

# Comprehensive Annual Financial Report

For the year ended December 31, 2011

**El Paso County, Colorado**  
**Prepared by Budget Administration,**  
**Finance Division**

**EL PASO**



**COUNTY**

COLORADO

*Celebrating 150 Years Serving Our Citizens!*

**El Paso County Courthouse and Commissioners  
Circa 1906**

# **EL PASO COUNTY, COLORADO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the fiscal year ended  
December 31, 2011

Prepared by:  
Budget Administration,  
Finance Division

THIS PAGE LEFT BLANK INTENTIONALLY

El Paso County, Colorado  
Comprehensive Annual Financial Report  
For the year ended December 31, 2011

**TABLE OF CONTENTS**

**I. INTRODUCTORY SECTION**

<b>Transmittal Letter</b> .....	<b>5</b>
<b>Awards and Acknowledgements</b> .....	<b>7</b>
<b>Elected and Appointed Officials</b> .....	<b>8</b>
<b>District Map</b> .....	<b>9</b>
<b>Organizational Chart</b> .....	<b>10</b>

**II. FINANCIAL SECTION**

<b>Independent Auditor’s Report</b> .....	<b>12</b>
<b>Management’s Discussion and Analysis</b> .....	<b>16</b>
Financial Highlights.....	16
Using this Annual Report.....	17
Financial Analysis of the County as a Whole.....	19
Financial Analysis of the County’s Funds.....	22
Capital Assets and Debt Administration.....	24
Contacting the County’s Financial Management.....	25
<b>Basic Financial Statements</b> .....	<b>27</b>
Government-Wide Financial Statements.....	28
Statement of Net Assets.....	29
Statement of Activities.....	30
Fund Financial Statements.....	33
Governmental Funds.....	34
Balance Sheet.....	34
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	36
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental funds to the Statement of Activities.....	40
Proprietary Funds.....	41
Statement of Net Assets.....	41
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	42
Statement of Cash Flows.....	43
Fiduciary Funds.....	44
Statement of Fiduciary Net Assets.....	44
Statement of Changes in Fiduciary Net Assets.....	45
Notes to Financial Statements.....	46
Note A – Summary of Significant Accounting Policies.....	47
Note B – Stewardship, Compliance, and Accountability.....	53
Note C – Detailed Notes on All Funds.....	55

El Paso County, Colorado  
 Comprehensive Annual Financial Report  
 For the year ended December 31, 2011

Note D – Other Information.....	66
<b>Required Supplementary Information.....</b>	<b>73</b>
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual.....	75
General Fund.....	75
Road and Bridge Fund.....	77
Human Services Fund.....	78
Budgetary Comparison Schedule Budget-to-GAAP Reconciliation.....	80
Schedule of Funding Progress for the El Paso County Postemployment Healthcare Plan.....	82
<b>Combining Statements and Schedules.....</b>	<b>84</b>
Non-Major Governmental Funds.....	85
Special Revenue Funds.....	86
Combining Balance Sheet.....	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	88
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	90
Retirement Contribution Fund.....	91
Conservation Trust Fund.....	92
Economic Development Fund.....	93
Pikes Peak Workforce Center Fund.....	94
Major Governmental Funds.....	95
Capital Projects Fund.....	96
Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual.....	96
Proprietary Funds.....	97
Solid Waste Management	
Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual.....	98
Self Insurance Fund	
Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual.....	99
Fiduciary Funds.....	100
Private-Purpose Trust Funds.....	101
School Trust Fund	
Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual.....	102
Agency Funds.....	103
Combining Statement of Net Assets.....	103
Combining Statement of Changes in Assets and Liabilities.....	104
Schedules of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual.....	106
Rancho Road Agency Fund.....	107
Falcon Vista Acquisition LID.....	108
<b>Miscellaneous.....</b>	<b>109</b>
Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures.....	110
Local Highway Finance report.....	111

El Paso County, Colorado  
 Comprehensive Annual Financial Report  
 For the year ended December 31, 2011

**III. STATISTICAL SECTION**

<b>Financial Trends</b> .....	<b>115</b>
Net Assets by Component.....	116
Changes in Net Assets.....	118
Fund Balances, Governmental Funds.....	122
Changes in Fund Balances, Governmental Funds.....	124
<b>Revenue Capacity</b> .....	<b>127</b>
Assessed Value and Actual Value of Taxable Property.....	128
Direct and Overlapping Property Tax Rates.....	130
General Fund Property Tax Levies and Collections.....	132
Property Taxes by Fund.....	134
Principal Sales Tax Payers.....	136
Sales and Use Tax Collections by State Category.....	137
<b>Debt capacity</b> .....	<b>138</b>
Ratios of Outstanding Debt by Type.....	139
<b>Demographic and Economic Information</b> .....	<b>141</b>
Demographic and Economic Statistics.....	142
Principal Employers.....	144
<b>Operating Information</b> .....	<b>145</b>
Full-time Equivalent County Employess by Function/Program.....	146
Operating Indicators by Function/Program.....	148
Capital Assets Statistics by Function/Program.....	150

**IV. SINGLE AUDIT SECTION**

<b>Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Accounting Standards</b> .....	<b>153</b>
<b>Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133</b> .....	<b>155</b>
<b>Schedule of Findings and Questioned Costs</b> .....	<b>158</b>
<b>Schedule of Expenditures of Federal Awards</b> .....	<b>163</b>

## **I. INTRODUCTORY SECTION**



# EL PASO COUNTY

The seal of El Paso County, Colorado, featuring a mountain range, a river, and a sun, with the text "EL PASO COUNTY COLORADO" and "EST. 1861" around the perimeter.

COMMISSIONERS:  
AMY LATHEN (CHAIR)  
SALLIE CLARK (VICE CHAIR)

DENNIS HISEY  
DARRYL GLENN  
PEGGY LITTLETON

BUDGET ADMINISTRATION  
BUDGET, FINANCE, ECONOMIC DEVELOPMENT, AND PUBLIC INFORMATION  
NICOLA SAPP, COUNTY BUDGET OFFICER

**June 29, 2012**

## **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, 2011.

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.

Rubin Brown issued an unqualified (“clean”) opinion on El Paso County’s financial statements for the year ended December 31, 2011. The independent auditors report is located at the front of the financial section of this report.

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

### ***Profile of the Government***

El Paso County, incorporated in 1861 and located in the central part of the state, is one of the top growth areas in both the state and the country. The 2011 population estimates from the Colorado Department of Local Affairs has El Paso County’s population estimated at 633,942. El Paso County continues to be ranked as the largest population county in the State. El Paso County occupies 2,158 square miles and 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 is also 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 or between departments as they see fit. Transfers between funds, 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.

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

The five year budget forecast for El Paso County shows conservative growth in core revenue sources to include sales and use tax, property tax, and fees. This, coupled with conservative spending, has enabled the County to build an operational savings to be used for budget balances purposes and cash flows in the amount of \$22.3 million. Because of the decreased assessed values of property taxes, it is predicted that this reserve will be sufficient until 2015. The \$45 million of budget reductions between 2006 and 2009 and being fiscally prudent during 2009 and 2010 allowed the operational savings to increase and no further budget reductions had to be implemented during 2011. Budget Administration continues to assist the BoCC in addressing the funding needs and decreasing property tax revenues in an effort to fund the County at adequate levels.

### ***Major initiatives***

During 2010, El Paso County moved forward with our Strategic Moves Initiative that included the purchase of a large commercial property, repurposed that property and creating our new Citizen Services Center. In addition, several other County facilities were repurposed at a cost of \$50.5 million. This purchase and repurposing reduced El Paso County's critical capital needs from \$385 million to just under \$200 million. As of the end of 2011, the multiyear Strategic Moves Initiative was almost half way completed. IT is anticipated all other project components will be completed by mid 2013. Also, efforts to improve transparency to the Board of County Commissioners and the citizens of El Paso County were enhanced and expanded by providing additional reports in public and on the web site.

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

El Paso County received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for ten consecutive years, from December 31, 1990 through December 31, 1999, from 2005 to 2008 and again in 2010. 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 Budget Administration. We wish to express our appreciation to all members of this department who assisted and contributed to the preparation of this report. Credit must be given to the governing Board of County Commissioners for their unwavering support for maintaining the highest standards of professionalism in the management of El Paso County's finances.

Respectfully Submitted,

Nicola J. Sapp

*Nicola J. Sapp*  
Budget Officer

Jeffrey H. Greene

*Jeffrey H. Greene*  
County Administrator

# 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, 2010

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.



*Linda C. Danson*

President

*Jeffrey R. Emor*

Executive Director

**El Paso County, Colorado  
Elected and Appointed Officials  
December 31, 2011**

Commissioners

Chair	Amy Lathen – District 2
Vice Chair	Sallie Clark – District 3
Third Chair	Dennis Hisey – District 4
Commissioner	Darryl Glenn – District 1
Commissioner	Peggy Littleton – District 5

Elected Officials

Assessor	Mark Lowderman
Clerk and Recorder	Wayne Williams
Coroner	Dr. Robert C. Bux
District Attorney	Dan May
Sheriff	Terry Maketa
Surveyor	Christopher Brewer
Treasurer	Robert Balink

State Appointed Officials

Public Trustee	Thomas S. Mowle
----------------	-----------------

Board of County Commissioners Appointed Officials

County Administrator	Jeffrey H. Greene
County Attorney	William H. Louis
CEO, Pikes Peak Workforce Center	Charlie Whelan

El Paso County, Colorado  
 District Map  
 December 31, 2011

Commissioner Districts With Precincts  
 El Paso County, Colorado



EL PASO COUNTY

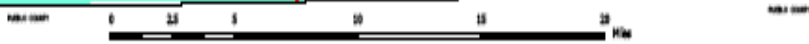
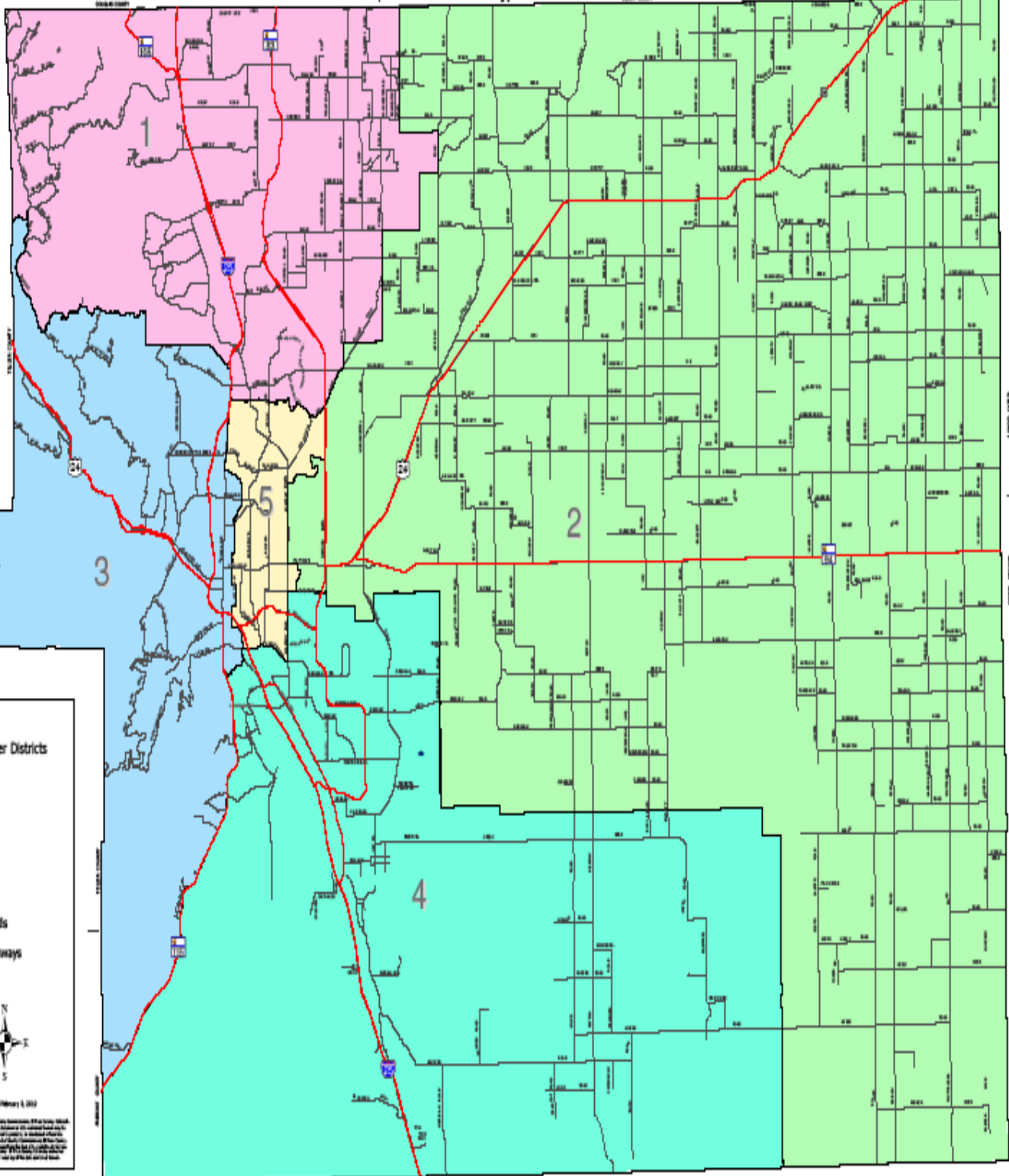
Legend  
 Commissioner Districts

- 1
- 2
- 3
- 4
- 5
- Roads
- Highways



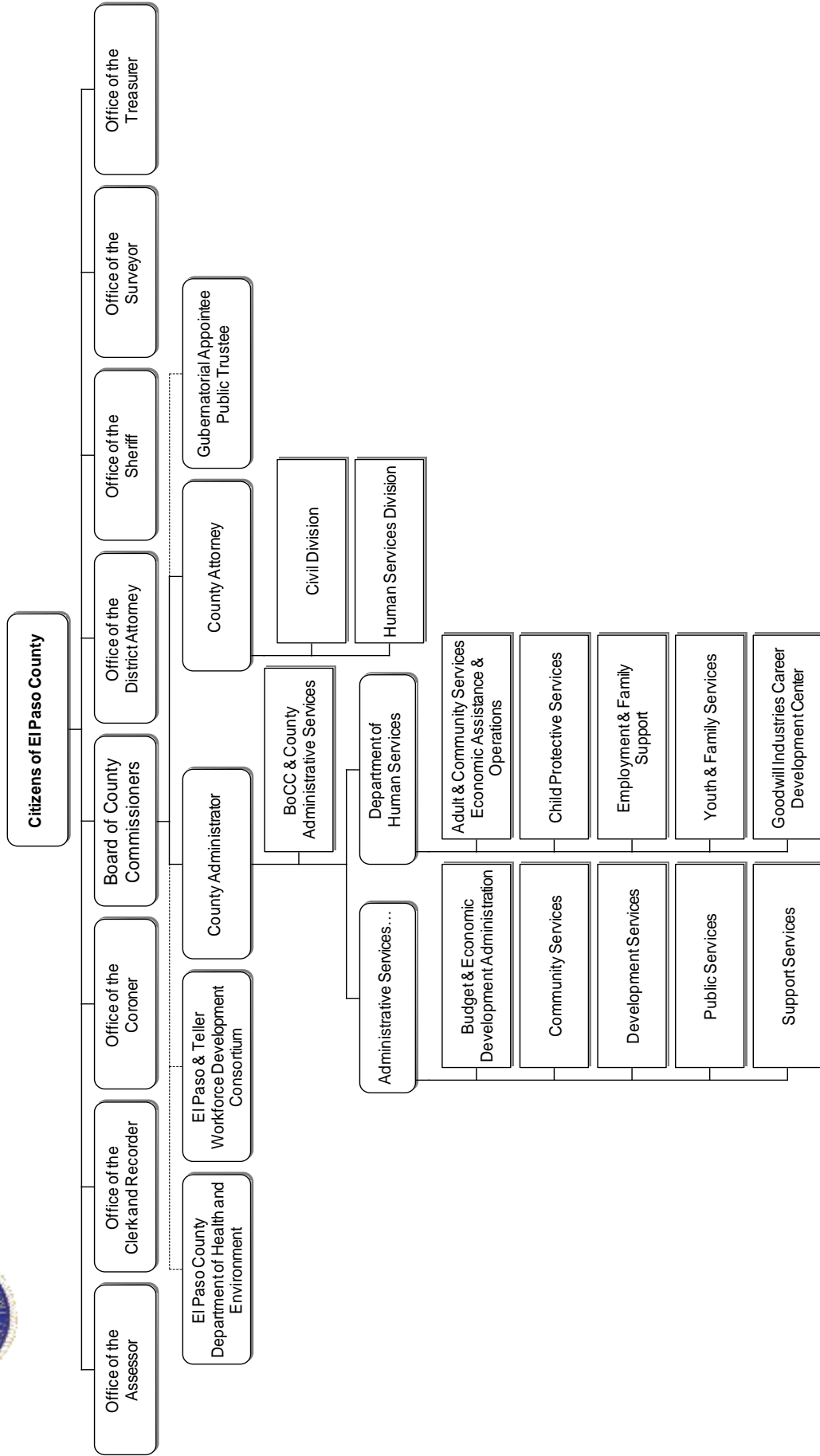
Map updated February 6, 2012

© 2011 El Paso County Board of Commissioners. All rights reserved. This map is the property of El Paso County and is provided for informational purposes only. It is not intended to be used for legal or financial purposes. The Board of Commissioners is not responsible for any errors or omissions on this map. All other trademarks are the property of their respective owners.





## El Paso County Organizational Chart



Approved: January 11, 2011

## II. FINANCIAL SECTION



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

## Independent Auditors' Report

Board of County Commissioners  
El Paso County  
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of El Paso County, Colorado (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Paso County Sheriff Special Investigation Fund, which represents 7% of assets, 27% of fund balances and 5% of revenues of the aggregate non-major 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 El Paso County Housing Authority, which represents 51% of assets, 66% of fund balances and 5% of revenues of the discretely presented component units. 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 and the El Paso County Housing Authority, is based 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 Retirement Plan 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 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 component units, each major fund and the aggregate remaining fund information of the County, as of December 31, 2011, and the respective changes in financial position, and where applicable, cash flow thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note B to the basic financial statements, the County adopted Governmental Accounting Standards Board Statement No. 54 as of and for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 16 through 25; and the budgetary comparison schedules on pages 75 through 80; and the schedule of funding progress, on page 82, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The 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*; combining and individual major and non-major fund financial statements and schedules; the Local Highway Finance Report; and the Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, combining and individual major and non-major fund financial statements and schedules, the Local Highway Finance Report, and the Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation of the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basis financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*RubinBrown LLP*

June 29, 2012

THIS PAGE LEFT BLANK INTENTIONALLY

## 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.

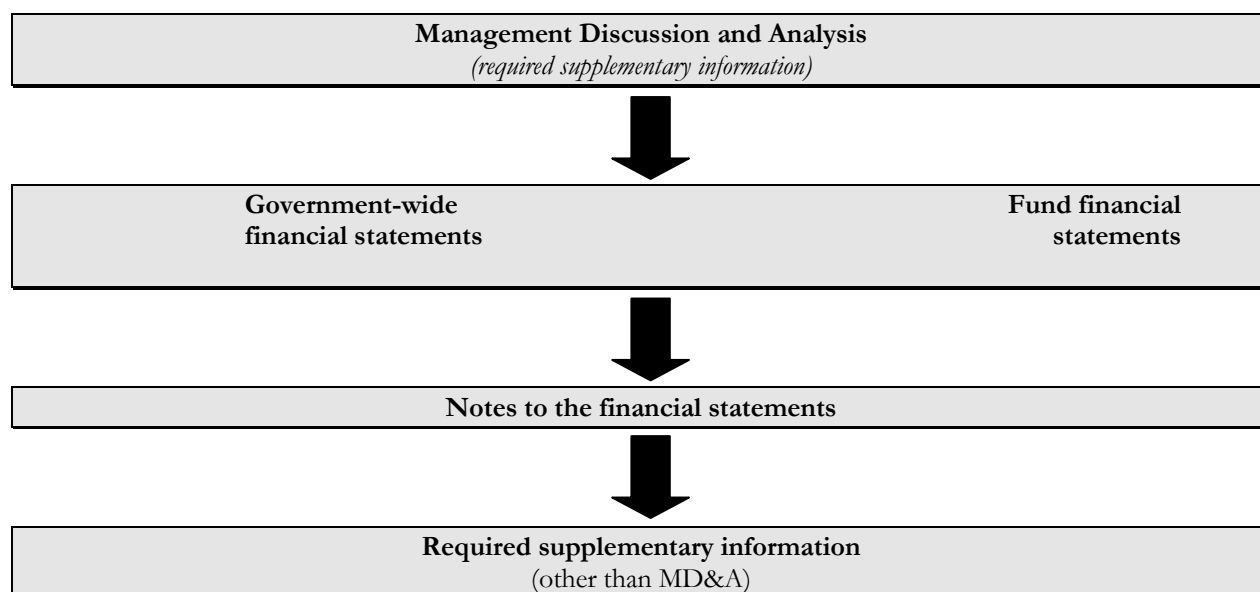
The discussion and analysis of El Paso County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the County's financial statements, which begin on page 27.

### Financial Highlights

- The County's total assets decreased \$24.7 million over 2010. The major changes to assets during 2011 include a reduction to cash with the decision to spend into fund balance by \$8.0 million, decrease of property taxes receivable by \$4.0 million due to the assessed values decreasing, reduction of restricted cash and investments by \$17.7 million due to the completion of capital projects, and other various increases and decreases netting to a \$5.0 million increase.
- The County's total liabilities decreased \$8.8 million over 2010. The major changes to liabilities during 2011 include a decrease of unearned revenue (directly related to property taxes) of \$3.6 million due to the adjustments in assessed values, decrease in the OPEB (other post employee benefits) liability of \$5 million, and other adjustments netting to a decrease of \$0.2 million.
- In comparing the 2011 Statement of Activities to 2010, governmental revenues decreased \$4.8 million. This is a combination of an increase to general government in charges for services of \$3.5 million, a decrease to health and welfare of \$7.9 million and other normal variations to the other categories netting a decrease of \$0.4 million. The decrease to health and welfare was primarily related to the one time funding stream for the American Recovery and Reinvestment Act (ARRA) expiring. General revenues increased \$2.9 million and include an increase to property taxes of \$1.1 million and an increase to sales tax of \$1.8 million.
- Governmental expenditures increased \$10.2 million over 2010. This consists of increased spending in general government of \$3.3 million, public safety of \$3.7 million, and health and welfare of \$3.2 million.
- The County's total governmental fund balance decreased \$24.4 million over 2010. The majority of this change in fund balance (\$18.3 million) was related to restricted cash for repurposing of the existing County buildings. Those funds were expended during 2011. The remaining decrease to fund balance of \$6.1 million was planned spending into fund balance for the general fund and road & bridge fund.

