

POPULAR ANNUAL FINANCIAL REPORT

EL PASO COUNTY

COLORADO



FISCAL YEAR ENDING DECEMBER 31, 2018

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EL PASO COUNTY'S PAINT MINES



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**El Paso County
Colorado**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill
Executive Director/CEO

AWARD FOR OUTSTANDING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has presented the Award for Outstanding Achievement in Popular Annual Financial Reporting to El Paso County for its Popular Annual Financial Report (PAFR) for the fiscal year which ended Dec. 31, 2017. This is a prestigious national award recognizing the highest standards for preparation of state and local government PAFRs.

To receive this award, a government must publish a PAFR with contents meeting program standards for creativity, presentation, understandability, and reader appeal. The Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report for 2018 continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA for consideration.

Residents of El Paso County,

We want to thank you for allowing us to serve you.

El Paso County is proud once again to present an engaging, easy-to-read financial report that will help anyone, even the financial layman, better understand the care and detail our accounting and finance staff takes to guarantee your tax dollars are spent responsibly.

The 2018 Popular Annual Financial Report (PAFR) will be presented to the Government Finance Officers Association (GFOA) of the United States and Canada for review. The County's financial reports, which include the PAFR and the more technical Comprehensive Annual Financial Report (CAFR), have consistently earned high honors from GFOA for being one of the best in the country. Each year, counties are required by law to submit a CAFR to their respective State Auditor's Office.

This PAFR provides a simplified look at El Paso County's financial information. It is condensed, avoids technical financial wording and is without all the financial statements and documents required in the CAFR.

El Paso County aims to continue to seek out the best practices to deliver thorough information and quality services while ensuring that we remain one of the most fiscally conservative counties in the State of Colorado.



AMY FOLSOM
COUNTY ADMINISTRATOR



SHERRI CASSIDY
CHIEF FINANCIAL OFFICER

The PAFR is one more way that we show that your county government values transparency and is easy to understand.

Thank you,

Handwritten signatures of Amy Folsom and Sherri Cassidy in blue ink.



EL PASO COUNTY'S CENTENNIAL HALL



EL PASO COUNTY'S FOX RUN REGIONAL PARK

El Paso County lies in east central Colorado and encompasses more than 2,158 square miles – slightly more than twice the area of the state of Rhode Island (excluding Narragansett Bay). While the western portion of El Paso County is extremely mountainous, the eastern part is prairie land where dairy cows and beef cattle are the main source of ranchers' income. The altitude ranges from about 5,095 feet (1569 m) on the southern border at Black Squirrel Creek to 14,110 feet (4301 m) on the summit of Pikes Peak, near the western boundary. The county seat is located in Colorado Springs.

El Paso County became a territorial county in 1861 before Colorado became a state in 1876.

The natural physical beauty of the area, situated at the base of Pikes Peak and with an uninterrupted view of the Front Range, can be enjoyed by all. The magnificent scenery inspired Katharine Lee Bates to write the poem "America the Beautiful" after her visit here. The mild climate, on average, supplies 285 days of sunshine, 15 inches of rain, 35 inches of snow, and very low levels of humidity.



DOWNTOWN COLORADO SPRINGS AND PIKES PEAK



COLORADO - EL PASO COUNTY IN RED

BOARD OF COUNTY COMMISSIONERS



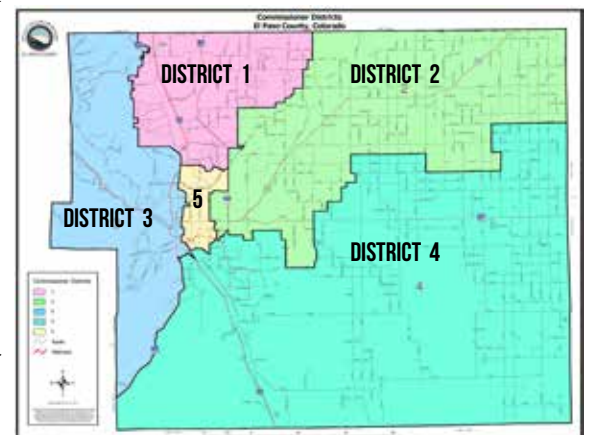
**HOLLY WILLIAMS { DIST. 1 }, MARK WALLER { DIST. 2 },
LONGINOS GONZALEZ, JR. { DIST. 4 }, CAMI BREMER { DIST. 5 }, AND STAN VANDERWERF { DIST. 3 }**

El Paso County is a statutory county, meaning that it is a service arm of the State. Its elected official structure, powers, and responsibilities come from State laws. The State grants to the County such powers as are required for the health, welfare, and safety of our residents. Subsequently, the County is required to provide many mandated services, which are directed by the State and Federal Governments.

