,334		43,479,334		
50,098,470		50,098,470		
756,043		756,043		
8,653,811		8,653,811		
2,270,800	46,354	2,317,154	75,184	155,838
297,718		297,718		
<u>105,556,176</u>	<u>46,354</u>	<u>105,602,530</u>	<u>75,184</u>	<u>155,838</u>
27,510	(27,510)			
<u>105,583,686</u>	<u>18,844</u>	<u>105,602,530</u>	<u>75,184</u>	<u>155,838</u>
(66,999,094)	(1,214,895)	(68,213,989)	(853,846)	322,784
474,928,550	4,021,060	478,949,610	3,731,535	5,813,438
6,815,507	(439,006)	6,376,501		
<u>\$ 414,744,963</u>	<u>\$ 2,367,159</u>	<u>\$ 417,112,122</u>	<u>\$ 2,877,689</u>	<u>\$ 6,136,222</u>

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## **Fund Financial Statements**

El Paso County, Colorado  
Governmental Funds  
Balance Sheet  
December 31, 2008

	General Fund	Road and Bridge	Human Services
<b>ASSETS</b>			
Cash and investments	\$ 8,160,640	\$ 7,607,268	\$ 616,169
Taxes receivable	30,411,361	1,937,875	
Accounts receivable	1,247,540	35,266	107,940
Due from other funds	1,755,126	44,233	69,795
Due from other governments	13,823,138	4,164,604	5,111,528
Inventories	188,495	2,152,555	
Prepaid items	110,931		
Restricted cash and investments			12,468
Total assets	<u>\$ 55,697,231</u>	<u>\$ 15,941,801</u>	<u>\$ 5,917,900</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	2,529,349	3,345,433	931,910
Accrued wages	24,280	138	4,026
Due to other funds	105,660	89,407	2,572,933
Due to other governments		37,564	2,273,349
Deferred revenue	30,413,349	1,937,875	
Total liabilities	<u>33,072,638</u>	<u>5,410,417</u>	<u>5,782,218</u>
Fund Balances:			
Reserved			
Declared emergencies	5,062,324		
Encumbrances	39,913		
Inventories	188,495	2,152,555	
Prepaid items	110,931		
Debt service			
Construction			
Unreserved			
Designated for subsequent year's expenditures/cash flows	17,222,930		
Capital projects fund			
Designated for subsequent year's expenditures/cash flows			
Special revenue funds			
Designated for subsequent year's expenditures/cash flows		3,100,150	
Undesignated		5,278,679	135,682
Total fund balances	<u>22,624,593</u>	<u>10,531,384</u>	<u>135,682</u>
Total liabilities and fund balances	<u>\$ 55,697,231</u>	<u>\$ 15,941,801</u>	<u>\$ 5,917,900</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,374,644	\$ 4,040,996	\$ 21,799,717
8,108,919	3,791,940	44,250,095
	518,800	1,909,546
	39,897	1,909,051
	1,039,706	24,138,976
		2,341,050
		110,931
20,286,425		20,298,893
<u>\$ 29,769,988</u>	<u>\$ 9,431,339</u>	<u>\$ 116,758,259</u>
596,004	1,398,749	8,801,445
		28,444
	959,476	3,727,476
		2,310,913
8,108,919	3,791,940	44,252,083
<u>8,704,923</u>	<u>6,150,165</u>	<u>59,120,361</u>
		5,062,324
	297,335	337,248
		2,341,050
		110,931
10,723,705		10,723,705
9,562,720		9,562,720
		17,222,930
778,640		778,640
	1,209,031	4,309,181
	1,774,808	7,189,169
<u>21,065,065</u>	<u>3,281,174</u>	<u>57,637,898</u>
<u>\$ 29,769,988</u>	<u>\$ 9,431,339</u>	<u>\$ 116,758,259</u>

El Paso County, Colorado  
 Governmental Funds  
 Reconciliation of the Balance Sheet to the  
 Statement of Net Assets  
 For the year ended December 31, 2008

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

Fund balances - total governmental funds (page 31)	\$ 57,637,898
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	534,870,941
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.	(37,694,681)
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	(465,632)
Compensated absences payable	(13,797,561)
Capital leases payable	(1,168,920)
Certificates of participation payable	(124,958,056)
Unamortized premium (to be amortized as interest expense)	(1,507,159)
Elimination of due to/from interfund balances	(227,550)
Unamortized issuance costs (to be amortized over life of debt)	2,055,683
Net assets - governmental activities (page 25)	\$ 414,744,963

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, 2008

	General Fund	Road and Bridge	Human Services
<b>REVENUE</b>			
Property taxes	\$ 24,254,481	\$ 7,684,574	\$ (10,012)
Sales taxes	30,279,818		10,022,957
Specific ownership taxes	756,043		
Highway user taxes		8,177,868	
Intergovernmental	12,056,656	10,103,266	31,571,120
Fees and fines	855,305		
Licenses and permits	329,387		
Charges for services	15,276,883	708,749	
Investment earnings	1,665,097		
Miscellaneous	6,450,784	1,084,650	6,690
	<hr/>	<hr/>	<hr/>
Total revenues	91,924,454	27,759,107	41,590,755
<b>EXPENDITURES</b>			
Current:			
General government	31,627,704		
Public safety	54,053,254		
Public works		14,138,816	
Health and welfare	4,018,712		41,239,748
Culture and recreation	1,388,907		
Outside agencies			
Auxiliary services	412,422		
Debt service:			
Principal			
Bond Issuance Costs		113,365	
Interest and other charges			
Capital outlay	1,274,855	12,439,011	
	<hr/>	<hr/>	<hr/>
Total expenditures	92,775,854	26,691,192	41,239,748
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(851,400)	1,067,915	351,007
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from issuance of certificates of participation (COP)		2,500,000	
Proceeds from sale of capital assets	297,718		
Transfers in	4,819,635		390,798
Transfers out	(1,980,631)	(4,333,884)	(777,021)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	3,136,722	(1,833,884)	(386,223)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	2,285,322	(765,969)	(35,216)
Fund balances - January 1	20,339,271	11,297,353	170,898
Prior Period Adjustment			
Fund balances - December 31	<u>\$ 22,624,593</u>	<u>\$ 10,531,384</u>	<u>\$ 135,682</u>

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 7,566,985	\$ 3,983,306	\$ 43,479,334
	9,795,695	50,098,470
		756,043
	475,943	8,653,811
	8,708,841	62,439,883
	132,920	988,225
		329,387
		15,985,632
560,717	44,987	2,270,801
	4,448,204	11,990,328
<u>8,127,702</u>	<u>27,589,896</u>	<u>196,991,914</u>
124,944	5,494,889	37,247,537
	11,379,133	65,432,387
		14,138,816
	6,136,531	51,394,991
	1,259,583	2,648,490
	4,401,352	4,401,352
		412,422
2,885,000		2,885,000
		113,365
5,559,367		5,559,367
17,149,922	246,797	31,110,585
<u>25,719,233</u>	<u>28,918,285</u>	<u>215,344,312</u>
<u>(17,591,531)</u>	<u>(1,328,389)</u>	<u>(18,352,398)</u>
		2,500,000
		297,718
1,075,000	967,318	7,252,751
	(133,705)	(7,225,241)
<u>1,075,000</u>	<u>833,613</u>	<u>2,825,228</u>
(16,516,531)	(494,776)	(15,527,170)
34,988,597	3,775,950	70,572,069
2,592,999		2,592,999
<u>\$ 21,065,065</u>	<u>\$ 3,281,174</u>	<u>\$ 57,637,898</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, 2008

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)	\$ (15,527,170)
<p>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:</p>	
Capital outlay	31,110,585
Depreciation	(27,995,288)
<p>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:</p>	
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.	16,378,445
Transfers and capital purchases from general government operating	(61,296,802)
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.	(241,524)
<p>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:</p>	
Debt issued or incurred:	
Certificates of participation issued	(2,500,000)
Premiums on insurance of certificates of participation	
Principal repayments	2,885,000
Amortization of debt premium	37,144
Amortization of issuance costs	89,469
Payment of capital leases as a reduction of long term debt	(1,168,921)
<p>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:</p>	
Compensated absences	(92,480)
Prior period adjustment for compensated absences	(337,669)
Accrued interest	(12,178)
<p>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.</p>	
Elimination of due to/from interfund balances	(8,525,655)
	197,950
Change in net assets - governmental activities (page 27)	\$ (66,999,094)

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Proprietary Funds  
Statement of Net Assets  
December 31, 2008

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 1,311,589	\$ 7,060,678
Accounts receivable	212,978	126,372
Intergovernmental receivable		68,093
Due from other funds		1,819,755
Prepaid expenses		262,000
Total current assets	1,524,567	9,336,898
Noncurrent assets:		
Capital assets, net of accumulated depreciation	886,205	35,273
Total assets	2,410,772	9,372,171
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	26,516	2,212,044
Accrued liabilities		2,024,965
Due to other funds	239	1,091
Total current liabilities	26,755	4,238,100
Noncurrent liabilities:		
Compensated absences	44,607	
Other postemployment benefits		42,828,752
Total current liabilities	44,607	42,828,752
Total liabilities	71,362	47,066,852
<b>NET ASSETS</b>		
Invested in capital assets	886,205	35,273
Unrestricted	1,453,205	(37,729,952)
Total net assets	\$ 2,339,410	\$ (37,694,679)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	27,749	
Total net assets - business-type activities (page 25)	\$ 2,367,159	

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, 2008

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues		
Charges for services	\$ 2,421,376	\$ 11,261,317
Operating expenses		
Insurance premiums		845,618
Claim settlements		22,472,593
Depreciation	164,907	1,765,198
Administration and operations	3,517,957	17,587,587
Total operating expenses	3,682,864	42,670,996
Operating income (loss)	(1,261,488)	(31,409,679)
Nonoperating revenues/expenses		
Taxes		22,603,115
Investment Earnings	46,354	
Gain (loss) on sale of capital assets		56,246
Miscellaneous		224,663
Total nonoperating revenues/expenses	46,354	22,884,024
Income (loss) before transfers	(1,215,134)	(8,525,655)
Transfers in	514,833	
Transfers out	(542,343)	
Change in net assets	(1,242,644)	(8,525,655)
Net assets - January 1	3,582,054	(29,169,024)
Net assets - December 31	\$ 2,339,410	\$ (37,694,679)
Change in net assets	(1,242,644)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	27,749	
Total net assets - business-type activities (page 25)	\$ (1,214,895)	

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, 2008

	Business-type Activities- Enterprise Funds	Governmental Activities- Internal Service Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,444,852	\$ 421,747	\$ 2,866,599
Receipts from interfund services provided	337,085	10,335,341	10,672,426
Payments to suppliers	(455,900)	85,900	(370,000)
Payments to employees	(2,002,484)	(24,331,492)	(26,333,976)
Payments for interfund services used	(1,559,592)	(3,896,748)	(5,456,340)
Net cash provided by (used in) operating activities	<u>(1,236,039)</u>	<u>(17,385,252)</u>	<u>(18,621,291)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes received		22,603,115	22,603,115
Transfers in	118,985		118,985
Net cash provided by (used in) noncapital financing activities	<u>118,985</u>	<u>22,603,115</u>	<u>22,722,100</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of capital assets		56,246	56,246
Capital expenditures	(8,294)	(22,965)	(31,259)
Net cash provided by (used in) capital and related financing activities	<u>(8,294)</u>	<u>33,281</u>	<u>24,987</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	46,354		46,354
Net cash provided by (used in) investing activities	<u>46,354</u>		<u>46,354</u>
Net increase (decrease) in cash and cash equivalents	(1,078,994)	5,251,144	4,172,150
Cash and cash equivalents - January 1	2,390,583	1,809,534	4,200,117
Cash and cash equivalents - December 31	<u>\$ 1,311,589</u>	<u>\$ 7,060,678</u>	<u>\$ 8,372,267</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (1,261,488)	\$ (31,409,679)	\$ (32,671,167)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue		224,663	224,663
Depreciation expense	164,907	1,765,198	1,930,105
(Increase) decrease in assets			
Accounts receivable	23,426	(117,434)	(94,008)
Intergovernmental receivables	50	314,517	314,567
Due from other funds	1,561	(925,976)	(924,415)
Inventories		704,601	704,601
Increase (decrease) in liabilities			
Accounts payable	(48,192)	807,906	759,714
Accrued liabilities		6,225,817	6,225,817
Compensated absences	(242,823)	(325,089)	(567,912)
Due to other funds	126,520	5,350,224	5,476,744
Net cash provided by (used in) operating activities	<u>\$ (1,236,039)</u>	<u>\$ (17,385,252)</u>	<u>\$ (18,621,291)</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
Fiduciary Funds  
Statement of Net Assets  
December 31, 2008

	<u>Pension Trust - El Paso County Retirement Plan</u>	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,178,632	\$ 83,663	\$ 26,765,911
Investments			
Equities:			
Domestic stocks and equity mutual funds	71,018,305		
International stocks	40,942,814		
Fixed income:			
Fixed income mutual funds	49,374,400		
U.S. government and agency securities	6,985,903		
Corporate fixed income securities	13,216,316		
Real estate mutual fund	24,006,283		
Total investments	<u>205,544,021</u>		
Securities lending collateral	<u>10,198,914</u>		
Receivables			
Interest and dividends	443,438		
Securities sold	326,189		
Other	<u>108,112</u>		
Total receivables	<u>877,739</u>		
Capital assets - net	<u>215,156</u>		
Total assets	<u>221,014,462</u>	<u>83,663</u>	<u>26,765,911</u>
<b>LIABILITIES</b>			
Securities lending obligation	12,081,574		
Accounts payable and accrued liabilities	229,360		
Due to other governments			20,123,297
Payable for securities purchased	556,232		
Escrow deposits held by trustee			988,686
Funds due to bondholders			58,297
Other			<u>5,595,631</u>
Total liabilities	<u>12,867,166</u>		<u>26,765,911</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ 208,147,296</u>	<u>\$ 83,663</u>	<u>\$</u>

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, 2008

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employers	\$ 6,348,554	\$
Employees	7,158,864	
Total contributions	13,507,418	
Charges for services		185,366
Other income	4,633	
Investment earnings:		
Net appreciation in fair value of investments	(84,455,274)	
Interest and dividend income	5,713,861	86,891
Securities and lending income	98,013	
Securities and lending unrealized loss	(1,882,660)	
Total investment earnings	(80,526,060)	86,891
Less investment expenses	(1,314,618)	
Net investment income	(81,840,678)	86,891
Total additions	(68,328,627)	272,257
<b>DEDUCTIONS</b>		
Outside agencies		4,355,005
Benefits	14,391,249	
Refunds	1,997,056	
Administrative expenses	460,156	
Total deductions	16,848,461	4,355,005
Change in net assets	(85,177,088)	(4,082,748)
Net assets - January 1	293,324,384	4,166,411
Net assets - December 31	\$ 208,147,296	\$ 83,663

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. The Facilities Corporation does not publish separate financial statements.

#### 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, 2008

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 and Contract Services Division 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, 2008

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 County's non-major funds are:

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

*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 County's non-major enterprise funds are:

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. The land development review fund was moved to the general fund as of 12/31/08.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2008

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

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

*Fleet Services Fund* was established to provide regular vehicle and equipment maintenance and maintain adequate fleet inventory. Effective 2008 the fleet services fund activity was moved to the road and bridge fund.

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

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

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

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

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

*Struther's Road Agency Fund* bonds were issued for construction and installation of improvements on a portion of Struther's Road and was closed to the Road and Bridge Fund on 12/31/2008.

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

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

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 inter-fund services provided and used are not eliminated in the process consolidation. The County's policy for allocating indirect expenses is based off of GASB 34 direction and is allocated based on usage by departments.

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.



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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.

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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, 2008, was \$. 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, 2008, was \$10,723,705.

E. 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.

F. 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. The County had fully implemented GASB 34 to retroactively capitalized infrastructure and land under infrastructure. Due to economic conditions, El Paso County was unable to maintain assets at the targeted condition levels using the modified approach. Effective January 2008 the standard depreciation method for all assets will be used. Making a change from the modified approach to straight line depreciation will require reporting retroactive infrastructure with an estimated historical cost of \$402 million and \$67 million in accumulated depreciation as of December 31, 2008. A change in accounting estimate is reflected in the government wide financial statements. 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.

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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

G. 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.

H. Long-term obligations

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

I. Prior period adjustment

Some cash restricted for Debt Services was inadvertently dropped from capital projects fund and is reflected as an increase to both cash and fund balance as a prior period adjustment. Unrestricted Fund balance was not adjusted properly for the business-type activities and resulted in a reduction of \$439,006. Moving the compensated absences amounts to governmental activities previously attributable to internal service and enterprise activity resulted in an adjustment of \$337,669 reflected on page 36.

**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. A budget was not adopted for the Falcon Vista Acquisition LID fund for 2008 but will have a budget adopted for 2009. 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

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outstanding as of December 31, 2008, are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

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

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

- A. Budgets are required by state law for all funds except fiduciary fund types and the El Paso County Sheriff Special Investigation Fund, which is a special revenue fund. In September, the Budget Division of the County's Financial and Contract Services Division 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, 2008.