## Using this Annual Report

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



This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. 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 is included here.

- **Component units** - The County includes five 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 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 other funds. At the end of the current fiscal year, the unrestricted (committed, assigned and unassigned) fund balance of the General Fund was \$26.3 million. This is \$3.6 million lower than 2010 due to El Paso County's planned spending into fund balance during 2011. The remaining amount of the fund balance is restricted funds unavailable for the Board to appropriate other than their designated purposes.

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 unrestricted (committed, assigned and unassigned) fund balance of the Road and Bridge Fund was \$3.4 million, which is \$0.2 million lower than 2010.

The **Social Services Fund** accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and sales taxes. While there is only a small fund balance reported at the end of the fiscal year (\$0.4 million), 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. All of the fund balance has been designated for payments and construction using Certificates of Participations.

**Net Assets** - The County's combined net assets were \$406.9 million in 2011. Looking at the net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge. The following focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 139.9	\$166.2	\$ 0.5	\$ 1.0	\$140.4	\$167.2
Capital assets	554.7	552.7	1.4	1.4	556.1	554.1
<b>Total assets</b>	<u>694.6</u>	<u>718.9</u>	<u>1.9</u>	<u>2.4</u>	<u>696.5</u>	<u>721.3</u>
Long-term debt outstanding	221.6	225.1	0.1	0.1	221.7	225.2
Other liabilities	67.9	72.9	0.0	0.5	67.9	73.4
<b>Total liabilities</b>	<u>289.5</u>	<u>298.0</u>	<u>0.1</u>	<u>0.6</u>	<u>289.6</u>	<u>298.6</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	408.3	421.6	1.4	1.4	409.7	423.0
Restricted	31.6	18.1			31.6	18.1
Unrestricted	(34.8)	(18.8)	0.4	0.5	(34.4)	(18.2)
<b>Total net assets</b>	<u>\$ 405.1</u>	<u>\$420.9</u>	<u>\$ 1.8</u>	<u>\$ 1.9</u>	<u>\$406.9</u>	<u>\$422.9</u>

For detailed information please see the Statement of Net Assets on page 29.

## 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 \$405.1 million for 2011. This shows a decrease of the County's net assets from 2010 of \$15.9 million. However, most of those net assets either are restricted as to the purposes they can be used for or are in capital assets (buildings, roads, bridges, and so on). An unrestricted net asset is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net assets showed a \$34.7 million deficit at the end of this year which is a decrease of \$16.0 million from 2010. This change includes a decrease in "invested in capital assets, net of related debt" of \$13.4 million plus an increase of \$13.5 million in restricted net assets due largely to the repurposing of the county's buildings. 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, 2011 is \$5.4 million.

**Changes in net assets** - The County's total governmental revenues were \$223.9 million for 2011. Approximately 13.1% of the County's revenues come from charges for services, 32.4% from operating and capital grants, 21.1% from property taxes, 26.0% from sales taxes; and 7.4% from other taxes and revenues. The total cost of all governmental programs and services was \$239.8 million. The ending net assets decreased from 2010 by \$15.9 million or 3.6%.



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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 29.4	\$ 26.5	\$ 0.9	\$ 0.8	\$ 30.3	\$ 27.3
Operating grants	66.7	74.4			66.7	74.4
Capital grants	6.0	6.1			6.0	6.1
General revenues						
Property taxes	47.3	46.2			47.3	46.2
Sales tax	58.2	56.4			58.2	56.4
Other taxes	15.7	15.8			15.7	15.8
Other revenues	0.6	0.7			0.6	0.7
Total revenue	<u>223.9</u>	<u>226.1</u>	<u>0.9</u>	<u>0.8</u>	<u>224.8</u>	<u>226.9</u>
<b>EXPENSES</b>						
General government	46.4	43.1			46.4	43.1
Public safety	74.0	70.3			74.0	70.3
Public works	41.2	41.9			41.2	41.9
Health and welfare	62.3	59.1		0.8	62.3	59.9
Culture and recreation	3.1	2.9			3.1	2.9
Auxiliary services	0.4	0.1			0.4	0.1
Outside agencies	6.0	6.2	1.0		7.0	6.2
Interest on long term debt	6.4	6.2			6.4	6.2
Total expenses	<u>239.8</u>	<u>229.8</u>	<u>1.0</u>	<u>0.8</u>	<u>240.8</u>	<u>230.6</u>
Increase (decrease) in net assets before transfers	(15.9)	(3.7)	(0.1)		(16.0)	(3.7)
Transfers		0.1		(0.1)		
Increase (decrease) in net assets	<u>(15.9)</u>	<u>(3.6)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(16.0)</u>	<u>(3.7)</u>
Ending Net Assets	<u>\$405.1</u>	<u>\$420.9</u>	<u>\$ 1.8</u>	<u>\$ 1.9</u>	<u>\$406.9</u>	<u>\$422.9</u>

### Governmental Activities

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

**Revenues:**

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

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

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

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

**Expenses:**

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

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

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

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

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

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

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

	Total Cost of Services		Net Cost (Revenue) of Services	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Public safety	\$ 74.0	\$ 70.3	\$ 56.0	\$ 53.2
Public works	41.2	41.9	34.2	34.0
Health and welfare	62.3	59.1	18.1	6.9
Culture and recreation	3.1	2.9	1.4	0.8
Total	<u>\$180.6</u>	<u>\$ 174.2</u>	<u>\$109.7</u>	<u>\$ 94.9</u>

**Financial Analysis of the County's Funds**

As the County completed the year, governmental funds reported a fund balance of \$65.2 million. This is a decrease from 2010 of \$24.4 million. Included in this year's total change in fund balance was an \$18.2 million decrease in the Capital Projects. This decrease is largely due to the spending of the 2010 Certificates of Participation on construction during 2011.

## El Paso County Budgetary Highlights

Over the course of the year, the County Commissioners revised the County's General Fund Budget with a total of 123 resolutions for a net increase of \$17,340,776. The largest budget resolutions follow and total \$15,165,632. The remaining resolutions combined total \$2,175,144.

- Resolution 11-97 was approved in the amount of \$10,295,725 to reappropriate for 2011, projects in process that were not yet completed and for purchases that have been ordered but not yet received. These purchases and projects were scheduled to be completed in 2011.
- Resolution 11-354 was approved in the amount of \$2,438,000 to adjust various General Fund Budgets for items that were unanticipated earlier in the fiscal year, allowing for the allocation of funds as necessary to establish appropriate reserve levels and cash flows.
- Resolutions 11-26 and 11-352 were approved in the amount of \$820,100 from a Detoxification Services Contract with Aspenpointe Health Network and the Sheriff's Office to provide detoxification services for the El Paso County Sheriff's Office Social Detoxification Program.
- Resolution 11-158 was approved in the amount of \$400,000 from a Detoxification Services Contract with Memorial Health System and the Sheriff's Office to provide detoxification services for the El Paso County Sheriff's Office Social Detoxification Program.
- Resolution 11-401 was approved in the amount of \$305,725 from the U.S. Department of Justice, Bureau of Justice Assistance, through the FY09 Edward Byrne Memorial Justice Assistance Recovery Act (ARRA) Grant program to the Sheriff's Office Budget for personnel and professional services supporting the Community Detoxification Center.
- Resolution 11-450 was approved in the amount of \$214,733 from the U.S. Department of Justice, Bureau of Justice Assistance, State Criminal Alien Assistance Program (SCAAP), to the Sheriff's Office Budget. This funding will be used for future employment packages for new detention personnel for the Sheriff's Office detention operations.
- Resolution 11-243 was approved in the amount of \$200,000 from the State Board of the Great Outdoors Colorado Trust Fund to the Community Services Parks Division Budget, which was used to provide various improvements to Black Forest Regional Park.
- Resolution 11-402 was approved in the amount of \$196,720 from the Colorado Department of Human Services, Division of Behavioral Health, through the Contract for Jail Based Services to the Sheriff's Office Budget. These funds were used for support of the Reintegration and Recovery Program at the Criminal Justice Center.
- Resolution 11-157 was approved for \$170,000 from a Contract with Catholic Health Initiatives of Colorado, doing business as Penrose-St. Francis Health Services, to the Sheriff's Office Budget used to help support the El Paso County Sheriff's Office Social Detoxification Program.
- Resolution 11-131 was approved in the amount of \$124,629 for an Intergovernmental Agreement between Widefield School District 3 and the El Paso County Sheriff's Office to provide two School Resource Officers and their associated salary, benefits and equipment costs.

## Capital Assets and Debt Administration

### Capital Assets

At the end of 2011, the County had invested \$817.1 million in a broad range of capital assets, including land, buildings, equipment, infrastructure, park facilities, etc. Table 4 presents capital balances related to governmental funds and internal service funds.

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

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Land	\$ 14.6	\$ 14.6
Construction in progress	36.6	49.6
Buildings & improvements	246.9	210.8
Machinery and equipment	65.3	61.6
Infrastructure	453.7	447.4
Total	<u>\$ 817.1</u>	<u>\$ 784.0</u>

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$556.1 million (page 59 and 60, 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 2011 included the following:

- Road & Bridge Infrastructure projects of \$1.6 million completed and \$688,316 of construction in progress.
- The county buildings repurposing projects continued into 2011 with a total of \$18.0 million representing completed assets and \$5.7 million was work in progress at year end.
- Enhancements and development for the JDE Oracle project began in 2011 with \$465,000 representing completed assets and \$2.0 million was work in progress at year end.

## Reconciliation of Capital Asset Schedules

<u>Amount</u>	<u>Explanation</u>
\$817,070,290	Total capital including Governmental & Internal Services Funds
51,151,076	Capital not Depreciated - Governmental & Internal Services Funds
<u>503,560,838</u>	Capital net of Depreciation - Governmental & Internal Services Funds
554,711,914	
51,151,076	Capital not Depreciated - Governmental & Internal Services Funds
<u>765,919,214</u>	Total Capital to Depreciate - Governmental & Internal Services Funds
817,070,290	Total before Depreciation
<u>(262,358,376)</u>	Depreciation
554,711,914	Net of Depreciation
816,842,437	Capital Assets Governmental Only
<u>227,855</u>	Internal Services Fund Capital Assets
\$ 817,070,290	

Information on El Paso County's capital assets can be found in the notes to the financial statements of this report in Note C3.

### Long-term Debt

During 2011, El Paso County had a reduction in long-term debt accounts of \$58.6 million. Additional information about El Paso County's long-term debt is presented in the notes to the financial statements, particularly Note C.5A.

There have not been any significant changes subsequent to December 31, 2011 to report.

### Contacting the County's Financial Management

The purpose of this financial report is to provide the County's citizens, taxpayers, customers, investors, and creditors with a general overview of its finances and to show its accountability for the money it receives. If you have questions about this report or the reports of the component units, or need additional financial information, contact the County Budget Administration's Finance Division, at El Paso County, 200 S. Cascade Ave., Suite 30, Colorado Springs, Colorado 80903.

THIS PAGE LEFT BLANK INTENTIONALLY

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



El Paso County, Colorado  
STATEMENT OF NET ASSETS  
December 31, 2011

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	El Paso County Public Health	The El Paso County Housing Authority
<b>ASSETS</b>					
Cash and investments	\$ 36,879,611	\$ 260,262	\$ 37,139,873	\$ 4,151,134	\$ 2,913,042
Receivables					
Property taxes	43,189,336		43,189,336		
Accounts	3,914,722	214,723	4,129,445	16,625	3,815,846
Intergovernmental	27,533,238	44,801	27,578,039	1,879,971	
Accrued interest	3,686		3,686		11,663
Internal balances	15,400	(15,400)			
Inventories	2,397,771		2,397,771		
Prepaid items	277,791		277,791	26,939	
Restricted cash and investments	23,431,492		23,431,492		
Unamortized issuance costs	2,317,651		2,317,651		
Capital assets, not depreciated	51,151,076		51,151,076		
Capital assets, net of accumulated depreciation	503,560,838	1,418,042	504,978,880	295,328	
Total assets	<u>694,672,612</u>	<u>1,922,428</u>	<u>696,595,040</u>	<u>6,369,997</u>	<u>6,740,551</u>
<b>LIABILITIES</b>					
Accounts payable	9,995,518	68,008	10,063,526	1,371,831	5,305
Due to other governments	2,284,244		2,284,244		
Interest payable	668,549		668,549		
Accrued liabilities	3,373,206		3,373,206	1,248,345	
Unearned revenue	43,646,936		43,646,936	308,846	
Noncurrent liabilities					
Due within one year	7,989,883	754	7,990,637		
Due in more than one year	221,586,124	52,757	221,638,881		
Total liabilities	<u>289,544,460</u>	<u>121,519</u>	<u>289,665,979</u>	<u>2,929,022</u>	<u>5,305</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	408,258,511	1,418,042	409,676,553	295,328	
Restricted for:					
Declared emergencies	5,364,806		5,364,806	302,761	
Debt service	23,431,492		23,431,492		
Other Purposes	2,817,403		2,817,403		
Unrestricted	(34,744,060)	382,867	(34,361,193)	2,842,886	6,735,246
Total net assets	<u>\$405,128,152</u>	<u>\$ 1,800,909</u>	<u>\$ 406,929,061</u>	<u>\$ 3,440,975</u>	<u>\$ 6,735,246</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities				
General government	\$ 46,367,966	\$ 22,969,843	\$ 2,268,857	\$
Public safety	73,974,617	5,138,506	12,793,966	
Public works	41,224,357	209,252	788,245	5,980,032
Health and welfare	62,298,421	293,282	43,880,220	7,489
Culture and recreation	3,108,688	568,749	1,122,369	
Auxiliary services	405,317		33,018	
Outside agencies	5,986,054	225,825	5,750,681	
Interest on long-term debt	6,411,700			
Total governmental activities	<u>239,777,120</u>	<u>29,405,457</u>	<u>66,637,356</u>	<u>5,987,521</u>
Business-type activities				
Solid waste management	913,594	882,726		
Total business-type activities	<u>913,594</u>	<u>882,726</u>		
Total primary government	<u>240,690,714</u>	<u>30,288,183</u>	<u>66,637,356</u>	<u>5,987,521</u>
<b>Component units:</b>				
Public Health	24,669,878	5,355,488	18,577,028	
Housing authority	1,183,468	565,935	550,135	
Total component units	<u>\$ 25,853,346</u>	<u>\$ 5,921,423</u>	<u>\$ 19,127,163</u>	<u>\$</u>

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

Total general revenues

Change in net assets  
 Net assets - January 1 - Restated  
 Residual Equity Transfer  
 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 Public Health	The El Paso County Housing Authority
Governmental Activities	Business-type Activities	Total		
\$ (21,129,266)	\$	\$ (21,129,266)	\$	\$
(56,042,145)		(56,042,145)		
(34,246,828)		(34,246,828)		
(18,117,430)		(18,117,430)		
(1,417,570)		(1,417,570)		
(372,299)		(372,299)		
(9,548)		(9,548)		
(6,411,700)		(6,411,700)		
(137,746,786)		(137,746,786)		
	(30,868)	(30,868)		
	(30,868)	(30,868)		
(137,746,786)	(30,868)	(137,777,654)		
			(737,362)	
			(737,362)	(67,398)
				(67,398)
47,311,463		47,311,463		
58,259,187		58,259,187		
4,617,956		4,617,956		
11,085,617		11,085,617		
374,538	308	374,846	3,975	104,375
195,502		195,502	155,816	
			(234,268)	
121,844,263	308	121,844,571	(74,477)	104,375
(15,902,523)	(30,560)	(15,933,083)	(811,839)	36,977
421,030,675	1,831,469	422,862,144	4,252,814	6,766,523
				(68,254)
<u>\$ 405,128,152</u>	<u>\$ 1,800,909</u>	<u>\$ 406,929,061</u>	<u>\$ 3,440,975</u>	<u>\$ 6,735,246</u>

THIS PAGE LEFT BLANK INTENTIONALLY

**FUND FINANCIAL STATEMENTS**

El Paso County, Colorado  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 December 31, 2011

	General Fund	Road and Bridge	Human Services
<b>ASSETS</b>			
Cash and investments	\$ 14,596,252	\$ 2,133,642	\$ 155,275
Taxes receivable	17,983,406	1,950,645	
Accounts receivable	1,034,136	31,968	674,997
Advances to other funds	500,000		
Due from other funds	5,468,432	30,610	1,466
Due from other governments	14,949,806	2,697,213	8,419,448
Inventories	199,463	2,198,308	
Prepaid items	177,791		
Restricted cash and investments			
Total assets	54,909,286	9,042,386	9,251,186
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	2,798,036	479,601	2,676,741
Accrued wages	68,196	137,470	40,432
Advances from other funds			500,000
Due to other funds	853,127	42,002	3,375,710
Due to other governments		10,895	2,273,349
Deferred revenue	18,018,642	2,373,009	
Total liabilities	21,738,001	3,042,977	8,866,232
Fund Balances:			
Nonspendable	377,254	2,198,308	
Restricted	6,446,587	412,407	384,954
Committed	1,131,782	287,900	
Assigned	21,716,258	3,100,794	
Unassigned	3,499,404		
Total fund balances	33,171,285	5,999,409	384,954
Total liabilities and fund balances	\$ 54,909,286	\$ 9,042,386	\$ 9,251,186

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,895,831	\$ 3,408,014	\$ 22,189,014
17,478,350	5,776,935	43,189,336
651,259	825,250	3,217,610
		500,000
842,548	227,278	6,570,334
	1,429,873	27,496,340
		2,397,771
		177,791
<u>23,431,492</u>		<u>23,431,492</u>
<u>44,299,480</u>	<u>11,667,350</u>	<u>129,169,688</u>
		2,575,562
1,680,674	1,657,047	9,292,099
		246,098
		500,000
2,226,739	1,469,595	7,967,173
		2,284,244
<u>17,478,350</u>	<u>5,776,935</u>	<u>43,646,936</u>
<u>21,385,763</u>	<u>8,903,577</u>	<u>63,936,550</u>
		31,613,701
23,431,492	938,261	2,909,645
	1,489,963	25,152,601
	335,549	2,981,629
<u>(517,775)</u>		<u>2,981,629</u>
<u>22,913,717</u>	<u>2,763,773</u>	<u>65,233,138</u>
<u>\$ 44,299,480</u>	<u>\$ 11,667,350</u>	<u>\$ 129,169,688</u>

El Paso County, Colorado  
 GOVERNMENTAL FUNDS  
 RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 December 31, 2011

Amounts reported for governmental activities in the statement of net assets  
 are different because:

Fund balances - total governmental funds	\$	65,233,138
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		554,553,355
Internal service funds are used by management to charge the costs of the self insurance program to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(31,576,589)
The portion of interest receivable that is not available to pay for current period expenditures and, therefore, is not reported in the funds.		3,686
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		(668,549)
Compensated absences payable		(14,849,644)
Certificates of participation payable		(165,420,000)
Capital leases payable		(3,736,230)
Unamortized premium (to be amortized as interest expense)		(3,345,916)
Unamortized deferred loss (to be amortized over the life of the debt)		2,390,522
Unamortized debt discount (to be amortized over the life of the debt)		226,728
Unamortized issuance costs (to be amortized over life of debt)		2,317,651
		2,317,651
 Net assets - governmental activities	 \$	 405,128,152

The accompanying notes are an integral part of this statement.



THIS PAGE LEFT BLANK INTENTIONALLY

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
For the year ended December 31, 2011

	General Fund	Road and Bridge	Human Services
<b>REVENUE</b>			
Property taxes	\$ 29,776,229	\$ 2,094,348	\$
Sales taxes	42,762,248		15,496,939
Specific ownership taxes		4,617,956	
Highway user taxes		11,085,617	
Intergovernmental	14,097,332	800,415	37,842,719
Fees and fines	766,805		
Licenses and permits	593,272		
Charges for services	20,050,011	149,786	
Investment earnings	204,616	434	
Contributions	57,594		53,165
Miscellaneous	3,356,444	47,296	152,405
Total revenues	<u>111,664,551</u>	<u>18,795,852</u>	<u>53,545,228</u>
<b>EXPENDITURES</b>			
Current:			
General government	36,786,730		
Public safety	70,641,743		
Public works		18,466,109	
Health and welfare	3,379,717		53,563,606
Culture and recreation	1,529,704		
Outside agencies			
Auxiliary services	415,880		
Debt service:			
Principal			
Issuance costs			
Interest and other charges			
Capital outlay	3,339,628	2,017,690	7,489
Total expenditures	<u>116,093,402</u>	<u>20,483,799</u>	<u>53,571,095</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,428,851)</u>	<u>(1,687,947)</u>	<u>(25,867)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding COP's			
Payment to refunded bond escrow agent			
COP Issuance Premium			
COP Issuance Discount			
Capital Lease Issuance			
Sale of capital assets	7,870	50,821	
Total other financing sources (uses)	<u>7,870</u>	<u>50,821</u>	
Net change in fund balances	<u>(4,420,981)</u>	<u>(1,637,126)</u>	<u>(25,867)</u>
Fund balances - January 1	37,592,266	7,636,535	410,821
Fund balances - December 31	<u>\$ 33,171,285</u>	<u>\$ 5,999,409</u>	<u>\$ 384,954</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 10,121,707	\$ 5,319,179	\$ 47,311,463
		58,259,187
		4,617,956
		11,085,617
	9,145,953	61,886,419
		766,805
		593,272
2,271,450	313,159	22,784,406
165,466	790	371,306
	4,574,297	4,685,056
	1,778,199	5,334,344
<u>12,558,623</u>	<u>21,131,577</u>	<u>217,695,831</u>
169,516	6,947,488	43,903,734
	760,020	71,401,763
		18,466,109
	6,006,095	62,949,418
	1,394,366	2,924,070
	5,986,054	5,986,054
		415,880
6,118,768		6,118,768
411,600		411,600
6,362,994		6,362,994
22,253,870	153,835	27,772,512
<u>35,316,748</u>	<u>21,247,858</u>	<u>246,712,902</u>
<u>(22,758,125)</u>	<u>(116,281)</u>	<u>(29,017,071)</u>
32,820,000		32,820,000
(35,412,037)		(35,412,037)
2,102,895		2,102,895
(232,632)		(232,632)
4,999,998		4,999,998
236,260		294,951
<u>4,514,484</u>		<u>4,573,175</u>
(18,243,641)	(116,281)	(24,443,896)
41,157,358	2,880,054	89,677,034
<u>\$ 22,913,717</u>	<u>\$ 2,763,773</u>	<u>\$ 65,233,138</u>

El Paso County, Colorado  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the year ended December 31, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (24,443,896)
<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	27,772,512
Depreciation	(31,791,337)
<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>	
<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.</p>	
	5,980,032
<p>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.</p>	
	(99,449)
<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>	
<p>Debt issued or incurred:</p>	
Certificates of participation issued	(32,820,000)
Refunding payment to escrow agent	33,125,000
Capital lease issuance	(4,999,998)
Premiums on issuance of certificates of participation	(2,102,895)
Discounts on issuance of certificates of participation	232,632
Amortization of deferred loss on certificates of participation	(62,253)
Accrued interest payable	12,738
Bond issuance costs	411,600
Principal repayments on certificates of participation	4,855,000
Amortization of debt premium	370,834
Amortization of issuance costs	(529,859)
Amortization of discount	(5,904)
Deferred loss on certificates of participation	2,452,775
Payment of capital leases as a reduction of long term debt	1,263,768
<p>Some revenues and 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	424,520
Accrued interest receivable	3,232
<p>Internal service funds are used by management to charge the costs of the self insurance program to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	4,048,425
Change in net assets - governmental activities	\$ (15,902,523)

The accompanying notes are integral part of this statement.