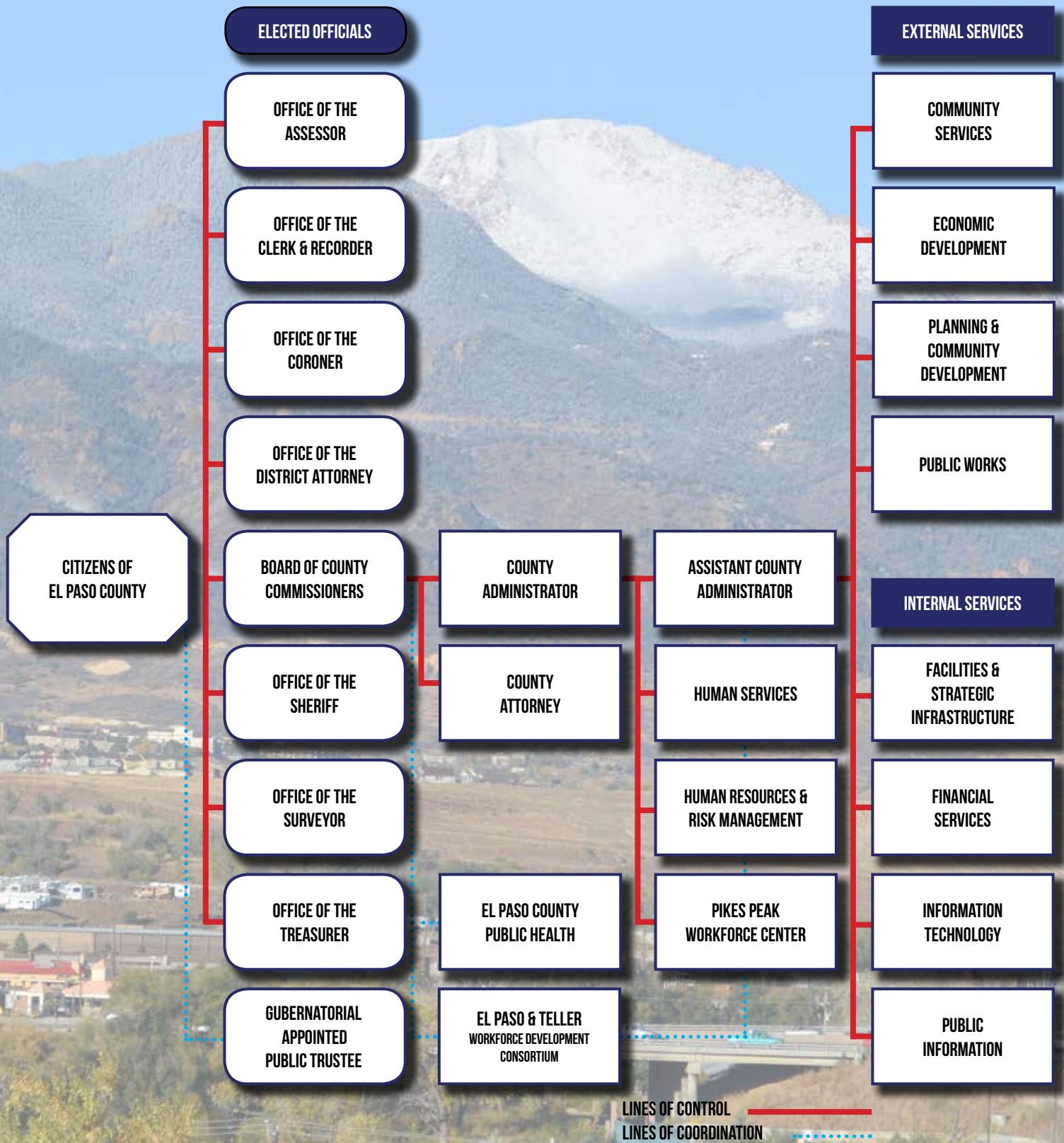
El Paso County is governed by five County Commissioners representing the five geographic commissioner districts which are equal in population. El Paso County Commissioners are elected by the citizens within their respective districts and serve staggered four-year terms. Commissioners are term-limited, serving a maximum of two consecutive four-year terms.

The Board of County Commissioners elects officers and assigns community liaison responsibilities annually. Commissioner district boundaries are revised every two years to ensure equal citizen representation for all five districts.

The Board of County Commissioners serves as both a policy-making and administrative body for the County. All powers of the County, as a legal entity, are exercised by the Board of County Commissioners and not by its individual members.