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 \$16,666,411 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

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deposits issued by banks located in Colorado under applicable Colorado Statutes and those authorized under the provisions of CRS, Section 24-75-601.1(k). State investment pools authorized under CRS, Section 24-75-701, direct obligations of the U.S. Government, Federal Instrumentality Security and prime commercial paper are also authorized. In order to limit its exposure to fair value losses arising from higher interest rates, the County's investment policy limits the investment maturities to five years, unless, specifically approved in advance by the Board of County Commissioners. The County's deposit and investment policy is written in compliance with revised Colorado Statutes.

As of December 31, 2008, 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 US Bank and are "on balance sheet" accounts.

As of December 31, 2008, the County had the following investments:

Primary Government (Including Fiduciary Funds)	Investment Maturities			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Up to 120 days</u>	<u>121 Days to 5 years</u>	<u>Credit Rating</u>
Instrumentality:				
Federal National Mortgage Association (FNMA)	\$ 2,007,820		\$ 2,007,820	AAA
Federal Home Credit Bank (FFCB)	\$ 2,067,500		\$ 2,067,500	AAA
Federal Home Loan Bank (FHLB)	\$ 1,008,750	\$ 1,008,750		AAA
ColoTrust	<u>\$ 23,307,940</u>	<u>\$ 23,307,940</u>		AAA
Total Investments controlled by the County	\$ 28,392,010	\$ 24,316,690	\$ 4,075,320	
Percent of Total		86%	14%	
Reconciliation to Total Deposits and Investments		<u>Ratings</u>		
Add:		<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>
Cash and deposits	\$ 14,164,080	P-1	A-1+	F1+
Money Market funds	\$ 9,240,869	P-1	A-1+	F1+
Total Deposits and Investments	<u><u>\$ 51,796,959</u></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	\$ 3,194,954	Aaa		No
U. S. Treasuries	\$ 1,079,898	US Gov't Guar	2 & 5/09	No
Instrumentality:				
Government National Mortgage Association (GNMA)	\$ 99,011	AAA	2018-30	Yes
	<u>\$ 4,373,863</u>			
Cash and deposits	<u>\$ 736,573</u>			
	<u><u>\$ 5,110,436</u></u>			

Funds held on behalf of the Department of Health and Environment total \$2,720,186. Cash reflected in their financial statements reflects adjustments of (\$10,476) not currently included in the Treasurer's cash.

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Funds held by Treasurer:	
Treasurer's agency	\$ 24,849,608
Government Wide Financial Statement	29,525,577 *
Fiduciary & LID funds	<u>141,960</u>
	\$ 54,517,145
Cash reflected in financials held by other institutions:	
Housing Authority	\$ 276,791
Special Investigation	646,407
Retirement Plan	4,178,632
Restricted cash held by other banks	20,298,893
Public Trustee	<u>1,858,006</u>
	\$ 27,258,729
Total cash reflected in financials	<u>\$ 81,775,874</u>

\* Cash reflected for the Special Investigation fund is not held by the Treasurer.

Blended Component Unit – Cash and Investments

The Retirement Plan (Plan) has a bank balance of \$649,319 on deposit with banking institutions at December 31, 2008. Of the bank balance, \$250,000, is insured by the Federal Deposit Insurance Corporation at December 31, 2008. In addition, \$3,529,313 was held by the various money managers in banking institutions at December 31, 2008. 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):	Fair Value	Credit Rating
Domestic stocks and equity mutual funds	\$ 71,018,305	
International stocks and equity mutual funds	\$ 40,942,814	
Fixed Income Investments:		
Fixed income mutual fund	\$ 26,949,446	AA
Fixed income mutual fund	\$ 22,424,954	AA
U.S. Government Agency securities	\$ 5,828,474	AAA
U.S. Government Agency securities	\$ 100,097	BBB-
U.S. Treasury securities	\$ 1,057,332	AAA
Mortgage-backed securities	\$ 1,389,854	AAA
Mortgage-backed securities	\$ 309,578	BBB
Mortgage-backed securities	\$ 932,809	Unrated
Corporate fixed income securities	\$ 873,878	AAA
Corporate fixed income securities	\$ 179,998	AA+
Corporate fixed income securities	\$ 102,923	AA-
Corporate fixed income securities	\$ 1,086,943	A+
Corporate fixed income securities	\$ 1,524,863	A
Corporate fixed income securities	\$ 1,224,584	A-
Corporate fixed income securities	\$ 1,186,380	BBB+
Corporate fixed income securities	\$ 1,426,922	BBB
Corporate fixed income securities	\$ 1,101,724	BBB-
Corporate fixed income securities	\$ 173,756	BB+
Corporate fixed income securities	\$ 635,250	BB
Corporate fixed income securities	\$ 52,150	BB-
Corporate fixed income securities	\$ 160,150	B+
Corporate fixed income securities	\$ 112,800	B-
Corporate fixed income securities	\$ 210,415	CCC+
Corporate fixed income securities	\$ 211,638	D
Corporate fixed income securities	\$ 293,566	Unrated
Other fixed income securities	\$ 26,135	A+
Real estate mutual fund	\$ 24,006,283	A+
Total Investments held by Retirement Plan	<u>\$ 205,544,021</u>	

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Blended Component Unit – Retirement Plan Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investments were distributed among the following currencies as of December 31, 2008:

	Corporate Fixed Income	Other	Total Fair Value
United States dollar	\$ 12,036,848	\$ 192,327,704	\$ 204,364,552
Singapore dollar	625,704		625,704
Canadian dollar	198,391		198,391
Mexican peso	160,150		160,150
EMU Euro	145,955		145,955
Iceland krona	49,269		49,269
Total investments	\$ 13,216,317	\$ 192,327,704	\$ 205,544,021

Domestic managers are not allowed to invest in foreign denominated securities. International managers have the ability to hedge their currency risk if they deem appropriate. And, the manager's total foreign securities and securities with a rating of BB or B may not exceed 20% of the portfolio.

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, 2008.

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, 2008, 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, 2008, the Plan had no credit risk exposure to borrowers because the amount the Plan owes the borrowers exceed the

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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, 2008.

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, 2008, the fair value of lent securities was \$12,081,574. The fair value of associated cash collateral was \$10,198,914. The Plan's income, net of expenses from securities lending, was \$98,013.

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, 2008, was 7.583 mills. The County's assessed valuation for 2008 was \$6,578,146,500. Therefore, the County could have collected \$49,882,096 for 2008 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2009 total \$44,941,830 net of tax credits and refunds.

3. *Capital assets*

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance January 1, 2008	Increases	Decreases	Balance December 31, 2008
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,069,596	\$	\$ (52,379)	\$ 14,017,217
Construction in progress	7,970,074	18,860,215	(701,820)	26,128,469
Total capital assets, not being depreciated	<u>22,039,670</u>	<u>18,860,215</u>	<u>(754,199)</u>	<u>40,145,686</u>
Capital assets, being depreciated:				
Buildings	166,699,126		(190,000)	166,509,126
Improvements other than buildings	12,338,104	10,539,711	(19,566)	22,858,249
Machinery and equipment	57,372,327	24,482,327	(23,776,155)	58,078,499
Infrastructure	402,295,547	17,565,628		419,861,175
Total capital assets, being depreciated	<u>638,705,104</u>	<u>52,587,666</u>	<u>(23,985,721)</u>	<u>667,307,049</u>
Less accumulated depreciation for:				
Buildings	(36,016,448)	(4,068,730)	38,000	(40,047,178)
Improvements other than buildings	(2,080,209)	(697,124)		(2,777,333)
Machinery and equipment	(38,390,068)	(5,459,843)	1,238,478	(42,611,433)
Infrastructure		(87,110,576)		(87,110,576)
Total accumulated depreciation	<u>(76,486,725)</u>	<u>(97,336,273)</u>	<u>1,276,478</u>	<u>(172,546,520)</u>
Total capital assets, being depreciated, net	<u>562,218,379</u>	<u>(44,748,607)</u>	<u>(22,709,243)</u>	<u>494,760,529</u>
Governmental activities capital assets, net	<u>\$ 584,258,049</u>	<u>\$ (25,888,392)</u>	<u>\$ (23,463,442)</u>	<u>\$ 534,906,215</u>

\$67,948 of capital assets and \$32,675 of accumulated depreciation for Self-Insurance, an internal service fund, is included in this note.



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	Balance January 1, 2008	Increases	Decreases	Balance December 31, 2008
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$	\$	\$	\$
Capital assets, being depreciated:				
Buildings	979,968			979,968
Improvements other than buildings	83,365			83,365
Machinery and equipment	730,519	8,294	(729,337)	9,476
Total capital assets, being depreciated	1,793,852	8,294	(729,337)	1,072,809
Less accumulated depreciation for:				
Buildings	(140,938)	(24,499)		(165,437)
Improvements other than buildings	(11,672)	(3,335)		(15,007)
Machinery and equipment	(282,484)	(137,073)	413,397	(6,160)
Total accumulated depreciation	(435,094)	(164,907)	413,397	(186,604)
Total capital assets, being depreciated, net	1,358,758	(156,613)	(315,940)	886,205
Business-type activities capital assets, net	\$ 1,358,758	\$ (156,613)	\$ (315,940)	\$ 886,205

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

Governmental activities:	
General government	\$ 3,509,650
Public safety	3,827,280
Public works	87,674,976
Health and welfare	311,453
Culture and recreation	247,716
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,765,198
Total depreciation expense - governmental activities:	<u>\$ 97,336,273</u>
Business-type activities:	
Waste management	28,781
Land development	136,126
Total depreciation expense - business-type activities:	<u>\$ 164,907</u>

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

The composition of inter-fund balances as of December 31, 2008, is as follows:

Due to/from other funds:	<u>Payable fund</u>	<u>Amount</u>
<u>Receivable fund</u>		
General	Road and bridge	\$ 69,828
	Social services	824,780
	Non-major governmental funds	860,518
		<u>1,755,126</u>
Road and bridge	General	15,987
	Non-major enterprise funds	239
	Social services	26,983
	Non-major governmental funds	1,024
		<u>44,233</u>
Department of Social Services	General	69,795
		<u>69,795</u>
Non-major governmental funds	General	5,238
	Social services	322
	Non-major governmental funds	33,406
	Non-major internal service funds	931
		<u>39,897</u>
Non-major internal service	General	14,640
	Road and bridge	9,454
	Social services	1,720,848
	Non-major governmental funds	70,625
	Non-major internal service funds	4,188
		<u>1,819,755</u>
Total		<u><u>\$ 3,728,806</u></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	\$	\$4,333,884	\$	\$ 67,253	\$ 418,498	\$ 4,819,635
Social Services fund	390,798					390,798
Capital	1,075,000					1,075,000
Non-major:						
Governmental funds			777,021	66,452	123,845	967,318
Enterprise funds	514,833					514,833
Total	<u>\$ 1,980,631</u>	<u>\$4,333,884</u>	<u>\$ 777,021</u>	<u>\$ 133,705</u>	<u>\$ 542,343</u>	<u>\$ 7,767,584</u>

El Paso County, Colorado  
Notes to Financial Statements  
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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, 2008.

	Beginning balance 1/1/2008	Additions	Reductions	Ending balance 12/31/2008	Due within one year
Governmental activities:					
Certificates of participation	\$ 122,265,000	\$ 5,475,000	\$ (2,885,000)	\$ 124,855,000	\$ 2,975,000
Plus issuance premium	1,647,359	65,912	(103,056)	1,610,215	103,056
Total certificates of participation	123,912,359	5,540,912	(2,988,056)	126,465,215	3,078,056
Capital leases	1,716,694		(547,773)	1,168,921	571,874
OPEB	35,383,383	24,407,586	(16,962,217)	42,828,752	21,551,790
Compensated absences	13,692,501	2,094,630	(1,789,769)	13,997,362	1,514,660
Governmental activities long-term liabilities	<u>\$ 174,704,937</u>	<u>\$ 32,043,128</u>	<u>\$ (22,287,815)</u>	<u>\$ 184,460,250</u>	<u>\$ 26,716,380</u>
Business-type activities:					
Compensated absences	<u>\$ 287,430</u>	<u>\$</u>	<u>\$ (242,823)</u>	<u>\$ 44,607</u>	<u>\$</u>

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 \$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.

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.

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

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C. Capital lease obligations

The County entered into a lease agreement as lessee for financing motor graders. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payment as of the inception date. The assets acquired through capital lease are as follows:

	Governmental activities
Asset:	
Machinery and equipment	\$ 2,340,000
Less: Accumulated depreciation	(351,000)
Total	\$ 1,989,000

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, 2008, are as follows:

Year ending December 31,	Amount
2009	\$ 623,307
2010	623,307
2011	11
Total minimum lease payments	1,246,625
Less: Amount representing interest	77,704
Present value of minimum lease payments	\$ 1,168,921

D. Summary of debt service requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2008:

Year ending December 31,	Government activities	
	Certificates of participation	
	Principal	Interest
2009	\$ 2,975,000	\$ 5,581,880
2010	4,250,000	5,460,569
2011	4,410,000	5,294,319
2012	4,590,000	5,118,638
2013	4,775,000	4,922,625
2014-2018	27,610,000	20,998,550
2019-2023	31,185,000	14,128,563
2024-2028	36,225,000	6,123,250
2029	5,860,000	253,775
	\$ 121,880,000	\$ 67,882,169

E. Operating Leases

El Paso County has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the reporting period, rent payments approximated \$1,496,038 for all types of leases. These expenditures were made primarily from the General, Land Development Review and Pikes Peak Workforce Center Funds.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2008

F. 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, 2008, the bonds had an estimated aggregate principal amount payable of \$255,113,164.

In 2008, El Paso County issued no-commitment debt as follows: \$5,750,000 El Paso County, Colorado Housing Revenue Bonds (The Residence at Skyway Park Project) Series 2008A and Series 2008B.

G. 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.

The asbestos abatement removal projected was designed in 2007 and started in June 2008. Total costs for 2007 were \$221,736 and for 2008 were \$3,319,180. The abatement completion date is estimated to be between May and December 2010 with a total project cost of \$12,402,493. 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. The County does 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, \$250,000, and \$200,000 for each worker's compensation claim, for each general liability claim, and for each health claim, respectively. The limit of coverage on the general liability claims is \$3,000,000. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior- and current-year claims. Claims liabilities of \$2,024,965 that are reported in the Self-Insurance Fund at December 31, 2008, 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  
December 31, 2008

Changes in the claims liability amounts in 2008 and 2007 were:

	Balance January 1, 2008	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2008
Self-Insurance Fund	\$ 3,263,518	\$ 13,138,120	\$ 14,376,673	\$ 2,024,965
	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

2. *Deficit fund balance*

Self Insurance fund had an accumulated deficit in net assets of \$37,694,679 as of December 31, 2008. 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 2008 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, 2008

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, 2008, the funds held for employees were approximately \$19.2 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, 2008, 2007, and 2006, were \$5,946,759, \$5,904,704, and \$5,797,400, respectively, equal to the required contributions each year.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2008

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, 329 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, 2008, expenditures of \$721,487 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 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 2008, the County contributed \$9,302,147 to the plan for current premiums, which accounted for 75% of total revenues recorded for medical benefits. Plan members contributed \$3,088,869 for medical benefits through their required contributions, which accounted for 25% of revenues.

The retiree Pre-Medicare monthly premium rates before subsidies range from \$275.28 for a retiree only to \$2,410.56 for a retiree and family. The County subsidy rates for this same category range from \$153.60 to \$286.88 for retirees with at least 8 years of service to 20+ years of service. The Medicare Secondary Plan for the retiree ranges from \$217.74 for employees with 1-7 years service down to \$0 with 20+ years of service. The County subsidy for the retiree ranges from \$119.76 for at least 8 years of service to the full \$217.74 for 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 state's annual OPEB cost for the year, and the amount actually contributed to the plan, and changes in the County's net OPEB obligation to MBTF:



El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2008

Annual Required Contribution (ARC)	\$ 23,468,833
Interest on Net OPEB Obligation	938,753
Adjustment to ARC	
Annual OPEB Cost	\$ 24,407,586
Contributions Made	(16,962,217)
Increase in Net OPEB Obligation	7,445,369
NET OPEB - Beginning of Year	35,383,383
NET OPEB - End of Year	\$ 42,828,752

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 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	\$ 25,358,955	53%	\$ 26,203,334
12/31/2007	25,358,955	64%	35,383,383
12/31/2008	24,407,586	69%	42,828,752

7. *Jointly governed organizations*

Pikes Peak Regional Building Department (PPRBD) – The County, in conjunction with the City of Colorado Springs, City of Fountain, City of Manitou Springs, Town of Green Mountain Falls, Town of Monument, and Town of Palmer Lake has created the Pikes Peak Regional Building Department. The PPRBD's board is composed of three members, one appointed by the County, one appointed by the City of Colorado Springs, and one appointed by the other cities and towns together. During 2003, certificates of participation through the County of \$17,245,000 were issued to finance a building project for PPRBD. PPRBD has entered into a lease agreement with the County to make lease payments that will pay the debt service on the certificates of participation. The County is not obligated for repayment of the certificates of participation beyond the resources provided by the lease agreement with PPRBD.