El Paso County, Colorado  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
December 31, 2011

	Business-type Activities Non-Major Solid Waste Management Enterprise Funds	Governmental Activities- Self Insurance Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 260,262	\$ 14,690,597
Accounts receivable	214,723	697,112
Intergovernmental receivable	44,801	36,898
Due from other funds		1,422,838
Prepaid expenses		100,000
Total current assets	519,786	16,947,445
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,418,042	158,559
Total assets	1,937,828	17,106,004
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	68,008	703,419
Claims payable		3,127,108
Due to other funds	15,400	10,599
Compensated absences	754	
Total current liabilities	84,162	3,841,126
Noncurrent liabilities:		
Claims payable		1,543,522
Compensated absences	52,757	
Other postemployment benefits		43,297,945
Total noncurrent liabilities	52,757	44,841,467
Total liabilities	136,919	48,682,593
<b>NET ASSETS</b>		
Invested in capital assets	1,418,042	158,559
Unrestricted	382,867	(31,735,148)
Total net assets	\$ 1,800,909	\$ (31,576,589)

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, 2011

	Business-Type Activities Non-Major Enterprise Funds Solid Waste Management	Governmental Activities- Internal Service Funds Self Insurance
Operating revenues		
Charges for services	\$ 882,726	\$ 12,997,915
Operating expenses		
Insurance premiums		882,726
Claim settlements		13,315,178
Depreciation	37,326	9,444
Administration and operations	876,268	6,215,757
Total operating expenses	913,594	20,423,105
Operating income (loss)	(30,868)	(7,425,190)
Non-operating revenues/expenses		
Sales Tax		11,131,952
Investment Earnings	308	
Miscellaneous		341,663
Total non-operating revenues/expenses	308	11,473,615
Change in net assets	(30,560)	4,048,425
Net assets - January 1	1,831,469	(35,625,014)
Net assets - December 31	\$ 1,800,909	\$ (31,576,589)

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, 2011

	Business-type Activities Non-Major Solid Waste Mgmt Enterprise Funds	Governmental Activities- Self Insurance Internal Service Funds	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 843,394	\$ (433,986)	\$ 409,408
Receipts from interfund services provided		12,278,460	12,278,460
Payments to suppliers	(697,049)	(8,853,014)	(9,550,063)
Payments to employees	(318,468)	(12,055,209)	(12,373,677)
Payments for interfund services used	(258,399)	(14,389)	(272,788)
Net cash provided by (used in) operating activities	<u>(430,522)</u>	<u>(9,078,138)</u>	<u>(9,508,660)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes received		11,131,952	11,131,952
Net cash provided by (used in) noncapital financing activities		<u>11,131,952</u>	<u>11,131,952</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital expenditures	(42,551)	(159,907)	(202,458)
Net cash provided by (used in) capital and related financing activities	<u>(42,551)</u>	<u>(159,907)</u>	<u>(202,458)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	308		308
Net cash provided by (used in) investing activities	<u>308</u>		<u>308</u>
Net increase (decrease) in cash and cash equivalents	(472,765)	1,893,907	1,421,142
Cash and cash equivalents - January 1	733,027	12,796,690	13,529,717
Cash and cash equivalents - December 31	<u>260,262</u>	<u>14,690,597</u>	<u>14,950,859</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	(30,868)	(7,425,190)	(7,456,058)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Miscellaneous revenue		341,663	341,663
Depreciation expense	37,326	9,444	46,770
(Increase) decrease in assets			
Accounts receivable	(39,331)	(541,109)	(580,440)
Intergovernmental receivables	(9,502)	(34,539)	(44,041)
Due from other funds		(719,455)	(719,455)
Increase (decrease) in liabilities			
Accounts payable	(407,010)	(978,974)	(1,385,984)
Accrued liabilities		284,411	284,411
Due to other funds	15,400	(14,389)	1,011
Compensated absences	3,463		3,463
Net cash provided by (used in) operating activities	<u>\$ (430,522)</u>	<u>\$ (9,078,138)</u>	<u>\$ (9,508,660)</u>

The accompanying notes are an integral part of this statement.

El Paso County, Colorado

FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
December 31, 2011

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,193,504	\$ 39,810	\$ 25,525,900
Investments			
Equities:			
Domestic stocks and equity mutual funds	74,509,850		
International stocks	57,108,856		
Fixed income:			
Fixed income mutual funds	48,604,577		
U.S. government and agency securities	8,636,392		
Corporate fixed income securities	15,821,467		
Fund of hedge funds	18,388,210		
Real estate mutual fund	18,911,521		
Total investments	241,980,873		
Receivables			
Interest and dividends	363,308		
Securities sold	42,307		
Other	25,167		67,153
Total receivables	430,782		
Capital assets - net	309,704		
Total assets	252,914,863	39,810	25,593,053
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	136,032		
Due to other governments			7,327,613
Payable for securities purchased	143,951		
Escrow deposits held by Trustee			1,503,837
Funds due to bondholders			97,345
Other			16,664,258
Total liabilities	279,983		25,593,053
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	\$ 252,634,880	\$ 39,810	\$

The accompanying notes are an integral part of this statement.

El Paso County, Colorado



FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
For the year ended December 31, 2011

	Pension Trust - El Paso County Retirement Plan	Private- Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employers	\$ 7,899,401	\$
Employees	8,169,407	
	16,068,808	
Total contributions		
Charges for services		22,010
Other income	19,694	
	(8,447,002)	
Investment earnings:		
Net depreciation in fair value of investments	(8,447,002)	
Interest and dividend income	4,059,100	
	(4,387,902)	
Total investment earnings		
Less investment expenses	(749,148)	
Net investment income	(5,137,050)	
	10,951,452	22,010
Total additions		
<b>DEDUCTIONS</b>		
Outside agencies		4,896
Benefits	18,212,795	
Refunds	2,222,415	
Administrative expenses	527,201	
	20,962,411	4,896
Total deductions		
Change in net assets	(10,010,959)	17,114
Net assets - January 1	262,645,839	22,696
Net assets - December 31	\$ 252,634,880	\$ 39,810

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

## 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.

##### 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 Public Health

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 Public Health administers public health services for El Paso County residents.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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 Budget Administration Finance Division.

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, 2011

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* is a special revenue fund that 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* is a special revenue fund that 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.

Enterprise funds account for activities for which a fee is charged to external users for goods or services. The County's non-major enterprise fund is:

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

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

Because El Paso County is essentially self-insured, the *Self-Insurance Fund* was established to account for the accumulation and allocation of costs associated with insurance claims and administration costs. This fund also accounts for the Other Post Employment Benefit (OPEB) plan.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the El Paso County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

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 *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.

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 held by the County 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.

*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.

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 (GASB). 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.

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.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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

A. Deposits and investments

Deposits consist of cash equivalent accounts, interest and non-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 Retirement Plan 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.

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.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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, 2011, was \$11,585,066. 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, 2011, was \$11,846,426.

E. Capital assets

Capital assets, which include: property, plant, 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 standard depreciation method is used for all assets. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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

F. Compensated absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County service. All compensated absences liabilities are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

G. Long-term obligations

In the 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



El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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.

**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, Falcon Vista 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 Falcon Vista and Rancho Colorado. All annual appropriations lapse at fiscal year end.

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances. Encumbrances outstanding as of December 31, 2011 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, 2011.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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.

3. *Fund Balance Restrictions*

Beginning with the fiscal year 2011, El Paso County has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 provides clearly defined fund balance categories, which makes the nature and extent of the constraints placed on a government's fund balances more transparent. The Board of County Commissioners adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 20 – 25 percent of the subsequent year's unrestricted General Fund operating expenditures. The amount of the minimum fund balance of \$20,187,615 is reported as restricted for TABOR of \$5,364,806 with the remaining amount in assigned as subsequent years' expenditure.

As of December 31, 2011, fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board of County Commissioners. The Board of County Commissioners is the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of County Commissioners.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but which are intended to be used for specific purposes. Under the Board of County Commissioners' adopted policy, only the Board of County Commissioners or the County Administrator and Budget Officer, are authorized to assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed unless Board of County Commissioners or the authorized assignor has provided otherwise in its commitment or assignment activities.

**Note C – Detailed Notes on All Funds**

1. *Deposits and investments*

**Cash and Investments**

Cash and investments	\$ 37,139,873
Restricted cash and investments	23,431,492
Fiduciary cash and equivalents	35,759,214
Fiduciary investments	241,980,873
Total cash and investments	\$ 338,311,452

The County's cash and investments consist of the following on December 31, 2011

	Treasurer's Agency funds	Primary Governmen t Restricted Cash	Sheriff's Special Investigation Fund	Public Trustee	Retirement Plan	Total
Petty cash	\$ 116,299	\$	\$	\$ 12,300	\$	\$ 128,599
Cash deposits	17,968,845		597,186	1,626,925	2,262,230	22,455,186
Money market account	9,274,582					9,274,582
Local government investment pool	32,253,649		87,848	767,949		33,109,446
Investments		23,431,492			249,912,147	273,343,639
	\$ 59,613,375	\$ 23,431,492	\$ 685,034	\$ 2,407,174	\$ 252,174,377	\$ 338,311,452

The money market account is rated AAA by Standard & Poor's. Investments in the local government investment pool are rated AAAm by Standard & Poor's.

Restricted cash and investments are held by U.S. Bank and pertain to Certificate of Participation reserve funds. The balance of \$23,431,492 includes cash equivalents of \$3,823,307, Guaranteed Investment Contracts of \$13,489,160, rated A-2 and Baa1 by Moody, \$223,650 of other investments rated AA- by Standard & Poor's, and \$5,895,375 other investments that are not rated.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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. 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.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. As part of the Dodd-Frank Wall Street Reform and Customer Protection Act passed by Congress on July 21, 2010, a separate and unlimited deposit insurance coverage is provided for accounts that meet the definition of 'non-interest bearing transaction account' which is separate from the \$250,000 coverage provided for other types of accounts. This additional coverage is effective through December 31, 2012. At December 31, 2011, the El Paso County's cash deposits had a book balance of \$29,467,538, and a corresponding bank balance of \$32,352,229. The difference between the book and bank balances is due to (outstanding checks and deposits not yet processed by the banks). Of the bank balance, \$4,447,734 was covered by federal depository insurance. The remainder of the bank balance, \$27,904,495, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

Investments

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.colotrust.com](http://www.colotrust.com). The states Securities Commissioner administers and enforces all State statutes governing the trust. The trust operates similarly to a money market fund, and each share is equal in value to \$1. As of December 31, 2011, the County had \$33,109,446 invested in Colorado Trust.

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

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy restricts holding of securities by counterparties.

Blended Component Unit – Cash and Investments

The Retirement Plan (Plan) has bank balances of \$2,262,230 on deposit with banking institutions at December 31, 2011. Of the bank balances, \$250,000 is insured by the Federal Deposit Insurance Corporation at December 31, 2011. In addition, \$7,931,274 was held by the various money managers in banking institutions at December 31, 2011. The uninsured balances are collateralized with securities held by the banking institutions but not in the Plan's name.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

Investments held by Retirement Plan (Fiduciary Fund):	Fair Value	Credit Rating	Effective Duration
Domestic stocks and equity mutual funds	\$ 74,509,850		
International stocks and equity mutual funds	57,108,856		
Fixed Income Investments:			
Fixed income funds	48,604,577	AA-A+	6.0
U.S. Government Agency securities	3,377,852	AA+	3.3
U.S. Treasury securities	5,258,540	AA+	5.6
Mortgage-backed securities	2,338,576	AAA-Unrated	3.3
Corporate securities	13,482,891	AA+ to Unrated	6.2
Real estate funds	18,911,521		
Fund of hedge funds	18,388,210		
	\$ 241,980,873		

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. Unless expressly permitted by the Board, the effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the broad market benchmark included in the instructions to the portfolio manager.

Blended Component Unit - Mortgage-Backed Securities

The Plan invests in mortgage-backed securities for diversification and to enhance fixed income returns. Mortgage-backed securities are subject to credit risk, the risk that the borrower will meet its obligations. These securities are also subject to prepayment risk, which is the risk that a payment will be made in excess of the regularly scheduled principal payment. Prepayment risk is comprised of two risks: call risk, the risk that prepayment will occur when interest rates have declined, and extension risk, the risk that prepayments will not be made when interest rates have increased.

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. As of December 31, 2011, \$32,554 of the Plan's investments were denominated in currencies other than the United States dollar.

Blended Component Unit - Retirement Securities Lending

The Plan participated in a securities lending program through its custodian, Wells Fargo Bank (the Bank), until March 31, 2010 when the Plan terminated all of its securities loans under the program.

The 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 Bank lent securities for collateral in the form of cash, securities and letters of credit. The Plan did not have the ability to pledge or sell collateral securities.

The Bank negotiated 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 reserved the right to pre-approve new borrowers.

The Bank's responsibilities included 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.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

All securities loans could be terminated on demand by either the Plan or the borrower. The Plan was 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 were loaned, the Plan waived its right to vote such securities.

Each loan was required to be collateralized in the amount of 102% of the market value of the loaned security and accrued interest. Collateral was marked to market daily. The Plan assumes all risk of loss arising out of collateral investment losses and any resulting collateral deficiencies.

Component Units - El Paso County Public Health and El Paso County Housing Authority

	<u>Credit Rating</u>	<u>Maturity Date</u>	
ColoTrust	AAAm	Demand	\$ 5,464,842
U. S. Treasuries		05/2012	549,927
Instrumentality: Government National Mortgage Association (GNMA)	AAA	2030	79,737
			6,094,506
Cash and deposits			614,755
Repurchase agreement			354,915
			\$ 7,064,176

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, 2011, was 7.597 mills. The County's assessed valuation for 2011 was \$6,321,759,660. Therefore, the County could have collected \$48,026,423 for 2011 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2012 total \$43,189,336 net of tax credits, refunds, and allowances.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

3. *Capital assets*

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,612,775	\$	\$ (52,229)	\$ 14,560,546
Construction in progress	49,588,173	11,316,978	(24,314,621)	36,590,530
Total capital assets, not being depreciated	<u>64,200,948</u>	<u>11,316,978</u>	<u>(24,366,850)</u>	<u>51,151,076</u>
Capital assets, being depreciated:				
Buildings	168,167,966	36,071,810		204,239,776
Improvements other than buildings	42,672,314	9,589		42,681,903
Machinery and equipment	61,585,933	4,589,304	(869,751)	65,305,486
Infrastructure	447,428,700	6,263,349		453,692,049
Total capital assets, being depreciated	<u>719,854,913</u>	<u>46,934,052</u>	<u>(869,751)</u>	<u>765,919,214</u>
Less accumulated depreciation for:				
Buildings	(48,184,007)	(4,555,932)		(52,739,939)
Improvements other than buildings	(4,989,596)	(1,696,045)		(6,685,641)
Machinery and equipment	(49,331,027)	(4,144,274)	798,574	(52,676,727)
Infrastructure	(128,851,539)	(21,404,530)		(150,256,069)
Total accumulated depreciation	<u>(231,356,169)</u>	<u>(31,800,781)</u>	<u>798,574</u>	<u>(262,358,376)</u>
Total capital assets, being depreciated, net	<u>488,498,744</u>	<u>15,133,271</u>	<u>(71,177)</u>	<u>503,560,838</u>
Governmental activities capital assets, net	<u>\$ 552,699,692</u>	<u>\$ 26,450,249</u>	<u>\$ (24,438,027)</u>	<u>\$ 554,711,914</u>

\$227,855 of capital assets and \$69,296 of accumulated depreciation for Self-Insurance, an internal service fund, is included in this note.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 577,417	\$	\$ (577,417)	\$
Capital assets, being depreciated:				
Buildings	979,968	619,968		1,599,936
Improvements other than buildings	83,365			83,365
Machinery and equipment	17,426			17,426
Total capital assets, being depreciated	1,080,759	619,968		1,700,727
Less accumulated depreciation for:				
Buildings	(214,436)	(32,249)		(246,685)
Improvements other than buildings	(21,675)	(3,334)		(25,009)
Machinery and equipment	(9,248)	(1,743)		(10,991)
Total accumulated depreciation	(245,359)	(37,326)		(282,685)
Total capital assets, being depreciated, net	835,400	582,642		1,418,042
Business-type activities capital assets, net	<u>\$ 1,412,817</u>	<u>\$ 582,642</u>	<u>\$ (577,417)</u>	<u>\$ 1,418,042</u>

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

Governmental activities:	
General government	\$ 3,464,814
Public safety	4,630,765
Public works	23,171,413
Health and welfare	257,025
Culture and recreation	267,320
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	9,444
Total depreciation expense - governmental activities:	<u>31,800,781</u>
Business-type activities:	
Waste management	37,326
Total depreciation expense - business-type activities:	<u>\$ 37,326</u>



El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

4. *Inter-fund receivables and payables:*

The composition of inter-fund balances as of December 31, 2011, is as follows:

Due to/from other funds:			Amount
<u>Receivable fund</u>	<u>Payable fund</u>		
General	Road and bridge	\$	37,356
	Human services		1,932,046
	Capital Projects		2,226,739
	Non-major internal service funds		10,599
	Non-major governmental funds		1,246,292
	Non-major enterprise funds		15,400
Road and Bridge	General		21,413
	Human services		8,504
	Non-major governmental funds		693
			<u>30,610</u>
Department of Human Services	General		466
	Non-major governmental funds		1,000
			<u>1,466</u>
Capital Projects Fund	General Fund		326,260
	Human services		516,288
			<u>842,548</u>
Non-major governmental funds	General		134,051
	Road and bridge		3,182
	Non-major governmental funds		90,045
			<u>227,278</u>
Non-major internal service	General		370,937
	Road and bridge		1,464
	Human services		918,872
	Non-major governmental funds		131,565
			<u>1,422,838</u>
Total		\$	<u><u>7,993,172</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.

Resolution No. 09-243 authorizes the advancement of funds for cash flow purposes from the General fund to the Department of Human Services up to \$2,500,000. The resolution only allows an advance for up to 120 days. As of December 31, 2011 Human Services had an advance of \$500,000.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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, 2011.

	Beginning balance 1/1/2011	Additions	Reductions	Ending balance 12/31/2011	Due within one year
Governmental activities:					
Certificates of participation	\$170,580,000	\$32,820,000	\$(37,980,000)	\$165,420,000	\$5,535,000
Deferred loss refunding		(2,452,775)	62,253	(2,390,522)	(149,408)
Issuance discount		(232,632)	5,904	(226,728)	(14,170)
Plus Issuance premium	1,613,855	2,102,895	(370,834)	3,345,916	197,428
Total certificates of participation	172,193,855	32,237,488	(38,282,677)	166,148,666	5,568,850
Capital leases		4,999,998	(1,263,768)	3,736,230	1,234,510
OPEB	44,738,037	9,664,645	(11,104,737)	43,297,945	
Compensated absences	15,274,164	7,481,164	(7,905,684)	14,849,644	1,186,523
Governmental activities long-term liabilities	<u>232,206,056</u>	<u>54,383,295</u>	<u>(58,556,866)</u>	<u>228,032,485</u>	<u>7,989,883</u>
<b>Business-Type Activities:</b>					
Compensated absences	<u>\$ 50,022</u>	<u>\$ 23,887</u>	<u>\$ (20,398)</u>	<u>\$ 53,511</u>	<u>\$ 754</u>

OPEB obligations are liquidated through the Self Insurance fund. Compensated absences are liquidated within the fund the employees reside in. Capital leases and certificates of participation are liquidated by the Capital Projects Fund.

B. Certificates of participation

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 carried interest rates of 2.20% to 5.375% and were refinanced with refunding Certificates of Participation Series 2011A. Interest payments are due June 1 and December 1. Principal payments are due December 1.

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. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2007, the County, through the El Paso County Facilities Corporation, issued \$77,850,000 in Certificates of Participation, Series 2007A, which were dated March 15, 2007. The 2007A certificates carry interest rates ranging from 4.00% to 5.50% and mature December 1, 2007, through December 1, 2029. Interest payments are due June 1 and December 1. Principal payments are due December 1.