ORGANIZATIONAL CHART



EL PASO COUNTY QUICK METRICS



POPULATION

713,856

DOLA ESTIMATED POPULATION

74%, 528,253

ESTIMATED INCORPORATED

26%, 185,603

ESTIMATED UNINCORPORATED



FACILITY MAINTENANCE

270 BUILDINGS MAINTAINED

4.5 MILLION SQUARE FEET

*Including City Buildings



ROADS & TRANSPORTATION

1,147 MILES OF PAVED ROAD

1,052 MILES OF GRAVEL ROAD

2,199 TOTAL ROAD MILES

286 BRIDGES



PARKS & RECREATION

7,900 ACRES OF PARK LAND/OPEN SPACE

2,460 ACRES OF CONSERVATION EASEMENTS

120 MILES OF TRAILS

2 NATURE CENTERS

1 FAIR & EVENT CENTER

30,000 VOLUNTEER HOURS



HUMAN SERVICES

**16,455 REPORTS OF
CHILD ABUSE & NEGLECT**

**3,497 REPORTS TO
ADULT PROTECTIVE SERVICES**



VETERANS SERVICES

99,851 VETERANS IN EL PASO COUNTY

9,002 ANNUAL CLIENT VISITS

**\$603M BENEFITS PAID BY THE VA TO
EL PASO COUNTY RECIPIENTS IN 2017**



DISTRICT ATTORNEY

33,493 TOTAL CASES HANDLED

125 VOLUNTEERS

15,665 VOLUNTEER HOURS

\$5M RESTITUTION FOR VICTIMS

\$1.8M VICTIM COMPENSATION



CLERK & RECORDER

406,958 MOTOR VEHICLE TRANSACTIONS

112,235 DRIVER'S LICENSES ISSUED

279,921 GENERAL ELECTION BALLOTS

150,000 RECORDED DOCUMENTS

6,562 MARRIAGE LICENSE APPLICATIONS



EL PASO COUNTY JAIL

1,714 DAILY POPULATION

31.52 DAYS AVERAGE JAIL STAY

\$89 INMATE AVERAGE \$/DAY

**27% RECIDIVISM: ARRESTED IN LAST
18 MONTHS**



PLANNING & DEVELOPMENT

291 MAJOR DEVELOPMENT APPLICATIONS

3,592 MINOR DEVELOPMENT APPLICATIONS

1,538 SINGLE-FAMILY DWELLING APPLICATIONS

641 CODE ENFORCEMENT CALLS

GENERAL FUND SUMMARY

GENERAL FUND SUMMARY STATEMENT OF REVENUES & EXPENDITURES

REVENUES	2018	2017	2016
PROPERTY TAXES	\$49,992,296	\$46,810,929	\$45,946,994
SALES TAXES	\$89,417,673	\$87,623,080	\$61,837,624
SPECIFIC OWNERSHIP TAXES	\$5,063,894	\$5,670,341	\$3,604,252
INTERGOVERNMENTAL	\$25,586,794	\$20,495,169	\$22,019,076
FEES AND FINES	\$317,179	\$542,053	\$570,957
LICENSES AND PERMITS	\$2,271,233	\$2,331,200	\$2,074,273
CHARGES FOR SERVICES	\$27,658,412	\$24,494,204	\$24,310,958
INVESTMENT EARNINGS	\$1,973,936	\$974,747	\$566,038
CONTRIBUTIONS	\$10,796,328	\$9,892,283	\$10,280,856
MISCELLANEOUS	\$3,002,393	\$4,461,449	\$3,894,063
SALE OF CAPITAL ASSETS	\$249,793	\$431,758	\$194,911
TRANSFERS OUT	(\$6,000,000)	—	—
TOTAL REVENUE	\$210,329,931	\$203,727,213	\$175,300,002
EXPENDITURES			
GENERAL GOVERNMENT	\$70,313,596	\$62,306,847	\$60,518,023
PUBLIC SAFETY	\$104,589,560	\$101,862,204	\$95,719,071
HEALTH AND WELFARE	\$10,759,535	\$10,978,093	\$10,848,025
CULTURE AND RECREATION	\$2,474,363	\$2,132,978	\$2,150,473
AUXILIARY SERVICES	\$641,598	\$621,999	\$580,784
PRINCIPAL DEBT SERVICE	\$0	\$22,410	\$44,492
INTEREST AND OTHER CHARGES	\$0	\$82	\$493
CAPITAL OUTLAY	\$9,090,553	\$7,308,186	\$11,244,290
TOTAL EXPENDITURES	\$197,869,205	\$185,232,799	\$181,105,651
EXPENDITURES (GREATER THAN) LESS THAN REVENUES-NET CHANGE IN FUND BALANCE	\$12,460,726	\$18,494,414	(\$5,805,649)

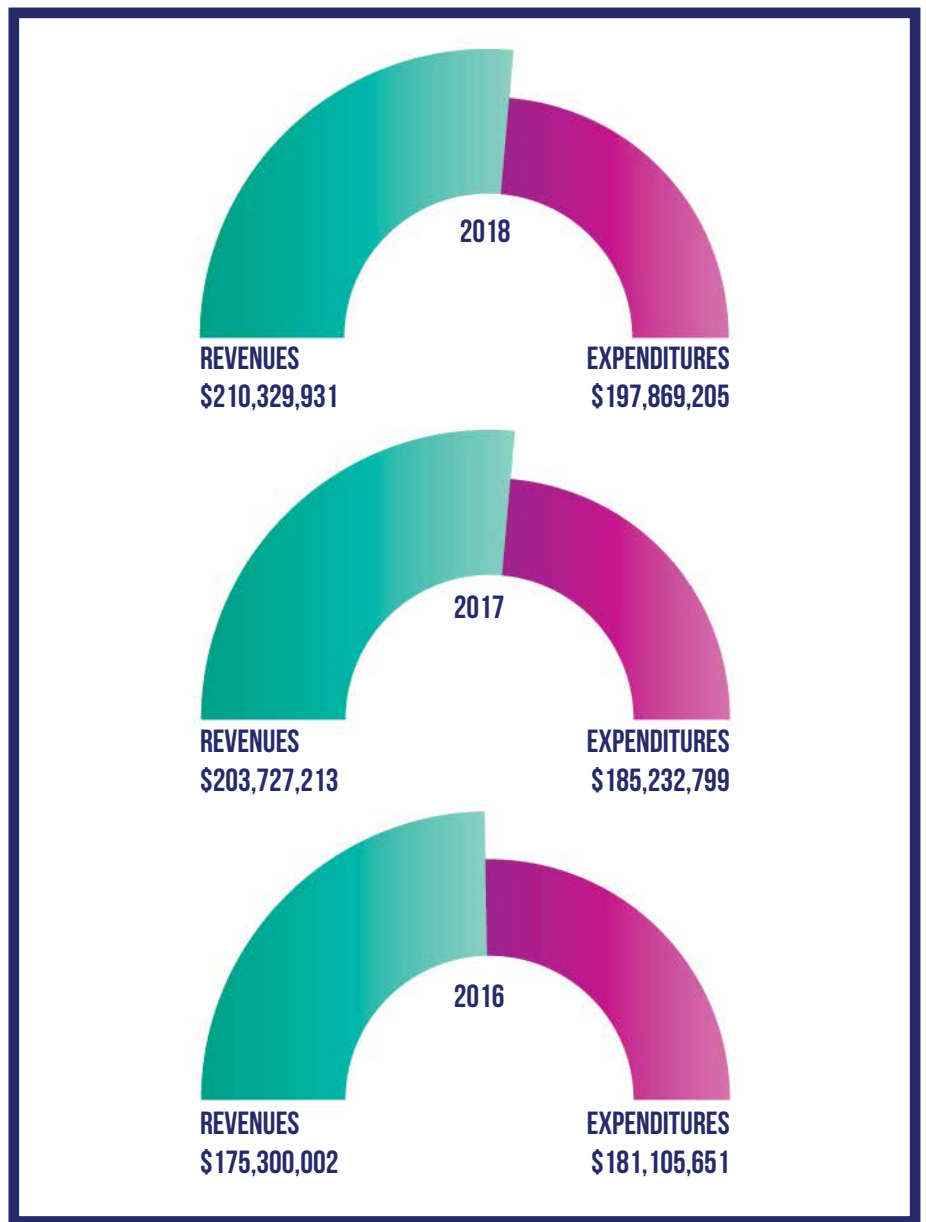
Note: This chart summarizes the data found in the CAFR, Statement of Revenues, Expenditures, and Changes in fund balances for the general fund. This chart is presented on a non-GAAP basis.

A more detailed GAAP basis financial detail can be found in the CAFR in its entirety, available online at <https://admin.elpasoco.com/financial-services/budget-finance/comprehensive-annual-financial-reports>

The Statement of Revenues and Expenditures provides a detailed account of revenue and expenditures for the County's general fund operations. Revenues represent dollars received and expenditures can be thought of as the costs of providing services to the citizenry.