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

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

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

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

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2008

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:

December 31, 2008 Projects	Amount to Complete Project in 2009
DMV Renovation (2007 COP)	\$ 13,140
Courthouse Renovation (2007 COP)	8,476,874
Stratmoor Valley Trailhead	800
Willow Springs Improvements	2,300
Sub Station Washout Project	145,000
Fairgrounds Improvements	20,000
Central Irrigation Control System	12,000
	\$ 8,670,114

**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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 23,385,499	\$ 23,385,499	\$ 24,254,481	\$ 868,982
Sales taxes	38,352,715	33,123,930	30,279,818	(2,844,112)
Specific Ownership Tax	654,900	1,001,646	756,043	(245,603)
Intergovernmental	8,571,929	11,448,128	12,056,656	608,528
Fees and fines	523,665	523,665	855,305	331,640
Licenses and permits	326,100	326,100	329,387	3,287
Charges for services	16,843,589	15,679,351	15,276,883	(402,468)
Investment earnings	3,060,000	1,850,000	1,581,027	(268,973)
Miscellaneous	2,771,074	2,984,416	6,450,784	3,466,368
Total revenues	<u>94,489,471</u>	<u>90,322,735</u>	<u>91,840,384</u>	<u>1,517,649</u>
<b>EXPENDITURES</b>				
General government:				
Administration	1,676,408	1,869,116	1,796,402	72,714
Finance	1,347,886	1,387,191	904,114	483,077
Security	1,453,602	1,199,539	1,115,072	84,467
Facilities management	7,186,327	6,753,973	6,650,086	103,887
Procurement	434,119	434,119	395,303	38,816
Employee benefits and medical services	692,611	701,195	647,769	53,426
Information technology	6,230,274	6,641,462	6,470,157	171,305
Public communication	115,501	57,728	57,728	
County Attorney	948,747	935,332	747,386	187,946
County Clerk and Recorder	9,152,873	8,944,788	8,166,993	777,795
County Treasurer	1,117,538	1,067,538	1,030,679	36,859
County Assessor	3,227,772	3,197,772	2,982,494	215,278
County Surveyor	8,921	8,921	8,638	283
Public Trustee	747,023	747,023	563,168	183,855
Total general government	<u>34,339,602</u>	<u>33,945,697</u>	<u>31,535,989</u>	<u>2,409,708</u>
Public safety:				
Community corrections	6,538,458	6,975,262	6,361,711	613,551
Coroner	1,454,672	1,555,593	1,487,660	67,933
County Sheriff	45,581,019	47,908,351	46,203,882	1,704,469
Total public safety	<u>\$ 53,574,149</u>	<u>\$ 56,439,206</u>	<u>\$ 54,053,253</u>	<u>\$ 2,385,953</u>

(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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Health and welfare:				
Environmental services	\$ 862,062	\$ 754,712	\$ 714,764	\$ 39,948
Senior services				
Health administration	3,810,948	3,303,948	3,303,948	
Total health and welfare	<u>4,673,010</u>	<u>4,058,660</u>	<u>4,018,712</u>	<u>39,948</u>
Culture and recreation:				
Parks	1,531,776	1,438,727	1,388,907	49,820
Total culture and recreation:	<u>1,531,776</u>	<u>1,438,727</u>	<u>1,388,907</u>	<u>49,820</u>
Auxiliary services:				
Veterans services	261,415	293,200	281,499	11,701
CSU extension service	149,427	136,054	130,923	5,131
Total auxiliary services	<u>410,842</u>	<u>429,254</u>	<u>412,422</u>	<u>16,832</u>
Capital outlay	943,360	1,529,855	1,274,855	255,000
Total expenditures	<u>95,472,739</u>	<u>97,841,399</u>	<u>92,684,138</u>	<u>5,157,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(983,268)</u>	<u>(7,518,664)</u>	<u>(843,754)</u>	<u>6,674,910</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	915,581	915,581	297,718	(617,863)
Transfers in	1,823,649	5,781,077	4,819,635	(961,442)
Transfers out	(517,228)	(1,980,632)	(1,980,631)	1
Total other financing sources (uses)	<u>2,222,002</u>	<u>4,716,026</u>	<u>3,136,722</u>	<u>(1,579,304)</u>
Net changes in fund balances	<u>\$ 1,238,734</u>	<u>\$ (2,802,638)</u>	<u>\$ 2,292,968</u>	<u>\$ 5,095,606</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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 7,685,853	\$ 7,685,853	\$ 7,684,574	\$ (1,279)
Intergovernmental:				
Payment in lieu of taxes	69,000	69,000	69,000	
U.S. Forest Service/Mineral Leasing	15,000	15,000	112,229	97,229
Highway users tax	9,042,917	9,042,917	8,177,868	(865,049)
Additional motor vehicle registration	600,000	600,000	626,763	26,763
Federal reimbursements		11,375,270	9,191,947	(2,183,323)
Local revenue	1,000	437,542	98,784	(338,758)
Sale of Materials (BLM)	2,000	2,000	4,543	2,543
Taylor Grazing Act	25	25		(25)
Total intergovernmental	<u>9,729,942</u>	<u>21,541,754</u>	<u>18,281,134</u>	<u>(3,260,620)</u>
Charges for services	318,000	318,000	708,749	390,749
Miscellaneous	15,000	15,000	1,084,650	1,069,650
Total revenues	<u>17,748,795</u>	<u>29,560,607</u>	<u>27,759,107</u>	<u>(1,801,500)</u>
<b>EXPENDITURES</b>				
Public works:				
Personal Services	9,468,848	9,466,125	8,904,659	561,466
Operating Expenses	9,591,430	22,775,914	18,383,174	4,392,740
Capital outlay	581,327	152,410	103,376	49,034
Total expenditures	<u>19,641,605</u>	<u>32,394,449</u>	<u>27,391,209</u>	<u>5,003,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,892,810)</u>	<u>(2,833,842)</u>	<u>367,898</u>	<u>3,201,740</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of certificates of participation (COP)			2,500,000	2,500,000
Transfers in	250,000	239,815		(239,815)
Transfers out		(4,333,884)	(4,333,884)	
Total other financing sources (uses)	<u>250,000</u>	<u>(4,094,069)</u>	<u>(1,833,884)</u>	<u>2,260,185</u>
Net changes in fund balances	<u>\$ (1,642,810)</u>	<u>\$ (6,927,911)</u>	<u>\$ (1,465,986)</u>	<u>\$ 5,461,925</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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,553,957	\$ 10,022,957	\$ 10,012,945	\$ (10,012)
Intergovernmental - Welfare	32,237,533	32,628,331	31,571,120	(1,057,211)
Miscellaneous	10,500	10,500	6,690	(3,810)
	<u>41,801,990</u>	<u>42,661,788</u>	<u>41,590,755</u>	<u>(1,071,033)</u>
<b>EXPENDITURES</b>				
Health and welfare:				
County administration block grant	8,071,031	9,315,017	9,326,645	(11,628)
Temporary aid to needy families	8,606,645	7,497,077	7,495,689	1,388
Child welfare block grant	14,864,852	15,784,390	15,784,348	42
Child care block grant	1,260,450	1,310,909	1,310,878	31
Child Support Enforcement	4,120,000	4,180,335	4,180,315	20
Miscellaneous state grants	3,773,156	2,977,760	2,948,284	29,476
Local/county funding	320,092	225,109	196,002	29,107
	<u>41,016,226</u>	<u>41,290,597</u>	<u>41,242,161</u>	<u>48,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>785,764</u>	<u>1,371,191</u>	<u>348,594</u>	<u>(1,022,597)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			390,798	390,798
Transfers out	(785,764)	(785,764)	(777,021)	8,743
	<u>(785,764)</u>	<u>(785,764)</u>	<u>(386,223)</u>	<u>399,541</u>
Net changes in fund balances	<u>\$</u>	<u>\$ 585,427</u>	<u>\$ (37,629)</u>	<u>\$ (623,056)</u>

El Paso County, Colorado  
 Budgetary Comparison Schedule  
 Budget-to-GAAP Reconciliation  
 For the year ended December 31, 2008

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

	General Fund	Road & 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	\$ 96,957,737	\$ 30,259,107	\$ 41,981,553
Interest earned on investments is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	84,070		
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			
<hr/>			
Total operating revenues, non-operating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	\$ 97,041,807	\$ 30,259,107	\$ 41,981,553
<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	\$ 94,664,769	\$ 31,725,093	\$ 42,019,182
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	12,482	(94,693)	(2,413)
Other postemployment benefits are not outflows of budgetary resources but are expenses for financial reporting purposes			
Compensated absences are not outflows of budgetary resources but are expenses for financial reporting purposes			
Inventory adjustments are not outflows of budgetary resources but are expenses for financial reporting purposes	79,234	(605,324)	
Health claims incurred but not reported are not outflows of budgetary resources but are expenses for financial reporting purposes			
Closeout of operations 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			
<hr/>			
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	\$ 94,756,485	\$ 31,025,076	\$ 42,016,769

Capital Projects	Solid Waste Management	Land Development Review	Self- Insurance Fund	Fleet Services Fund	Struther's Road	Rancho Road	Falcon Vista
\$ 8,641,985	\$ 911,263	\$ 2,071,300	\$ 28,982,939	\$ 5,195,872	\$ 71,962	\$ 83,357	\$ 1,500,000
560,717							
				(33,470)			
					(71,962)	(83,357)	(1,500,000)
<u>\$ 9,202,702</u>	<u>\$ 911,263</u>	<u>\$ 2,071,300</u>	<u>\$ 28,982,939</u>	<u>\$ 5,162,402</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 8,439,745	\$ 903,099	\$ 3,092,378	\$ 22,532,112	\$ 6,582,997	\$ 288,305	\$ 151,224	\$ 1,500,000
17,279,488							
	28,781	136,126	13,590	1,751,608			
			7,445,370				
	10,244	(53,265)		17,670			
				(213,221)			
			(1,238,553)				
		107,844		5,779,423			
					(288,305)	(151,224)	(1,500,000)
<u>\$ 25,719,233</u>	<u>\$ 942,124</u>	<u>\$ 3,283,083</u>	<u>\$ 28,752,519</u>	<u>\$ 13,918,477</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

REQUIRED SUPPLEMENTARY INFORMATION  
 Schedule of Funding Progress for the  
 El Paso County Postemployment  
 Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability			Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
		(AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)				
1/1/2006	\$ -	\$ 182,694,851	\$ 182,694,851	0.0%	\$ 90,703,026	201.4%	
1/1/2008	-	187,957,388	187,957,388	0.0%	93,718,422	200.6%	

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

**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, 2008

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
<b>ASSETS</b>			
Cash and investments	\$ 646,407	\$ 665,973	\$ 1,783,565
Taxes receivable		3,791,940	
Accounts receivable	72,926		
Due from other funds		38,966	931
Due from other governments			
<b>Total assets</b>	<b>\$ 719,333</b>	<b>\$ 4,496,879</b>	<b>\$ 1,784,496</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 47,450		\$ 41,596
Due to other funds			32,394
Deferred revenue		3,791,940	
<b>Total liabilities</b>	<b>47,450</b>	<b>3,791,940</b>	<b>73,990</b>
Fund balances:			
Reserved for:			
Encumbrances	297,335		
Unreserved, reported in:			
Designated for subsequent year's expenditures	93,573	577,352	388,106
Undesignated	280,975	127,587	1,322,400
<b>Total fund balances</b>	<b>671,883</b>	<b>704,939</b>	<b>1,710,506</b>
<b>Total liabilities and fund balances</b>	<b>\$ 719,333</b>	<b>\$ 4,496,879</b>	<b>\$ 1,784,496</b>



Economic Development	Pikes Peak Workforce Center	District Attorney Offices of the Fourth Judicial Court	Total Nonmajor Governmental Funds
\$ 945,051	\$		\$ 4,040,996
443,068	2,806		3,791,940
12,500	1,027,206		518,800
			39,897
			1,039,706
<u>\$ 1,400,619</u>	<u>\$ 1,030,012</u>	<u>\$</u>	<u>\$ 9,431,339</u>
\$ 1,141,773	\$ 167,930		\$ 1,398,749
65,000	862,082		959,476
			3,791,940
<u>1,206,773</u>	<u>1,030,012</u>		<u>6,150,165</u>
			297,335
150,000			1,209,031
43,846			1,774,808
<u>193,846</u>			<u>3,281,174</u>
<u>\$ 1,400,619</u>	<u>\$ 1,030,012</u>	<u>\$</u>	<u>\$ 9,431,339</u>

El Paso County, Colorado  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the year ended December 31, 2008

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
<b>REVENUES</b>			
Property taxes	\$	\$ 3,983,306	\$
Sales tax			
Highway user tax		475,943	
Intergovernmental	844,157	182,579	1,207,240
Fees and fines			
Investment earnings	4,067		40,920
Miscellaneous			
Total revenues	<u>848,224</u>	<u>4,641,828</u>	<u>1,248,160</u>
<b>EXPENDITURES</b>			
Current:			
General government		5,494,889	
Public safety	1,075,063		
Health and welfare			
Culture and recreation			1,259,583
Outside agencies			
Capital outlay			<u>246,797</u>
Total expenditures	<u>1,075,063</u>	<u>5,494,889</u>	<u>1,506,380</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,839)</u>	<u>(853,061)</u>	<u>(258,220)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		967,318	
Transfers out			<u>(108,653)</u>
Total other financing sources (uses)		<u>967,318</u>	<u>(108,653)</u>
Net change in fund balances	(226,839)	114,257	(366,873)
Fund balances - January 1	898,722	590,682	2,077,379
Fund balances - December 31	<u>\$ 671,883</u>	<u>\$ 704,939</u>	<u>\$ 1,710,506</u>

Economic Development	Pikes Peak Workforce Center	District Attorney Offices of the Fourth Judicial District	Total Nonmajor Governmental Funds
\$	\$	\$	\$
		9,795,695	3,983,306
			9,795,695
			475,943
12,500	5,931,438	530,927	8,708,841
132,920			132,920
			44,987
4,240,611	205,093	2,500	4,448,204
4,386,031	6,136,531	10,329,122	27,589,896
			5,494,889
		10,304,070	11,379,133
	6,136,531		6,136,531
			1,259,583
4,401,352			4,401,352
			246,797
4,401,352	6,136,531	10,304,070	28,918,285
(15,321)		25,052	(1,328,389)
			967,318
		(25,052)	(133,705)
		(25,052)	833,613
(15,321)			(494,776)
209,167			3,775,950
\$ 193,846	\$	\$	\$ 3,281,174

**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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,955,445	\$ 3,955,445	\$ 3,983,306	\$ 27,861
Intergovernmental	475,943	475,943	475,943	
Miscellaneous	426,005	426,005	182,579	(243,426)
Total revenues	4,857,393	4,857,393	4,641,828	(215,565)
<b>EXPENDITURES</b>				
Employer contributions	5,637,088	5,636,402	5,434,907	201,495
Treasurer fees	59,297	59,983	59,982	1
Total expenditures	5,696,385	5,696,385	5,494,889	201,496
Excess (deficiency) of revenues over (under) expenditures	(838,992)	(838,992)	(853,061)	(14,069)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	846,341	846,341	967,318	120,977
Total other financing sources (uses)	846,341	846,341	967,318	120,977
Net change in fund balances	\$ 7,349	\$ 7,349	\$ 114,257	\$ 106,908

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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,148,129	\$ 1,148,129	\$ 1,207,240	\$ 59,111
Investment earnings	70,000	70,000	40,920	(29,080)
Total revenues	<u>1,218,129</u>	<u>1,218,129</u>	<u>1,248,160</u>	<u>30,031</u>
<b>EXPENDITURES</b>				
Culture and recreation	1,670,661	1,328,408	1,259,583	68,825
Capital outlay	235,000	581,366	246,797	334,569
Total expenditures	<u>1,905,661</u>	<u>1,909,774</u>	<u>1,506,380</u>	<u>403,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(687,532)</u>	<u>(691,645)</u>	<u>(258,220)</u>	<u>433,425</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(41,400)</u>	<u>(108,653)</u>	<u>(108,653)</u>	
Total other financing sources (uses)	<u>(41,400)</u>	<u>(108,653)</u>	<u>(108,653)</u>	
Net change in fund balances	<u>\$ (728,932)</u>	<u>\$ (800,298)</u>	<u>\$ (366,873)</u>	<u>\$ 433,425</u>

