

Comprehensive Annual Financial Report

For the year ended December 31, 2018



El Paso County, Colorado

EL PASO COUNTY, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2018

Prepared by:

Financial Services, Finance Division

Sherri Cassidy, CPFO, Chief Financial Officer
Nikki Simmons, CPA, CPFO, Controller
Debbie Perry, Finance Manager
Roni Hency, CPA, Accounting Manager
Liz Stokes, CPA, Accounting Supervisor
Jodi Pinell, Accounting Supervisor
Dana Reza, Sr. Accountant
Craig Ross, Sr. Accountant
Justine Tabar, Accountant
Pat Morel, Accountant
Michelle VanVleet, Accountant
Kieu Bugg, Accountant
Julie Cole, Accountant

EL PASO COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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I. INTRODUCTORY SECTION



Commissioners:
Mark Waller (Chair)
Longinos Gonzalez, Jr. (Vice-Chair)

Holly Williams
Stan VanderWerf
Cami Bremer

Financial Services Department

Budget, Contracts & Procurement, Employee Benefits, and Finance

Sherri L. Cassidy, CPFO, Chief Financial Officer

June 25, 2019

Transmittal Letter

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

State law requires that every general-purpose local government publish a complete set of audited financial statements annually. Publishing of this report is to fulfill that requirement for the fiscal year ended December 31, 2018.

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.

RubinBrown LLP, our external independent auditor, issued an unmodified (“clean”) opinion on El Paso County’s financial statements for the year ended December 31, 2018. 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. The MD&A complements 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 2018 population estimates from the Colorado Department of Local Affairs has El Paso County’s population estimated at 713,856. El Paso County is ranked as the second largest populated 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.

200 S. Cascade Avenue, Suite 150
Office: (719) 520-6400
www.elpasoco.com



Colorado Springs, CO 80903
Fax: (719) 520-6486



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, enabled the County to build an operational savings, which got the County through the leanest financial years because of the Great Recession. Sustainability and strategic investments in our future have been highlighted throughout the 2019 budget process. Lessons learned from the County's tumultuous ten-year budget history demonstrated the need and provided the foundation for the development of the rolling five-year financial road map endorsed by the Board of County Commissioners in 2015, and re-evaluated annually.

The five-year financial roadmap clearly outlines that it will take at least five years of good economic conditions and continued increases in core revenue sources to invest back into the County's base level of operations.

Major initiatives

In 2018, the County brought forward a measure to the voters to extend the dedicated Public Safety Sales and Use Tax, which was to sunset January 1, 2021. This measure initially was brought forward to address a backlog of personnel, facilities and equipment needs directly related to Public Safety. The voters overwhelmingly approved extending this measure in 2018, thus extending the 0.23% sales tax until January 2029 to fund public safety, law enforcement, and emergency response needs. In 2018, the County updated a 2015 salary survey. This survey confirmed that many County employees were being paid below the minimum salary range for similar positions, resulting in employee turnover and higher costs of personnel hiring and training. We began addressing this need in 2017 based off of the 2015 salary survey but continued addressing it further in 2018 after the survey was updated. Beginning in 2017, the County has made investments in local roads a high priority in its budget process, ensuring funds are allocated to road maintenance and infrastructure as funds are available.



Awards and Acknowledgments

El Paso County received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for the years 1990 through 1999, 2005 through 2008 and 2010 through 2017. In order to be awarded a Certificate of Achievement; the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Financial Services Department. We wish to express our appreciation to all members of 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,

Amy Folsom

County Administrator

Sherri Cassidy, CPFO

Chief Financial Officer



Government Finance Officers Association

**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, 2017

Christopher P. Morrell

Executive Director/CEO

**El Paso County Colorado
Elected and Appointed Officials
December 31, 2018**

Commissioners

President	Darryl Glenn - District 1
President Pro Tempore	Mark Waller - District 2
Commissioner	Stan VanderWerf - District 3
Commissioner	Longinos Gonzalez Jr. - District 4
Commissioner	Peggy Littleton - District 5