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, 2011 through December 1, 2029. Interest payments are due June 1 and December 1. Principal payments are due December 1.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

During 2010, the County, through the El Paso County Facilities Corporation, issued \$55,925,000 in Certificates of Participation, Series 2010, which were dated September 30, 2010. The 2010A was for \$47,545,000 and the Series 2010B was for \$8,380,000. The 2010A certificates carry interest rates ranging from 3.59% to 5.81% and mature December 1, 2017, through December 1, 2036. The 2010B certificates carry interest rates ranging from 2.25% to 5.00% and mature December 1, 2011 through December 1, 2016. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2011, the County, through the El Paso County Facilities Corporation, issued \$32,820,000 Refunding Certificates of Participation series 2011A, which were dated July 20<sup>th</sup>, 2011 and refund the Certificates of Participation Series 2002B. The 2011A certificates carry interest rates ranging from 2.75% to 5.25% and mature December 1, 2011 through December 1, 2027. The refunded Certificates Series 2002B will become due and payable, in accordance with their terms, until December 1, 2012 at which time all of the remaining 2002B Certificates shall mature or be redeemed at a redemption price. Interest payments are due June 1 and December 1. Principal payments are due December 1.

Debt Refunding

In 2011, the County, through the El Paso County Facilities Corporation, issued new long-term debt to extinguish the obligation of previously issued bonds or certificates of participation in order to take advantage of lower interest rates. In the case of this advanced refunding transaction, the money from the sale of new debt was placed in an irrevocable trust to provide for all future debt service payments on old debt. The amount of these issuances has provided funds to pay the interest and principal when due on the refunded debt to and including the dates irrevocably fixed for redemption. The trust account assets and liabilities for the defeased debt are not included in the accompanying financial statements.

On July 20, 2011, El Paso County issued \$32.8 million in 2011 Series A Refunding Certificates of Participation with an average interest rate of 4.6 percent. These certificates refunded \$33.1 million of 2002 Series B Certificates of Participation with an average interest rate of 5.0 percent. The current refunding was undertaken to reduce the total debt service payments over the next 16 years by \$1.4 million and resulted in an economic gain of \$580 thousand. The amount outstanding of the defeased debt held in escrow as of December 31, 2011 was \$33,353,465.

On July 20, 2011, the County deposited cash of \$34,271,741 in an escrow account to advance refund, through an in-substance defeasance, \$33,125,000 of the Certificates of Participation 2002 Series B. As a result, the series 2002 B Certificate of Participation are considered defeased and the escrow assets and the liability for the certificates of participation have been removed from these financial statements.

Capital lease obligations

In 2011, The County entered into a lease agreement as lessee for financing the JDE System with Oracle America Inc. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The assets acquired through capital lease are as follows:

Asset:	<u>Governmental activities</u>
Oracle Software JDE System	\$ 2,499,998

In 2011 a payment of \$1,267,424 including interest of \$3,656 was made on the capital lease for the Oracle Software JDE System. There is no depreciation expense related to the asset for the year ended December 31, 2011.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

The following schedule reflects debt service requirements for the capital lease as of December 31, 2011:

Date	Interest	Principal	Total Payment Amount
July 2012	\$ 32,913	\$ 1,234,510	\$ 1,267,423
July 2013	22,048	1,245,375	1,267,423
July 2014	11,078	1,256,345	1,267,423
Total	\$ 66,039	\$ 3,736,230	\$ 3,802,269

C. Summary of debt service requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2011:

Year ending December 31,	Governmental Activities	
	Certificates of participation	
	Principal	Interest
2012	\$ 5,535,000	\$ 6,924,425
2013	5,740,000	6,709,175
2014	5,990,000	6,479,763
2015	6,900,000	6,208,077
2016	7,225,000	5,872,712
2017-2021	38,855,000	24,651,394
2022-2026	46,145,000	16,007,368
2027-2031	31,510,000	6,258,727
2032-2036	17,520,000	2,256,142
	\$ 165,420,000	\$ 81,367,783

D. 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 \$2,524,675 for all types of leases. These expenditures were made primarily from the General, Pikes Peak Workforce Center, and Self Insurance Funds and Department of Human Services.

E. Conduit debt obligations

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

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

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, 2011, the bonds had an estimated aggregate principal amount payable of \$190,438,235.

In 2011, the County issued conduit debt as follows:

On October 20, 2011, El Paso County adopted a resolution authorizing the issuance of up to \$3,000,000 of Development Revenue Bonds (Pikes Peak Hospice & Palliative Care, Inc. Project) Series 2011 and on November 30, 2011, bonds were issued in the amount of \$3,000,000.

On October 20, 2011, El Paso County adopted a resolution authorizing the issuance of a Development Revenue Bond (Rocky Mountain Health Care Services Project) Series 2011 in an amount not to exceed \$4,000,000 and on October 31, 2011, the bond was issued in the amount of \$4,000,000.

These qualified 501c(3) 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.

6. *Fund Balance Designation*

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories and the following table provides detail of each category of fund balance.

The remainder of this page left blank intentionally

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

	General Fund	Road & Bridge	Human Services	Capital Expenditure Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>						
Inventories	\$ 199,463	\$ 2,198,308	\$	\$	\$	\$ 2,397,771
Prepaid items	177,791					177,791
	<u>377,254</u>	<u>2,198,308</u>				<u>2,575,562</u>
<b>Restricted:</b>						
TABOR	5,364,806					5,364,806
Clerk & Recorder Projects	116,921					116,921
Public safety grants and other projects	961,158				357,195	1,318,353
Small Area/Developer funds		412,407				412,407
Culture and Recreation Projects					581,066	581,066
Social Services			384,954			384,954
Debt Service				23,431,492		23,431,492
Other Projects	3,702					3,702
	<u>6,446,587</u>	<u>412,407</u>	<u>384,954</u>	<u>23,431,492</u>	<u>938,261</u>	<u>31,613,701</u>
<b>Committed:</b>						
Public Safety	277,812				266,505	544,317
Road & Bridge		287,900				287,900
Clerk & Recorder Projects	790,987					790,987
Culture and Recreation Projects	57,350					57,350
Retirement Contributions					1,223,458	1,223,458
Other	5,633					5,633
	<u>1,131,782</u>	<u>287,900</u>			<u>1,489,963</u>	<u>2,909,645</u>
<b>Assigned:</b>						
Subsequent Year's Expenditures	14,543,021	105,724				14,648,745
Public safety	4,200,129				133,378	4,333,507
Public Work projects	2,500,000	2,995,070				5,495,070
Culture and Recreation Projects	149,558					149,558
Economic Development					202,171	202,171
Other projects	323,550					323,550
	<u>21,716,258</u>	<u>3,100,794</u>			<u>335,549</u>	<u>25,152,601</u>
<b>Unassigned:</b>	<u>3,499,404</u>			<u>(517,775)</u>		<u>2,981,629</u>
<b>Total fund balance</b>	<u>\$ 33,171,285</u>	<u>\$ 5,999,409</u>	<u>\$ 384,954</u>	<u>\$ 22,913,717</u>	<u>\$ 2,763,773</u>	<u>\$ 65,233,138</u>

**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 up to a maximum of \$100,000, \$400,000, \$250,000 and \$250,000 for each property damage claim, each workers' compensation claim, each liability claim, and each health claim, respectively. The limit of coverage on the liability claims is \$3,000,000. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all various other risks of loss. Settled claims have exceeded this commercial coverage once in the past three fiscal years.

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

All funds of the County participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior- and current-year claims. Claims liabilities of \$4,670,630 that are reported in the Self-Insurance Fund at December 31, 2011, 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 present value of the estimated outstanding losses is the amount of money, discounted for anticipated investment income, required to meet unpaid claims. It is calculated based on a 2.0% yield on investments, as provided by the County.

Changes in the claims liability amounts in 2011 and 2010 were:

	Balance January 1, 2011	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2011
Self-Insurance Fund	\$ 2,946,126	\$ 15,242,538	\$ 13,518,034	\$ 4,670,630
	Balance January 1, 2010	Claims and Changes in Estimates	Claim Payments	Balance December 31, 2010
Self-Insurance Fund	\$ 2,749,443	\$ 13,773,754	\$ 13,577,071	\$ 2,946,126

Amounts reflected represent current claims for self-funded medical claims, wellness accounts, flexible spending accounts, Worker's Compensation and other Liability claims totaling \$3,127,108. The Long term portion represents claims pertaining to ongoing Worker's Compensation and Liability claims totaling \$1,543,522.

2. *Deficit fund balance*

Self Insurance fund had an accumulated deficit in net assets of \$31,576,589 as of December 31, 2011. This internal service fund deficit pertains to incurred but not reported claims and other post employment benefits.

3. *Contingencies*

A Litigation

There is no current pending litigation in which the County is involved that is expected to result in a large judgment against the County. 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 of 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 2011 the County does not exceed the fiscal year spending limit. Appropriate action will be taken if necessary upon final determination.

4. *El Paso County Retirement Plan*

A. Plan description

All permanent, full-time employees of El Paso County are eligible to participate in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The Plan has five participating employers. The Plan provides benefits to members at retirement or disability, or to their beneficiaries in the event of death. The El Paso County Board of Retirement is the administrator and has the authority to establish and amend benefit provisions of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information, including the required six-year trend information, for the Plan. That report may be obtained by writing to the El Paso County 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 7.0 percent of the employees' annual salary to the Plan. 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, 2011, 2010, and 2009, were \$7,424,702, \$6,720,942, and \$5,740,536, respectively, equal to the required 7.0 percent match each year.

5. *Other-postemployment benefit (OPEB)*

Plan Description

The County contributes to and administers a single employer defined benefit postemployment health care 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.

The retiree Pre-Medicare monthly premium rates before subsidies range from \$474.00 for a retiree only to \$1,329.80 for a retiree and family. The County subsidy rates for this same category range from \$237.00 to \$474.00 for elected and appointed officials with four years of service or more. For retirees with at least 8 years of service to 20+ years of service, the County subsidy rates range from \$260.70 to \$474.00. The Medicare Secondary Plan for the Retiree ranges from \$267.00 for employees with 1-7 years service down to \$0 for employees with 20+ years of service. The County subsidy for the retiree ranges from \$133.50 for Elected and Appointed Officials with 4 years service up to \$267.00 for those with 8 or more years of service. All other employees are covered at \$146.85 with 8 years of service up to \$267.00 for 20+ years of service. During the year ended December 31, 2011, expenditures of \$1,650,582 were recognized for post-retirement health care premiums.

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. Total contributions meet or exceed the annual required contributions. Plan member contributions are also determined from monthly premiums.

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 County'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, 2011

Annual Required Contribution (ARC)	\$ 14,117,886
Interest on Net OPEB Obligation	2,140,029
Adjustment to ARC	(2,739,796)
Other	(3,853,474)
	\$ 9,664,645
Annual OPEB Cost	\$ 9,664,645
Contributions Made	(11,104,737)
	\$ (1,440,092)
Decrease in Net OPEB Obligation	\$ (1,440,092)
NET OPEB - Beginning of Year	44,738,037
	\$ 43,297,945
NET OPEB - End of Year	\$ 43,297,945

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the preceding three years were as follows:

Percentage of Annual OPEB

Fiscal Year End	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 24,407,586	70%	\$ 50,124,101
12/31/2010	9,664,645	155%	44,738,037
12/31/2011	\$ 9,664,645	114%	\$ 43,297,945

There are decreases in components such as the Normal Cost used to develop the Annual Required Contribution (ARC) and the Actuarial Accrued Liability (AAL) to reflect these changes in assumptions. There were significant changes in the standard plan design to reduce costs effective January 1, 2009 and again on April 1, 2009. Changes included going from \$0 deductible to a \$2,000 deductible, decreasing the coinsurance from 80% to 75% and increasing the co-pays for primary care physicians visits from \$40 to \$50 and specialist visits from \$50 to \$75. The Value plan offered in 2008 was eliminated beginning in 2009. Claim data used to determine the medical costs reflected the design change. There were also changes in the discount rate from 4% to 4.91%.

Funded status and funded progress

The funded status of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/2010		\$ 131,154,853	\$ 131,154,853		N/A	N/A

Actuarial Assumptions and Methods:

Valuation Date	01/01/2010
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years - Open

Actuarial Assumptions

Discount Rate	4.91%
Long-term rate of return	4.91%
Health Care Cost Trend Rate	10%

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective, and, as such, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The schedule of funding progress, presented in the Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

6. *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 an Intergovernmental Agreement (IGA) to form a separate legal entity, the El Paso County Emergency Services Agency (ESA). The ESA is 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. The county provides one salaried employee to the EAS for administration.

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

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

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

The one percent sales tax is being allocated as follows:

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

El Paso County, Colorado  
Notes to Financial Statements  
December 31, 2011

8. *Construction Commitments*

At year-end, there were projects under construction with commitments of:

December 31, 2011 Projects	Amount to Complete Project in 2012
2010 Series Certificate of Participation	\$ 8,426,535
Utility Plant Expansion	137,717
Energy Efficiency Improvements	447,156
Guardrails, End Anchorage	7,738
Bear Creek Dog Park	85,887
	\$ 9,105,033

9. *Restatement*

In 2011, the County determined that costs associated with insurance and retirement contributions from solid waste employees to the general fund were incorrectly treated as operating transfers and reported as internal balances at the government-wide level. Therefore, restatements to the 2010 government-wide financial statements for governmental and business-type activities were required. The result of this restatement increased 2010 governmental-activities net assets in the amount of \$98,184, and decreased 2010 business-type net assets in the amount of \$98,184.

**REQUIRED SUPPLEMENTARY  
INFORMATION  
(OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS)**

*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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 29,430,856	\$ 28,647,063	\$ 29,776,229	\$ 1,129,166
Sales taxes	43,869,431	40,369,431	42,762,247	2,392,816
Intergovernmental	11,867,937	17,806,564	16,394,968	(1,411,596)
Fees and fines	877,829	877,829	900,074	22,245
Licenses and permits	302,500	302,500	585,252	282,752
Charges for services	18,607,110	19,558,478	17,753,302	(1,805,176)
Investment earnings	293,000	342,000	211,875	(130,125)
Miscellaneous	1,759,051	3,352,717	3,287,863	(64,854)
	<u>107,007,714</u>	<u>111,256,582</u>	<u>111,671,810</u>	<u>415,228</u>
<b>EXPENDITURES</b>				
General government:				
Administration	1,545,697	1,567,466	1,525,726	41,740
Finance	1,206,423	1,369,202	829,044	540,158
Security	1,177,766	1,272,401	1,272,400	1
Facilities management	8,862,320	7,948,007	7,943,444	4,563
Procurement	341,104	350,479	347,938	2,541
Employee benefits and medical services	741,531	763,894	763,894	
Information technology	8,094,838	9,183,433	7,516,082	1,667,351
Budget Administration	2,211,188	2,361,719	2,177,229	184,490
Planning	1,206,417	1,308,518	1,265,300	43,218
County Attorney	875,015	899,499	780,829	118,670
County Clerk and Recorder	8,366,059	8,612,339	7,548,787	1,063,552
County Treasurer	1,101,591	1,253,371	1,122,927	130,444
County Assessor	3,314,883	3,412,453	3,335,768	76,685
County Surveyor	8,921	8,921	7,389	1,532
Public Trustee	(27,630)	10,000		10,000
	<u>39,026,123</u>	<u>40,321,702</u>	<u>36,436,757</u>	<u>3,884,945</u>
Public safety:				
Community corrections	6,503,353	6,503,353	5,643,215	860,138
District Attorney Office	11,213,985	11,580,044	11,517,049	62,995
Coroner	1,777,285	1,933,647	1,887,570	46,077
County Sheriff	47,357,082	58,948,630	52,194,263	6,754,367
	<u>\$ 66,851,705</u>	<u>\$ 78,965,674</u>	<u>\$ 71,242,097</u>	<u>\$ 7,723,577</u>

(Continued)

El Paso County, Colorado  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED  
For the year ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Health and welfare:				
Environmental services	\$ 339,119	\$ 436,504	\$ 425,769	\$ 10,735
Health administration	2,803,948	2,953,948	2,953,948	
Total health and welfare	3,143,067	3,390,452	3,379,717	10,735
Culture and recreation:				
Parks	1,742,089	2,225,978	1,529,704	696,274
Total culture and recreation:	1,742,089	2,225,978	1,529,704	696,274
Auxiliary services:				
Veterans services	235,671	309,652	266,159	43,493
CSU extension service	155,616	158,116	149,721	8,395
Total auxiliary services	391,287	467,768	415,880	51,888
Capital outlay	848,657	3,990,436	3,026,167	964,269
Total expenditures	112,002,928	129,362,010	116,030,322	13,331,688
Excess (deficiency) of revenues over (under) expenditures	(4,995,214)	(18,105,428)	(4,358,512)	13,746,916
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets			7,870	7,870
Transfers in	1,111,330	39,759		(39,759)
Transfers out	(906,125)			
Total other financing sources (uses)	205,205	39,759	7,870	(31,889)
Net changes in fund balances	\$ (4,790,009)	\$ (18,065,669)	\$ (4,350,642)	\$ 13,715,027

See the accompanying independent auditors' report.



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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,786,227	\$ 6,773,858	\$ 6,712,304	\$ (61,554)
Intergovernmental:				
Payment in lieu of taxes	69,000	69,000	69,000	
U.S. Forest Service/Mineral Leasing	2,000	2,000	75,986	73,986
Highway users tax	10,800,000	10,800,000	11,085,617	285,617
Additional motor vehicle registration	600,000	600,000	643,237	43,237
Federal reimbursements		325,431		(325,431)
Local revenue		20,734	12,170	(8,564)
Sale of Materials (BLM)	1,500	1,500	22	(1,478)
Total intergovernmental	11,472,500	11,818,665	11,886,032	67,367
Charges for services	231,000	231,000	149,786	(81,214)
Interest			434	434
Miscellaneous			47,296	47,296
Total revenues	18,489,727	18,823,523	18,795,852	(27,671)
<b>EXPENDITURES</b>				
Public works:				
Personal Services	11,684,083	11,407,197	11,407,197	
Operating Expenses	6,552,732	10,654,231	8,142,203	2,512,028
Capital outlay	332,000	1,046,059	1,046,059	
Total expenditures	18,568,815	23,107,487	20,595,459	2,512,028
Excess (deficiency) of revenues over (under) expenditures	(79,088)	(4,283,964)	(1,799,607)	2,484,357
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets			50,821	50,821
Total other financing sources (uses)			50,821	50,821
Net changes in fund balances	\$ (79,088)	\$ (4,283,964)	\$ (1,748,786)	\$ 2,535,178

See the accompanying independent auditors' report.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 11,997,101	\$ 15,497,101	\$ 15,496,940	\$ (161)
Intergovernmental - Welfare	36,804,899	39,887,574	37,842,719	(2,044,855)
Miscellaneous	198,000	207,400	205,569	(1,831)
Total revenues	49,000,000	55,592,075	53,545,228	(2,046,847)
<b>EXPENDITURES</b>				
Health and welfare:				
County administration block grant	11,096,490	8,880,037	10,364,650	(1,484,613)
Temporary aid to needy families	9,202,692	8,597,692	9,570,086	(972,394)
Child welfare block grant	18,522,957	24,177,957	24,576,986	(399,029)
Child care block grant	1,654,461	3,232,461	1,940,784	1,291,677
Child Support Enforcement	3,700,000	5,274,026	3,681,807	1,592,219
Miscellaneous state grants	45,213	58,213	33,086	25,127
Miscellaneous federal grants	2,947,230	3,158,615	3,104,167	54,448
Local/county funding	193,000	271,100	284,207	(13,107)
Total expenditures	47,362,043	53,650,101	53,555,773	94,328
Excess (deficiency) of revenues over (under) expenditures	1,637,957	1,941,974	(10,545)	(1,952,519)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,637,957)			
Total other financing sources (uses)	(1,637,957)			
Net changes in fund balances	\$	\$ 1,941,974	\$ (10,545)	\$ (1,952,519)

See the accompanying independent auditors' report.

PAGE LEFT BLANK INTENTIONALLY

El Paso County, Colorado  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGET-TO-GAAP RECONCILIATION  
 For the year ended December 31, 2011

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

	<u>General Fund</u>	<u>Road &amp; Bridge</u>	<u>Human Services</u>
<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	\$ 111,671,810	\$ 18,795,852	\$ 53,545,228
Interest earned on investments is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	(7,259)		
Certificates of Participation 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 in an agency fund for financial reporting purposes			
	<hr/>	<hr/>	<hr/>
Total operating revenues, non-operating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	<u>111,664,551</u>	<u>18,795,852</u>	<u>53,545,228</u>
<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	116,030,322	20,595,459	53,555,773
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	51,066	72,070	15,322
Other postemployment benefits 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	12,014	(183,730)	
Health claims incurred but not reported are not outflows of budgetary resources but are expenses for financial reporting purposes			
Expenditures are outflows for budgetary purposes but are not reported in an agency fund for financial reporting purposes			
	<hr/>	<hr/>	<hr/>
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	<u>\$ 116,093,402</u>	<u>\$ 20,483,799</u>	<u>\$ 53,571,095</u>

Capital Projects	Solid Waste Management	Self- Insurance Fund	Rancho Road	Falcon Vista
\$ 14,300,805	\$ 883,034	\$ 24,471,530	\$ 57,537	\$ 162,479
165,466				
(1,907,648)				
			(57,537)	(162,479)
<u>12,558,623</u>	<u>883,034</u>	<u>24,471,530</u>		
14,623,858	915,331	20,289,155	70,863	165,942
20,692,890	(42,552)	(159,907)		
	37,326	9,444		
	3,489			
		(1,440,092)		
		1,724,503		
			(70,863)	(165,942)
<u>\$ 35,316,748</u>	<u>\$ 913,594</u>	<u>\$ 20,423,103</u>	<u>\$</u>	<u>\$</u>

See the accompanying independent auditors' report.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b - a) / c)
01/01/2006	\$	\$182,694,851	\$182,694,851	0.0%	N/A	N/A
01/01/2008		187,957,388	187,957,388	0.0%		
01/01/2010	\$	131,154,853	131,154,853	0.0%		

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

See the accompanying independent auditors' report.

THIS PAGE LEFT BLANK INTENTIONALLY

**COMBINING STATEMENTS AND SCHEDULES**



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.