El Paso County, Colorado  
Economic Development Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u></u>
<b>REVENUES</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 12,500	\$ 500
Charges for services	140,000	140,000	132,920	(7,080)
Miscellaneous	6,000,000	6,000,000	4,240,611	(1,759,389)
Total revenues	<u>6,152,000</u>	<u>6,152,000</u>	<u>4,386,031</u>	<u>(1,765,969)</u>
<b>EXPENDITURES</b>				
General government	<u>6,125,000</u>	<u>6,125,000</u>	<u>4,401,352</u>	<u>1,723,648</u>
Total expenditures	<u>6,125,000</u>	<u>6,125,000</u>	<u>4,401,352</u>	<u>1,723,648</u>
Net change in fund balances	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ (15,321)</u>	<u>\$ (42,321)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 8,106,249	\$ 8,106,249	\$ 5,931,438	\$ (2,174,811)
Miscellaneous	5,000	5,000	205,093	200,093
Total revenues	<u>8,111,249</u>	<u>8,111,249</u>	<u>6,136,531</u>	<u>(1,974,718)</u>
<b>EXPENDITURES</b>				
Health and welfare	8,111,249	8,111,249	6,136,531	1,974,718
Capital outlay				
Total expenditures	<u>8,111,249</u>	<u>8,111,249</u>	<u>6,136,531</u>	<u>1,974,718</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$	\$ 9,795,695	\$ 9,795,695	\$
Intergovernmental	546,700	546,700	530,927	(15,773)
Miscellaneous		2,500	2,500	
Total revenues	546,700	10,344,895	10,329,122	(15,773)
<b>EXPENDITURES</b>				
General government	521,648			
Public Safety	10,077,841	10,366,989	10,304,070	62,919
Total expenditures	10,599,489	10,366,989	10,304,070	62,919
Excess (deficiency) of revenues over (under) expenditures	(10,052,789)	(22,094)	25,052	47,146
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers out	(25,052)	(25,052)	(25,052)	
Total other financing sources (uses)	(25,052)	(25,052)	(25,052)	
Net change in fund balances	<u>\$ (10,077,841)</u>	<u>\$ (47,146)</u>	<u>\$</u>	<u>\$ 47,146</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 7,512,499	\$ 7,512,499	\$ 7,566,985	\$ 54,486
Total revenues	<u>7,512,499</u>	<u>7,512,499</u>	<u>7,566,985</u>	<u>54,486</u>
<b>EXPENDITURES</b>				
General government				
Purchased services	120,187	120,187	124,944	(4,757)
Debt service	7,944,511	8,444,511	8,314,801	129,710
Capital outlay		268,535		268,535
Total expenditures	<u>8,064,698</u>	<u>8,833,233</u>	<u>8,439,745</u>	<u>393,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(552,199)</u>	<u>(1,320,734)</u>	<u>(872,760)</u>	<u>447,974</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	575,000	1,075,000	1,075,000	
Transfers out				
Total other financing sources (uses)	<u>575,000</u>	<u>1,075,000</u>	<u>1,075,000</u>	
Net change in fund balances	<u>\$ 22,801</u>	<u>\$ (245,734)</u>	<u>\$ 202,240</u>	<u>\$ 447,974</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, 2008

	Solid Waste Management	Land Development Review	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,311,589	\$	\$ 1,311,589
Accounts receivable	212,978		212,978
Total current assets	1,524,567		1,524,567
Noncurrent assets:			
Capital assets, net of accumulated depreciation	886,205		886,205
Total assets	<u>\$ 2,410,772</u>	<u>\$</u>	<u>\$ 2,410,772</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 26,516	\$	\$ 26,516
Due to other funds	239		239
Total current liabilities	26,755		26,755
Noncurrent liabilities:			
Compensated absences	44,607		44,607
Total liabilities	<u>71,362</u>		<u>71,362</u>
<b>NET ASSETS</b>			
Invested in capital assets	886,205		886,205
Unrestricted	1,453,205		1,453,205
Total net assets	<u>\$ 2,339,410</u>	<u>\$</u>	<u>\$ 2,339,410</u>
Total liabilities and net assets	<u>\$ 2,410,772</u>	<u>\$</u>	<u>\$ 2,410,772</u>

El Paso County, Colorado  
Enterprise Funds  
Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Assets  
For the year ended December 31, 2008

	Solid Waste Management	Land Development Review	Totals
Operating revenues:			
Charges for services	\$ 882,231	\$ 1,539,145	\$ 2,421,376
Operating expenses:			
Personal services	275,127	1,494,479	1,769,606
Operating expenses	39,979	1,177,890	1,217,869
Depreciation	28,781	136,126	164,907
Administration	530,482		530,482
Total operating expenses	874,369	2,808,495	3,682,864
Operating income (loss)	7,862	(1,269,350)	(1,261,488)
Nonoperating revenues (expenses):			
Investment earnings	29,032	17,322	46,354
Total nonoperating revenues (expenses)	29,032	17,322	46,354
Income (loss) before contributions and transfers	36,894	(1,252,028)	(1,215,134)
Transfers in		514,833	514,833
Transfers out	(67,755)	(474,588)	(542,343)
Change in net assets	(30,861)	(1,211,783)	(1,242,644)
Net assets - January 1	2,370,271	1,211,783	3,582,054
Net assets - December 31	\$ 2,339,410	\$ 1,211,783	\$ 2,339,410

El Paso County, Colorado  
Enterprise Funds  
Combining Statement of Cash Flows  
For the year ended December 31, 2008

	Solid Waste Management	Land Development Review	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 881,064	\$ 1,563,788	\$ 2,444,852
Receipts from interfund services provided		337,085	337,085
Payments to suppliers	(372,860)	(83,040)	(455,900)
Payments to employees	(255,264)	(1,747,220)	(2,002,484)
Payments for interfund services used	(243,585)	(1,316,007)	(1,559,592)
Net cash provided by (used in) operating activities	<u>9,355</u>	<u>(1,245,394)</u>	<u>(1,236,039)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	(67,755)	186,740	118,985
Net cash provided by (used in) noncapital financing activities	<u>(67,755)</u>	<u>186,740</u>	<u>118,985</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital expenditures		(8,294)	(8,294)
Net cash used in capital financing activities		<u>(8,294)</u>	<u>(8,294)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	29,032	17,322	46,354
Net cash provided by investing activities	<u>29,032</u>	<u>17,322</u>	<u>46,354</u>
Net increase (decrease) in cash and cash equivalents	(29,368)	(1,049,626)	(1,078,994)
Cash and cash equivalents - January 1	1,340,957	1,049,626	2,390,583
Cash and cash equivalents - December 31	<u>\$ 1,311,589</u>	<u>\$</u>	<u>\$ 1,311,589</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 7,862	\$ (1,269,350)	\$ (1,261,488)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue			
Depreciation expense	28,781	136,126	164,907
(Increase) decrease in assets			
Accounts receivable	(1,167)	24,593	23,426
Intergovernmental receivables		50	50
Due from other funds		1,561	1,561
Increase (decrease) in liabilities			
Accounts payable	4,759	(52,951)	(48,192)
Compensated absences	10,243	(253,066)	(242,823)
Due to other funds	(41,123)	167,643	126,520
Net cash provided by (used in) operating activities	<u>\$ 9,355</u>	<u>\$ (1,245,394)</u>	<u>\$ (1,236,039)</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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 800,000	\$ 800,000	\$ 881,570	\$ 81,570
Interest	60,000	60,000	29,032	(30,968)
Miscellaneous			661	661
	<u>860,000</u>	<u>860,000</u>	<u>911,263</u>	<u>51,263</u>
<b>EXPENDITURES</b>				
Personal services	303,429	272,429	264,883	7,546
Operating expenses	626,543	605,040	570,461	34,579
	<u>929,972</u>	<u>877,469</u>	<u>835,344</u>	<u>42,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,972)</u>	<u>(17,469)</u>	<u>75,919</u>	<u>93,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(15,252)</u>	<u>(67,755)</u>	<u>(67,755)</u>	
Total other financing sources (uses)	<u>(15,252)</u>	<u>(67,755)</u>	<u>(67,755)</u>	
Net change in fund balances	<u>\$ (85,224)</u>	<u>\$ (85,224)</u>	<u>\$ 8,164</u>	<u>\$ 93,388</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 2,267,567	\$ 2,267,567	\$ 1,539,145	\$ (728,422)
Interest	80,000	80,000	17,322	(62,678)
Micellaneous	3,000	3,000		(3,000)
Total revenues	2,350,567	2,350,567	1,556,467	(794,100)
<b>EXPENDITURES</b>				
Personal services	1,864,735	1,756,142	1,547,744	208,398
Other operating	1,563,386	1,579,381	1,061,752	517,629
Capital outlay		54,881	8,294	46,587
Total expenditures	3,428,121	3,390,404	2,617,790	772,614
Excess (deficiency) of revenues over (under) expenditures	(1,077,554)	(1,039,837)	(1,061,323)	(21,486)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	514,834	514,834	514,833	(1)
Transfers out		(328,093)	(474,588)	(146,495)
Total other financing sources (uses)	514,834	186,741	40,245	(146,496)
Net change in fund balances	<u>\$ (562,720)</u>	<u>\$ (853,096)</u>	<u>\$ (1,021,078)</u>	<u>\$ (167,982)</u>

El Paso County, Colorado  
Internal Service Funds  
Combining Statement of Net Assets  
December 31, 2008

	Self- Insurance Fund	Fleet Services Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 7,060,678	\$	\$ 7,060,678
Receivables			
Accounts receivable	126,372		126,372
Intergovernmental receivable	68,093		68,093
Due from other funds	1,819,755		1,819,755
Prepaid expenses	262,000		262,000
Total current assets	<u>9,336,898</u>		<u>9,336,898</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	35,273		35,273
Total assets	<u>\$ 9,372,171</u>	<u>\$</u>	<u>\$ 9,372,171</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 2,212,044	\$	\$ 2,212,044
Accrued liabilities	2,024,965		2,024,965
Capital lease obligation			
Compensated absences			
Due to other funds	1,091		1,091
Total current liabilities	<u>4,238,100</u>		<u>4,238,100</u>
Noncurrent liabilities:			
Other postemployment benefits	42,828,752		42,828,752
Total noncurrent liabilities	<u>42,828,752</u>		<u>42,828,752</u>
Total liabilities	<u>47,066,852</u>		<u>47,066,852</u>
<b>NET ASSETS</b>			
Invested in capital assets	35,273		35,273
Unrestricted	(37,729,952)		(37,729,952)
Total net assets	<u>(37,694,679)</u>		<u>(37,694,679)</u>
Total liabilities and net assets	<u>\$ 9,372,173</u>	<u>\$</u>	<u>\$ 9,372,173</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, 2008

	Self- Insurance Fund	Fleet Services Fund	Totals
Operating revenues:			
Charges for services	\$ 10,993,689	\$ 267,628	\$ 11,261,317
Operating expenses:			
Insurance premiums	845,618		845,618
Claim settlements	22,472,593		22,472,593
Depreciation	13,590	1,751,608	1,765,198
Administration and operations	5,420,718	12,166,869	17,587,587
Total operating expenses	28,752,519	13,918,477	42,670,996
Operating income (loss)	(17,758,830)	(13,650,849)	(31,409,679)
Nonoperating revenues (expenses)			
Taxes	17,806,798	4,796,317	22,603,115
Gain (loss) on sale of capital assets		56,246	56,246
Miscellaneous	182,452	42,211	224,663
Total nonoperating revenues (expenses)	17,989,250	4,894,774	22,884,024
Income (loss) before transfers	230,420	(8,756,075)	(8,525,655)
Change in net assets	230,420	(8,756,075)	(8,525,655)
Net assets - January 1	(37,925,099)	8,756,075	(29,169,024)
Net assets - December 31	\$ (37,694,679)	\$	\$ (37,694,679)

El Paso County, Colorado  
Internal Service Funds  
Combining Statement of Cash Flows  
For the year ended December 31, 2008

	Self- Insurance Fund	Fleet Services Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 370,372	\$ 51,375	\$ 421,747
Receipts from interfund services provided	10,018,970	316,371	10,335,341
Payments to suppliers	895,352	(809,452)	85,900
Payments to employees	(22,379,650)	(1,951,842)	(24,331,492)
Payments for interfund services used	(451,206)	(3,445,542)	(3,896,748)
Net cash used in operating activities	<u>(11,546,162)</u>	<u>(5,839,090)</u>	<u>(17,385,252)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Taxes received	17,806,798	4,796,317	22,603,115
Net cash provided by noncapital financing activities	<u>17,806,798</u>	<u>4,796,317</u>	<u>22,603,115</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sales of fixed assets		56,246	56,246
Capital expenditures		(22,965)	(22,965)
Net cash used in capital and related financing activities		<u>33,281</u>	<u>33,281</u>
Net increase (decrease) in cash and cash equivalents	6,260,636	(1,009,492)	5,251,144
Cash and cash equivalents - January 1	800,042	1,009,492	1,809,534
Cash and cash equivalents - December 31	<u>\$ 7,060,678</u>	<u>\$</u>	<u>\$ 7,060,678</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss	\$ (17,758,830)	\$ (13,650,849)	\$ (31,409,679)
Adjustments to reconcile operating loss to net cash used in operating activities			
Miscellaneous revenue	182,452	42,211	224,663
Depreciation expense	13,590	1,751,608	1,765,198
(Increase) decrease in assets			
Accounts receivable	(119,078)	1,644	(117,434)
Intergovernmental receivables	306,997	7,520	314,517
Due from other funds	(974,719)	48,743	(925,976)
Inventories		704,601	704,601
Increase (decrease) in liabilities			
Accounts payable	1,028,815	(220,909)	807,906
Accrued liabilities	6,225,817		6,225,817
Capital lease obligation			
Compensated absences		(325,089)	(325,089)
Due to other funds	(451,206)	5,801,430	5,350,224
Net cash used in operating activities	<u>\$ (11,546,162)</u>	<u>\$ (5,839,090)</u>	<u>\$ (17,385,252)</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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 10,210,812	\$ 9,305,929	\$ 10,609,551	\$ 1,303,622
Taxes	13,718,423	17,810,822	17,806,798	(4,024)
Intergovernmental		316,144	384,138	67,994
Miscellaneous			145,066	145,066
Insurance recoveries			37,386	37,386
	<u>23,929,235</u>	<u>27,432,895</u>	<u>28,982,939</u>	<u>1,550,044</u>
<b>EXPENDITURES</b>				
Claim settlements	18,331,416	20,940,416	17,251,965	3,688,451
Administration and operations	3,039,769	3,670,769	4,434,529	(763,760)
Insurance premiums	1,226,747	1,226,747	845,618	381,129
	<u>22,597,932</u>	<u>25,837,932</u>	<u>22,532,112</u>	<u>3,305,820</u>
Net change in fund balances	<u>\$ 1,331,303</u>	<u>\$ 1,594,963</u>	<u>\$ 6,450,827</u>	<u>\$ 4,855,864</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,143,062	\$ 4,796,316	\$ 4,796,317	\$ 1
Charges for services	400,000	400,000	267,628	(132,372)
Miscellaneous			9,232	9,232
Total revenues	5,543,062	5,196,316	5,073,177	(123,139)
<b>EXPENDITURES</b>				
Administration and operations	4,694,984	6,560,032	6,560,032	
Capital outlay	1,539,000	22,966	22,965	1
Total expenditures	6,233,984	6,582,998	6,582,997	1
Excess (deficiency) of revenues over (under) expenditures	(690,922)	(1,386,682)	(1,509,820)	(123,138)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	106,000	123,017	122,695	(322)
Total other financing sources (uses)	106,000	123,017	122,695	(322)
Net change in fund balances	\$ (584,922)	\$ (1,263,665)	\$ (1,387,125)	\$ (123,460)



## 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.

#### FALCON VISTA ACQUISITION LID

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

El Paso County, Colorado  
Private-Purpose Trust Funds  
Combining Statement of Fiduciary Net Assets  
December 31, 2008

	Park Fees	School's Trust	Urban Park	Totals
<b>ASSETS</b>				
Cash and investments	\$	\$ 83,663	\$	\$ 83,663
Total assets		83,663		83,663
<b>LIABILITIES</b>				
Accounts payable				
<b>NET ASSETS</b>				
Held in trust	\$	\$ 83,663	\$	\$ 83,663

El Paso County, Colorado  
Private-Purpose Trust Funds  
Combining Statement of Changes in  
Fiduciary Net Assets  
For the year ended December 31, 2008

	Park Fees	School's Trust	Urban Park	Totals
<b>ADDITIONS</b>				
Charges for services				
Park fees	\$ 104,428	\$	\$ 10,550	\$ 114,978
School fees		70,388		70,388
Total charges for services	104,428	70,388	10,550	185,366
Investment earnings	62,596		24,295	86,891
Total additions	167,024	70,388	34,845	272,257
<b>DEDUCTIONS</b>				
Outside agencies	\$ 3,055,658	\$ 164,589	\$ 1,134,758	\$ 4,355,005
Change in net assets	(2,888,634)	(94,201)	(1,099,913)	(4,082,748)
Net assets - January 1	2,888,634	177,864	1,099,913	4,166,411
Net assets - December 31	\$	\$ 83,663	\$	\$ 83,663