Elected Officials

Assessor	Steve Schleiker
Clerk and Recorder	Chuck Broerman
Coroner	Dr. Robert C. Bux
District Attorney	Dan May
Sheriff	Bill Elder
Surveyor	Lawrence Burnett
Treasurer	Mark Lowderman

State Appointed Officials

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

Board of County Commissioners Appointed Officials

County Administrator	Henry Yankowski
County Attorney	Amy R. Folsom
Executive Director, Pikes Peak Workforce Center	Traci Marques



Commissioner Districts El Paso County, Colorado

Commissioner Districts

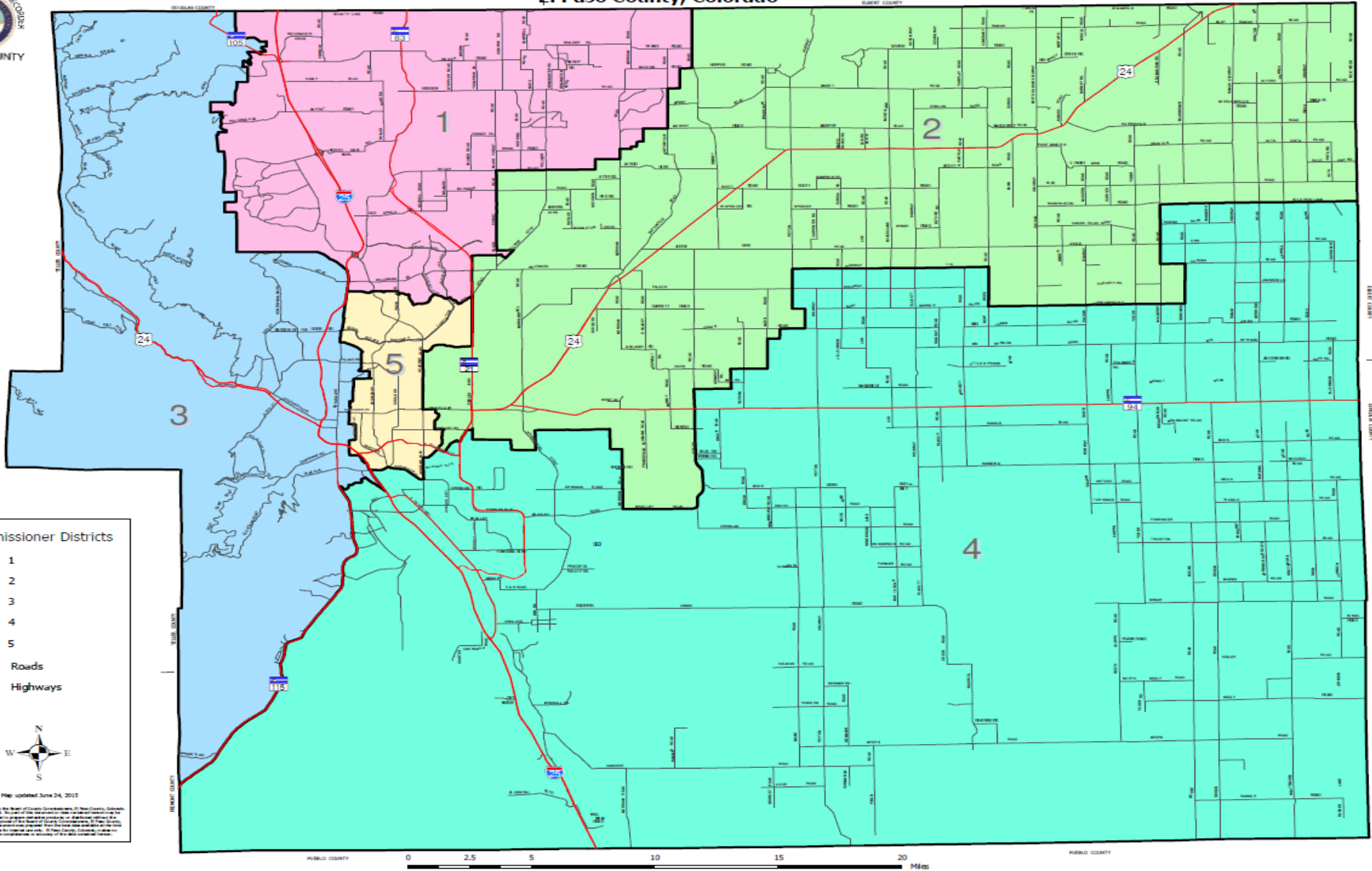
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- 2
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- 5