The three-year history of revenues and expenditures show that both have increased. Revenues increased by \$6.6 million from 2017-2018, including the transfer from the General Fund to the Road and Bridge Fund of \$6 million for road improvements.

Expenditures have increased \$12.6 million, in total, over the same period. The categories with the largest increase were general government and public safety; this was largely due to increased personnel costs. The County invested \$2.3 million in human capital and provided a 2% personnel increase of \$1.4 million to help retain personnel and decrease training costs.



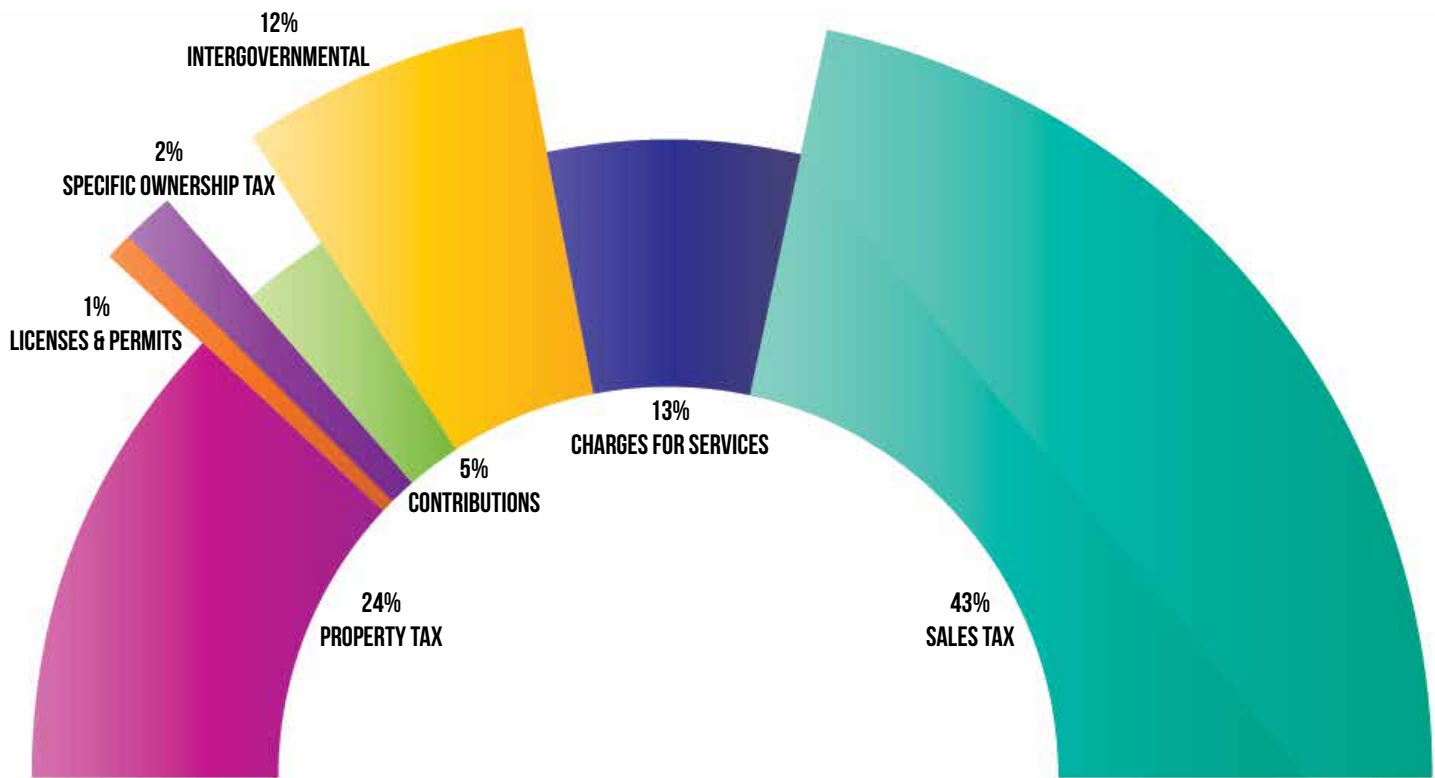
TABOR EXPLAINED

In November 1992, the people of the State of Colorado passed an amendment to the State's Constitution known as the Taxpayer's Bill of Rights (TABOR). TABOR's intended purpose was to reasonably restrain most of the growth of government by imposing spending and revenue limits on state and local governments.

The TABOR calculation has two parts, determining a TABOR reserve amount and calculating if there is an excess of the TABOR revenue limits. In 2018, El Paso County's TABOR reserve amount was \$7,472,975 and the County exceeded its fiscal year spending limit by \$4,025,078. Currently the County is still considering options regarding a possible refund of the excess or a ballot initiative to retain the funds.

A CLOSER LOOK AT REVENUES

As the chart shows, taxes are the largest source of revenue for the County in the General Fund. The total revenues of General Fund revenue of \$210,329,931 were collected in 2018 with taxes accounting for approximately \$144,473,863 million (69%) of that amount. In comparison, in 2017 total revenues collected were \$203,727,213 with 69% coming from taxes and in 2016, total revenues collected were \$175,300,002 with 64% coming from taxes.



ADDITIONAL REVENUES SOURCES

Charges for Services – These are fees charged to County customers. The largest collector of this type of revenue is the County Clerk for the recording of documents, the issuance of motor vehicle registrations/titles, (for which the State of Colorado pays the County a set rate), in addition to others. The County Treasurer also collects a portion of this revenue through fees charged to other governments for the collection and subsequent distribution of their property taxes.

Intergovernmental – The County General Fund received \$25,586,794 through various state and federal grant programs in 2018. These are funds received from other

governments for financing the day-to-day costs of a specific program.