**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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 235,000	\$ 235,000	\$ 104,428	\$ (130,572)
Interest	120,000	120,000	62,596	(57,404)
Total revenues	<u>355,000</u>	<u>355,000</u>	<u>167,024</u>	<u>(187,976)</u>
<b>EXPENDITURES</b>				
Outside agencies	490,000	3,384,434	3,055,658	328,776
Capital outlay	275,000	262,739		262,739
Total expenditures	<u>765,000</u>	<u>3,647,173</u>	<u>3,055,658</u>	<u>591,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(410,000)</u>	<u>(3,292,173)</u>	<u>(2,888,634)</u>	<u>403,539</u>
Net change in fund balances	<u>\$ (410,000)</u>	<u>\$ (3,292,173)</u>	<u>\$ (2,888,634)</u>	<u>\$ 403,539</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, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 400,000	\$ 400,000	\$ 70,388	\$ (329,612)
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>70,388</u>	<u>(329,612)</u>
<b>EXPENDITURES</b>				
Outside agencies	<u>400,000</u>	<u>400,000</u>	<u>164,589</u>	<u>235,411</u>
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>164,589</u>	<u>235,411</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ (94,201)</u>	<u>\$ (94,201)</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 110,000	\$ 110,000	\$ 10,550	\$ (99,450)
Interest	40,000	40,000	24,295	(15,705)
Total revenues	150,000	150,000	34,845	(115,155)
<b>EXPENDITURES</b>				
Outside agencies	255,000	1,340,054	1,134,758	205,296
Total expenditures	255,000	1,340,054	1,134,758	205,296
Net change in fund balances	\$ (105,000)	\$ (1,190,054)	\$ (1,099,913)	\$ 90,141

El Paso County, Colorado  
 Agency Funds  
 Combining Statement of Fiduciary Net Assets  
 December 31, 2008

	Treasurer's	Public Trustee	Struther's Road	Rancho Colorado	Falcon Vista	Total
<b>ASSETS</b>						
Cash and investments	\$ 24,849,608	\$ 1,858,006	\$	\$ 58,297	\$	\$ 26,765,911
<b>LIABILITIES</b>						
Due to other governments	\$ 20,123,297	\$	\$	\$	\$	\$ 20,123,297
Escrow deposits held by trustee		988,686				988,686
Funds due to bondholders				58,297		58,297
Other	4,726,311	869,320				5,595,631
Total liabilities	\$ 24,849,608	\$ 1,858,006	\$	\$ 58,297	\$	\$ 26,765,911



El Paso County, Colorado  
 Agency Funds  
 Combining Statement of Changes in Fiduciary Net  
 Assets and Liabilities  
 For the year ended December 31, 2008

**TREASURER'S AGENCY FUND**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and investments	\$ 26,197,861	\$ 802,800,295	\$ 804,148,548	\$ 24,849,608
<b>LIABILITIES</b>				
Due to other governments	\$ 20,479,108	\$ 622,964,139	\$ 623,319,950	\$ 20,123,297
Other	5,718,753	179,836,156	180,828,598	4,726,311
Total liabilities	\$ 26,197,861	\$ 802,800,295	\$ 804,148,548	\$ 24,849,608

**PUBLIC TRUSTEE AGENCY FUND**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and investments	\$ 1,308,709	\$ 38,382,671	\$ 37,833,374	\$ 1,858,006
<b>LIABILITIES</b>				
Escrow deposits held by trustee	\$ 516,371	\$ 36,856,750	\$ 36,384,435	\$ 988,686
Other	792,338	1,525,921	1,448,939	869,320
Total liabilities	\$ 1,308,709	\$ 38,382,671	\$ 37,833,374	\$ 1,858,006

(Continued)

El Paso County, Colorado  
Agency Funds  
Combining Statement of Changes in Fiduciary Net  
Assets and Liabilities - Continued  
For the year ended December 31, 2008

**STRUTHER'S ROAD AGENCY FUND**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and investments	\$ 216,343	\$ 71,962	\$ 288,305	\$
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 216,343	\$ 71,962	\$ 288,305	\$

**RANCHO COLORADO AGENCY FUND**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and investments	\$ 126,164	\$ 83,357	\$ 151,224	\$ 58,297
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 126,164	\$ 83,357	\$ 151,224	\$ 58,297

**FALCON VISTA ACQUISITION LID**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and investments	\$	\$ 1,500,000	\$ 1,500,000	\$
<b>LIABILITIES</b>				
Funds due to bondholders	\$	\$ 1,500,000	\$ 1,500,000	\$

**TOTALS - ALL AGENCY FUNDS**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b>ASSETS</b>				
Cash and investments	\$ 27,849,077	\$ 842,838,285	\$ 843,921,451	\$ 26,765,911
<b>LIABILITIES</b>				
Due to other governments	\$ 20,479,108	\$ 622,964,139	\$ 623,319,950	\$ 20,123,297
Escrow deposits held by trustee	516,371	36,856,750	36,384,435	988,686
Funds due to bondholders	342,507	1,655,319	1,939,529	58,297
Other	6,511,091	181,362,077	182,277,537	5,595,631
Total liabilities	\$ 27,849,077	\$ 842,838,285	\$ 843,921,451	\$ 26,765,911

**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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ 316,786	\$ 316,786	\$ 65,125	\$ (251,661)
Interest	3,000	3,000	6,837	3,837
Total revenues	<u>319,786</u>	<u>319,786</u>	<u>71,962</u>	<u>(247,824)</u>
<b>EXPENDITURES</b>				
Debt service	<u>366,357</u>	<u>404,257</u>	<u>288,305</u>	<u>115,952</u>
Total expenditures	<u>366,357</u>	<u>404,257</u>	<u>288,305</u>	<u>115,952</u>
Net change in fund balances	<u>\$ (46,571)</u>	<u>\$ (84,471)</u>	<u>\$ (216,343)</u>	<u>\$ (131,872)</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 34,223	\$ 34,464	\$ 81,548	\$ 47,084
Interest	7,000	7,000	1,809	(5,191)
Total revenues	41,223	41,464	83,357	41,893
<b>EXPENDITURES</b>				
Debt service	150,983	151,224	151,224	
Total expenditures	150,983	151,224	151,224	
Net change in fund balances	\$ (109,760)	\$ (109,760)	\$ (67,867)	\$ 41,893

El Paso County, Colorado  
 Falcon Vista Acquisition LID  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances - Budget and Actual  
 For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Bond Proceeds	\$	\$	\$ 1,500,000	\$ 1,500,000
Total revenues			1,500,000	1,500,000
<b>EXPENDITURES</b>				
Debt service			1,500,000	(1,500,000)
Total expenditures			1,500,000	(1,500,000)
Net change in fund balances	\$	\$	\$	\$

**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, 2008

Governmental funds capital assets:	
Land	\$ 14,017,217
Building	166,509,126
Improvements other than buildings	22,858,249
Infrastructure	419,861,175
Machinery and equipment	39,738,940
Furniture and fixtures	2,079,072
Computer equipment	16,192,538
Construction in progress	26,128,469
	<u>707,384,786</u>
Total governmental funds capital assets	\$ <u>707,384,786</u>
Investment in governmental funds capital assets by source:	
General fund	\$ 43,353,876
Special Revenue fund	412,566,510
Capital Projects fund	156,809,241
Donations	94,655,159
	<u>707,384,786</u>
Total governmental funds capital assets	\$ <u>707,384,786</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, 2008

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	12,960,242	14,578,436	3,159,765	
Environmental services				
HR - personnel				
Finance			88,433	
Information services		6,415,114	19,698	
County attorney				
Clerk and recorder		3,055,520		
Treasurer				
Assessor				
Development services				
Public trustee			4,248	
Parking		9,037,258	6,457,614	
Total general government	<u>12,960,242</u>	<u>33,086,328</u>	<u>9,935,917</u>	
<b>Public Safety:</b>				
Coroner		851,620	179,669	
Sheriff				
Sheriff operation		1,820,264	192,216	
Jail		5,817,506	3,616,390.00	
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>5,151,434</u>	
<b>Public Works:</b>				
Department of transportation	554,810	8,486,461	3,858,427	419,861,175
Total public works	<u>554,810</u>	<u>8,486,461</u>	<u>3,858,427</u>	<u>419,861,175</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	3,726,741	3,751,980	
Total culture and recreation	<u>502,165</u>	<u>3,726,741</u>	<u>3,751,980</u>	
Total governmental funds capital assets	<u>\$ 14,017,217</u>	<u>\$ 166,509,126</u>	<u>\$ 22,858,249</u>	<u>\$ 419,861,175</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
405,046	91,305	60,258		369,715
		18,013		31,255,052
	6,676	83,405		18,013
	20,002	697,166		90,081
7,453,306	216,664	9,069,187	324,282	805,601
		8,428		23,498,251
172,055	710,573	2,442,755	691,631	8,428
		125,869		7,072,534
	71,550	96,447		125,869
		729,337		167,997
		222,170		729,337
				226,418
				15,494,872
<u>8,051,507</u>	<u>1,116,770</u>	<u>13,701,878</u>	<u>1,015,913</u>	<u>79,868,555</u>
85,856	216,772	372,002		1,705,919
6,257,952	426,738	1,047,311		9,744,481
		99,457		9,433,896
81,995			8,099,140	181,452
12,966				58,101,202
690,471				54,846,588
<u>7,129,240</u>	<u>643,510</u>	<u>1,518,770</u>	<u>8,099,140</u>	<u>690,471</u>
<u>24,359,482</u>	<u>244,484</u>	<u>330,044</u>	<u>16,768,774</u>	<u>474,463,657</u>
24,359,482	244,484	330,044	16,768,774	474,463,657
128,625	58,264	263,804		5,479,772
				4,065,600
23,022	9,244	324,052		469,811
<u>151,647</u>	<u>67,508</u>	<u>587,856</u>		<u>10,015,183</u>
47,064	6,800	53,990	244,642	8,333,382
<u>47,064</u>	<u>6,800</u>	<u>53,990</u>	<u>244,642</u>	<u>8,333,382</u>
<u>\$ 39,738,940</u>	<u>\$ 2,079,072</u>	<u>\$ 16,192,538</u>	<u>\$ 26,128,469</u>	<u>\$ 707,384,786</u>

El Paso County, Colorado  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 December 31, 2008

Function and activity	Governmental Funds Capital Assets January 1, 2008	Additions	Deletions	Governmental Funds Capital Assets December 31, 2008
<b>General government:</b>				
Office of the Board	\$ 6,387	\$	\$	\$ 6,387
Security	369,715			369,715
Facilities management	31,108,687	198,744	52,379	31,255,052
Environmental services	18,013			18,013
Employment services	90,081			90,081
Finance	805,601			805,601
Information services	24,028,190	301,244	831,183	23,498,251
County attorney	8,428			8,428
Clerk and recorder	6,770,389	320,945	18,800	7,072,534
Treasurer	125,869			125,869
Assessor	167,997			167,997
Development services	0	729,337		729,337
Public trustee	226,418			226,418
Parking	9,266,734	6,228,138		15,494,872
Total general government	<u>72,992,509</u>	<u>7,778,408</u>	<u>902,362</u>	<u>79,868,555</u>
<b>Public safety:</b>				
Coroner	1,678,506	42,513	15,100	1,705,919
Sheriff				
Sheriff operation	9,188,344	598,787	42,650	9,744,481
Jail	6,115,488	3,318,408		9,433,896
District attorney	181,452			181,452
Judicial building	50,745,878	7,355,324		58,101,202
Criminal justice center	54,846,588			54,846,588
Sheriff special investigation	690,471			690,471
Total public safety	<u>123,446,727</u>	<u>11,315,032</u>	<u>57,750</u>	<u>134,704,009</u>
<b>Public works:</b>				
Department of transportation	423,141,472	51,322,185		474,463,657
Total public works	<u>423,141,472</u>	<u>51,322,185</u>		<u>474,463,657</u>
<b>Health and welfare:</b>				
Department of human services	5,486,086		6,314	5,479,772
Health department	4,065,600			4,065,600
One stop job center	469,811			469,811
Total health and welfare	<u>10,021,497</u>		<u>6,314</u>	<u>10,015,183</u>
<b>Culture and recreation:</b>				
Parks	8,215,912	307,470	190,000	8,333,382
Total culture and recreation	<u>8,215,912</u>	<u>307,470</u>	<u>190,000</u>	<u>8,333,382</u>
Total governmental funds capital assets	<u>\$ 637,818,117</u>	<u>\$ 70,723,095</u>	<u>\$ 1,156,426</u>	<u>\$ 707,384,786</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, 2008

	<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	\$ 5,633,229	\$ 15,592	\$	\$ 5,633,229	\$ 15,592
LEAP	\$ 5,114,232	\$	\$ 510,821	\$ 5,625,053	\$ 510,821
TANF	\$ 9,665,628	\$ 2,377,444	\$ 5,118,245	\$ 14,783,873	\$ 7,495,689
Administration	\$	\$ 1,191,242	\$ 9,341,418	\$ 9,341,418	\$ 10,532,660
Child Welfare	\$ 30,624,765	\$ 6,281,093	\$ 8,698,522	\$ 39,323,287	\$ 14,979,615
Core Services	\$ 4,834,307	\$ 734,648	\$ 156,066	\$ 4,990,372	\$ 890,714
AND	\$ 1,778,698	\$	\$ 385,985	\$ 2,164,683	\$ 385,985
IV-D Administration	\$	\$	\$ 4,180,315	\$ 4,180,315	\$ 4,180,315
Child Care	\$ 10,156,628	\$ 1,007,304	\$ 303,574	\$ 10,460,202	\$ 1,310,878
Senior Service/Vet's	\$	\$	\$ 173,983	\$	\$ 173,983
Grants/Other ***	\$	\$	\$ 1,540,517	\$	\$ 1,540,517
Sub-Total	\$ 67,807,487	\$ 11,607,323	\$ 30,409,446	\$ 96,502,432	\$ 42,016,769
Food Assistance	\$ 51,233,442	\$	\$	\$ 51,233,442	\$
Grand Total	\$ 119,040,929	\$ 11,607,323	\$ 30,409,446	\$ 147,735,874	\$ 42,016,769

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

\*\*\* Grants/Other reflect expenditures in the County Financial System Only, and noted on CFMS as Settled outside CFMS.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:			
		El Paso County			
This Information From The Records Of: County of El Paso, Colorado		Prepared By: Sherri Cassidy, Division Manager			
		Phone: 719-520-6461			
<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					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	19,585,047		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,828,962		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	917,981		
2. General fund appropriations		b. Snow and ice removal	1,847,708		
3. Other local imposts (from page 2)	17,297,073	c. Other	3,223,230		
4. Miscellaneous local receipts (from page 2)	5,819,665	d. Total (a. through c.)	5,988,919		
5. Transfers from toll facilities		4. General administration & miscellaneous	10,786,195		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	42,189,123		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)		a. Interest			
7. Total (1 through 6)	23,116,738	b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)			
<b>C. Receipts from State government</b> (from page 2)	8,804,631	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	9,377,719	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	41,299,088	b. Redemption			
		c. Total (a. + b.)			
		3. Total (1.c + 2.c)			
		<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>	42,189,123		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b>					
(Show all entries at par)					
	Opening Debt	Amount Issued	Closing Debt		
<b>A. Bonds (Total)</b>					
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>					
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	11,331,955	41,299,088	42,189,123	10,441,920	
<b>Notes and Comments:</b>					



**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2008

**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	7,684,574	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	708,749	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	8,903,750	g. Other Misc. Receipts	59,019
6. Total (1. through 5.)	9,612,499	h. Other	5,760,646
c. Total (a. + b.)	17,297,073	i. Total (a. through h.)	5,819,665
	(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	8,177,868	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	106,778
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	626,763	d. Federal Transit Admin	9,185,947
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	84,994
f. Total (a. through e.)	626,763	g. Total (a. through f.)	9,377,719
4. Total (1. + 2. + 3.f)	8,804,631	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		12,575	12,575
b. Engineering Costs		619,411	619,411
c. Construction:			
(1). New Facilities		5,760,646	5,760,646
(2). Capacity Improvements	11,047,768		11,047,768
(3). System Preservation		2,144,647	2,144,647
(4). System Enhancement & Operation			
(5). Total Construction (1) + (2) + (3) + (4)	11,047,768	7,905,293	18,953,061
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	11,047,768	8,537,279	19,585,047
			(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*

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*

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## Financial Trends

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

	<b>Fiscal Year</b>		
	<b>2002</b>	<b>2003</b>	<b>2004</b>
Governmental activities			
Invested in capital assets, net of related debt	\$ 92,778,558	\$ 118,535,632	\$ 127,978,967
Restricted	12,246,084	8,260,460	7,173,760
Unrestricted	44,035,801	29,940,093	30,101,673
Total governmental activities net assets	<u>\$ 149,060,443</u>	<u>\$ 156,736,185</u>	<u>\$ 165,254,400</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 886,205	\$ 17,823,736	\$ 4,586,665
Unrestricted	1,480,715	3,251,954	2,964,582
Total business-type activities net assets	<u>\$ 2,366,920</u>	<u>\$ 21,075,690</u>	<u>\$ 7,551,247</u>
Primary government			
Invested in capital assets, net of related debt	\$ 111,094,514	\$ 136,359,368	\$ 132,565,632
Restricted	12,246,084	8,260,460	7,173,760
Unrestricted	46,642,594	33,192,047	33,066,255
Total primary government net assets	<u>\$ 169,983,192</u>	<u>\$ 177,811,875</u>	<u>\$ 172,805,647</u>

Data source:  
Statement of Net Assets, EPC Financial Statements  
El Paso County Financial Statements  
\*Data not available prior to 2002