Roads
Highways



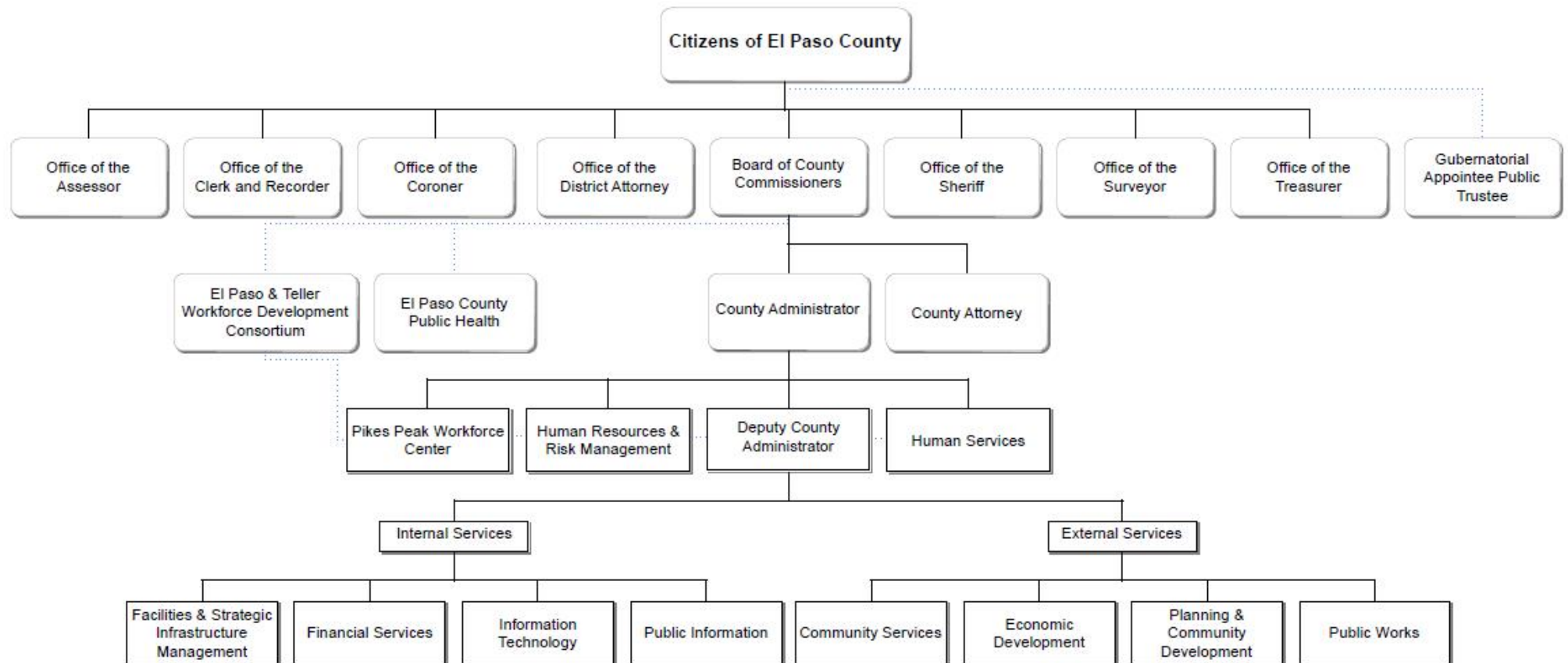
Map updated June 24, 2017

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El Paso County Organizational Chart