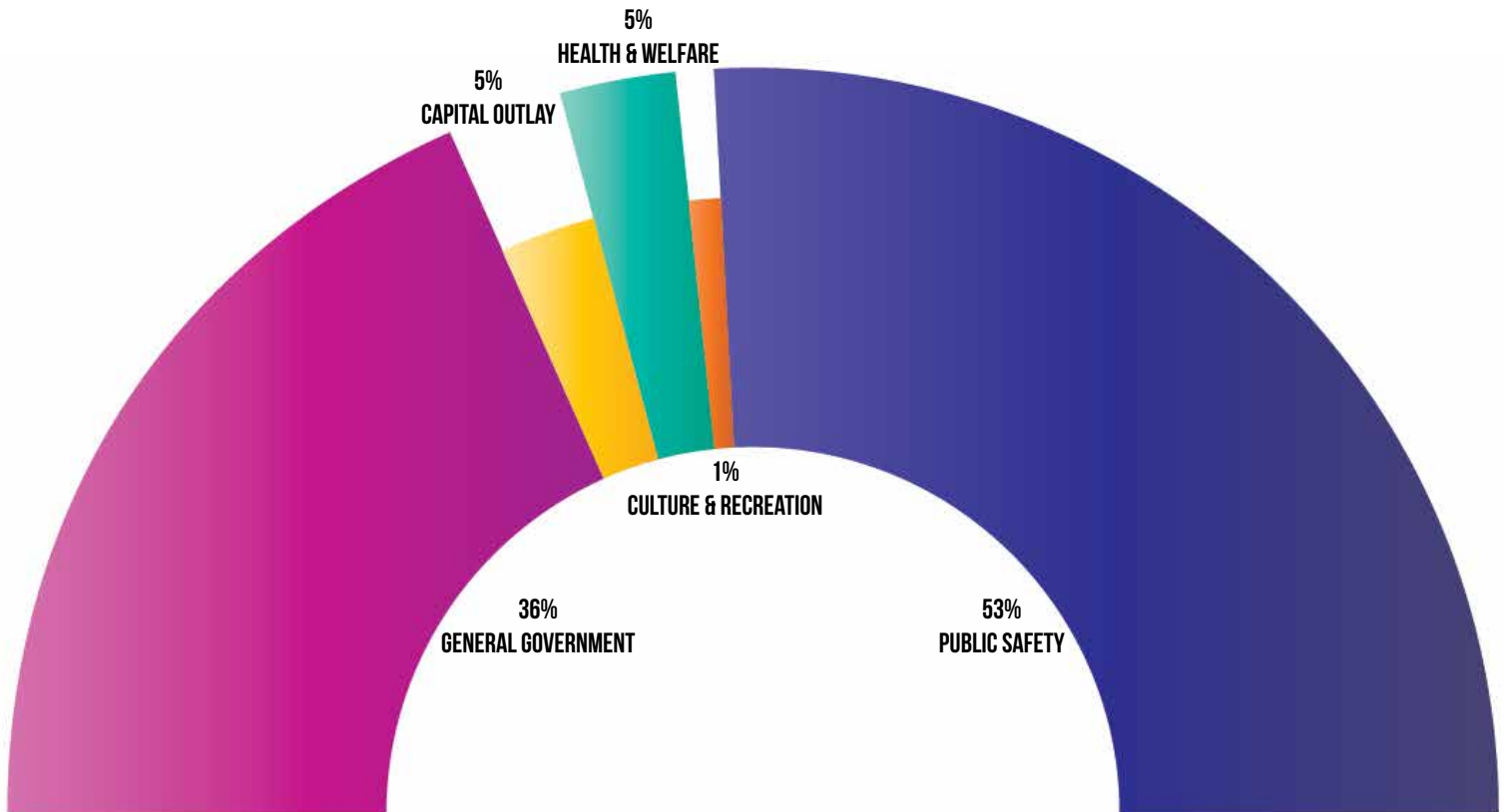
Contributions – Donations and contributions to the County for special projects and Sheriff Office programs.

Licenses and Permits – Revenues collected for the issuance of various licenses and permits such as Cable TV franchise fees, etc.

Other – Revenues collected from various sources such as parking, recycling, rents, etc.

A CLOSER LOOK AT EXPENDITURES

The County General Fund provides a wide range of services that include law enforcement and public safety, planning and zoning, parks and open space, culture and recreation, and other general governmental administrative services.



Public Safety – Expenditures for the Sheriff’s department administration, patrol, investigations and detentions, and the Coroner’s office.

General Government – Expenditures incurred by administrative departments such as the Board of County Commissioners, Elections, Assessor, Treasurer, Finance, County Attorney, Information Technology, Facilities, etc.

Health and Welfare – Expenditures for the Pikes Peak Workforce Center and Environmental Services.

Capital Outlay – Expenditures used to acquire or upgrade capital assets. Capital assets include property, buildings, equipment and infrastructure with a cost of \$5,000 or more and a useful life of more than one year.

Culture and Recreation – Expenditures used for the maintenance and administrative functions of the County’s open space, parks, fairground facilities and the County fair.