2005		2006		2007		2008	
\$	135,624,461	\$	473,797,276	\$	568,270,750	\$	426,496,580
	5,652,345		5,763,652		11,650,811		15,786,029
	27,478,459		20,658,649		(104,993,011)		(27,537,646)
<u>\$</u>	<u>168,755,265</u>	<u>\$</u>	<u>500,219,577</u>	<u>\$</u>	<u>474,928,550</u>	<u>\$</u>	<u>414,744,963</u>
\$	1,074,434	\$	1,387,518	\$	1,358,758	\$	886,205
	4,283,618		3,219,917		2,662,302		1,480,954
<u>\$</u>	<u>5,358,052</u>	<u>\$</u>	<u>4,607,435</u>	<u>\$</u>	<u>4,021,060</u>	<u>\$</u>	<u>2,367,159</u>
\$	136,698,895	\$	475,184,794	\$	569,629,508	\$	427,382,785
	5,652,345		5,763,652		11,650,811		15,786,029
	31,762,077		23,878,566		(102,330,709)		(26,056,692)
<u>\$</u>	<u>174,113,317</u>	<u>\$</u>	<u>504,827,012</u>	<u>\$</u>	<u>478,949,610</u>	<u>\$</u>	<u>417,112,122</u>

**Schedule 2**  
**El Paso County**  
**Changes in Net Assets**  
**Last Six Fiscal Years**

<b>Expenses</b>	<b>Fiscal Year</b>		
	<b>2002</b>	<b>2003</b>	<b>2004</b>
Governmental activities:			
General government	\$ 56,128,401	\$ 47,747,062	\$ 49,900,240
Public Safety	45,394,457	58,328,018	58,589,412
Public Works	16,071,908	15,586,001	13,936,364
Health and Welfare	54,144,080	57,633,160	51,108,682
Culture and recreation	2,874,399	3,290,235	2,984,955
Auxiliary services	539,819	390,897	348,134
Outside agencies			
Interest on long-term debt	915,096	4,577,409	4,244,308
Total governmental activities expenses	<u>176,068,160</u>	<u>187,552,782</u>	<u>181,112,095</u>
Business-type activities:			
Equestrian Center	838,587	870,650	821,267
County Fair	396,922	397,710	390,042
Arts facility	1,390,300	1,432,876	13,921,652
Waste management	636,248	617,281	547,995
Land Development	82,870	240,416	829,191
Total business-type activities expenses	<u>3,344,927</u>	<u>3,558,933</u>	<u>16,510,147</u>
Total primary government expenses	<u>\$ 179,413,087</u>	<u>\$ 191,111,715</u>	<u>\$ 197,622,242</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 14,987,717	\$ 17,562,445	\$ 15,363,829
Public safety	1,246,706	2,070,767	2,354,944
Public works	2,626,170	2,609,072	127,994
Health and Welfare	168,662	289,178	133,268
Culture and recreation	186,400	120,708	145,294
Outside agencies			136,317
Operating grants and contributions	52,323,267	51,577,164	48,826,210
Capital grants and contributions	14,466,454	15,923,473	13,263,876
Total governmental activities program revenues	<u>86,005,376</u>	<u>90,152,807</u>	<u>80,351,732</u>
Business-type activities:			
Charges for services:			
Equestrian Center	599,689	638,155	
County Fair	235,844	207,759	208,660
Arts facility	899,988	929,615	784,586
Waste management	681,185	661,720	708,886
Land Development	551,976	804,197	948,010
Operating grants and contributions		27,000	18,000
Total business-type activities program revenues	<u>2,968,682</u>	<u>3,268,446</u>	<u>2,668,142</u>
Total primary government program revenues	<u>\$ 88,974,058</u>	<u>\$ 93,421,253</u>	<u>\$ 83,019,874</u>

(Continued)

	2005	2006	2007	2008
\$	53,148,164	\$ 49,588,735	\$ 58,370,104	\$ 44,543,821
	63,502,622	68,322,881	85,943,749	70,429,035
	17,441,950	15,126,834	17,968,376	96,727,905
	52,030,311	54,071,254	59,075,189	53,492,404
	3,293,236	3,049,572	3,774,357	2,942,434
	461,330	276,546	1,255,626	2,003,860
		6,636,067	6,132,634	4,613,511
	4,665,637	4,571,516	6,578,057	5,700,186
	<u>194,543,250</u>	<u>201,643,405</u>	<u>239,098,092</u>	<u>280,453,156</u>

	611,002	657,857	794,749	874,130
	<u>1,293,983</u>	<u>3,458,822</u>	<u>3,120,259</u>	<u>2,780,985</u>
	<u>1,904,985</u>	<u>4,116,679</u>	<u>3,915,008</u>	<u>3,655,115</u>
\$	<u>196,448,235</u>	<u>205,760,084</u>	<u>243,013,100</u>	<u>284,108,271</u>

\$	16,823,845	\$ 17,205,184	\$ 15,965,622	\$ 15,597,399
	2,961,540	2,743,137	3,266,421	3,842,816
	99,519	358,491	602,212	1,892,183
	392,601	575,555	383,931	402,884
	419,361	410,763	542,084	4,336,800
	3,546	240,988	213,393	221,753
	52,447,436	58,034,608	57,120,280	55,961,305
	<u>8,670,183</u>	<u>26,960,492</u>	<u>15,370,037</u>	<u>25,615,236</u>
	<u>81,818,031</u>	<u>106,529,218</u>	<u>93,463,980</u>	<u>107,870,376</u>

	765,166	761,139	846,968	882,231
	<u>2,595,240</u>	<u>2,285,934</u>	<u>1,957,808</u>	<u>1,539,145</u>
	<u>3,360,406</u>	<u>3,047,073</u>	<u>2,804,776</u>	<u>2,421,376</u>
\$	<u>85,178,437</u>	<u>109,576,291</u>	<u>96,268,756</u>	<u>110,291,752</u>

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

	Fiscal Year		
	2002	2003	2004
<b>Net (Expense) Revenue</b>			
Governmental activities	(90,062,784)	(97,399,975)	(100,760,363)
Business-type activities	(349,245)	(97,690,462)	(13,269,326)
Total primary government net expense	<u>\$ (90,412,029)</u>	<u>\$ (195,090,437)</u>	<u>\$ (111,631,789)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes			
Property taxes	\$ 24,764,323	\$ 34,134,150	\$ 32,452,212
Sales taxes	60,214,529	60,324,356	64,372,866
Other taxes	10,435,135	9,419,579	10,356,101
Investment earnings	1,393,255	1,492,800	1,770,007
Gain/Loss on sale of capital assets		118,175	30,417
Transfers	(1,040,334)	(413,343)	296,975
Total governmental activities	<u>95,766,908</u>	<u>105,075,717</u>	<u>109,278,578</u>
Business-type activities:			
Investment earnings	34,215	30,085	41,858
Loss on sale of capital assets			
Transfers		413,343	(296,975)
Total business-type activities	<u>34,215</u>	<u>443,428</u>	<u>(255,117)</u>
Total primary government	<u>\$ 95,801,123</u>	<u>\$ 105,519,145</u>	<u>\$ 109,023,461</u>
<b>Change in Net Assets</b>			
Governmental activities	\$ (15,567,870)	\$ 7,675,742	\$ 8,518,215
Business-type activities	20,922,749	(97,247,034)	(13,524,443)
Total primary government	<u>\$ 5,354,879</u>	<u>\$ (89,571,292)</u>	<u>\$ (5,006,228)</u>

Data source:  
 Statement of Activities  
 El Paso County Financial Statements  
 \*Data not available prior to 2002

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
(112,725,219)	(95,114,187)	(145,634,112)	(172,582,780)
1,093,430	(1,069,606)	(1,110,232)	(1,233,739)
<u>\$ (111,631,789)</u>	<u>\$ (96,183,793)</u>	<u>\$ (146,744,344)</u>	<u>\$ (173,816,519)</u>

\$ 33,625,151	\$ 35,549,331	\$ 36,748,742	\$ 43,479,334
67,839,928	68,520,201	69,146,880	50,098,470
9,184,444	11,392,744	9,931,960	9,409,854
4,433,373	3,429,584	4,818,667	2,270,800
1,140,836	(179,211)	80,732	297,718
(17,648)	(486,487)	(383,896)	27,510
<u>116,206,084</u>	<u>118,226,162</u>	<u>120,343,085</u>	<u>105,583,686</u>

128,952	179,621	139,961	46,354
(3,433,225)			
17,648	486,487	383,896	(27,510)
<u>(3,286,625)</u>	<u>666,108</u>	<u>523,857</u>	<u>18,844</u>
<u>\$ 112,919,459</u>	<u>\$ 118,892,270</u>	<u>\$ 120,866,942</u>	<u>\$ 105,602,530</u>

\$ 3,480,865	\$ 23,111,975	\$ (25,291,027)	\$ (66,999,094)
(2,193,195)	(403,498)	(586,375)	(1,214,895)
<u>\$ 1,287,670</u>	<u>\$ 22,708,477</u>	<u>\$ (25,877,402)</u>	<u>\$ (68,213,989)</u>

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

	<b>Fiscal Year</b>		
	<b>2002</b>	<b>2003</b>	<b>2004</b>
General Fund			
Reserved	\$ 2,988,837	\$ 1,559,837	\$ 834,885
Unreserved	17,523,967	15,794,157	17,939,715
Total general fund	<u>\$ 20,512,804</u>	<u>\$ 17,353,994</u>	<u>\$ 18,774,600</u>
All Other Governmental Funds			
Reserved	\$ 95,282,099	\$ 76,377,714	\$ 54,429,269
Unreserved, reported in:			
Special revenue funds	13,237,162	12,557,702	12,861,205
Capital projects funds	1,213,295	3,699,095	2,863,497
Debt service funds			
Total all other governmental funds	<u>\$ 109,732,556</u>	<u>\$ 92,634,511</u>	<u>\$ 70,153,971</u>
Total governmental funds	<u><u>\$ 130,245,360</u></u>	<u><u>\$ 109,988,505</u></u>	<u><u>\$ 88,928,571</u></u>

Data source:  
Governmental Funds Balance Sheet  
El Paso County Financial Statements  
\*Data not available prior to 2002

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 1,075,248	\$ 7,167,536	\$ 5,609,630	\$ 297,335
18,255,711	14,322,359	14,729,641	2,983,839
<u>\$ 19,330,959</u>	<u>\$ 21,489,895</u>	<u>\$ 20,339,271</u>	<u>\$ 3,281,174</u>
\$ 18,295,204	\$ 4,346,714	\$ 36,950,558	\$ 28,137,978
11,138,582	13,316,364	13,282,240	12,276,990
2,077,759			
<u>\$ 31,511,545</u>	<u>\$ 17,663,078</u>	<u>\$ 50,232,798</u>	<u>\$ 40,414,968</u>
<u>\$ 50,842,504</u>	<u>\$ 39,152,973</u>	<u>\$ 70,572,069</u>	<u>\$ 43,696,142</u>

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

	<b>Fiscal Year</b>			
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>REVENUES</b>				
Property taxes	\$ 31,881,652	\$ 34,414,074	\$ 30,925,258	\$ 24,764,323
Sales taxes	52,317,559	58,415,299	61,666,586	60,214,529
Specific ownership taxes	5,297,249	5,293,623	5,684,220	10,435,135
Intergovernmental	61,525,576	71,490,405	72,219,198	55,080,511
Fees and fines	213,382	276,355	285,260	832,409
Licenses and permits	2,514,316	2,706,926	2,766,930	121,301
Charges for services	13,765,291	13,352,044	16,267,961	14,283,695
Investment earnings	3,444,110	5,572,011	3,817,483	1,325,299
Miscellaneous	4,073,122	6,012,791	5,737,042	2,986,624
<b>Total revenues</b>	<b>175,032,257</b>	<b>197,533,528</b>	<b>199,369,938</b>	<b>170,043,826</b>
<b>EXPENDITURES</b>				
Current				
General government	42,423,756	44,322,211	48,164,585	53,926,618
Public safety	36,865,296	38,246,793	41,722,918	43,564,117
Public works	21,398,459	28,171,087	23,433,218	14,982,192
Health and welfare	52,918,360	63,185,698	62,817,472	54,149,719
Culture and recreation				2,738,749
Outside agencies	2,478,130	2,435,445	1,243,792	
Auxiliary services	4,697,579	5,355,459	5,176,635	528,567
Debt service:				
Principal	63,210	809,810	1,324,436	1,617,938
Interest and other charges				582,987
Issuance costs				1,652,925
Capital outlay	10,844,121	13,619,283	12,245,687	14,972,896
<b>Total expenditures</b>	<b>171,688,911</b>	<b>196,145,786</b>	<b>196,128,743</b>	<b>188,716,708</b>
Excess of revenues over (under) expenditures	3,343,346	1,387,742	3,241,195	(18,672,882)
Other Financing Sources (uses)				
Refund of bond issuance costs				
Certificates of participation issued				84,975,000
Premium on certificates of participation				1,607,413
Capital lease financing	10,557,685		279,437	395,719
Proceeds from sale of fixed assets	300,851	334,478	1,300,575	38,101
Transfers in	9,720,367	12,793,655	12,291,171	10,491,140
Transfers out	(9,720,367)	(12,793,655)	(12,252,624)	(14,290,879)
Assumption of deficit fund balance by internal service fund				
<b>Total other financing sources (uses)</b>	<b>10,858,536</b>	<b>334,478</b>	<b>1,618,559</b>	<b>83,216,494</b>
<b>Net change in fund balances</b>	<b>\$ 14,201,882</b>	<b>\$ 1,722,220</b>	<b>\$ 4,859,754</b>	<b>\$ 64,543,612</b>
Debt service as a percentage of noncapital expenditures	0.04%	0.44%	0.72%	2.22%

Data Source:  
El Paso County Financial Statements



	2003	2004	2005	2006	2007	2008
\$	34,134,150	\$ 32,452,212	\$ 33,625,151	\$ 35,549,331	\$ 36,748,742	\$ 43,479,334
	60,324,356	64,372,866	67,839,928	68,520,201	69,146,880	50,098,470
	9,419,579	10,356,101	9,184,444	11,392,744	9,931,960	9,409,854
	57,464,012	51,017,932	52,479,434	55,345,530	53,512,924	62,439,883
	631,149	592,879	842,382	898,042	836,354	988,225
	148,948	266,889	320,994	284,181	289,866	329,387
	17,606,093	15,538,738	16,786,843	16,897,769	15,903,920	15,985,632
	1,485,815	1,783,878	4,428,366	3,431,443	4,785,997	2,270,801
	3,050,488	4,292,448	5,432,838	8,193,869	7,918,558	11,990,328
	184,264,590	180,673,943	190,940,380	200,513,110	199,075,201	196,991,914
	43,835,780	46,075,565	49,601,464	45,367,491	43,575,692	37,247,537
	53,453,463	54,051,253	60,319,755	64,983,113	66,593,803	65,432,387
	13,731,408	12,858,711	13,105,527	14,112,138	15,876,121	14,138,816
	56,031,953	49,884,332	50,630,532	52,662,497	51,648,706	51,394,991
	2,819,973	2,456,732	2,928,470	2,726,991	2,837,235	2,648,490
				6,636,067	5,473,129	4,401,352
	581,881	335,263	345,991	328,360	581,234	412,422
	1,743,693	1,225,000	2,555,000	3,490,000	3,375,000	2,885,000
	4,584,467	4,584,989	4,648,895	4,570,462	6,588,783	5,559,367
		183,888				113,365
	27,769,819	36,200,625	46,409,060	16,895,596	10,230,546	31,110,585
	204,552,437	207,856,358	230,544,694	211,772,715	206,780,249	215,344,312
	(20,287,847)	(27,182,415)	(39,604,314)	(11,259,605)	(7,705,048)	(18,352,398)
	33,861	(645,716)				
		6,970,000			39,429,749	2,500,000
		46,576				
	119,364	55,115	1,155,648	56,561	78,291	297,718
	11,254,281	12,234,379	13,473,846	18,702,244	16,638,988	7,252,751
	(11,376,514)	(12,537,873)	(13,131,247)	(19,188,731)	(17,022,884)	(7,225,241)
	30,992	6,122,481	1,498,247	(429,926)	39,124,144	2,825,228
\$	(20,256,855)	\$ (21,059,934)	\$ (38,106,067)	\$ (11,689,531)	\$ 31,419,096	\$ (15,527,170)
	3.58%	3.49%	3.91%	4.14%	5.07%	4.65%

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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
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
2008	2009	403,977,710	3,553,447,120	2,077,273,830	237,821,480	14,805,920

\*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>
4,597,560	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
9,705,240	0	281,115,200	6,578,146,500	7.583	1,512,133,950