Lines of Control —————

Lines of Coordination - - - - -

II. FINANCIAL SECTION

Independent Auditors' Report

Board of County Commissioners
El Paso County
Colorado Springs, Colorado

Report On The Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 Retirement Plan, which is reported as the pension trust fund, and the financial statements of the El Paso County Housing Authority, which represents 42% of assets and deferred outflows of resources and 3% of revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the El Paso County Retirement Plan and the El Paso County Housing Authority, is based solely on the reports of the other auditors. We, and the other auditors of the El Paso County Housing Authority, 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. The financial statements of the El Paso County Retirement Plan were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matters

Adoption of New Accounting Standard

As discussed in Note D.4, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

Correction of an Error in Previously Issued Financial Statements

As discussed in Note A.4, the beginning fund balance of the capital projects fund and the governmental net position of the County have been restated to correct misstatements. Our opinion is not modified with respect to this matter. As part of our audit of the financial statements, we also audited the adjustments described in Note A.4 that were applied to restate the beginning balances. In our opinion, such adjustments were appropriate and have been properly applied.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 32, budgetary comparison schedules on pages 98 through 102, the schedule of the County's proportionate share of the net pension liability and the schedule of the County's contributions and related ratios on pages 103 and 104 and the schedule of changes in the sponsor's net OPEB liability and related ratios on page 105 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, which 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules; the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; the Local Highway Finance Report and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules; the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the reports of the other auditors, the combining and individual fund financial statements and schedules; the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

June 25, 2019

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 years' 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, 2018. Please read it in conjunction with the County's financial statements, which begin on page 35, as well as the transmittal letter.

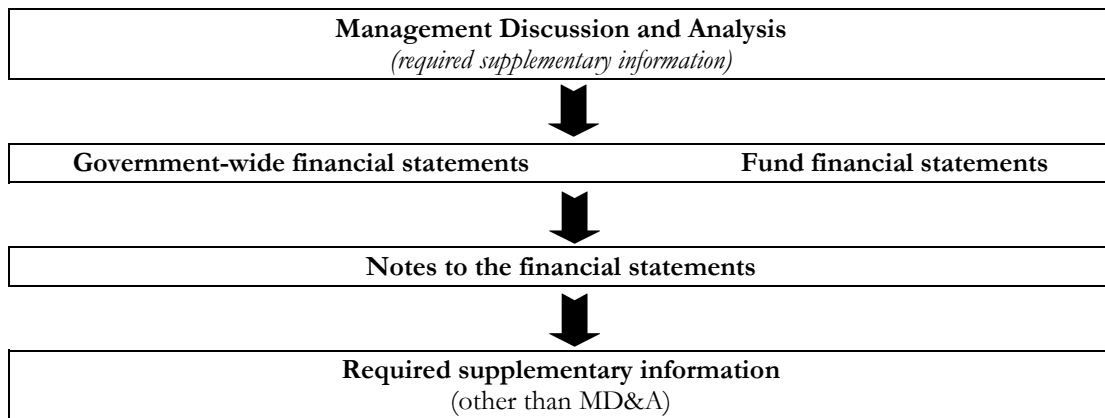
Financial Highlights

- The County's total assets remained relatively unchanged during the year, increasing only 2% in comparison to 2017. The County experienced an increase of \$20.6 million in cash. Restricted cash decreased \$12.6 million. A significant portion of the increased cash is due to \$7.5 million for the I-25 TIGER Grant match budgeted in 2018 not yet remitted to the State of Colorado as of December 31, 2018, and increased funds for projects in process in the Road and Bridge Fund. The County experienced a \$198.9 million increase in Deferred Outflows. A portion of this increase, \$49.3 million is attributed to the new reporting requirements required under GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB). Another significant portion of this increase, \$149.7 million, was due to the increased deferred outflow - related to pension. This change was directly tied to the decrease in the stock market we experienced at year-end which directly corresponded to our entries for the pension.
- A large portion of the County's 57% increase in total liabilities was due to the new net OPEB liability of \$136.9 million that was added to total liabilities due to implementation of GASB 75. Another portion of the increase in total liability the County saw was a \$197.3 million increase in the net pension liability. GASB 75 also required a new deferred inflow to be added related to OPEB. This item increased deferred inflows by \$6.3 million. We saw a fairly significant decrease in deferred inflow - related to pension of \$3.9 million or 75%.
- In comparing the 2018 Statement of Activities to 2017, total governmental revenues increased less than 1%. The County saw a \$3.3 million increase in property taxes, \$2.2 million increase in highway users tax, \$1 million increase in investment earnings along with a \$5.6 million decrease in sales tax reflected in the Statement of Activities. In actuality, the 2017 Statement of Activities had additional sales taxes from 2016 which could not be recorded in 2016 due to being over the TABOR cap. They were subsequently recorded in 2017 when the voters approved a ballot measure allowing the County to retain the sales taxes. If we were to remove the effect of the TABOR overage sales tax entries from both 2017 and 2018, there would be an overall increase in sales tax collections.