El Paso County, Colorado  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 December 31, 2011

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
<b>ASSETS</b>			
Cash and investments	\$ 685,034	\$ 985,555	\$ 668,781
Taxes receivable		5,776,935	
Accounts receivable	123,996		
Due from other funds		223,879	
Due from other governments		15,935	
Total assets	<u>809,030</u>	<u>7,002,304</u>	<u>668,781</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	51,952	1,911	6,173
Due to other funds			81,542
Deferred revenue		5,776,935	
Total liabilities	<u>51,952</u>	<u>5,778,846</u>	<u>87,715</u>
Fund balances:			
Restricted	357,195		581,066
Committed	266,505	1,223,458	
Assigned	133,378		
Total fund balances	<u>757,078</u>	<u>1,223,458</u>	<u>581,066</u>
Total liabilities and fund balances	<u>\$ 809,030</u>	<u>\$ 7,002,304</u>	<u>\$ 668,781</u>

See the accompanying independent auditors' report.

Economic Development	Pikes Peak Workforce Center	Total Nonmajor Governmental Funds
\$ 1,068,644	\$	\$ 3,408,014
		5,776,935
697,037	4,217	825,250
217	3,182	227,278
90,634	1,323,304	1,429,873
<u>1,856,532</u>	<u>1,330,703</u>	<u>11,667,350</u>
1,407,190	189,821	1,657,047
247,171	1,140,882	1,469,595
		5,776,935
<u>1,654,361</u>	<u>1,330,703</u>	<u>8,903,577</u>
		938,261
		1,489,963
202,171		335,549
<u>202,171</u>		<u>2,763,773</u>
<u>\$ 1,856,532</u>	<u>\$ 1,330,703</u>	<u>\$ 11,667,350</u>

El Paso County, Colorado  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES CHANGES  
 IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the year ended December 31, 2011

	El Paso County Sheriff Special Investigation Fund	Retirement Contribution	Conservation Trust
<b>REVENUES</b>			
Property taxes	\$	\$ 5,319,179	\$
Sales tax			
Intergovernmental	969,452		1,101,869
Charges for Services			
Investment earnings	100		690
Contributions			
Miscellaneous	795	1,756,889	
	<u>970,347</u>	<u>7,076,068</u>	<u>1,102,559</u>
<b>EXPENDITURES</b>			
Current:			
General government		6,947,488	
Public safety	760,020		
Health and welfare			
Culture and recreation			1,394,366
Outside agencies			
Capital outlay	137,165		16,670
	<u>897,185</u>	<u>6,947,488</u>	<u>1,411,036</u>
Total expenditures			
Excess (deficiency) of revenues Over (under) expenditures	<u>73,162</u>	<u>128,580</u>	<u>(308,477)</u>
Net change in fund balances	73,162	128,580	(308,477)
Fund balances – January 1	683,916	1,094,878	889,543
Fund balances – December 31	<u>\$ 757,078</u>	<u>\$ 1,223,458</u>	<u>\$ 581,066</u>

See the accompanying independent auditors' report.

Economic Development	Pikes Peak Workforce Center	Total Nonmajor Governmental Funds
\$	\$	\$ 5,319,179
1,089,052	5,985,580	9,145,953
313,159		313,159
		790
4,574,297		4,574,297
	20,515	1,778,199
<u>5,976,508</u>	<u>6,006,095</u>	<u>21,131,577</u>
		6,947,488
		760,020
	6,006,095	6,006,095
5,986,054		1,394,366
		5,986,054
		153,835
<u>5,986,054</u>	<u>6,006,095</u>	<u>21,247,858</u>
<u>(9,546)</u>		<u>(116,281)</u>
(9,546)		(116,281)
211,717		2,880,054
<u>\$ 202,171</u>	<u>\$</u>	<u>\$ 2,763,773</u>

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

El Paso County, Colorado  
RETIREMENT CONTRIBUTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
For the year ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,376,910	\$ 5,323,141	\$ 5,319,179	\$ (3,962)
Intergovernmental		2,347,552	1,756,889	(590,663)
Total revenues	5,376,910	7,670,693	7,076,068	(594,625)
<b>EXPENDITURES</b>				
Employer contributions	7,697,467	7,697,467	6,867,274	830,193
Treasurer fees	80,654	80,654	80,214	440
Total expenditures	7,778,121	7,778,121	6,947,488	830,633
Excess (deficiency) of revenues over (under) expenditures	(2,401,211)	(107,428)	128,580	236,008
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,347,552			
Total other financing sources (uses)	2,347,552			
Net change in fund balances	\$ (53,659)	\$ (107,428)	\$ 128,580	\$ 236,008

See the accompanying independent auditors' report.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,101,869	\$ (98,131)
Investment earnings	10,000	10,000	690	(9,310)
Total revenues	1,210,000	1,210,000	1,102,559	(107,441)
<b>EXPENDITURES</b>				
Culture and recreation	1,374,365	1,433,932	1,394,366	39,566
Capital outlay	20,000	16,670	16,670	
Total expenditures	1,394,365	1,450,602	1,411,036	39,566
Excess (deficiency) of revenues over (under) expenditures	(184,365)	(240,602)	(308,477)	(67,875)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(54,437)			
Total other financing sources (uses)	(54,437)			
Net change in fund balances	\$ (238,802)	\$ (240,602)	\$ (308,477)	\$ (67,875)

See the accompanying independent auditors' report.



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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 12,500	\$ 1,239,052	\$ 1,089,052	\$ (150,000)
Charges for services	140,000	210,000	313,159	103,159
Contributions	3,860,000	5,640,000	4,574,297	(1,065,703)
	<u>4,012,500</u>	<u>7,089,052</u>	<u>5,976,508</u>	<u>(1,112,544)</u>
<b>EXPENDITURES</b>				
General government	<u>4,012,500</u>	<u>7,234,895</u>	<u>5,986,054</u>	<u>1,248,841</u>
Total expenditures	<u>4,012,500</u>	<u>7,234,895</u>	<u>5,986,054</u>	<u>1,248,841</u>
Net change in fund balances	<u>\$</u>	<u>\$ (145,843)</u>	<u>\$ (9,546)</u>	<u>\$ 136,297</u>

See the accompanying independent auditors' report.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 6,554,757	\$ 6,554,757	\$ 6,006,095	\$ (548,662)
Total revenues	6,554,757	6,554,757	6,006,095	(548,662)
<b>EXPENDITURES</b>				
Health and welfare	6,554,757	6,554,757	6,006,095	548,662
Total expenditures	6,554,757	6,554,757	6,006,095	548,662
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See the accompanying independent auditors' report.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,228,489	\$ 10,126,204	\$ 10,121,707	\$ (4,497)
Intergovernmental		2,699,381	4,035,249	1,335,868
Interest earnings		1,954,854		(1,954,854)
Miscellaneous Revenue			143,849	143,849
Total revenues	10,228,489	14,780,439	14,300,805	(479,634)
<b>EXPENDITURES</b>				
Purchased services	173,114	629,596	169,515	460,081
Debt service	12,984,764	13,777,056	13,779,523	(2,467)
Capital outlay	880,000	883,655	674,820	208,835
Total expenditures	14,037,878	15,290,307	14,623,858	666,449
Excess (deficiency) of revenues over (under) expenditures	(3,809,389)	(509,868)	(323,053)	186,815
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to Refunded COP Agent		1,140,297	1,140,297	
Sale of Capital Asset		236,260	236,260	
Transfers in	2,406,400			
Total other financing sources (uses)	2,406,400	1,376,557	1,376,557	
Net change in fund balances	\$ (1,402,989)	\$ 866,689	\$ 1,053,504	\$ 186,815

See the accompanying independent auditors' report.

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.

***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 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.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 960,500	\$ 960,500	\$ 834,007	\$ (126,493)
Intergovernmental		120,100	46,209	(73,891)
Interest	2,500	2,500	308	(2,192)
Donations			2,510	2,510
Total revenues	963,000	1,083,100	883,034	(200,066)
<b>EXPENDITURES</b>				
Personal services	368,651	456,999	333,229	123,770
Operating expenses	640,967	735,014	539,551	195,463
Capital outlay	50,000	50,000	42,551	7,449
Total expenditures	1,059,618	1,242,013	915,331	326,682
Excess (deficiency) of revenues over (under) expenditures	(96,618)	(158,913)	(32,297)	126,616
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(62,295)			
Total other financing sources (uses)	(62,295)			
Net change in fund balances	\$ (158,913)	\$ (158,913)	\$ (32,297)	\$ 126,616

See the accompanying independent auditors' report.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 12,723,853	\$ 12,723,853	\$ 12,997,915	\$ 274,062
Taxes	11,131,987	11,131,987	11,131,952	(35)
Miscellaneous			242,543	242,543
Insurance recoveries			99,120	99,120
Total revenues	23,855,840	23,855,840	24,471,530	615,690
<b>EXPENDITURES</b>				
Claim settlements	22,071,216	16,755,235	13,030,766	3,724,469
Administration and operations	1,297,920	6,446,728	6,204,814	241,914
Insurance premiums	1,059,734	1,077,000	850,136	226,864
Capital outlay		203,439	203,439	
Total expenditures	24,428,870	24,482,402	20,289,155	4,193,247
Net change in fund balances	\$ (573,030)	\$ (626,562)	\$ 4,182,375	\$ 4,808,937

See the accompanying independent auditors' report.

## 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.

### *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.

#### 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.



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

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 22,010	\$ (77,990)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>22,010</u>	<u>(77,990)</u>
<b>EXPENDITURES</b>				
Outside agencies	<u>100,000</u>	<u>100,000</u>	<u>4,896</u>	<u>95,104</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>4,896</u>	<u>95,104</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 17,114</u>	<u>\$ 17,114</u>

See the accompanying independent auditors' report.

El Paso County, Colorado  
 AGENCY FUNDS  
 COMBINING STATEMENT OF NET ASSETS  
 December 31, 2011

	<u>Treasurer's</u>	<u>Public Trustee</u>	<u>Rancho Colorado</u>	<u>Falcon Vista</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ 23,021,381	\$ 2,407,174	\$ 13,953	\$ 83,392	\$ 25,525,900
Other Assets		67,153			67,153
	<u>23,021,381</u>	<u>2,474,327</u>	<u>13,953</u>	<u>83,392</u>	<u>25,593,053</u>
<b>LIABILITIES</b>					
Due to other governments	7,327,613				7,327,613
Escrow deposits held by trustee		1,503,837			1,503,837
Funds due to bondholders			13,953	83,392	97,345
Other	15,693,768	970,490			16,664,258
Total liabilities	<u>\$ 23,021,381</u>	<u>\$2,474,327</u>	<u>\$ 13,953</u>	<u>\$ 83,392</u>	<u>\$ 25,593,053</u>

See the accompanying independent auditors' report.

El Paso County, Colorado  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the year ended December 31, 2011

<b>TREASURER'S AGENCY FUND</b>				
	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<b>ASSETS</b>				
Cash and investments	\$ 27,234,967	\$ 862,070,856	\$ 866,284,442	\$ 23,021,381
<b>LIABILITIES</b>				
Due to other governments	11,392,383	661,318,309	665,383,079	7,327,613
Other	15,842,584	200,752,547	200,901,363	15,693,768
Total liabilities	\$ 27,234,967	\$ 862,070,856	\$ 866,284,442	\$ 23,021,381

<b>PUBLIC TRUSTEE AGENCY FUND</b>				
	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<b>ASSETS</b>				
Cash and investments	\$ 2,331,368	\$ 41,455,549	\$ 41,379,743	\$ 2,407,174
	86,553		19,400	67,153
	2,417,921	41,455,549	41,399,143	2,474,327
<b>LIABILITIES</b>				
Escrow deposits held by trustee	1,583,419	39,942,703	40,022,285	1,503,837
Other	834,502	1,512,846	1,376,858	970,490
Total liabilities	\$ 2,417,921	\$ 41,455,549	\$ 41,399,143	\$ 2,474,327

<b>RANCHO COLORADO AGENCY FUND</b>				
	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<b>ASSETS</b>				
Cash and investments	\$ 27,279	\$ 57,537	\$ 70,863	\$ 13,953
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 27,279	\$ 57,537	\$ 70,863	\$ 13,953

(Continued)

See the accompanying independent auditors' report.

El Paso County, Colorado  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – CONTINUED  
 For the year ended December 31, 2011

<b>FALCON VISTA ACQUISITION LID</b>				
	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<b>ASSETS</b>				
Cash and investments	\$ 86,855	\$ 162,479	\$ 165,942	\$ 83,392
<b>LIABILITIES</b>				
Funds due to bondholders	\$ 86,855	\$ 162,479	\$ 165,942	\$ 83,392
<b>TOTALS - ALL AGENCY FUNDS</b>				
	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<b>ASSETS</b>				
Cash and investments	\$ 29,680,469	\$ 903,746,421	\$ 907,900,990	\$ 25,525,900
Other Assets	86,553		19,400	67,153
	<u>\$ 29,767,022</u>	<u>\$ 903,746,421</u>	<u>\$ 907,920,390</u>	<u>\$ 25,593,053</u>
<b>LIABILITIES</b>				
Due to other governments	11,392,383	661,318,309	665,383,079	7,327,613
Escrow deposits held by trustee	1,583,419	39,942,703	40,022,285	1,503,837
Funds due to bondholders	114,134	220,016	236,805	97,345
Other	16,677,086	202,265,393	202,278,221	16,664,258
Total liabilities	<u>\$ 29,767,022</u>	<u>\$ 903,746,421</u>	<u>\$ 907,920,390</u>	<u>\$ 25,593,053</u>

See the accompanying independent auditors' report.

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

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 57,575	\$ 57,575	\$ 57,500	\$ (75)
Interest	30	30	37	7
Total revenues	57,605	57,605	57,537	(68)
<b>EXPENDITURES</b>				
Debt service	70,864	70,864	70,863	1
Total expenditures	70,864	70,864	70,863	1
Net change in fund balances	<u>\$ (13,259)</u>	<u>\$ (13,259)</u>	<u>\$ (13,326)</u>	<u>\$ (67)</u>

See the accompanying independent auditors' report.

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Bond Proceeds	\$ 51,500	\$ 162,480	\$ 162,479	\$ (1)
Total revenues	51,500	162,480	162,479	(1)
<b>EXPENDITURES</b>				
Debt service	51,500	165,942	165,942	
Total expenditures	51,500	165,942	165,942	
Net change in fund balances	<u>\$</u>	<u>\$ (3,462)</u>	<u>\$ (3,463)</u>	<u>\$ (1)</u>

See the accompanying independent auditors' report.



**MISCELLANEOUS**

El Paso County  
HUMAN SERVICES FUND  
SCHEDULE OF EBT AUTHORIZATIONS, WARRANT EXPENDITURES, AND TOTAL EXPENDITURES  
For Year Ending December 31, 2011

Program	A EBT Authorizations	B County Share of EBT Auth.	C Expenditures by Warrant	D EBT plus Warrant Exp	E Total County Expenditures
Old Age Pension	\$ 5,098,349	\$ 16,828	\$ -	\$ 5,098,349	\$ 16,828
LEAP	\$ 5,455,887	\$ -	\$ 634,163	\$ 6,090,050	\$ 634,163
TANF	\$ 11,900,216	\$ 2,863,011	\$ 6,707,076	\$ 18,607,291	\$ 9,570,086
Administration**	\$ -	\$ 1,622,545	\$ 9,514,685	\$ 11,137,230	\$ 11,137,230
Child Welfare	\$ 29,056,350	\$ 7,811,694	\$ 14,174,732	\$ 43,231,082	\$ 21,986,426
Core Services	\$ 4,355,703	\$ 682,475	\$ 1,638,774	\$ 5,994,477	\$ 2,321,249
AND	\$ 1,874,593	\$ 231,028	\$ (338,161)	\$ 1,536,432	\$ (107,133)
IV-D Administration**	\$ -	\$ 928,823	\$ 2,752,984	\$ 3,681,807	\$ 3,681,807
Child Care	\$ 9,670,455	\$ 1,108,384	\$ 832,400	\$ 10,502,855	\$ 1,940,784
Grants Settled in CFMS**	\$ -	\$ 28,137	\$ 614,631	\$ 642,768	\$ 642,768
Grants/Other ***	\$ -	\$ -	\$ 1,520,863	\$ -	\$ 1,520,863
Senior Services***	\$ -	\$ -	\$ 226,025	\$ -	\$ 226,025
Sub-Total	\$ 67,411,553	\$ 15,292,925	\$ 38,278,170	\$ 106,522,341	\$ 53,571,095
Food Assistance	\$ 104,588,234	\$ -	\$ -	\$ 104,588,234	\$ -
Grand Total	\$ 171,999,787	\$ 15,292,925	\$ 38,278,170	\$ 211,110,575	\$ 53,571,095

- 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  
\*\* All Administration expenditures are paid by warrant; therefore, Column (D) and Column (E) on this line are equal.  
\*\*\* Grants/Other and Senior Services reflect expenditures in the County Financial System Only, and may be noted on CFMS as settled outside CFMS

See the accompanying independent auditors' report

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County:
	El Paso County
	YEAR ENDING:
	December 2011

This Information From The Records Of: County of El Paso, Colorado	Prepared By: Sherri Cassidy, Division Manager Phone: 719-520-6461
--	--

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES****III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,370,326
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,106,103
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	685,711
2. General fund appropriations		b. Snow and ice removal	1,032,670
3. Other local imposts (from page 2)	6,874,260	c. Other	7,346,812
4. Miscellaneous local receipts (from page 2)	1,886,254	d. Total (a. through c.)	9,065,193
5. Transfers from toll facilities		4. General administration & miscellaneous	2,123,712
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	21,665,334
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	8,760,514	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	11,728,855	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	145,007	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	20,634,376	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	21,665,334

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,636,535	20,634,376	21,665,334	6,605,577	0

**Notes and Comments:**

See the accompanying independent auditors' report.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2011

**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	2,094,348	a. Interest on investments	434
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	161,956	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	50,821
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	4,617,956	g. Other Misc. Receipts	560,850
6. Total (1. through 5.)	4,779,912	h. Other	1,274,149
c. Total (a. + b.)	6,874,260	i. Total (a. through h.)	1,886,254
	(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	11,085,617	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	36,592
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	643,238	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	108,415
f. Total (a. through e.)	643,238	g. Total (a. through f.)	145,007
'4. Total (1. + 2. + 3.f)	11,728,855	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		22,920	22,920
b. Engineering Costs		696,611	696,611
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	236,511		236,511
(3). System Preservation		2,414,284	2,414,284
(4). System Enhancement & Operation			0
(5). Total Construction(1) + (2) + (3) + (4)	236,511	2,414,284	2,650,795
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	236,511	3,133,815	3,370,326
			(Carry forward to page 1)

**Notes and Comments:**

See the accompanying independent auditors' report.

### **III. STATISTICAL SECTION**

**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  
General Fund Property Tax Levies and Collections  
Property Taxes by Fund  
Principal Sales Tax Payers  
Sales and Use Tax Collections by State Category*

DEBT CAPACITY

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

*Ratios of Outstanding Debt by Type*

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

*Demographic and Economic Statistics  
Principal Employers*

OPERATING INFORMATION

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

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

## **FINANCIAL TRENDS**

**Schedule 1 - Unaudited**  
**El Paso County**  
**Net Assets by Component**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Governmental activities				
Invested in capital assets, net of related debt	\$ 92,778,558	\$ 118,535,632	\$ 127,978,967	\$ 135,624,461
Restricted	12,246,084	8,260,460	7,173,760	5,652,345
Unrestricted	<u>44,035,801</u>	<u>29,940,093</u>	<u>30,101,673</u>	<u>27,478,459</u>
Total governmental activities net assets	<u><u>149,060,443</u></u>	<u><u>156,736,185</u></u>	<u><u>165,254,400</u></u>	<u><u>168,755,265</u></u>
Business-type activities				
Invested in capital assets, net of related debt	886,205	17,823,736	4,586,665	1,074,434
Unrestricted	<u>1,480,715</u>	<u>3,251,954</u>	<u>2,964,582</u>	<u>4,283,618</u>
Total business-type activities net assets	<u><u>2,366,920</u></u>	<u><u>21,075,690</u></u>	<u><u>7,551,247</u></u>	<u><u>5,358,052</u></u>
Primary government				
Invested in capital assets, net of related debt	111,094,514	136,359,368	132,565,632	136,698,895
Restricted	12,246,084	8,260,460	7,173,760	5,652,345
Unrestricted	<u>46,642,594</u>	<u>33,192,047</u>	<u>33,066,255</u>	<u>31,762,077</u>
Total primary government net assets	<u><u>\$ 169,983,192</u></u>	<u><u>\$ 177,811,875</u></u>	<u><u>\$ 172,805,647</u></u>	<u><u>\$ 174,113,317</u></u>

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



2006	2007	2008	2009	2010	2011
\$ 473,797,276	\$ 568,270,750	\$ 426,496,580	\$ 432,326,238	\$ 421,605,773	\$ 408,258,511
5,763,652	11,650,811	15,786,029	12,143,902	18,137,383	31,613,701
20,658,649	(104,993,011)	(27,537,646)	(19,957,838)	(18,810,665)	(34,744,060)
<u>500,219,577</u>	<u>474,928,550</u>	<u>414,744,963</u>	<u>424,512,302</u>	<u>420,932,491</u>	<u>405,128,152</u>
1,387,518	1,358,758	886,205	864,976	1,412,817	1,418,042
3,219,917	2,662,302	1,480,954	1,346,726	516,836	382,867
<u>4,607,435</u>	<u>4,021,060</u>	<u>2,367,159</u>	<u>2,211,702</u>	<u>1,929,653</u>	<u>1,800,909</u>
475,184,794	569,629,508	427,382,785	433,191,214	423,018,590	409,676,553
5,763,652	11,650,811	15,786,029	12,143,902	18,137,383	31,613,701
23,878,566	(102,330,709)	(26,056,692)	(18,611,112)	(18,293,829)	(34,361,193)
<u>\$ 504,827,012</u>	<u>\$ 478,949,610</u>	<u>\$ 417,112,122</u>	<u>\$ 426,724,004</u>	<u>\$ 422,862,144</u>	<u>\$ 406,929,061</u>