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

	Taxes Payable	2000	2001	2002	2003
	Assessment Year	1999	2000	2001	2002
County direct rates					
General		2.793	2.814	3.167	2.864
Abatement		0.000	0.000	0.000	0.059
Road & Bridge		2.350	2.350	1.842	1.582
Social Services		1.687	1.687	1.324	1.204
Capital		0.707	0.707	0.660	1.443
Insurance		0.021	0.000	0.000	0.000
Retirement		0.781	0.781	0.728	0.728
Debt Service		0.000	0.000	0.000	0.000
Fleet		0.000	0.000	0.100	0.000
City and town rates					
Calhan		17.248	17.563	16.856	17.307
Colorado Springs		5.323	5.323	5.032	5.032
Fountain		10.239	10.239	10.239	10.239
Green Mountain Falls		14.588	14.588	14.588	14.588
Manitou Springs		15.981	15.981	17.836	18.277
Monument		7.607	7.042	6.407	6.469
Palmer Lake		12.909	24.560	19.442	20.038
Ramah		19.827	19.827	19.827	19.827
<i>Levy Ranges for the following districts are:</i>					
Fire Protection Districts		1.944-10.341	1.944-9.500	1.865-10.466	1.899-10.797
Sanitation Districts		0.679-7.731	0.679-7.028	0.664-5.439	0.664-4.999
Water Districts		0.503-11.238	0.532-11.238	0.532-11.238	0.532-12.870
Sanitation & Water Districts		3.631-30.863	3.758-30.863	3.191-26.960	3.174-26.960
Special Improvement Districts		1.653-43.000	1.653-55.000	1.009-60.000	1.009-60.000
Regional Library District		3.336	3.448	3.216	3.271
Metropolitan Districts		0.425-100.000	4.192-100.000	3.568-100.000	2.068-100.000
School Districts		26.182-58.159	26.143-58.897	24.591-58.897	24.686-58.897

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

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
2.923	2.995	2.599	2.179	4.182	5.144
0.067	0.065	0.057	0.037	0.037	0.069
1.582	1.582	1.582	1.568	1.280	0.330
1.454	1.319	1.319	1.290	0.000	0.000
0.893	1.023	0.963	1.450	1.320	1.390
0.300	0.300	0.400	0.450	0.000	0.000
0.728	0.728	0.753	0.736	0.695	0.650
0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000
17.563	17.563	17.525	17.563	17.563	17.563
5.032	4.944	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	15.558	14.558
17.368	17.836	17.284	17.284	15.951	15.951
6.454	6.408	5.872	6.458	6.289	6.289
21.536	21.753	19.070	16.544	15.340	16.180
19.827	19.827	19.827	19.827	19.827	19.827
2.139-10.842	0.467-12.813	2.130-12.527	2.322-12.660	1.635-12.423	1.479-12.423
0.665-5.254	0.666-3.714	0.650-3.759	0.650-4.134	0.650-4.500	0.579-4.501
0.532-15.300	0.532-16.279	0.532-14.437	0.532-14.437	0.534-14.437	0.430-14.437
3.429-32.198	3.981-34.044	3.831-26.995	4.142-31.840	4.065-31.423	4.001-33.070
1.009-65.000	1.000-49.500	1.000-45.000	1.000-45.000	1.000-51.000	1.000-51.000
3.434	3.495	3.296	3.515	3.325	3.54
2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000	2.031-100.000	1.927-100.000
21.717-60.216	21.568-60.216	20.096-60.216	19.699-60.216	19.715-60.216	24.301-60.216

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

Taxpayer	2004			2005		
	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.	\$ 3,194,205	1	5.29%	3,427,575	1	5.38%
City of Colorado Springs	1,085,993	4	1.92%	1,444,928	3	2.27%
Home Depot USA, Inc.	1,615,248	2	2.85%	1,876,642	2	2.95%
Target Corporation	1,051,705	5	1.86%	1,111,509	5	1.75%
Qwest Corporation	1,325,973	3	2.34%	1,394,574	4	2.19%
Broadmoor Hotel, Inc.	896,846	6	1.58%	920,445	6	1.45%
Verizon Wireless (VAW), LLC				718,781	8	1.13%
Lowe's HIW, Inc.	563,089	10	0.99%	599,784	10	0.94%
Best Buy Stores, LP	654,644	8	1.16%	689,640	9	1.08%
New Cingular Wireless PCS LLC						
Sam's West, Inc.	715,762	7	1.26%	735,353	7	1.15%
Phil Long Ford, LLC	613,110	9	1.08%			
Total	<u>\$ 11,716,574</u>		<u>20.35%</u>	<u>\$ 12,919,231</u>		<u>20.28%</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



2006				2007				2008			
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
\$ 3,522,957		1	5.47%	\$ 3,766,349	1	5.85%	\$ 3,820,996	1	5.94%		
1,337,349		4	2.08%	1,454,791	2	2.26%	1,660,655	2	2.58%		
1,650,259		2	2.56%	1,390,911	3	2.16%	1,448,459	3	2.25%		
1,189,186		5	1.85%	1,288,386	4	2.00%	1,246,475	4	1.94%		
1,340,919		3	2.08%	1,267,467	5	1.97%	1,213,056	5	1.89%		
1,058,353		6	1.64%	1,126,944	6	1.75%	1,172,290	6	1.82%		
773,302		8	1.20%	767,202	8	1.19%	870,804	7	1.35%		
975,791		7	1.51%	779,751	7	1.21%	848,979	8	1.32%		
735,419		10	1.14%	757,812	9	1.18%	748,990	9	1.16%		
							683,949	10	1.06%		
				757,237	10	1.18%					
<hr/>				<hr/>				<hr/>			
\$ 13,333,137			20.69%	\$ 13,356,850		20.76%	\$ 13,714,653		21.32%		
<hr/>				<hr/>			<hr/>				

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
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%
2008	23,385,499	24,214,688	103.55%	26,099	24,240,787	103.66%

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			
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	122,265,000	1,716,693	123,981,693	0.03%	35,658
2008	126,465,215	1,168,921	127,634,136	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
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	35,658	86.88%
2008	4,939,456	0.64%	596,053	-0.26%	42,377	*	*

\* 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>
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
284,544	17,383	5.8%	105,845	484,033

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## Operating Information

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

Function/Program	Full-time Equivalent Employees									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Commissioners	5	5	5	5	5	5	5	5	5	5
Internal Audit	0	0	0	0	0	0	0	2	0	0
County Assessor	68	63	63	66	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	83	83	83
Elections	16	16	16	16	16	17	17	17	17	17
Driver's Licenses	0	0	0	2	2	4	4	5	5	5
County Coroner	7	7	7	8	9	13	13	13	16	18
County Sheriff -Operations	226	222	226	229	230	231	231	239	240	248
Detentions	319	297	297	297	305	333	336	359	362	382
Pretrial Services (P.R. Bond)	0	0	0	0	0	0	0	0	0	0
Office of Emergency Management	3	3	0	0	0	0	0	0	0	0
County Treasurer	18	18	18	18	19	19	19	19	19	19
Public Trustee	10	11	11	14	14	14	14	14	14	14
County Attorney -General Fund	9	9	9	9	9	8	8	10	9	9
Useful Public Service	0	0	0	0	0	0	0	2	0	0
Dept. of Human Services	14	25	25	26	26	23	23	17	17	18
Employment Services	0	0	0	0	0	0	0	7	6	0
District Attorney - EPC Funded	137	144	146	152	157	157	157	163	177	186
Teller County Funded	0	0	0	0	1	1	1	1	1	1
Grant Funded	0	0	0	9	10	10	10	13	13	13
Human Services -General	350	350	350	351	361	361	361	360	360	362
Senior Services	4	4	4	4	4	4	4	3	3	2
Veterans Services	4	4	4	4	4	4	4	4	4	4
Pikes Peak Workforce Center	30	34	34	100	100	100	100	100	100	100

(Continued)

<b>Function/Program</b>	<b>Full-time Equivalent Employees</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>	<b>2008</b>
Administrative Services -Administration	5	7	7	5	7	5	5	4	5	6
Community Relations	1	1	1	0	0	0	0	0	0	0
County Fair	2	1	1	2	2	1	0	0	0	0
CSU Extension	4	4	4	4	4	4	4	4	4	0
Development Review	0	0	0	6	14	14	30	36	34	32
Land Use Study	0	0	0	0	5	5	5	5	5	0
Budget and Economic Development	3	3	3	3	4	4	4	0	0	8
Employee Benefits/Med Serv	0	0	0	0	0	8	8	12	16	18
Environmental Services	0	0	2	7	7	9	9	9	10	8
Facilities	46	47	47	46	46	49	51	51	51	52
Financial Services	16	16	16	17	23	24	24	25	25	16
Fleet Services	0	0	0	33	32	32	32	32	33	33
Forestry & Noxious Weeds	2	2	2	2	2	0	0	0	0	0
Human Resources	6	6	6	8	11	5	5	0	0	0
Information Services	54	58	59	64	70	69	69	68	69	69
Justice Services	13	13	13	14	14	14	17	15	15	14
Planning	16	18	18	18	17	16	0	0	0	0
Procurements & Contracts	7	7	7	6	6	7	7	7	7	7
Public Communications	0	0	0	0	0	0	0	4	3	2
Risk Management	4	4	4	4	4	4	4	0	0	0
Security	29	29	29	29	34	35	44	45	45	38
Solid Waste	3	3	3	3	4	4	4	4	4	5
800 MHz	0	0	0	1	1	1	1	1	1	1
Parks & Community Resources -Parks	44	43	41	39	41	40	41	41	41	41
Penrose Equestrian Center	10	10	10	10	10	10	10	0	0	0
Pikes Peak Center	10	10	10	10	10	10	0	0	0	0
Transportation -Engineering	27	27	29	26	30	30	30	24	24	0
Road & Bridge Fund	194	194	194	161	158	159	162	166	164	188
Health and Environment	208	208	208	208	208	208	194	194	225	219
Retirement	3	3	3	3	3	3	3	3	3	3
<b>Total</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>	<b>2,338</b>

Data Source:  
El Paso County Final Budget

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

Function/Program	Fiscal Year			
	1999	2000*	2001	2002
BoCC Administrative Services				
Board Meetings	175		122	126
Board/Committee/Commission Appointments	120		100	112
Facilities Management				
Number of buildings maintained	72		72	120
Square feet total maintained	2,200,000		2,200,000	2,200,000
Parks				
Acres of Regional Parks, Recreation areas and conservation lands			4,000	5,000
Miles of Regional, Park & Nature Trails			70	80
County Office Sites (landscape maintenance)	17		17	17
Procurement and Contracts				
Purchase Orders Issued	2,422		853	831
Purchase Orders Issued (dollars)	51,089,952		53,775,996	54,659,536
Surplus sales (\$)	217,865		372,709	686,630
Financial/Budget				
Payroll Serviced	54,187		53,161	49,103
Journal Entries Processed	1,271		1,300	2,770
Processed Payment Requests	23,501		49,405	56,005
Public safety				
Claims Submitted	1,175		2,138	2,138
Personal Contacts (excl DSS)	3,939		5,124	5,124
Telephone Information	12,104		17,672	17,672
Medicaid Nursing Home Clients	19		25	25
Briefings on VA Benefits	3,313		4,076	4,076
HS quality assurance inquiries	31		44	44
Human Services - Senior Services				
Number seniors/participation levels	46,503		20,063	22,368
CSU Extension				
Printed brochures and SIAs	175,133		151,972	141,551
Phone, walk-in, individual	49,543		42,123	67,068
County Attorney - General Fund				
Board of Equalization	1,354		1,370	590
Contracts/Agreements (drafted or reviewed)	600		750	750
Litigation (For and against the county)	645		705	705
Liquor License matters	21		20	20
Notices of Claims reviewed	50		90	90
Ordinances (new)	1		2	2
Resolutions (drafted or reviewed)	70		90	90
Written legal opinions	47		75	75
Meetings/hearings attended	860		895	895
Safety and Risk Management				
Safety Training Seminars -- Attendance			16	16
Personal Safety & Awareness consultations	220		250	275
Wellness programs	12		20	24
Employee orientations	36		48	48
Safety training/meetings	18			16
Safety/Wellness publications/ website information	12		16	16
Risk management & insurance consultations	275		800	900
Clerk and Recorder				
Documents recorded	198,624		193,759	234,569
Documents processed	101,000		215,735	259,899
Meetings (agendas, minutes, etc.)	165		122	1,890
Vehicles Registered	553,868		652,372	428,479
Number of precincts	354		355	371
Ballot Combinations	55		47	120
Registered Voters	316,767		322,566	336,993
Jurisdictions for which elections are administered	100		107	110

2003	2004	2005	2006	2007	2008
125	134	125	130	148	92
100	70	122	73	94	116
121	121	124	118	120	126
2,246,207	2,246,207	2,414,566	2,343,423	2,124,011	2,235,781
5,000	5,300	5,500	5,900	6,900	7,100
85.0	85	85	87	93	85
17	10	10	11	11	8
900	885	875	1,000	1,000	584
57,154,000	94,063,491	60,000,000	70,000,000	75,000,000	53,922,017
350,000	245,753	250,000	275,000	275,000	118,574
49,893	53,821	54,062	52,673	52,937	56,845
2,770	23,819	24,711	26,078	26,860	19,920
54,503	57,674	63,376	67,739	71,125	57,716
2,468	2,219	2,338	3,185	3,200	3,215
5,356	7,766	8,640	8,800	9,200	9,494
21,298	21,995	23,292	23,500	24,000	24,362
48	50	50	50	50	50
2,166	1,240	1,630	2,450	2,500	2,551
30	30	130	675 (all)	700	726
3,000	3,200	3,500	3,900	4,100	4,310
141,745	142,004	142,555	142,820	142,820	142,820
69,623	68,950	72,770	73,125	73,125	73,125
730	625	650	640	650	650
775	400	425	435	440	460
720	812	820	820	830	800
20	20	18	18	20	24
80	39	35	36	40	41
2		1	1	1	1
95	170	180	180	185	190
75	78	85	95	110	120
910	900	925	940	930	980
16					
275	300	325	350	350	350
18	15	24	25	25	23
	170	292	300	300	299
16					
16	16	16	16	16	
900	1,100	1,200	1,500	1,500	1,500
298,968	215,111	203,454	200,000	190,000	138,048
325,978	255,575	262,312	228,000	216,600	169,223
2,054	2,098	2,000	2,000	2,000	2,737
424,226	438,644	451,803	452,598	459,387	484,033
378	378	381	386	396	388
25	77	35	35	80	87
321,811	354,059	340,000	343,000	360,000	374,582
146	162	170	170	180	261

(Continued)

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

Function/Program	Fiscal Year			
	1999	2000*	2001	2002
<b>County Treasurer</b>				
Annual Tax Statements	192,552			209,790
Delinquent Tax Statements	11,929			9,923
Property Tax Payments Processed	313,580			342,555
Tax roll changes (abatements)	1,695			3,159
Non-property tax revenue transactions	19,860			21,584
Tax Liens Sold--manufactured housing	150			202
Tax Liens Sold--real estate	998			1,471
Tax Liens redeemed	1,338			1,747
Tax Deeds issued	19			7
Certificates of Taxes Due Reports	35,105			62,819
County warrants paid				35,020
<b>County Assessor</b>				
Abstracts provided to all taxing entities	135		115	117
Telephone calls handled	120,000		62,201	63,000
Maps produced for the public	2,600		2,410	2,680
Appeals heard by the assessor	8,000		4,936	760
Residences inventoried and measured	4,000		5,969	6,500
Property transfers logged	32,300		49,900	50,300
<b>District Attorney</b>				
Felony cases prosecuted	4,220		4,623	4,740
Traffic and misdemeanor cases prosecuted	37,564		35,860	37,487
Juvenile cases prosecuted	2,378		1,490	1,989
<b>Sheriff's Office Detentions</b>				
Average daily population - Metro & CJC	850		980	1,092
Initial inmate classifications	9,595		9,986	11,448
Total attendance, Inmate programs--CJC	40,235		47,768	56,100
Total attendance, Inmate programs--Metro	28,804		27,455	31,440
Number of commitments	21,630		21,381	21,670
Number of releases	21,572		21,187	21,252
Number of prisoner transports	27,247		26,321	28,300
<b>Transportation/Engineering in later years</b>				
Miles of road graveled	37	35	6	37
Miles of dust control applied	68	66	80	102
Miles of surface treatment applied	41	66	30	12
Drainage cross spans constructed	29	20	26	12
Feet of curb, gutter or sidewalks	1,900	2,110	1,120	7,344
Miles of road paved	30	7	14	19
Paved roads (miles)	837	857	858	879
Gravel roads (miles)	1,068	1,068	1,073	1,074
<b>Self Insurance Fund</b>				
Lawsuits/notice of claims	81		33	52
Litigations cost (\$)	75,946		221,199	248,806
Property claims	55		48	83
Cost (\$)	40,531		201,373	144,905
Liability claims	133		141	154
Cost (\$)	74,008		258,720	188,474
<b>Solid Waste Management Fund</b>				
Household chemical waste programs	3		4	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	326		336	322
Claims cost (\$)	476,100		922,294	1,014,095
<b>Economic Development</b>				
Businesses certified (Enterprise zone)	413	382	411	400
Contributions to Zone projects	294	272	142	159
Enterprise Zone Projects	10	11	14	10
Active affordable housing programs/projects	40	55	61	71
Personal Property Tax Credit Agreements	12	15	28	20
<b>Human Resources</b>				
Applications processed	10,000		10,030	11,000
Number of authorized positions -El Paso County	2,001		2,033	1,922
Employee recognition awards	331		294	269