- Expenditures in the General Fund increased by \$12.6 million when comparing 2017 to 2018 which reflects a 7% increase in expenditures. A portion of this increase was due to personnel costs, in which the County's personnel budget grew 2% for a cost of living increase in addition to an equity increase of approximately 1%. This personnel increase accounts for approximately \$4.2 million of the \$12.6 million in expenditures. Additionally, \$6 million is due to a transfer of voter approved TABOR retention funds from general fund to Road and Bridge fund.
- The County's total governmental fund balance increased \$10.7 million during 2018, which equates to a 13% increase. General Fund increased \$12.5 million which is primarily due to \$7.5 million of funds which are committed and restricted for match on the TIGER Grant to expand I-25 from Monument to Castle Rock. Road and Bridge Fund increased \$4.9 million mainly due to several projects in process as of December 31, 2018 including \$2.8 million in repairs to the Las Vegas Street Bridge and \$500,000 for an asset management system to help manage the County's infrastructure.

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 Position 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 Position 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 position and how it has changed. You can think of the County's net position, 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 net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating, respectively.
- To assess the overall financial 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 Household Hazardous Waste Fund is included here.

- **Component units** - The County includes four other entities in its report:
 - 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 members 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.
 - El Paso County Public Health 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 covenants of our Certificates of Participation.
- 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 statements, 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. El Paso County's Enterprise fund is the Household Hazardous Waste Fund.
- Internal Service funds are used to report activities that provide supplies and services for the County's other programs and activities. El Paso County's only internal service fund is the Self Insurance Internal Service Fund.

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 position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) concerning El Paso County's General Fund, Road and Bridge Fund, and Human Services Fund Budget to Actual information, a Budget-to-GAAP Reconciliation, a schedule of funding progress for the OPEB benefits to our employees, as well as information related to the County's share of the net pension liability. Immediately following the RSI is the Other Supplementary Information (OSI), which includes budget to actuals for special revenue funds, proprietary funds, fiduciary funds, as well as combining statements for agency funds.

Following the OSI, a schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures for the Human Services Fund is presented, in addition to the Highway Finance Report. Following this miscellaneous information is the Statistical Section, which provides information regarding financial trends, revenue capacity, debt capacity, demographic and economic information, as well as operating information.

Financial Analysis of the County as a Whole

Net position is one measure of the County's financial position. Over time, this value can help assess the County's overall financial health.

Net Position - The County's combined net position was \$225.9 million in 2018. Looking at the net position and net expenses of governmental and business-type activities separately, however, two very different stories emerge. The table on the following page focuses on the net position and changes in net position of the County's governmental and business-type activities.