**Schedule 2 - Unaudited  
El Paso County  
Changes in Net Assets  
Last Ten Fiscal Years**

<b>Expenses</b>	<b>Fiscal Year</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Governmental activities:				
General government	\$ 56,128,401	\$ 47,747,062	\$ 49,900,240	\$ 53,148,164
Public Safety	45,394,457	58,328,018	58,589,412	63,502,622
Public Works	16,071,908	15,586,001	13,936,364	17,441,950
Health and Welfare	54,144,080	57,633,160	51,108,682	52,030,311
Culture and recreation	2,874,399	3,290,235	2,984,955	3,293,236
Auxiliary services	539,819	390,897	348,134	461,330
Outside agencies				
Interest on long-term debt	915,096	4,577,409	4,244,308	4,665,637
Total governmental activities expenses	<u>176,068,160</u>	<u>187,552,782</u>	<u>181,112,095</u>	<u>194,543,250</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	611,002
Land Development	82,870	240,416	829,191	1,293,983
Total business-type activities expenses	<u>3,344,927</u>	<u>3,558,933</u>	<u>16,510,147</u>	<u>1,904,985</u>
Total primary government expenses	<u>179,413,087</u>	<u>191,111,715</u>	<u>197,622,242</u>	<u>196,448,235</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	14,987,717	17,562,445	15,363,829	16,823,845
Public safety	1,246,706	2,070,767	2,354,944	2,961,540
Public works	2,626,170	2,609,072	127,994	99,519
Health and Welfare	168,662	289,178	133,268	392,601
Culture and recreation	186,400	120,708	145,294	419,361
Outside agencies			136,317	3,546
Operating grants and contributions	52,323,267	51,577,164	48,826,210	52,447,436
Capital grants and contributions	14,466,454	15,923,473	13,263,876	8,670,183
Total governmental activities program revenues	<u>86,005,376</u>	<u>90,152,807</u>	<u>80,351,732</u>	<u>81,818,031</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	765,166
Land Development	551,976	804,197	948,010	2,595,240
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>	<u>3,360,406</u>
Total primary government program revenues	<u>\$ 88,974,058</u>	<u>\$ 93,421,253</u>	<u>\$ 83,019,874</u>	<u>\$ 85,178,437</u>

(Continued)

2006	2007	2008	2009	2010	2011
\$ 49,588,735	\$ 58,370,104	\$ 44,543,821	\$ 40,459,544	\$ 43,100,936	\$ 46,367,966
68,322,881	85,943,749	70,429,035	71,629,027	70,323,510	73,974,617
15,126,834	17,968,376	96,727,905	39,723,895	41,884,076	41,244,357
54,071,254	59,075,189	53,492,404	65,628,193	59,051,252	62,298,421
3,049,572	3,774,357	2,942,434	2,911,825	2,854,071	3,108,688
276,546	1,255,626	2,003,860	184,138	81,062	405,317
6,636,067	6,132,634	4,613,511	4,046,667	6,207,919	5,986,054
4,571,516	6,578,057	5,700,186	2,734,663	6,186,058	6,411,700
<u>201,643,405</u>	<u>239,098,092</u>	<u>280,453,156</u>	<u>227,317,952</u>	<u>229,688,884</u>	<u>239,777,120</u>

657,857	794,749	874,130	814,250	827,965	913,594
3,458,822	3,120,259	2,780,985			
<u>4,116,679</u>	<u>3,915,008</u>	<u>3,655,115</u>	<u>814,250</u>	<u>827,965</u>	<u>913,594</u>
<u>205,760,084</u>	<u>243,013,100</u>	<u>284,108,271</u>	<u>228,132,202</u>	<u>230,516,849</u>	<u>240,690,714</u>

17,205,184	15,965,622	15,597,399	16,888,532	19,453,228	22,969,843
2,743,137	3,266,421	3,842,816	4,695,479	5,273,240	5,138,506
358,491	602,212	1,892,183	1,963,976	652,189	209,252
575,555	383,931	402,884	165,172	243,041	293,282
410,763	542,084	4,336,800	618,382	617,047	568,749
240,988	213,393	221,753	240,898	224,440	225,825
58,034,608	57,120,280	55,961,305	73,028,190	74,376,558	66,637,356
26,960,492	15,370,037	25,615,236	22,988,775	6,118,913	5,987,521
<u>106,529,218</u>	<u>93,463,980</u>	<u>107,870,376</u>	<u>120,589,404</u>	<u>106,958,656</u>	<u>102,030,334</u>

761,139	846,968	882,231	730,278	790,000	882,726
2,285,934	1,957,808	1,539,145			
<u>3,047,073</u>	<u>2,804,776</u>	<u>2,421,376</u>	<u>730,278</u>	<u>790,000</u>	<u>882,726</u>
<u>\$ 109,576,291</u>	<u>\$ 96,268,756</u>	<u>\$ 110,291,752</u>	<u>\$ 121,319,682</u>	<u>\$ 107,748,656</u>	<u>\$ 102,913,060</u>

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

<b>Net (Expense) Revenue</b>	<b>Fiscal Year</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Governmental activities	\$ (90,062,784)	\$ (97,399,975)	\$ (100,760,363)	\$ (112,725,219)
Business-type activities	(349,245)	(97,690,462)	(13,269,326)	1,093,430
Total primary government net expense	<u>(90,412,029)</u>	<u>(195,090,437)</u>	<u>(114,029,689)</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	33,625,151
Sales taxes	60,214,529	60,324,356	64,372,866	67,839,928
Other taxes	10,435,135	9,419,579	10,356,101	9,184,444
Investment earnings	1,393,255	1,492,800	1,770,007	4,433,373
Gain/Loss on sale of capital assets		118,175	30,417	1,140,836
Transfers	(1,040,334)	(413,343)	296,975	(17,648)
Total governmental activities	<u>95,766,908</u>	<u>105,075,717</u>	<u>109,278,578</u>	<u>116,206,084</u>
Business-type activities:				
Investment earnings	34,215	30,085	41,858	128,952
Loss on sale of capital assets				(3,433,225)
Transfers		413,343	(296,975)	17,648
Total business-type activities	<u>34,215</u>	<u>443,428</u>	<u>(255,117)</u>	<u>(3,286,625)</u>
Total primary government	<u>95,801,123</u>	<u>105,519,145</u>	<u>109,023,461</u>	<u>112,919,459</u>
<b>Change in Net Assets</b>				
Governmental activities	(15,567,870)	7,675,742	8,518,215	3,480,865
Business-type activities	20,922,749	(97,247,034)	(13,524,443)	(2,193,195)
Total primary government	<u>\$ 5,354,879</u>	<u>\$ (89,571,292)</u>	<u>\$ (5,006,228)</u>	<u>\$ 1,287,670</u>

Data source:  
Statement of Activities  
El Paso County Financial Statements

2006	2007	2008	2009	2010	2011
\$ (95,114,187)	\$ (145,634,112)	\$ (172,582,780)	\$ (106,728,548)	\$ (122,730,228)	\$ (137,746,786)
(1,069,606)	(1,110,232)	(1,233,739)	(83,972)	(37,965)	(30,868)
(96,183,793)	146,744,344	(173,816,519)	(106,812,520)	(122,768,193)	(137,777,654)
35,549,331	36,748,742	43,479,334	44,657,977	46,165,964	47,311,463
68,520,201	69,146,880	50,098,470	58,722,451	56,432,810	58,259,187
11,392,744	9,931,960	9,409,854	15,242,819	15,717,611	15,703,573
3,429,584	4,818,667	2,270,800	355,449	373,076	374,538
(179,211)	80,732	297,718	82,816	362,773	195,502
(486,487)	(383,896)	27,510	74,966	98,183	
118,226,162	120,343,085	105,583,686	119,136,478	119,150,417	121,844,263
179,621	139,961	46,354	3,481	1,953	308
486,487	383,896	(27,510)	(74,966)	(98,183)	
666,108	523,857	18,844	(71,485)	(96,230)	308
118,892,270	120,866,942	105,602,530	119,064,993	119,054,187	121,844,571
23,111,975	(25,291,027)	(66,999,094)	12,407,930	(3,579,811)	(15,902,523)
(403,498)	(586,375)	(1,214,895)	(155,457)	(134,195)	(30,560)
\$ 22,708,477	\$ (25,877,402)	\$ (68,213,989)	\$ 12,252,473	\$ (3,714,006)	\$ (15,933,083)

Data source:  
Statement of Activities  
El Paso County Financial Statements

**Schedule 3 - Unaudited**  
**El Paso County**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2002	2003	2004	2005
General Fund				
Non-Spendable	\$	\$	\$	\$
Restricted				
Committed				
Assigned				
Unassigned				
Reserved	2,988,837	1,559,837	834,885	1,075,248
Unreserved	17,523,967	15,794,157	17,939,715	18,255,711
Total general fund	<u>20,512,804</u>	<u>17,353,994</u>	<u>18,774,600</u>	<u>19,330,959</u>
All Other Governmental Funds				
Non-Spendable				
Restricted				
Committed				
Assigned				
Unassigned				
Reserved	95,282,099	76,377,714	54,429,269	18,295,204
Unreserved, reported in:				
Special revenue funds	13,237,162	12,557,702	12,861,205	11,138,582
Capital projects funds	1,213,295	3,699,095	2,863,497	2,077,759
Total all other governmental funds	<u>109,732,556</u>	<u>92,634,511</u>	<u>70,153,971</u>	<u>31,511,545</u>
Total governmental funds	<u>\$130,245,360</u>	<u>\$109,988,505</u>	<u>\$88,928,571</u>	<u>\$ 50,842,504</u>

Data Source:  
Statement of Activities  
El Paso County Financial Statements  
\* 2011 reflects the implementation of GASB-54

2006	2007	2008	2009	2010	2011
\$	\$	\$	\$	\$	\$ 377,254
					6,446,587
					1,131,782
					21,716,258
					3,499,404
7,167,536	5,609,630	5,401,663	6,364,437	7,706,723	
14,322,359	14,729,641	17,222,930	28,545,587	29,885,543	
<u>21,489,895</u>	<u>20,339,271</u>	<u>22,624,593</u>	<u>34,910,024</u>	<u>37,592,266</u>	<u>33,171,285</u>
					2,198,308
					25,167,114
					1,777,863
					3,436,343
					(517,775)
4,346,714	36,950,558	22,736,315	14,483,922	45,449,515	
13,316,364	13,282,240	11,498,350	10,779,478	6,577,831	
		778,640		57,422	
<u>17,663,078</u>	<u>50,232,798</u>	<u>35,013,305</u>	<u>25,263,400</u>	<u>52,084,768</u>	<u>32,061,853</u>
<u>\$39,152,973</u>	<u>\$ 70,572,069</u>	<u>\$ 57,637,898</u>	<u>\$ 60,173,424</u>	<u>\$ 89,677,034</u>	<u>\$ 65,233,138</u>

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

	Fiscal Year			
	2002	2003	2004	2005
<b>REVENUES</b>				
Property taxes	\$24,764,323	\$ 34,134,150	\$ 32,452,212	\$ 33,625,151
Sales taxes	60,214,529	60,324,356	64,372,866	67,839,928
Other taxes	10,435,135	9,419,579	10,356,101	9,184,444
Intergovernmental	55,080,511	57,464,012	51,017,932	52,479,434
Fees and fines	832,409	631,149	592,879	842,382
Licenses and permits	121,301	148,948	266,889	320,994
Charges for services	14,283,695	17,606,093	15,538,738	16,786,843
Investment earnings	1,325,299	1,485,815	1,783,878	4,428,366
Miscellaneous	2,986,624	3,050,488	4,292,448	5,432,838
<b>Total revenues</b>	<u>170,043,826</u>	<u>184,264,590</u>	<u>180,673,943</u>	<u>190,940,380</u>
<b>CURRENT EXPENDITURES</b>				
General government	53,926,618	43,835,780	46,075,565	49,601,464
Public safety	43,564,117	53,453,463	54,051,253	60,319,755
Public works	14,982,192	13,731,408	12,858,711	13,105,527
Health and welfare	54,149,719	56,031,953	49,884,332	50,630,532
Culture and recreation	2,738,749	2,819,973	2,456,732	2,928,470
Outside agencies				
Auxiliary services	528,567	581,881	335,263	345,991
Debt service:				
Principal	1,617,938	1,743,693	1,225,000	2,555,000
Interest and other charges	582,987	4,584,467	4,584,989	4,648,895
Issuance costs	1,652,925		183,888	
Capital outlay	14,972,896	27,769,819	36,200,625	46,409,060
<b>Total expenditures</b>	<u>188,716,708</u>	<u>204,552,437</u>	<u>207,856,358</u>	<u>230,544,694</u>
Excess of revenues over (under) expenditures	(18,672,882)	(20,287,847)	(27,182,415)	(39,604,314)
Other Financing Sources (uses)				
Refunding COP's		33,861	(645,716)	
Payment to Refunded bond escrow agent				
Certificates of participation issued	84,975,000		6,970,000	
COP Issuance Premium	1,607,413		46,576	
COP Issuance Discount				
Capital lease financing	395,719			
Proceeds from sale of fixed assets	38,101	119,364	55,115	1,155,648
Transfers in	10,491,140	11,254,281	12,234,379	13,473,846
Transfers out	(14,290,879)	(11,376,514)	(12,537,873)	(13,131,247)
<b>Total other financing sources (uses)</b>	<u>83,216,494</u>	<u>30,992</u>	<u>6,122,481</u>	<u>1,498,247</u>
<b>Net change in fund balances</b>	<u>\$64,543,612</u>	<u>\$(20,256,855)</u>	<u>\$(21,059,934)</u>	<u>\$(38,106,067)</u>
Debt service as a percentage of noncapital expenditures	1.27%	3.58%	3.38%	3.91%

Data Source:

El Paso County Financial Statements

The 2002, 2004, 2008 and 2010 Debt service as a percentage of noncapital expenditures have been corrected for presentation in the 2011 CAFR.



2006	2007	2008	2009	2010	2011
\$35,549,331	\$36,748,742	\$43,479,334	\$44,657,977	\$46,165,964	\$47,311,463
68,520,201	69,146,880	50,098,470	58,722,451	56,432,810	58,259,187
11,392,744	9,931,960	9,409,854	15,242,819	15,717,611	15,703,573
55,345,530	53,512,924	62,439,883	74,619,901	72,949,855	61,886,419
898,042	836,354	988,225	1,154,509	845,649	766,805
284,181	289,866	329,387	274,330	438,298	593,272
16,897,769	15,903,920	15,985,632	18,471,476	17,703,477	22,784,406
3,431,443	4,785,997	2,270,801	355,449	372,623	371,306
8,193,869	7,918,558	11,990,328	7,394,816	8,902,461	10,019,400
<u>200,513,110</u>	<u>199,075,201</u>	<u>196,991,914</u>	<u>220,893,728</u>	<u>219,528,748</u>	<u>217,695,831</u>
45,367,491	43,575,692	37,247,537	37,748,026	40,009,509	43,903,734
64,983,113	66,593,803	65,432,387	66,134,393	66,464,205	71,401,763
14,112,138	15,876,121	14,138,816	16,772,311	18,603,168	18,466,109
52,662,497	51,648,706	51,394,991	60,896,990	65,697,695	62,949,418
2,726,991	2,837,235	2,648,490	2,479,030	2,774,378	2,924,070
6,636,067	5,473,129	4,401,352	4,150,462	6,316,283	5,986,054
328,360	581,234	412,422	287,069	356,624	415,880
3,490,000	3,375,000	2,885,000	2,975,000	4,250,000	6,118,768
4,570,462	6,588,783	5,559,367	5,581,880	5,945,964	6,362,994
		113,365		682,438	411,600
16,895,596	10,230,546	31,110,585	18,861,177	35,694,283	27,772,512
<u>211,772,715</u>	<u>206,780,249</u>	<u>215,344,312</u>	<u>215,886,338</u>	<u>246,794,547</u>	<u>246,712,902</u>
(11,259,605)	(7,705,048)	(18,352,398)	5,007,390	(27,265,799)	(29,017,071)
					32,820,000
					(35,412,037)
	39,429,749	2,500,000		55,925,000	
				324,839	2,102,895
					(232,632)
					4,999,998
56,561	78,291	297,718	93,760	421,387	294,951
18,702,244	16,638,988	7,252,751	6,904,660	4,532,774	
(19,188,731)	(17,022,884)	(7,225,241)	(6,829,694)	(4,434,591)	
<u>(429,926)</u>	<u>39,124,144</u>	<u>2,825,228</u>	<u>168,726</u>	<u>56,769,409</u>	<u>4,573,175</u>
<u>\$ (11,689,531)</u>	<u>\$ 31,419,096</u>	<u>\$ (15,527,170)</u>	<u>\$ 5,176,116</u>	<u>\$ 29,503,610</u>	<u>\$ (24,443,896)</u>
4.14%	5.07%	4.58%	4.34%	4.83%	2.98%

THIS PAGE LEFT BLANK INTENTIONALLY

**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
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
2009	2010	406,086,530	3,698,915,150	2,189,684,690	229,551,730	14,665,810
2010	2011	376,811,560	3,730,236,120	2,182,991,990	232,133,550	14,431,970
2011	2012	313,948,570	3,478,431,600	2,010,579,100	229,697,330	13,285,400

Notes:

- \*Total Taxable Assessed Value is already adjusted for tax exempt property value.
- \*\*New Construction value is already adjusted into the appropriate category.
- \*\*\*Abatement values are adjusted in the "payable in" mill levy.

Data Source:

El Paso County Assessor's Office  
 Abstracts of Assessment  
 Certification of Assessed Valuation

<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>	<b>** New Construction</b>	<b>***Abatement Value</b>
\$5,356,810	\$ 0	\$252,852,100	\$5,064,749,140	7.880	\$1,195,377,570	\$278,491,880	\$296,408
5,174,850	0	224,088,900	4,905,766,170	7.947	1,177,685,410	195,908,670	329,024
7,516,620	0	248,252,200	5,015,973,940	8.012	1,232,798,230	232,281,810	325,535
7,566,860	0	241,063,500	5,523,826,270	7.673	1,264,464,180	208,617,540	283,944
8,026,450	0	248,220,800	5,708,723,860	7.710	1,282,937,580	236,474,950	184,966
7,955,940	0	269,088,800	6,489,749,120	7.514	1,463,061,020	282,083,150	246,116
9,705,240	0	281,115,200	6,578,146,500	7.583	1,512,133,950	239,291,400	451,029
8,325,440	0	278,262,800	6,825,492,150	7.531	1,549,584,850	174,719,260	434,805
6,502,350	0	287,006,000	6,830,113,540	7.537	1,571,803,170	99,557,470	473,833
6,350,220	5,040	269,462,900	6,321,760,160	7.597	1,571,401,630	67,113,150	379,512

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

<b>Taxes Payable</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Assessment Year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
County direct rates				
General	2.864	2.923	2.995	2.599
Abatement	0.059	0.067	0.065	0.057
Road & Bridge	1.582	1.582	1.582	1.582
Social Services	1.204	1.454	1.319	1.319
Capital	1.443	0.893	1.023	0.963
Insurance	0.000	0.300	0.300	0.400
Retirement	0.728	0.728	0.728	0.753
Total County direct rates	7.880	7.947	8.012	7.673
City and town rates				
Calhan	17.307	17.563	17.563	17.525
Colorado Springs	5.032	5.032	4.944	4.944
Fountain	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	14.588	14.588
Manitou Springs	18.277	17.368	17.836	17.284
Monument	6.469	6.454	6.408	5.872
Palmer Lake	20.038	21.536	21.753	19.070
Ramah	19.827	19.827	19.827	19.827
<i>Levy Ranges for the following districts are:</i>				
Fire Protection Districts	1.899-10.797	2.139-10.842	0.467-12.813	2.130-12.527
Sanitation Districts	0.664-4.999	0.665-5.254	0.666-3.714	0.650-3.759
Water Districts	0.532-12.870	0.532-15.300	0.532-16.279	0.532-14.437
Sanitation & Water Districts	3.174-26.960	3.429-32.198	3.981-34.044	3.831-26.995
Special Improvement Districts	1.009-60.000	1.009-65.000	1.000-49.500	1.000-45.000
Regional Library District	3.271	3.434	3.495	3.296
Metropolitan Districts	2.068-100.000	2.068-100.000	2.068-100.000	2.068-100.000
School Districts	24.686-58.897	21.717-60.216	21.568-60.216	20.096-60.216

TABOR requires the vote of the people to increase tax rates.

Note: Mill Rate for Taxes Payable in 2011 with Assessment Year of 2010 has been corrected.

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

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
2.179	4.182	5.144	5.017	4.612	3.109
0.037	0.037	0.069	0.064	0.070	0.060
1.568	1.280	0.330	0.330	0.330	0.330
1.290	0.000	0.000	0.000	0.000	0.000
1.450	1.320	1.390	1.330	1.655	3.080
0.450	0.000	0.000	0.000	0.000	0.000
0.736	0.695	0.650	0.790	0.870	1.018
7.710	7.514	7.583	7.531	7.537	7.597
17.563	17.563	17.563	17.563	17.563	17.563
4.944	4.944	4.944	4.279	4.279	4.279
10.239	10.239	10.239	10.239	10.239	10.239
14.588	15.558	14.558	13.588	14.588	14.588
17.284	15.951	15.951	15.750	15.750	15.750
6.458	6.289	6.289	6.289	6.289	6.289
16.544	15.340	16.180	15.989	16.459	16.459
19.827	19.827	19.827	19.827	19.827	19.827
2.322-12.660	1.635-12.423	1.479-12.423	1.357-12.423	1.31-12.423	1.191-12.423
0.650-4.134	0.650-4.500	0.579-4.501	0.621-4.500	0.549-4.654	0.549-5.334
0.532-14.437	0.534-14.437	0.430-14.437	0.445-14.437	0.454-14.437	0.495-16.803
4.142-31.840	4.065-31.423	4.001-33.070	6.950-29.055	6.95-30.986	5.500-35.508
1.000-45.000	1.000-51.000	1.000-51.000	1.000-51.000	1.000-51.000	1.000-51.000
3.515	3.325	3.54	3.468	3.556	3.999
2.068-100.000	2.031-100.000	1.927-100.000	0.450-100.000	0.440-100.000	0.440-100.000
19.699-60.216	19.715-60.216	24.301-60.216	24.436-60.216	23.538-60.216	24.723-60.216

Schedule 7  
 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
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	24,354,955	24,213,913	99.42%	65,891	24,279,804	99.69%
2009	30,839,804	30,648,628	99.38%	63,123	30,711,751	99.58%
2010	31,311,340	31,094,884	99.31%	59,874	31,154,758	99.50%
2011	29,956,511	29,776,229	99.40%	(40,581)	29,735,648	99.90%

The 2008 and 2009 Tax Levies and collections has been corrected for presentation in the 2010 CAFR.