2019 BUDGET

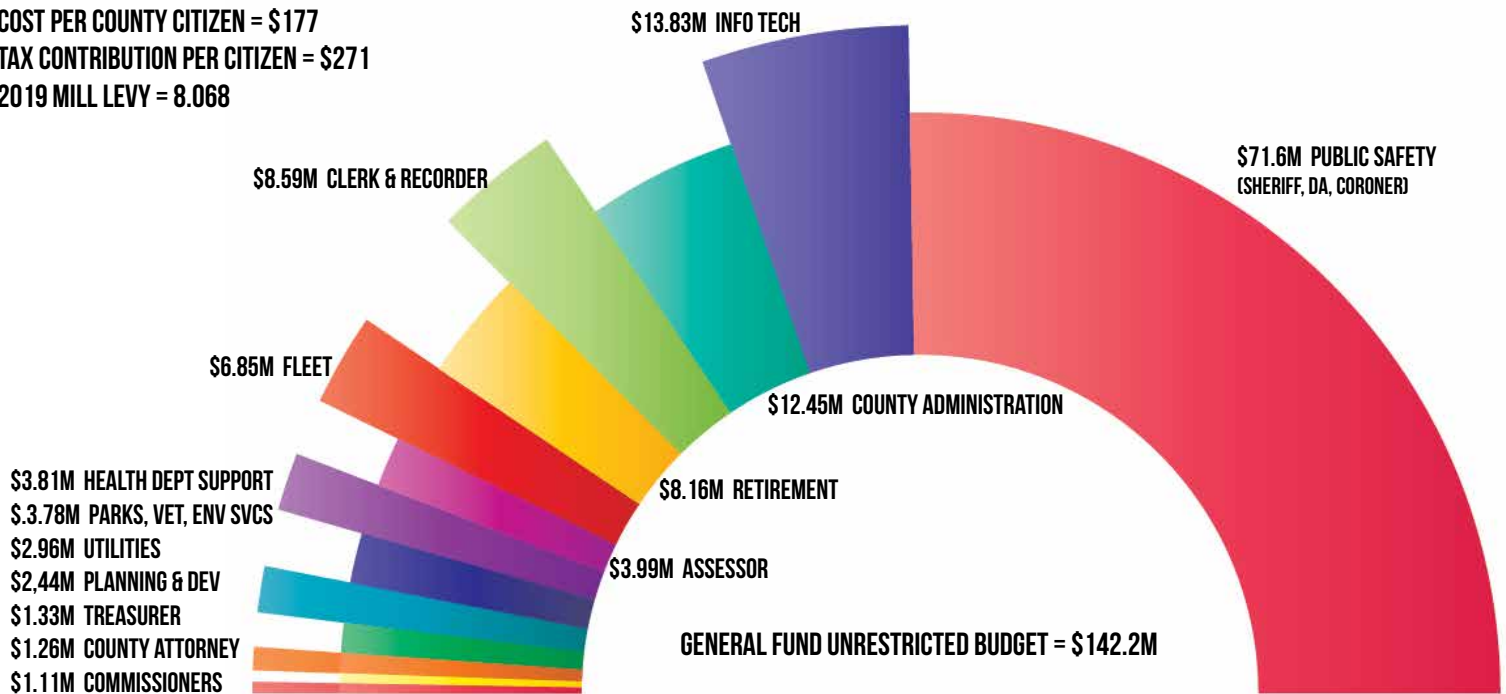
2019 UNRESTRICTED GENERAL FUND HIGHLIGHTS = \$ 142.2M

ANNUAL BUDGET = \$374.6M

COST PER COUNTY CITIZEN = \$177

TAX CONTRIBUTION PER CITIZEN = \$271

2019 MILL LEVY = 8.068



BUDGET OVERVIEW

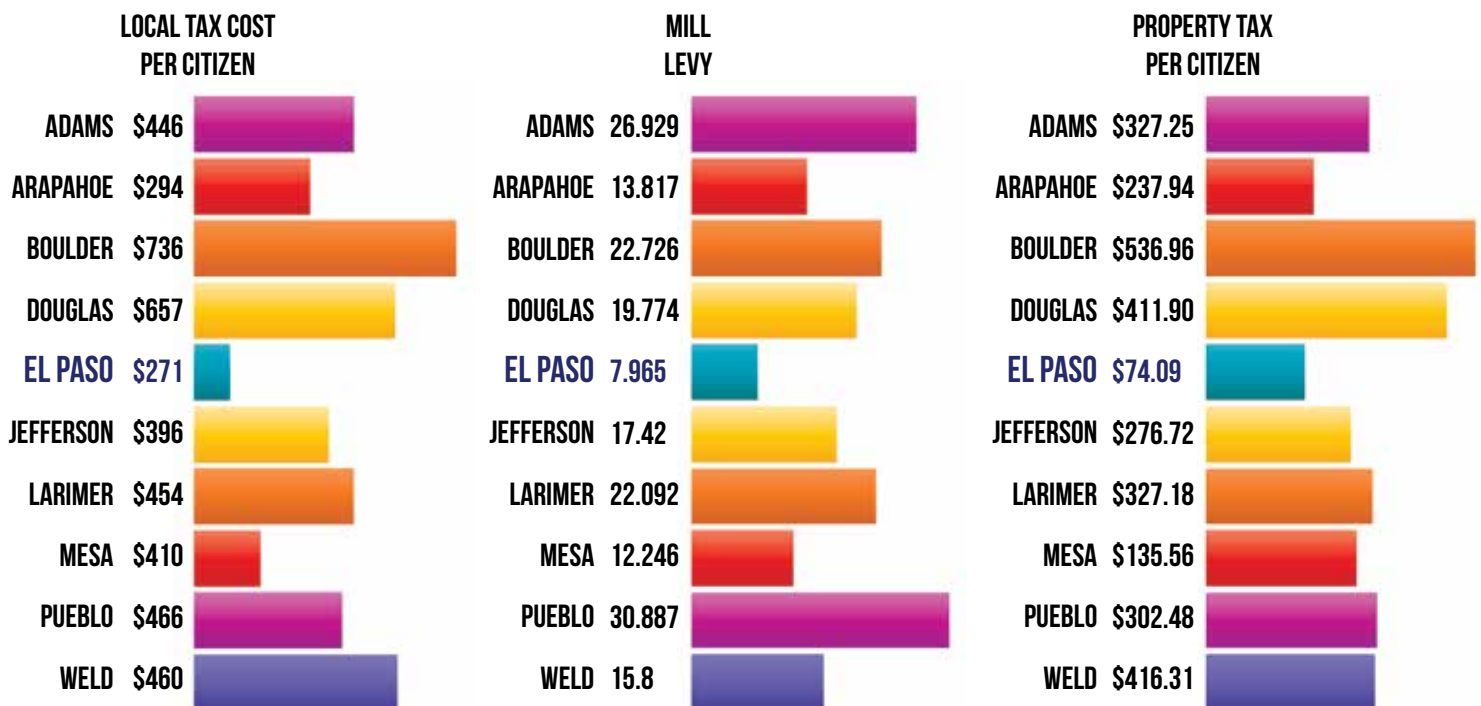
For the 2019 budget, El Paso County continues to use conservative revenue projections, optimize all revenue sources available through state, federal and other grant opportunities and review all expenditures in order to generate underspending to address the backlog of critical needs within the County. Our goals are to establish higher operational and emergency reserves by reserving unanticipated General Fund revenues and General Fund under-spending, address ongoing personnel and operational needs and continue to address capital investment needs including facilities maintenance, information technology infrastructure and fleet replacement. In addition, through collaboration with all County departments and Offices, we identified a unified direction, aligned with our County Strategic Plan, outlining these goals and recognizing our commitment to meeting current and future needs.