\*Some data not available for 2000 and 2001

Data Source:

El Paso County Budget Book

2003	2004	2005	2006	2007	2008
221,286	226,088	231,896	238,495	245,295	272,965
10,275	13,508	13,521	13,288	13,600	14,116
367,689	367,709	376,266	380,000	390,000	405,206
1,060	406	1,200	1,000	1,000	1,418
17,373	25,817	26,000	28,500	29,000	
240	201	240	200	200	207
1,512	1,711	2,000	1,800	2,000	3,282
1,611	2,004	2,100	2,100	2,100	2,145
16	14	20	20	20	12
76,548	71,170	72,000	50,000	50,000	30,739
33,086	33,086	33,500	33,500	33,500	25,083
119	119	162	200	227	258
67,000	60,000	55,400	47,000	45,000	49,113
1,500	1,129	900	1,400	2,095	700
5,244	1,113	5,151	951	8,000	2,150
6,259	7,000	6,500	7,156	5,372	4,206
50,800	52,300	50,000	44,000	42,000	29,589
5,138	5,830	6,120	6,342	6,596	4,793
40,953	43,239	47,470	31,040	32,188	32,543
2,124	1,887	1,976	1,924	1,989	1,875
1,131	1,209	1,425	1,427	1,477	1,538
11,692	22,174	24,000	25,008	25,063	19,220
56,724	45,000	50,000	54,000	55,000	43,981
38,851	20,000	closed	closed	closed	
22,495	22,174	24,782	25,008	25,063	23,068
22,529	12,763	22,482	24,734	24,800	22,982
23,352	22,323	22,993	34,872	38,359	23,924
60	65	80	66	50	13
115	118	123	123	123	116
8	8			19	30
14	9	26	28	31	35
2,613	1,566	6,385	28,459	9,500	35,411
18	5.7	15	19	15	23
894	894	900	930	921	995
1,076	1,075	1,078	1,073	1,077	1,067
30	29	22	25	25	38
293,567	441,285	160,100	253,800	200,000	100,000
77	149	78	105	90	41
356,591	346,773	139,277	250,000	200,000	69,000
180	172	160	105	125	104
63,596	441,285	378,988	253,800	250,000	43,813
3	3		2	4	1
52	52	52	52	52	57
49	49	49	49	49	88
334	310	350	378	395	262
945,568	1,166,527	486,593	1,800,000	2,000,000	2,575,271
354	347	358	318	350	331
283	451	654	1,061	1,110	1,538
17	19	25	36	40	52
85	110	113	125	129	137
22	N/A	N/A	N/A	N/A	N/A
12,056	14,488	17,572	14,918	15,500	13,128
1,958	2,029	2,066			
287	330	305	304	338	244

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

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Sheriff			
Patrol units and other vehicles	201	194	210
Department of Transportation			
Paved roads (miles)	837	857	858
Gravel roads (miles)	1,068	1,068	1,073
Engineering			
Miles of road graveled	37	35	6
Drainage crosspans constructed	29	20	26
Feet of curb, gutter or sidewalks	1,900	2,110	1,120
Parks			
Acres of Regional Parks, Recreation areas and conservation lands	*	*	4,000
Acres of Other Parks/Properties	*	*	
Miles of Regional, Park & Nature Trails	*	*	70
County Office Sites (landscape maintenance)	17	*	17
Facilities			
Number of buildings maintained	72	*	72
Square feet total maintained	2,200,000	*	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 Facilities



2002	2003	2004	2005	2006	2007	2008
204	185	196	214	226	210	215
879	894	894	900	930	921	995
1,074	1,076	1,075	1,078	1,073	1,077	1,067
37	60	65	80	66	50	13
12	14	9	26	28	31	35
7,344	2,613	1,566	6,385	28,459	9,500	35,411
5,000	5,000	5,300	5,500	5,900	6,900	7,100
80	85.0	85	85	87	93	85
17	17	10	10	11	11	8
120	121	121	124	118	120	126
2,200,000	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011	2,235,781
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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## **BONDI & Co. LLC**

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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, 2008, which collectively comprise El Paso County, Colorado's basic financial statements, and have issued our report thereon dated June 26, 2009. 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. 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.

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



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Colorado Springs, Colorado

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 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

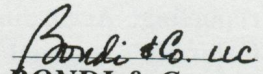
#### Compliance and Other Matters

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*.

We noted certain matters that we reported to management of El Paso County, Colorado in a separate letter dated June 23, 2009.

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

June 26, 2009

  
BONDI & Co. LLC



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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, 2008. 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.

In our opinion, 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, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-1, 08-2, and 08-3.



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Colorado Springs, Colorado

### 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.

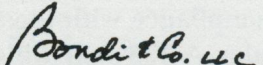
A control deficiency in El Paso County, Colorado's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement 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 deficiency described in the accompanying schedule of findings and questioned costs as item 08-2 to be a significant deficiency.

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. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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.

June 26, 2009

  
BONDI & Co. LLC



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2008

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: Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551	Food Stamps
10.561	Food Stamp Administration
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program - Title XIX

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

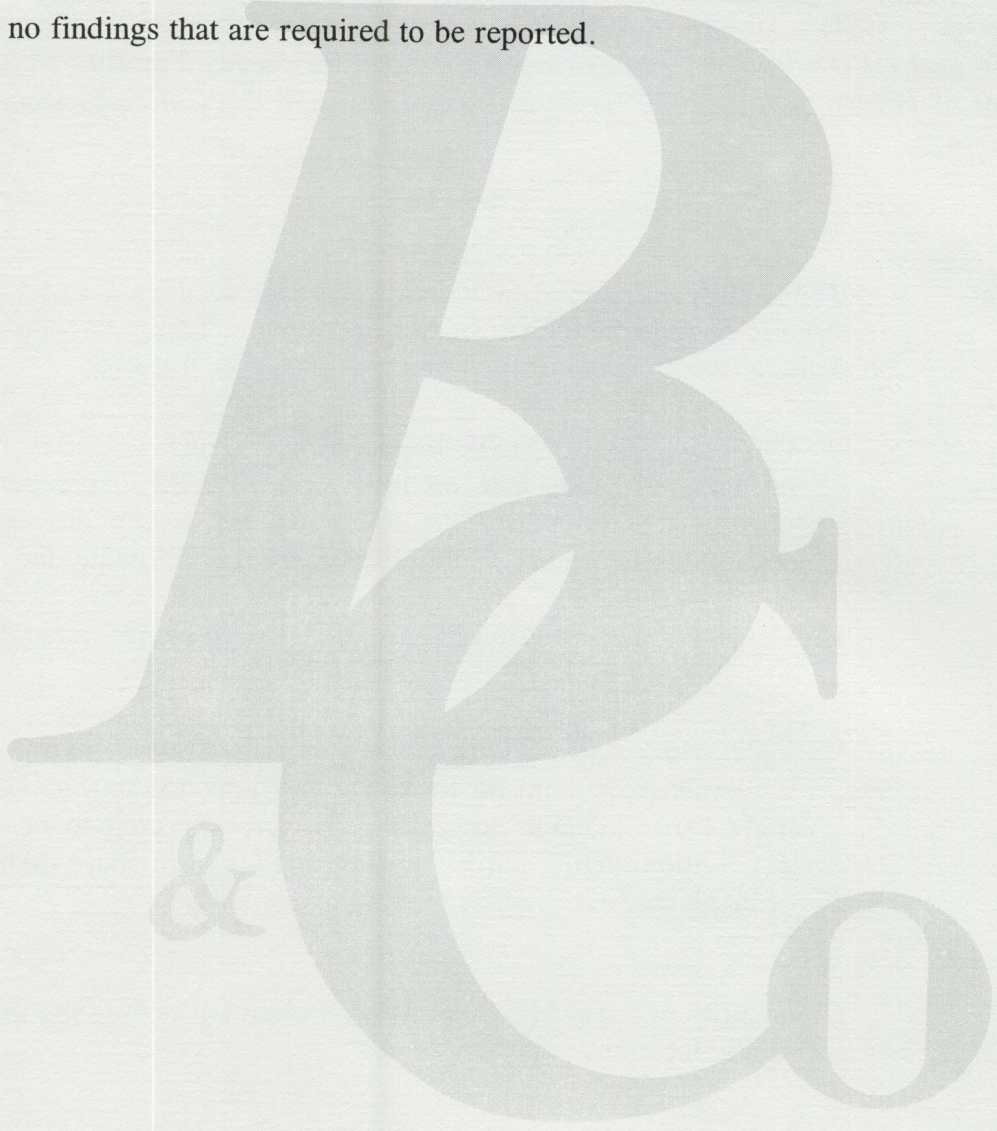
Auditee qualified as low-risk auditee?  yes \_\_\_\_\_ no

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

Section II - Financial Statement Findings

There are no findings that are required to be reported.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

Section III – Federal Award Findings and Questioned Costs

**Finding 08-01 – CFDA 10.551 and 10.561, Food Stamp Cluster, U.S. Department of Agriculture and 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:

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. Any 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:

Documentation of destruction of EBT cards is not consistent. Five months of EBT activity reviewed showed multiple instances of discrepancies between the date of destruction and date witness signed for both the Main Office and the Sand Creek Office.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

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

**Finding 08-01 (Continued)**

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 destruction.

Recommendation:

We recommend the County continue enhanced training programs and oversight by management for all EBT card controls.

Views of  
Responsible  
Officials and Plan  
of Corrective  
Action:

Management agrees. The County Department of Human Services will continue to enhance and provide training to EBT staff as well as provide management oversight for all EBT card controls.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

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

**Finding 08-02 – 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 2008, 7 of 40 case files tested reviewed did not meet the required application processing times. Similar situations existed in 2004, 2005, 2006, and 2007.

Questioned Costs:

None.

Effect:

Eligible individuals may not receive Medicaid benefits in a timely manner.

Cause:

Due to large case load and processing backlog, the Department of Human Services experienced difficulties in meeting the application processing guidelines.

Recommendation:

We recommend you monitor individual timelines for each case file to ensure timeliness in processing applications.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2008

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

**Finding 08-02 (Continued)**

Views of  
Responsible  
Officials and Plan  
of Corrective  
Action:

Management agrees. An internal review process has been established for each program area responsible for Medicaid benefits which includes a weekly review of the CBMS exception report for exceeding processing guidelines. Managers and supervisors are responsible for monitoring cases for timeliness. New workers are trained in the Training Academy and assessed for their knowledge and skills related to program rules and regulations, including timely processing, before they are assigned to a unit to process cases.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

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

**Finding 08-03 — CFDA 93.778, Title XIX, U.S. Department of Health and Human Services, Passed through the Colorado Department of Human Services**

Criteria or  
Specific  
Requirement:

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

Condition and  
Context:

One of forty case files that we tested was receiving benefits, though a redetermination to verify eligibility had not been performed, thereby rendering the client ineligible to receive benefits. Upon discovery, the case was closed retroactively.

Questioned  
Costs:

Unknown.

Effect:

Failure to verify eligibility resulted in unauthorized payment of benefits.

Cause:

Internal controls were not in place to regularly review active case files for current eligibility status.

Recommendation:

We recommend the County establish internal controls to ensure that only eligible applicants receive Medicaid benefits. Active cases should be reviewed regularly to ensure compliance with eligibility and redetermination requirements.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2008

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

**Finding 08-03 (Continued)**

Views of  
Responsible  
Officials and Plan  
of Corrective  
Action:

Management agrees. Supervisors in all program areas responsible for Medicaid benefits are utilizing the redetermination tracking report for CBMS cases and holding staff accountable for the timely processing of redeterminations. New workers are trained in the Training Academy and assessed for their knowledge and skills related to program rules and regulations, including timely processing of redeterminations, before they are assigned to a unit to process cases.



EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

Section IV – Prior Federal Award Findings and Questioned Costs

**Finding 07-02, 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  
Specific  
Requirement:

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

- A. 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.
- 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 when not in use.
- E. Supervisory staff is required to review and sign daily reconciliations created by the staff who issues EBT cards.

Condition and  
Context:

Destruction of EBT cards is not performed consistently, and several instances of discrepancies between date of destruction and the date the witness signed the destruction log were detected. 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.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

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

**Finding 07-02, 06-01, 05-01 & 04-01 (Continued)**

Planned Action: 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 of the main office 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.

Auditor Response: The County has improved controls over several areas related to EBT card issuance. However, similar results were noted in the 2008 audit, and EBT card security and controls continue to be a finding. Refer to finding 08-01.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

Section IV – Prior 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:

In 2007, one of forty case files tested did not contain verification or documentation of a minor child.

Questioned  
Costs:

\$7,185

Planned 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.

Auditor Response:

We selected a sample of forty TANF case files open in 2008, and found no instances of participants receiving benefits where a minor child could not be proved to be residing in the home. This finding has been corrected.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

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

**Finding 07-04, 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 2004, of thirty case files tested, four applications were not processed within the required time. This trend was repeated during our 2005 testing. In 2006, one of twenty files tested did not adhere to the application process requirements. In 2007, fourteen of forty case files tested did not meet required processing timelines.

Questioned  
Costs:

None.

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 08-02.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended December 31, 2008

Section IV - Prior 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.

Planned 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.

Auditor Response: We reviewed support from the CBMS system documenting this case received Food Assistance benefits only temporarily in El Paso County in 2007, and has not received any since. This finding has been resolved.

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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, 2008

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	\$ 503,270
Total		<u>503,270</u>
<u>U.S. Department of Agriculture</u>		
Pass through Colorado Department of Human Services		
Food Stamps	10.551	51,335,312
Food Stamps Administration	10.561	1,984,292
Foods Stamp Participation Program	10.580	421,294
Total		<u>53,740,898</u>
<u>U.S. Forest Service</u>		
Pass through the Colorado State Forest Service		
Woodland Park District Fire Mitigation Grant	10.664	6,000
Total		<u>6,000</u>
<u>U.S. Department of Criminal Justice</u>		
Project Exile	16.012	7,361
Women/Safe Havens: Supervised Visitation and Safe Exchange	16.527	161,602
SMART Grant	16.580	16,694
COPS Meth Project	16.710	110,149
JAG DSCIP FY2007	16.738	83,975
JAG DSCIP FY2008	16.738	22,325
Pass through Colorado Division of Public Safety		
Victims of Crime Assistance (VOCA)	16.675	37,387
Pass through Colorado Springs Police Department		
DVERT	16.590	448
JAG Direct Grant FY2007	16.738	43,531
JAG Direct Grant FY2008	16.738	44,416
JAG Grant FY 2006	16.738	11,516
Total		<u>539,404</u>
<u>U.S. Department of Labor</u>		
Passed through Colorado Department of Labor and Employment		
Wagner-Peyser Employment Services	17.207	1,772,633
Workforce Investment Act Title I Adult Program	17.258	730,423
Workforce Investment Act Title I Youth Program	17.259	740,325
Workforce Investment Act Title I Dislocated Worker Program	17.260	1,196,915
BRAC Implementation - NEG	17.260	290,006
Career Advancement Accounts	17.260	665,425
Disability Program Navigator	17.260	19,375
Grants from COWD	17.260	134,664
WIA 10% Activity paid from COWD	17.261	32,977
Disabled Program Navigator	17.266	30,919
Local Veteran's Employment	17.804	64,640
Total		<u>5,678,302</u>

(Continued)



El Paso County, Colorado  
Schedule of Expenditures of Federal Awards - Continued  
For the year ended December 31, 2008

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>Department of Transportation</u>		
Pass through Colorado Department of Transportation		
Woodmen Road	20.205	8,928,064
Checkpoint Colorado	20.600	18,510
Teen Click It or Ticket	20.600	5,912
May Mobilization	20.600	3,588
Total		8,956,074
<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	3,475
Passed through Colorado Department of Human Services		
Promoting Safe & Stable Families	93.556	316,277
TANF / Work Participation Refund	93.558	776,728
TANF	93.558	12,325,263
Title IV-D Administration	93.563	1,957,732
LEAP	93.566	5,325,437
Child Care and Development Block Grant - Discretionary Fund	93.575	3,813,958
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	3,386,489
IV-D Program	93.601	666,378
Promoting Responsible Fatherhood Grant	93.652	57,669
Title IV-B	93.645	590,610
Title IV-E	93.658	5,015,788
Adoption	93.659	3,535,059
Title XX	93.667	1,207,699
Title IV-E (Independent Living)	93.674	224,579
Title XIX/Medicaid	93.778	1,802,846
Passed through Colorado Department of Local Affairs		
Community Service Block Grant	93.569	507,385
Total		41,513,372
<u>Social Security Administration</u>		
Passed through Colorado Department of Education		
Social Security Research and Demonstration	96.007	253,156
Total		253,156
<u>Federal Emergency Management Agency</u>		
Emergency Management Performance Grant	97.042	67,000
Emergency Management Performance Grant Supplement	97.042	24,656
Total		91,656
<u>Department of Homeland Security</u>		
Assistance to Firefighters	97.044	3,002
Total		3,002
Total Expenditures of Federal Awards		\$ 111,285,134

(Continued)

El Paso County, Colorado  
Schedule of Expenditures of Federal Awards - Continued  
For the year ended December 31, 2008

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