THIS PAGE LEFT BLANK INTENTIONALLY

Schedule 8

El Paso County  
 Property Taxes by Fund  
 Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
<b>REVENUES</b>				
Property taxes				
Fund 1 - General Fund	\$5,522,987	\$12,515,989	\$12,526,115	\$13,174,322
Fund 2 - Road & Bridge	8,101,634	7,231,635	7,086,151	7,273,309
Fund 4 - Department of Human Services	5,437,524	5,132,108	6,072,818	5,660,950
Fund 6 - Capital Improvement Fund	2,711,375	6,151,597	3,727,187	4,391,718
Fund 16 - Retirement Fund	2,990,803	3,102,821	3,039,941	3,124,852
Fund 12 - Self Insurance Fund*			1,256,358	1,290,695
<b>Total Property Tax Revenue</b>	<u>\$24,764,323</u>	<u>\$34,134,150</u>	<u>\$33,708,570</u>	<u>\$34,915,846</u>

\*The Self Insurance Fund is an Internal Services Fund; therefore, the property taxes credited to that fund do not show in the Government Wide Financial Statement.

Data Source:  
 El Paso County Financial Statements

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$12,859,410	\$11,123,814	\$24,254,481	\$30,678,405	\$31,122,339	\$29,776,229
8,050,759	8,250,816	7,684,574	2,002,020	2,092,121	2,094,348
6,362,084	6,446,458	(10,012)			
4,644,995	7,249,650	7,566,985	8,161,662	8,124,020	10,121,707
3,632,083	3,678,004	3,983,306	3,815,890	4,827,484	5,319,179
1,929,110	2,248,249				
<u>\$37,478,441</u>	<u>\$38,996,991</u>	<u>\$43,479,334</u>	<u>\$44,657,977</u>	<u>\$46,165,964</u>	<u>\$47,311,463</u>

Schedule 9  
 El Paso County  
 Principal Sales Tax Payers  
 Current Year and Eight Years Ago

Taxpayer	2011			2003		
	Sales Tax Collected	Rank	% of Total County Sales Tax	Sales Tax Collected	Rank	% of Total County Sales Tax
Wal Mart Stores, Inc.	\$ 3,748,974	1	5.43%	\$ 2,809,241	1	4.66%
City of Colorado Springs	1,630,812	2	2.36%	1,001,706	5	1.66%
Home Depot USA, Inc.	1,350,188	3	1.96%	1,381,578	3	2.29%
Target Corporation	1,267,235	4	1.84%	1,024,936	4	1.70%
Lowe's HIW, Inc.	1,182,473	5	1.71%			
Broadmoor Hotel, Inc.	1,086,848	6	1.58%	819,993	7	1.36%
Verizon Wireless (VAW), LLC	911,493	7	1.32%			
Best Buy Stores, LP	801,416	8	1.16%	600,478	9	1.00%
Costco Wholesale	787,895	9	1.42%			
New Cingular Wireless, PCS LLC	715,183	10	1.04%	895,844	6	1.33%
Qwest Corporation				1,553,587	2	2.58%
Phil Long Ford, LLC				598,438	10	0.99%
Sam's West, Inc.				697,755	8	1.16%
Total	\$ 13,482,517		19.82%	\$ 11,060,923		18.36%

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

Schedule 10

El Paso County

Sales and Use Tax Collections by State Category

Last Nine Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Retail Trade	\$32,985,861	\$35,669,879	\$36,650,357	\$36,922,250	\$37,293,082	\$35,524,870	\$33,841,812	\$35,897,986	\$37,406,489
Food Services	6,003,975	6,564,026	6,851,848	7,050,884	7,393,208	7,740,190	7,763,114	8,070,771	8,407,642
Information (Magazines, Newspapers, Etc)	3,576,538	3,678,784	4,080,155	4,185,098	4,491,136	4,721,030	4,763,640	4,693,512	4,268,166
Wholesale Trade	2,257,752	2,692,613	3,221,467	3,181,573	3,027,182	3,270,391	2,447,969	2,829,795	2,641,184
Accommodations	2,135,989	2,197,194	2,287,533	2,477,041	2,692,975	2,770,583	2,441,293	2,457,583	2,710,502
Real Estate and Rental & Leasing	1,559,923	1,694,433	1,782,073	2,008,492	2,109,742	2,135,208	1,718,211	1,619,745	1,530,237
Manufacturing	1,994,838	1,813,786	2,398,281	2,239,192	1,963,989	1,752,373	1,584,748	1,541,106	1,989,234
Utilities	1,091,625	1,161,090	1,523,914	1,435,490	1,567,037	1,769,058	1,487,408	1,564,556	1,764,030
Other Services (except Public Admin)	1,211,217	1,315,595	1,365,936	1,426,802	1,539,602	1,494,570	1,438,541	1,490,607	1,526,585
Construction	840,575	934,902	1,046,499	1,028,933	979,962	800,667	608,987	699,674	761,574
Professional, Scientific and Technical Services	1,309,479	900,702	794,971	753,136	528,903	588,207	543,422	809,231	599,824
Finance and Insurance	571,716	528,500	430,998	369,030	382,977	426,649	448,502	430,360	489,974
Arts, Entertainment, & Recreation	310,286	252,763	308,477	322,994	316,552	330,207	312,605	315,104	342,311
Waste Management & Remediation Services	263,261	312,475	320,792	290,814	282,330	244,267	241,640	215,568	241,770
Mining	156,686	178,842	192,150	275,566	222,611	196,320	155,299	154,633	167,484
Educational Services	109,468	118,541	126,118	133,137	137,877	146,871	151,893	160,237	168,587
Health Care & Social Assistance	89,400	95,701	88,774	101,896	103,532	119,758	109,816	124,779	132,906
Transportation & Warehousing	35,458	52,305	76,847	89,976	115,930	124,775	74,855	37,435	40,945
Agriculture, Forestry, Fishing & Hunting	56,282	62,907	65,136	66,006	75,391	58,190	57,695	90,248	103,424
Public Administration	26,252	24,949	31,306	35,979	31,670	37,434	35,804	40,923	42,987
Category Not Specified	32,949	96,806	48,884	43,688	53,588	78,441	45,558	173,857	(1,886)
Tobacco Tax	93,276	125,755	104,647	111,123	106,327	108,153	109,189	114,764	117,810
<b>Total Sales Tax:</b>	<b>\$56,712,806</b>	<b>\$60,472,549</b>	<b>\$63,797,163</b>	<b>\$64,549,101</b>	<b>\$65,415,603</b>	<b>\$64,438,211</b>	<b>\$60,382,001</b>	<b>\$63,532,476</b>	<b>\$65,451,779</b>
Clerk and Recorder Collections	\$3,116,735	\$3,318,906	\$3,159,415	\$3,128,503	\$3,077,092	\$2,848,576	\$2,561,135	\$2,633,983	\$2,827,992
Building Materials	494,815	581,411	883,350	842,597	654,185	622,505	1,694,813	1,124,758	856,458
<b>Total Use Tax:</b>	<b>\$3,611,549</b>	<b>\$3,900,317</b>	<b>\$4,042,765</b>	<b>\$3,971,100</b>	<b>\$3,731,277</b>	<b>\$3,471,081</b>	<b>\$4,255,948</b>	<b>\$3,758,741</b>	<b>\$3,684,450</b>
<b>Total Sales and Use Tax:</b>	<b>\$60,324,356</b>	<b>\$64,372,866</b>	<b>\$67,839,928</b>	<b>\$68,520,201</b>	<b>\$69,146,880</b>	<b>\$67,909,292</b>	<b>\$64,637,949</b>	<b>\$67,291,217</b>	<b>\$69,136,229</b>

Source: Colorado Department of Revenue

Notes:

\*Sales and Use Tax Data not available prior to 2003.

\*\*The above totals will not equate to the Sales Tax totals on the Statement of Activities because the Sales Tax allocated to the Internal Services Fund (Self Insurance) is eliminated.

## DEBT CAPACITY

Schedule 11  
 El Paso County  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	El Paso County Per Capita*
	Certificates of Participation	Capital Leases			
2002	\$ 6,717,413	\$ 612,481	\$ 97,329,894	0.03%	31,018
2003	95,023,116	498,788	95,521,904	0.03%	31,460
2004	99,770,923	378,399	100,149,322	0.03%	32,648
2005	96,816,254	250,907	97,067,161	0.04%	34,269
2006	93,258,727	115,880	93,374,607	0.04%	35,633
2007	122,265,000	1,716,693	123,981,693	0.03%	37,399
2008	126,465,215	1,168,921	127,634,136	0.03%	38,336
2009	120,309,103	597,047	120,906,150	0.03%	37,392
2010	172,193,855		172,193,855	0.02%	38,324
2011	166,148,666	3,736,230	169,884,896	N/A	**

Notes:

The Certificates of Participation amounts include any amounts related such as premiums, discounts and/or losses.

\* Data revised in 2011 with most recent information from the Bureau of Economic Analysis

\*\* Data not available

Data sources:

El Paso County Financial Statements

US Department of Commerce

Bureau of Economic Analysis

THIS PAGE LEFT BLANK INTENTIONALLY



## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

Schedule 12  
 El Paso County  
 Demographic and Economic Statistics  
 Last Ten 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
2002	4,504,709	1.34%	545,240	1.63%	\$35,131	\$31,018	88.29%
2003	4,555,084	1.11%	551,668	1.17%	35,312	31,460	89.09%
2004	4,608,811	1.17%	558,455	1.22%	36,849	32,648	88.60%
2005	4,662,534	1.15%	569,322	1.91%	38,795	34,269	88.33%
2006	4,745,660	1.75%	582,502	2.26%	41,181	35,633	86.53%
2007	4,821,784	1.58%	588,772	1.06%	42,724	37,399	87.54%
2008	4,901,938	1.64%	599,060	1.72%	44,180	38,336	86.77%
2009	4,976,853	1.51%	608,518	1.55%	41,388	37,392	90.35%
2010	5,050,870	1.47%	627,096	2.96%	42,295	38,324	90.61%
2011	5,119,779	1.35%	634,887	1.23%	44,088	****	N/A

Notes:

\* Data revised in 2011 with most recent information from the Colorado Division of Local Government

\*\*Data revised in 2011 with most recent information from the Bureau of Economic Analysis

\*\*\*Data revised in 2011 with the most recent information from the Colorado Division of Labor and Employment

\*\*\*\*Data not available

Data source:

- El Paso County Clerk and Recorder
- Colorado Department of Education
- Colorado Division of Local Government
- Colorado Division of Labor and Employment
- US Department of Commerce
- Bureau of Economic Analysis

**El Paso Civilian County Labor Force \*\*\***

---

<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>	<b>Public School Enrollment</b>	<b>Motor Vehicles Registered</b>
258,047	16,881	6.10%	97,959	594,193
263,037	17,611	6.30%	99,165	583,461
269,372	16,545	5.80%	101,065	594,065
276,399	15,689	5.40%	103,069	445,909
285,523	13,805	4.60%	104,608	443,464
286,878	12,916	4.30%	105,157	479,917
284,947	16,952	5.60%	105,845	484,033
275,465	26,473	8.80%	109,246	487,456
272,571	29,462	9.80%	109,962	495,418
272,831	27,722	9.20%	111,318	498,573

Schedule 13  
 El Paso County  
 Principal Employers  
 Current Year and Nine Years Ago

Employer	2011			2002		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total El Paso County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total El Paso County Employment</u>
Memorial Hospital	4,100	1	1.73%	3,500	2	1.48%
Colorado Springs School District 11	3,900	2	1.65%	3,800	1	1.61%
Penrose-St. Francis Health Services	2,700	3	1.14%	2,700	4	1.14%
Academy School District 20	3,100	4	1.31%	2,300	5	0.97%
City of Colorado Springs	2,600	5	1.10%	3,000	3	1.27%
Peterson AFB	2,400	6	1.01%	-	-	-
Broadmoor Hotel	2,100	7	0.89%	1,600	9	0.68%
El Paso County	1,900	8	0.80%	1,800	8	0.76%
Colorado Springs Utilities	1,800	9	0.76%	1,800	7	0.76%
Harrison School District 2	1,400	10	0.59%	1,500	10	0.63%
Atmel Corporation	-	-	-	2,100	6	0.89%
	<u>26,000</u>		<u>10.98%</u>	<u>24,100</u>		<u>10.19%</u>
El Paso County Total Employment	237,014			236,335		

Data Source:  
 Colorado Department of Labor and Employment  
 with various sources including Colorado  
 Springs Business Journal, journals, annual  
 reports, company web sites and CDLE Labor  
 Market Information

## **OPERATING INFORMATION**

Schedule 14

El Paso County

Full-time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Commissioners	5	5	5	5	5	5	5	5	5	5
Internal Audit	0	0	0	0	2	0	0	0	0	0
County Assessor	66	66	66	66	66	66	66	52	52	52
County Clerk & Recorder -Operations	26	26	26	26	26	26	26	24	24	24
Motor Vehicle	79	79	79	79	83	83	83	70	70	70
Elections	16	16	17	17	17	17	17	14	14	14
Driver's Licenses	2	2	4	4	5	5	5	3	3	3
County Coroner	8	9	13	13	13	16	18	18	19	20
County Sheriff -Operations	229	230	231	231	239	240	248	238	243	285
Detentions	297	305	333	336	359	362	382	362	362	347
County Treasurer	18	19	19	19	19	19	19	19	19	19
Public Trustee	14	14	14	14	14	14	14	12	12	12
County Attorney -General Fund	9	9	8	8	10	9	9	9	9	9
Useful Public Service	0	0	0	0	2	0	0	0	0	0
Dept. of Human Services	26	26	23	23	17	17	18	18	18	18
Employment Services	0	0	0	0	7	6	0	0	0	0
District Attorney - EPC Funded	152	157	157	157	163	177	186	183	183	183
Teller County Funded	0	1	1	1	1	1	1	1	4	4
Grant Funded	9	10	10	10	13	13	13	13	14	14
Human Services -General	351	361	361	361	360	360	362	362	414	383
Senior Services	4	4	4	4	3	3	2	1	1	1
Veterans Services	4	4	4	4	4	4	4	3	3	3
Pikes Peak Workforce Center	100	100	100	100	100	100	100	65	65	65
Administrative Services -Administration	5	7	5	5	4	5	6	4	4	4
County Fair	2	2	1	0	0	0	0	0	0	0
CSU Extension	4	4	4	4	4	4	0	0	0	0
Development Review	6	14	14	30	36	34	32	21	24	23
Land Use Study	0	5	5	5	5	5	0	0	0	0
Budget and Economic Development	3	4	4	4	0	0	8	8	12	16
Employee Benefits/Med Serv	0	0	8	8	12	16	18	12	13	18
Environmental Services	7	7	9	9	9	10	8	3	4	0
Facilities	46	46	49	51	51	51	52	31	31	31
Financial Services	17	23	24	24	25	25	16	12	15	35
Fleet Services	33	32	32	32	32	33	33	0	0	0
Forestry & Noxious Weeds	2	2	0	0	0	0	0	0	0	0
Human Resources	8	11	5	5	0	0	0	0	0	0
Information Services	64	70	69	69	68	69	69	66	70	70
Justice Services	14	14	14	17	15	15	14	1	1	1
Planning	18	17	16	0	0	0	0	0	0	0
Procurements & Contracts	6	6	7	7	7	7	7	6	6	6
Public Communications	0	0	0	0	4	3	2	2	2	4
Risk Management	4	4	4	4	0	0	0	0	0	0
Security	29	34	35	44	45	45	38	29	30	30
Solid Waste	3	4	4	4	4	4	5	5	5	5
800 MHz	1	1	1	1	1	1	1	0	0	0
Parks & Community Resources -Parks	39	41	40	41	41	41	41	29	29	29
Penrose Equestrian Center	10	10	10	10	0	0	0	0	0	0
Pikes Peak Center	10	10	10	0	0	0	0	0	0	0
Transportation -Engineering	26	30	30	30	24	24	0	0	0	0
Road & Bridge and Fleet Fund	161	158	159	162	166	164	188	175	187	187
Health and Environment	208	208	208	194	194	225	219	160	178	178
Retirement	3	3	3	3	3	3	3	2	3	3
Total	2,144	2,210	2,245	2,241	2,278	2,327	2,338	2,038	2,148	2,171

Data Source: El Paso County Final Budget

THIS PAGE LEFT BLANK INTENTIONALLY

**Schedule 15**

**El Paso County**

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
BoCC Administrative Services										
Board Meetings	126	125	134	125	130	148	92	103	93	100
Board/Committee/Commission Appointments	112	100	70	122	73	94	116	135	120	104
Facilities Management										
Number of buildings maintained	120	121	121	124	118	120	126	126	128	132
Square feet total maintained	2,200,000	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011	2,235,781	2,236,000	2,241,501	2,949,191
Parks										
Acres of Regional Parks, Recreation areas and conservation lands	5,000	5,000	5,300	5,500	5,900	6,900	7,100	7,044	7,044	6,585
Miles of Regional, Park & Nature Trails	80	85	85	85	87	93	85	92	92	101
County Office Sites (landscape maintenance)	17	17	10	10	11	11	8	21	8	9
Procurement and Contracts										
Purchase Orders Issued	831	900	885	875	1,000	1,000	584	656	751	835
Purchase Orders Issued (dollars)	54,659,536	57,154,000	94,063,491	60,000,000	70,000,000	75,000,000	53,922,017	58,760,700	102,556,780	91,458,617
Surplus sales (\$)	686,630	350,000	245,753	250,000	275,000	275,000	118,574	99,711	101,256	122,406
Financial/Budget										
Payroll Serviced	49,103	49,893	53,821	54,062	52,673	52,937	56,845	53,960	55,952	55,500
Journal Entries Processed	2,770	2,770	23,819	24,711	26,078	26,860	19,920	21,312	22,173	22,247
Processed Payment Requests	56,005	54,503	57,674	63,376	67,739	71,125	57,716	49,198	57,181	60,750
Budget Entries Processed	3,782	3,373	4,294	4,597	3,687	3,969	3,005	2,857	2,899	2,390
Public safety										
Claims Submitted	2,138	2,468	2,219	2,338	3,185	3,200	3,215	3,228	3,244	3,257
Personal Contacts (excl DSS)	5,124	5,356	7,766	8,640	8,800	9,200	9,494	9,925	10,322	10,714
Telephone Information	17,672	21,298	21,995	23,292	23,500	24,000	24,362	24,880	25,327	25,758
Medicaid Nursing Home Clients	25	48	50	50	50	50	50	50	53	
Briefings on VA Benefits	4,076	2,166	1,240	1,630	2,450	2,500	2,551	2,603	5,697	6,037
HS quality assurance inquiries	44	30	30	130	675	700	726	753	1,527	
Human Services - Senior Services										
Number seniors/participation levels	22,368	3,000	3,200	3,500	3,900	4,100	4,310	4,431	4,620	4,781
CSU Extension										
Printed brochures and SIAs	141,551	141,745	142,004	142,555	142,820	142,820	142,820	40,000	117,145	117,145
Phone, walk-in, individual	67,068	69,623	68,950	72,770	73,125	73,125	73,125	25,000	61,095	61,095
County Attorney - General Fund										
Board of Equalization	590	730	625	650	640	650	650	650	650	
Contracts/Agreements (drafted or reviewed)	750	775	400	425	435	440	460	450	455	435
Litigation (For and against the county)	705	720	812	820	820	830	800	760	205	180
Liquor License matters	20	20	20	18	18	20	24	25	20	26
Notices of Claims reviewed	90	80	39	35	36	40	41	40	32	30
Ordinances (new)	2	2	0	1	1	1	1	1	2	0
Resolutions (drafted or reviewed)	90	95	170	180	180	185	190	210	200	240
Written legal opinions	75	75	78	85	95	110	120	150	185	200
Meetings/hearings attended	895	910	900	925	940	930	980	1,030	1,045	1,110
Safety and Risk Management										
Safety Training Seminars – Attendance	16	16	0	0					11	4
Personal Safety & Awareness consultations	275	275	300	325	350	350	350	350	350	33
Wellness programs	24	18	15	24	25	25	23	27	63	85
Employee orientations	48		170	292	300	300	299	233	26	24
Safety training/meetings	16	16						13	11	61
Safety/Wellness publications/website informati	16	16	16	16	16	16	0	7	10	11
Risk management & insurance consultations	900	900	1,100	1,200	1,500	1,500	1,500	1,500	89	15
Clerk and Recorder										
Documents recorded	234,569	298,968	215,111	203,454	200,000	190,000	138,048	150,587	135,516	131,805
Documents processed	259,899	325,978	255,575	262,312	228,000	216,600	169,223	181,458	168,253	162,674
Meetings (agendas, minutes, etc.)	1,890	2,054	2,098	2,000	2,000	2,000	2,737	2,798	2,055	2,050
Vehicles Registered	428,479	424,226	438,644	451,803	452,598	459,387	484,033	487,456	495,418	498,573
Drivers Licenses Issued	17,875	23,353	43,192	53,499	45,450	39,440	38,306	31,918	51,833	59,722
Number of precincts	371	378	378	381	386	396	388	404	405	405
Ballot Combinations	120	25	77	35	35	80	87	26	60	44
Registered Voters	336,993	321,811	354,059	340,000	343,000	360,000	374,582	335,880	364,831	382,079
Jurisdictions for which elections are administer	110	146	162	170	170	180	261	265	268	271
Worker's Compensation Fund										
Workers' compensation claims	322	334	310	350	378	395	262	204	162	160
Claims cost (\$)	1,014,095	945,568	1,166,527	486,593	1,800,000	2,000,000	2,575,271	1,522,550	1,327,492	1,089,136

(Continued)