El Paso County continues the five-year plan to further invest in human capital, as well as to reinvest in County operations for the 2019 budget. This provided an allocation of \$7.5 Million for high impact road infrastructure, \$3.9 Million for a 2% Cost of Living Adjustment and merit increases, and an additional \$3.7 Million for critical infrastructure, operating and personnel needs. While revenue is projected to increase in the 2019 budget, it will take at least five to seven years of favorable economic conditions and continued increases in core revenues to restore adequate funding for base level operations. Additionally, El Paso County anticipates the need for continued expenditures to improve infrastructure, provide additional investment in human capital and additional investment in roads and is working diligently to retain as much funding in emergency reserves as possible. The County is committed to providing sound and viable financial options that will only continue to improve our overall financial condition and fiscal health.

Voter approval of the dedicated Public Safety Sales and Use Tax, effective in budget year 2013, was a critical step in the right direction to aid in funding critical public safety needs and this revenue source has addressed a backlog of personnel, facilities and equipment needs directly related to Public Safety. Prior to voter approval of this dedicated funding stream, critical needs of the Sheriff's Office alone represented over 80% of the entire County's critical operational budget needs. The approval of this funding allowed the County to address a backlog of other needs via our Five-Year Financial Road Map and conservative revenue projections as well as spending controls have enabled us to address many difficult budget challenges. In 2018, the County brought forward a measure to the voters to extend the dedicated Public Safety Sales & Use Tax, which was to sunset on January 1, 2021. The voters overwhelmingly approved this measure, extending the .23% sales tax until January 2029 to fund public safety, law enforcement, and emergency response needs.

DEPARTMENT/OFFICE	CRITICAL NEED	CNS-ON-GOING	CNS-ONE-TIME	TOTAL NEEDS
INVEST IN HIGH IMPACT ROAD INFRASTRUCTURE	ADDITIONAL ON-GOING	7,500,000		7,500,000
COUNTY WIDE - INVEST IN HUMAN CAPITAL	EQUITY ADJUSTMENTS PER SALARY STUDY - 2019	1,365,118		1,365,118
COUNTY WIDE - INVEST IN HUMAN CAPITAL	PAY FOR PERFORMANCE/COLA (2%) - 2019	2,535,788		2,535,788
BOARD OF COUNTY COMMISSIONERS	STATUTORY PAY INCREASE W/FICA, RETIREMENT	77,583		77,583
COUNTY-WIDE ELECTED OFFICIALS	STATUTORY PAY INCREASE W/FICA, RETIREMENT	206,978		206,978
COMMUNITY SERVICES - COMMUNITY OUTREACH	PRETRIAL SERVICES PROGRAM (100%)	100,000		100,000
COMMUNITY SERVICES - PARKS	DEDICATED FOREST MANAGEMENT FUNDS	100,000		100,000
COMMUNITY SERVICES - PARKS	MAJOR MAINTENANCE FUNDS	100,000		100,000
COMMUNITY SERVICES - PARKS	PARK MAINTENANCE POSITIONS (4)	100,000		100,000
INFORMATION TECHNOLOGY	SOFTWARE/HARDWARE	350,000		350,000
FSIM - FACILITIES	MAINTENANCE TECHS (3)	135,000		135,000
CORONER	ADDITIONAL FORENSIC PATHOLOGIST - ACCREDITATION REQUIREMENT	140,000		140,000
COUNTYWIDE	NEIGHBORHOOD & HOMELESS CAMP CLEANUPS	25,000		25,000
DEPT OF PUBLIC HEALTH	INCREASE FOR COUNTY SUPPORT TO PUBLIC HEALTH	200,000		200,000
INFORMATION TECHNOLOGY	INFORMATION SECURITY PROGRAM	760,000	340,000	1,100,000
INFORMATION TECHNOLOGY	MICROSOFT OFFICE LIFECYCLE REPLACEMENT PROGRAM	600,000		600,000
COUNTYWIDE FACILITY NEEDS	MAJOR FACILITY IMPROVEMENTS (10 YR ONE-TIME)	250,000		250,000
COUNTYWIDE FACILITY NEEDS	ADA REQUIRED IMPROVEMENTS		167,299	167,299
DISTRICT ATTORNEY	DEP DIST ATTY II FOR JUV DIV	55,600		55,600
DISTRICT ATTORNEY	INVESTIGATOR	45,197		45,197
DISTRICT ATTORNEY	SR. PARALEGAL	36,490		36,490
DISTRICT ATTORNEY	STAFF TO SUPPORT NEW JUDGES (9)	187,932		187,932
TOTAL		14,870,686	507,299	15,377,985

COLORADO 10 COUNTY COMPARISONS FOR 2018



THE 10-COUNTY BUDGET SURVEY IS A COLLECTION OF DATA PRODUCED BY TEN LARGE COUNTIES IN COLORADO.
THE DATA IS BASED ON 2018 ADOPTED BUDGETS, AS PROVIDED BY PARTICIPATING COUNTIES.

COUNTY AWARDS

Twelve County employees were honored by The Board of El Paso County Commissioners for receiving the 2018 Innovation Awards.

This year's award is the fifth installment of the El Paso County Innovation Awards. The program recognizes County employees who create an innovation which results in significant cost savings to taxpayers, improves customer service, improves a process, or address an unmet need.