Schedule 15 - Continued

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Treasurer										
Annual Tax Statements	209,790	221,286	226,088	231,896	238,495	245,295	272,965	244,740	243,846	243,389
Delinquent Tax Statements	9,923	10,275	13,508	13,521	13,288	13,600	14,116	16,424	15,103	15,538
Property Tax Payments Processed	342,555	367,689	367,709	376,266	380,000	390,000	405,206	448,415	406,865	407,756
Tax roll changes (abatements)	3,159	1,060	406	1,200	1,000	1,000	1,418	1,097	1,256	1,105
Non-property tax revenue transactions	21,584	17,373	25,817	26,000	28,500	29,000		22,807	23,059	19,655
Tax Liens Sold--manufactured housing	202	240	201	240	200	200	207	173	93	107
Tax Liens Sold--real estate	1,471	1,512	1,711	2,000	1,800	2,000	3,282	4,166	2,486	2,719
Tax Liens redeemed	1,747	1,611	2,004	2,100	2,100	2,100	2,145	3,137	4,023	3,102
Tax Deeds issued	7	16	14	20	20	20	12	10	20	53
Certificates of Taxes Due Reports	62,819	76,548	71,170	72,000	50,000	50,000	30,739	37,168	28,711	44,139
County warrants paid	35,020	33,086	33,086	33,500	33,500	33,500	25,083	18,433	17,549	12,750
County Assessor										
Abstracts provided to all taxing entities	117	119	119	162	200	227	258	260	265	265
Telephone calls handled	63,000	67,000	60,000	55,400	47,000	45,000	49,113	32,507	26,962	32,160
Maps produced for the public	2,680	1,500	1,129	900	1,400	2,095	700	300	255	110
Appeals heard by the assessor	760	5,244	1,113	5,151	951	8,000	2,150	9,496	1,892	4,752
Residences inventoried and measured	6,500	6,259	7,000	6,500	7,156	5,372	4,206	2,233	1,521	1,615
Property transfers logged	50,300	50,800	52,300	50,000	44,000	42,000	29,589	29,243	25,780	29,252
District Attorney										
Felony cases prosecuted	4,740	5,138	5,830	6,120	6,342	6,596	4,793	4,401	4,123	3,920
Traffic and misdemeanor cases prosecuted	37,487	40,953	43,239	47,470	31,040	32,188	32,543	29,596	27,980	25,786
Juvenile cases prosecuted	1,989	2,124	1,887	1,976	1,924	1,989	1,875	1,512	1,494	1,166
Sheriff's Office Detentions										
Average daily population - Metro & CJC	1,092	1,131	1,209	1,425	1,427	1,477	1,538	1,499	1,360	1,377
Initial inmate classifications	11,448	11,692	22,174	24,000	25,008	25,063	19,220	18,902	18,966	16,379
Total attendance, Inmate programs--CJC	56,100	56,724	45,000	50,000	54,000	55,000	43,981	54,273	59,577	60,786
Total attendance, Inmate programs--Metro	31,440	38,851	20,000	closed	closed	closed	closed	closed	closed	closed
Number of commitments	21,670	22,495	22,174	24,782	25,008	25,063	23,068	27,280	24,661	21,641
Number of releases	21,252	22,529	12,763	22,482	24,734	24,800	22,982	21,132	24,725	21,814
Number of prisoner transports	28,300	23,352	22,323	22,993	34,872	38,359	23,924	19,620	21,103	31,880
Transportation/Engineering in later years										
Miles of road graveled	37	60	65	80	66	50	13	39	21	28
Miles of dust control applied	102	115	118	123	123	123	116	36	35	108
Miles of surface treatment applied	12	8	8	0	0	19	30	32	34	32
Drainage crosspans constructed	12	14	9	26	28	31	35	21	19	20
Feet of curb, gutter or sidewalks	7,344	2,613	1,566	6,385	28,459	9,500	35,411	16,305	26,553	18,056
Miles of road paved	19	18	6	15	19	15	23	39	43	27
Paved roads (miles)	879	894	894	900	930	921	995	1,024	1,038	1,043
Gravel roads (miles)	1,074	1,076	1,075	1,078	1,073	1,077	1,067	1,051	1,051	1,049
Self Insurance Fund										
Lawsuits/notice of claims	52	30	29	22	25	25	38	23	9	23
Litigations cost (\$)	248,806	293,567	441,285	160,100	253,800	200,000	100,000	300,890	38,213	36,607
Property claims	83	77	149	78	105	90	41	36	47	53
Cost (\$)	144,905	356,591	346,773	139,277	250,000	200,000	69,000	170,449	98,860	139,352
Liability claims	154	180	172	160	105	125	104	106	68	52
Cost (\$)	188,474	63,596	441,285	378,988	253,800	250,000	43,813	83,185	96,678	58,109
Solid Waste Management Fund										
Household chemical waste programs	4	3	3	0	2	4	1	1	1	1
Yard waste collection programs/days	52	52	52	52	52	52	57	52	52	51
Black Forest wildfire mitigation mulch program	49	49	49	49	49	49	88	85	85	85
Economic Development										
Businesses certified (Enterprise zone)	400	354	347	358	318	350	331	348	287	294
Contributions to Zone projects	159	283	451	654	1,061	1,110	1,538	1,548	1,635	2,084
Enterprise Zone Projects	10	17	19	25	36	40	52	49	50	52
Active affordable housing programs/projects	71	85	110	113	125	129	137	139	141	144
Personal Property Tax Credit Agreements	20	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community Development Block Grant projects	N/A	N/A	N/A	N/A	N/A	N/A	N/A	17	19	14
Human Resources										
Applications processed	11,000	12,056	14,488	17,572	14,918	15,500	13,128	15,218	12,061	13,463
Employee recognition awards	269	287	330	305	304	338	244	262	260	0

Data Source:

El Paso County Budget Book and departmental data

Schedule 16  
 El Paso County  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sheriff										
Patrol units and other vehicles	204	185	196	214	226	210	215	208	198	200 <sub>(est)</sub>
Department of Transportation										
Paved roads (miles)	879	894	894	900	930	921	995	1,024	1,038	1,043
Gravel roads (miles)	1,074	1,076	1,075	1,078	1,073	1,077	1,067	1,051	1,051	1,049
Engineering										
Miles of road graveled	37	60	65	80	66	50	13	39	21	28
Drainage crosspans constructed	12	14	9	26	28	31	35	21	19	20
Feet of curb, gutter or sidewalks	7,344	2,613	1,566	6,385	28,459	9,500	35,411	16,305	26,553	18,056
Parks										
Acres of Regional Parks, Recreation areas and conservation lands	5,000	5,000	5,300	5,500	5,900	6,900	7,100	7,044	7,044	6,585
Acres of Other Parks/Properties										
Miles of Regional, Park & Nature Trails	80	85.0	85	85	87	93	85	92	92	101
County Office Sites (landscape maintenance)	17	17	10	10	11	11	8	21	8	9
Facilities										
Number of buildings maintained	120	121	121	124	118	120	126	126	128	132
Square feet total maintained	2,200,000	2,246,207	2,246,207	2,414,566	2,343,423	2,124,011	2,235,781	2,236,000	2,241,501	2,949,191
County Fairgrounds										
Buildings	18	18	18	18	18	18	18	18	18	22
Stadium	1	1	1	1	1	1	1	1	1	1
Lighted outdoor dance floor	1	1	1	1	1	1	1	1	1	1
Outdoor arena	1	1	1	1	1	1	1	1	1	1
Indoor arena	1	1	1	1	1	1	1	1	1	1

Data Source:  
 El Paso County Financial Capital Assets Records  
 El Paso County Department of Transportation  
 El Paso County Parks Department  
 El Paso County Facilities

#### **IV. SINGLE AUDIT SECTION**

THIS PAGE LEFT BLANK INTENTIONALLY



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

**Independent Auditors' 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***

To The Board of County Commissioners  
El Paso County  
Colorado Springs, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of El Paso County, Colorado, (the County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 29, 2012. Our report includes 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, and the El Paso County Housing Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors for the El Paso County Sheriff Special Investigation Fund, and the El Paso County Housing Authority. The financial statements of the El Paso County Retirement Plan were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County'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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 previously.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 the County in a separate letter dated June 29, 2012.

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the organization, 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.

*RubinBrown LLP*

June 29, 2012



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

**Independent Auditors' Report On Compliance  
With Requirements That Could Have A Direct  
And Material Effect On Each Major Program  
And On Internal Control Over Compliance  
In Accordance With OMB Circular A-133**

To The Board of County Commissioners  
El Paso County  
Colorado Springs, Colorado

We have audited El Paso County, Colorado's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County management. Our responsibility is to express an opinion on the County's compliance, based on our audit. The County's basic financial statement includes the operations of the El Paso County Sheriff Special Investigation Fund, a nonmajor governmental fund, which received \$667,602 in federal awards; the El Paso County Housing Authority, a discretely presented component unit, which received \$550,135 in federal awards; and the El Paso County Public Health, a discretely presented component unit, which received \$14,639,031 in federal awards, all of which are not included in the schedule during the year ended December 31, 2011. Our audit, described below, did not include the operations of the El Paso County Sheriff Special Investigation Fund, The El Paso County Housing Authority and the El Paso County Public Health because other auditors were engaged to perform an audit in accordance with OMB Circular A-133.

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 Government, 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. 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 item 2011-01.

### **Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of the Board of County Commissioners, management, 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.

*RubinBrown LLP*

June 29, 2012

**EL PASO COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended December 31, 2011**

**Section I - Summary Of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:		Unqualified
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	___ yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	___ yes	<input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major programs:		
Material weakness(es) identified?	___ yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> 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 Section 510(a) of OMB Circular A-133?	<input checked="" type="checkbox"/> yes	___ no

Identification of major programs:

CFDA No.	Name Of Federal Program Or Cluster
14.218	Community Development Block Grant
81.128	Energy Efficiency and Conservation Block Grant - ARRA
93.558	Temporary Assistance for Needy Families (TANF)
93.778	Title XIX - Medicaid

Dollar threshold used to distinguish between Type A and Type B programs:		\$1,961,641
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	___ no

**Section II - Financial Statement Findings**

None.

## EL PASO COUNTY, COLORADO

---

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2011

---

#### Section III - Federal Award Findings And Questioned Costs

---

**Finding 2011-01 - CFDA 93.778, Medical Assistance Program - 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 at least every 12 months with respect to circumstances that may change. The County must have procedures designed to ensure 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:** An annual redetermination for three of forty case files tested did not meet prescribed timelines.

**Questioned Costs:** None.

**Effect:** The individual may not be eligible for benefits without the annual redetermination.

**Cause:** There is not a monitoring procedure in place to identify when cases are due for redetermination.

**Recommendation:** We recommend staff close Medicaid cases where the redetermination is not performed annually. We also suggest the Department of Human Services staff develop a system to show open Medicaid cases that have redeterminations pending, as well as their due dates, so the cases can be closed if the redetermination is not completed.

**Views of Responsible Officials and Planned Corrective Action:** The Department instituted process improvements during 2011 which have reduced the backlog of redeterminations in 2012. In addition, the Department reallocated certain Department employees to aid in processing Medicaid redeterminations. Further 2012 regulations for Medicaid redetermination reduced the volume of cases requiring the Department reassess case eligibility. Management will continue to monitor timeliness goals and standards through weekly reports and monthly audits completed within the Department. The Department is committed to processing timely applications and redeterminations for the Medicaid program.

---

## EL PASO COUNTY, COLORADO

---

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2011

---

---

#### Section IV - Prior Year Findings

---

##### **Finding 2010-01: Schedule of Expenditures of Federal Awards**

**Criteria or Specific Requirement:** Proper recording, reconciling and monitoring of federal grants to ensure proper reporting of federal expenditures in the schedule of expenditures of federal awards.

**Condition and Context:** We noted deficiencies in the internal controls surrounding the preparation of the schedule of expenditures of federal awards. The combination of these deficiencies is less severe than a material weakness in financial reporting, yet important enough to merit attention by those charged with governance. We noted the following deficiencies:

- The County initially provided preliminary federal revenues sources passed through from the Colorado Department of Human Services (CDHS) in sum by the state program that combined Catalog of Federal Domestic Assistance (CFDA) numbers. The County is required to report all federal sources by individual CFDA number or by cluster of programs. Although a subsequent report from CDHS was obtained that identified federal expenditures by CFDA number passed through from CDHS, there is not a process in place to monitor the CDHS report throughout the year in order to ensure federal activity is correctly reported.
- The draft schedule of expenditures of federal awards contained several instances of incorrect CFDA numbers.
- Awards passed through from the State of Colorado Department of Human Services did not agree to the final schedule of expenditures.
- American Recovery and Reinvestment (ARRA) expenditures were not identified correctly in the preliminary schedule of expenditures of federal awards.

**Views of Responsible Officials and Planned Corrective Action:** Management consolidated Department of Human Service (DHS) Finance with County Finance and created a position for an Audit Response Accountant, responsible for all special audits and preparation of the schedule of expenditures of federal awards during 2011. Finance will work with Budget to require that all resolutions approving federal funds contain the CFDA number. Any resolution with a CFDA number will be forwarded to the Audit Response Accountant for tracking. Also, the new Audit Response Accountant will be further trained by our DHS Accounting Manager and County Budget Manager on how to identify and monitor DHS-related grants.

**Auditor Response:** Sufficient controls and procedures were implemented to resolve this finding.

## EL PASO COUNTY, COLORADO

---

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2011

**Finding 2010-02, 09-01, 08-02, 07-04, 06-04, 05-07 & 04-08 - CFDA 93.778, Medical Assistance Program - 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 30 case files tested, 4 applications were not processed within the required time. This trend was repeated during our 2005 testing. In 2006, 1 of 20 files tested did not adhere to the application process requirements. In 2007, 14 of 40 case files tested did not meet required processing time lines. In 2008, 7 of 40 case files tested did not meet required processing time lines. In 2009, 2 of 25 case files tested did not meet the required processing time lines. In 2010, 1 of the 50 files we selected was not processed within the prescribed 90-day timeline. The County also provided a report of filing statistics that documented 16% of applications processed in 2010 were processed outside prescribed timelines.

**Questioned Costs:** None.

**Views of Responsible Officials and Planned Corrective Action:** Management implemented an internal review process 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.

**Auditor Response:** We found no exceptions to timely application processing in the 2011 sample selection of Medicaid applications and consider this finding to be resolved.

## EL PASO COUNTY, COLORADO

---

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended December 31, 2011

**Finding 2010-03 - CFDA 93.778, Medical Assistance Program - 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 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:** An annual redetermination for one of forty case files tested did not occur since 2007.

**Questioned Costs:** \$2,870

**Views of Responsible Officials and Planned Corrective Action:** The Department began collaborating with the HCPF on the processing of redeterminations, similar to the partnership in place with Peak Vista. This partnership will be going into effect in the month of July 2011. In addition, upcoming changes within CBMS will re-align redetermination dates for cases with multiple programs. This is a major improvement that will support counties with the timely processing of redeterminations. Management will continue to monitor timeliness goals and standards through weekly reports and monthly audits completed within the Department. The Department is committed to processing timely applications and redeterminations for the Medicaid program.

**Auditor Response:** This is still a finding. Please see 2011-01.

El Paso County, Colorado  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended December 31, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<u>SNAP Cluster</u>			
Passed through Colorado Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		10.561	\$ 2,419,565
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		10.561	230,173
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Colorado Workfare Program	F05WKFARE	10.561	154,911
Sub-total - SNAP Cluster			<u>2,804,649</u>
Supplemental Nutrition Assistance Program, Outreach/Participation Program	IAFSPA08CO01	10.58	242,185
Passed through the Colorado State Forest Service			
Forest Health Protection	2011P4C-11	10.680	1,245
Wild Land Fire Management - ARRA	G67021	10.688	<u>282,158</u>
Total U.S. Department of Agriculture			<u>3,330,237</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	11UC08006	14.218	1,398,414
Neighborhood Stabilization Program	10NAA7355	14.228	<u>15,000</u>
Total U.S. Department of Housing and Urban Development			<u>1,413,414</u>
<u>U.S. Department of Justice</u>			
<u>JAG Program Cluster</u>			
Justice Assistance Grant (JAG)FY 2010		16.738	123,344
Justice Assistance Grant(JAG)FY 2009 Reintegration and Recovery Grant ARRA		16.803	395,003
U.S. Department of Justice, Bureau of Justice Assistance ARRA		16.803	57,179
Justice Assistance Grant (JAG) DETOX ARRA FY2009		16.804	16,000
Passed through Colorado Springs Police Department			
Justice Assistance Grant(JAG)FY 2010 DIRECT	2010DJBX0093	16.738	50,950
Justice Assistance Grant(JAG)DIRECT FY 2009	2009DJBX0803	16.738	45,767
Sub-total - JAG Program Cluster			<u>688,243</u>
Supervised Visitation, Safe Havens for Children SMART Grant	2009CWAXK009	16.527	134,466
State Criminal Alien Assistance Program (SCAAP)	FY2011	16.580	563
State Criminal Alien Assistance Program (SCAAP)		16.606	214,733
Passed through Colorado Springs Police Department			
<u>Project Safe Neighborhood Cluster</u>			
Project Safe Neighborhood FY 11	10CP0453	16.609	3,865
Project Safe Neighborhood FY 10	29CP0452	16.609	5,807
Sub-total- Project Safe Neighborhood Cluster			<u>9,672</u>
Passed through Colorado Division of Public Safety			
Crime Victim Assistance	10VA418	16.575	<u>49,646</u>
Total U.S. Department of Justice			<u>\$ 1,097,323</u>

(Continued)

El Paso County, Colorado  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
For the year ended December 31, 2010

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Labor</u>			
<u>Employment Service Cluster</u>			
Passed through Colorado Department of Labor and Employment			
Wagner-Peyser Employment Services	1030,1118,1139,1174	17.207	\$ 1,005,918
Wagner-Peyser ARRA - Summer Job Hunt	1030,11818,1139,1174	17.207	42,000
Wagner-Peyser - Performance Incentive	1030,11818,1139,1174	17.207	224,286
Wagner-Peyser ARRA		17.207	88,820
Disabled Veterans' Outreach		17.801	41,681
Local Veterans' Employment Representative Program	1064	17.804	8,336
Sub-total - Employment Service Cluster			1,411,041
<u>WIA Cluster</u>			
Workforce Investment Act Title I Adult Program	870,984,1026,1027,1170,1171	17.258	853,795
Workforce Investment Act Title I Youth Activities	872,1026,1028,1170,1172	17.259	1,213,482
Workforce Investment Act Title I Dislocated Worker Program	800,815,873,911,931	17.260	502,502
Workforce Investment Act Title I Dislocated Worker Program - CAA - ARRA	3M134130330	17.260	37,737
Workforce Investment Act Title I Dislocated Worker Program - DX		17.260	157,261
Workforce Investment Act Title I Dislocated Worker Program - Outreach		17.260	25,000
Workforce Investment Act Title I Dislocated Worker Program - Youth Outreach		17.260	20,000
Workforce Investment Act Title I Dislocated Worker Program - Aerospace		17.260	14,359
Workforce Investment Act Title I Dislocated Worker Program - Performance Incentive		17.260	32,101
Workforce Investment Act Title I Dislocated Worker Program - Engaging Youth		17.260	5,047
Workforce Investment Act Title I Dislocated Worker Program - Hospitality		17.260	3,773
Workforce Investment Act Title I Dislocated Worker Program - BOAM		17.260	1,640
Sub-total WIA Cluster			2,866,697
Trade Adjustment Assistance		17.245	77,079
Workforce Investment Act Title I Dislocated Worker Program - Pilots, Demonstrations and Research Projects		17.261	244
Workforce Investment Act Title I Dislocated Worker Formula Grant - BOAM		17.278	504,607
Veterans' Employment Program		17.802	62,860
Total U.S. Department of Labor			4,922,528
<u>U.S. Department of Transportation</u>			
Hazardous Materials Emergency Preparedness Training and Planning Grants HMEP		20.703	42,385
<u>U.S. Department of Energy</u>			
Energy Efficiency and Conservation Block Grant - ARRA		81.128	1,529,475
<u>U.S. Department of Health and Human Services</u>			
Passed through Colorado Department of Human Services			
Temporary Assistance for Needy Families TANF		93.558	18,390,903
Passed through Colorado Department of Labor and Employment			
Temporary Assistance for Needy Families TANF/Work Participation Refund	05COLOWORKS	93.558	741,612
Sub-total TANF			\$ 19,132,515

(Continued)



El Paso County, Colorado  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
For the year ended December 31, 2010

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures
Passed through Colorado Department of Human Services			
<u>CCDF Cluster</u>			
Child Care and Development Block Grant		93.575	\$ 1,863,907
Child Care Mandatory and Matching Funds of the Child Care Development Fund		93.596	5,622,595
Sub-total CCDF Cluster			<u>7,486,502</u>
Adjustment to Federal Assistance		93.xxx	6,087
Promoting Safe & Stable Families		93.556	364,159
Title IV-D Administration		93.563	2,324,161
Low-Income Home Energy Assistance LEAP		93.568	6,090,050
Title IV-B		93.645	743,249
<u>Title IV-E</u>			
Title IV-E		93.658	5,054,632
Title IV-E - ARRA		93.658	100,896
Sub-total IV-E			<u>5,155,528</u>
<u>Adoption Assistance</u>			
Adoption Assistance		93.659	3,195,942
Adoption Assistance - ARRA		93.659	121,402
Sub-total Adoption Assistance			<u>3,317,344</u>
Social Services Block Grant Title XX		93.667	4,686,264
Title IV-E (Independent Living)		93.674	239,026
Title XIX/Medicaid		93.778	1,812,866
Passed through Colorado Department of Local Affairs			
Community Service Block Grant	L6CSBG16	93.569	660,385
Passed through the American Humane Association			
Promoting Responsible Fatherhood Grant	90CO1025	93.652	98,699
Passed through Aspen Point			
Block Grant for Prevention and Treatment of Substance Abuse		93.959	442,800
Total U.S. Department of Health and Human Services			<u>52,559,635</u>
<u>White House Office of National Drug Control Policy (ONDCP)</u>			
Rocky Mountain High Intensity Drug Trafficking Area - HIDTA		95.001	406,747
<u>Federal Emergency Management Agency</u>			
Emergency Management Performance Grant		97.042	86,300
Total Expenditures of Federal Awards			<u>\$ 65,388,044</u>

The following note is an integral part of this schedule.

**Note 1. Basis of Presentation**

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

**Note 2. Pass Through**

El Paso County passes funds to sub-recipients with the following program:  
Neighborhood Stabilization Program - Passed through amount is \$15,000  
Community Development Block Grant - Pass through amount is \$1,398,414

THIS PAGE LEFT BLANK INTENTIONALLY