"Many great ideas were nominated, but I would like to congratulate those who worked on the three projects being recognized today," said Board Vice-Chair Longinos Gonzalez. "Each of your contributions showcase what we feel sets apart our organization: our commitment to providing excellent service in a fast, efficient, and cost-effective way to our citizens."

Zach Knight, from the Department of Public Works, developed the Removable Bridge Working/Safety Platform to address safety issues County employees face when working on a bridge deck replacement. Safety concerns include the bridge height, waterway conditions, and the nature of repair work. Zach's lightweight and sectionalized platform can be directly placed on the structural I-beams and greatly reduce the fall-zone. The benefits of Zach's innovation are the removal of a hazardous fall-zone while completing bridge replacement work and the incorporation of safety features which ensure

the platform can be locked in place or easily moved as work on a bridge progresses. In addition to this award, Zach Knight has won multiple other awards—including national recognition—for the same innovation.

Joel Quevillon received the award for his marketing work on behalf of the El Paso County Fair. Joel, from the County's Public Information Office, was the team leader for a new marketing committee that was formed to better serve the marketing needs of the Fair and fair grounds.



2018 ACHIEVEMENT AWARDS

**DEPARTMENT OF HUMAN SERVICES:
NATIONAL ASSOCIATION OF COUNTIES FOR ELIGIBILITY ASSISTANCE**

**PLANNING AND COMMUNITY SERVICES DEPARTMENT:
NATIONAL ASSOCIATION OF COUNTIES FOR EDARP WEB PORTAL**

**ASSESSOR STEVE SCHLEIKER:
DOWNTOWN STAR FOR ASSESSOR'S WEBSITE UPGRADES**

**EL PASO COUNTY:
DEPARTMENT OF THE ARMY, COMMUNITY PARTNERSHIP AWARD
FOR THE CHEYENNE MOUNTAIN SHOOTING RANGE**

Joel's leadership and innovation resulted in surpassing the 2018 attendance goal by 5,600 people for a total of 30,600 attendees.

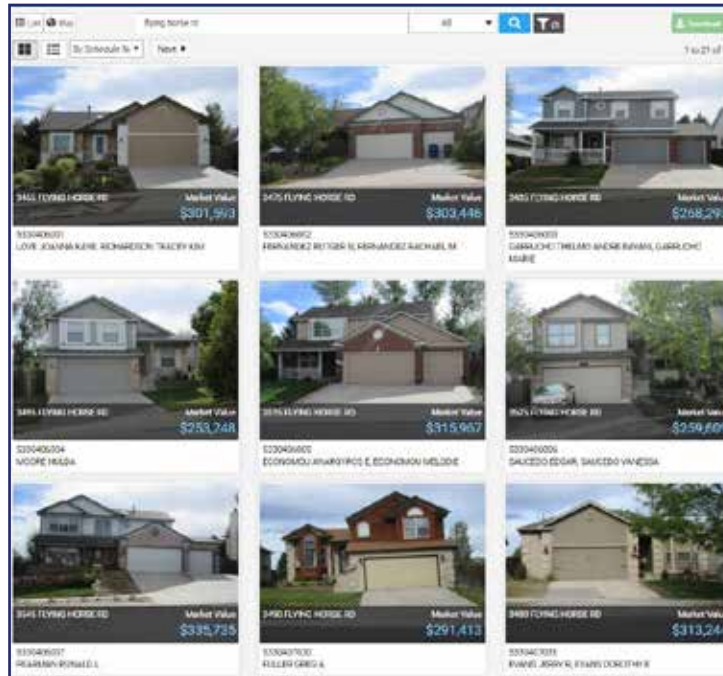
Department of Human Services staff, Chris Garvin, Karen Logan, Andrew Bunn, Elaine Johnsen, Rachel Kline, Samantha Montmeny, Brian Grise, Connie McLaughlin, Jenna Gray, and Kristina Iodice, received the award for their work on the DHS program "HSConnects." The nominated team includes County Employees from both the Department of Human Services and County Financial Services. The HSConnects system improves the efficiency of food assistance and eligibility systems by streamlining practices and producing faster outcomes for clients. The team's innovation and hard work resulted in a streamlined process for food assistance and Health First Colorado (Medicaid).

El Paso County Assessor Steve Schleiker and his team made the office's website even more user friendly, adding a new "Property Record Card" and "Citizen Comper" to the already robust portal. The Record Card and Comper will compliment the site that already serves citizens with its highly interactive "My Community" hub.

El Paso County Assessor Steve Schleiker said, "We are one of the largest counties in Colorado and get millions of hits a year on our current website, but we need to offer our residents more. The upgrades provide a modern interface and offer a wealth of functionality for both the casual or professional user. With more and more users accessing services in non-traditional methods it is important that the Assessor's Office respond to that demand."

The newly redesigned site with the Property Record Card and Citizen Comper makes parcel and property searches more informative and easier to use. It consolidates parcel and property details into a single, user-friendly source of reliable information. The website continued a trend set by My Community with a highly visual format using photography and interactive mapping with real-time updates and edits.

The site is easy to use and understand while giving



ASSESSOR'S WEBSITE PROVIDES A MODERN INTERFACE.

citizens and professionals much easier access to building and land details, deeds, permits and treasurer tax information, printable property records and complete parcel information to aid in day-to-day tasks as well as making the property valuation appeal process quick and easy.

"The old website was built in the 90s on an old legacy platform which has become obsolete," Schleiker said. "You had to click between five to 10 different hyperlinks to get all the information on a property and print each page out."

"You are now getting all the property information on one page. That information can be dragged and dropped into an appraisal report or real estate report," Schleiker said. "Some of the major users of the website are from the real estate community—real estate agents, brokers, appraisers, and those in the insurance industry. Developers and investors also use the website."

Executive Director of Planning and Community Development, Craig Dossey said, "Our department uses the Assessor's website more than any other department in the County. We are using it at the front counter. We are using it in meetings. We are using it for research and for writing staff reports. Our staff interacts with the website and those records all day, every day."





EL PASO COUNTY
200 SOUTH CASCADE AVENUE
COLORADO SPRINGS, CO 80903

WWW.ELPASOCO.COM