El Paso County's Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 186.8	\$ 177.9	\$ 1.1	\$ 1.0	\$ 187.9	\$ 178.9
Capital assets	527.4	522.5	1.1	1.2	528.5	523.7
Total assets	714.2	700.4	2.2	2.2	716.4	702.6
Deferred outflows of resources						
Deferred loss on refunding	2.2	2.3	-	-	2.2	2.3
Deferred outflows-related to OPEB	49.3	-	0.1	-	49.4	-
Deferred outflows-related to pension	154.3	4.9	0.3	-	154.6	4.9
Total deferred outflows of resources	205.8	7.2	0.4	-	206.2	7.2
Long-term debt outstanding	591.3	364.8	1.0	-	592.3	364.8
Other liabilities	42.6	40.3	0.1	-	42.7	40.3
Total liabilities	633.9	405.1	1.1	-	635.0	405.1
Deferred inflows of resources						
Deferred revenue-property taxes	54.0	52.6	-	-	54.0	52.6
Deferred inflow - related to OPEB	6.3	-	-	-	6.3	-
Deferred inflow - related to pension	1.3	5.2	-	-	1.3	5.2
Total deferred inflows of resources	61.6	57.8	-	-	61.6	57.8
Net position						
Net investment in capital assets	403.9	402.1	1.1	1.2	405.0	403.3
Restricted	39.2	56.6	-	-	39.2	56.6
Unrestricted	(218.7)	(214.0)	0.4	0.6	(218.3)	(213.4)
Total net position	\$ 224.4	\$ 244.7	\$ 1.5	\$ 1.8	\$ 225.9	\$ 246.5

For detailed information please see the Statement of Net Position on page 37.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation to the fund financial statements.

Net Results of Activities - which will affect (increase/decrease) current assets and unrestricted net position.

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 net investment in capital assets.

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 position and increase net investment in capital assets.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and net investment in capital assets. The net position of the County's governmental activities was \$224.4 million for 2018. The largest portion of the County's net position, \$403.9 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used

to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Since all of these assets are tied up as capital, they are not available to finance day-to-day operations.

Net Position - Restricted net position of \$39.2 million has limited purposes, as a result the funds are also not available to finance day-to-day operations. A portion of restricted net position is the TABOR requirement 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, 2018 is \$7.5 million.

The unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position shows a \$218.7 million deficit at the end of the year. The largest portions of this deficit are the Other Post Employment Benefits (OPEB) liability of \$136.9 million that we are required to show, compensated absences liability of \$16.8 million, as well as a net pension liability of \$316 million. The County pays its OPEB and compensated absences annually on a "Pay-as-you-go" basis. Removing the OPEB, compensated absences, and net pension liabilities from the unrestricted net position results in a \$251 million unrestricted balance.

Changes in Net Position - The County's total governmental revenues were \$344.9 million for 2018. Approximately 10.8% of the County's revenues come from charges for services, 33.7% from operating and capital grants, 15.1% from property taxes, 33.2% from sales taxes; and 7.2% from other taxes and revenues. The total cost of all governmental programs and services was \$345.6 million.

Changes in El Paso County Net Position (in millions)							
	Governmental Activities		Business-Type Activities		Total Primary Government		
	2018	2017	2018	2017	2018	2017	
REVENUES							
Program revenues							
Charges for services	\$ 37.3	\$ 38.4	\$ 1.3	\$ 1.2	\$ 38.6	\$ 39.6	
Operating grants	96.0	87.0	-	-	96.0	87.0	
Capital grants	20.2	18.3	-	-	20.2	18.3	
General revenues							
Property taxes	52.2	48.9	-	-	52.2	48.9	
Sales tax	114.4	120.0	-	-	114.4	120.0	
Other taxes	22.7	20.5	-	-	22.7	20.5	
Other revenues	2.1	1.1	-	-	2.1	1.1	
Total revenue	344.9	334.2	1.3	1.2	346.2	335.4	
EXPENSES							
General government	85.8	65.3	-	-	85.8	65.3	
Public safety	117.7	113.5	-	-	117.7	113.5	
Public works	40.0	34.8	-	-	40.0	34.8	
Health and welfare	90.8	91.3	-	-	90.8	91.3	
Culture and recreation	5.2	4.4	-	-	5.2	4.4	
Auxiliary services	0.7	0.7	-	-	0.7	0.7	
Outside agencies	-	-	1.3	1.0	1.3	1.0	
Interest on long term debt	5.4	6.0	-	-	5.4	6.0	
Total expenses	345.6	316.0	1.3	1.0	346.9	317.0	
Increase (decrease) in net position	(0.7)	18.2	-	0.2	(0.7)	18.4	
Beginning Net Position	225.1	226.7	1.5	1.8	226.6	228.5	
Ending Net Position	\$ 224.4	\$ 244.8	\$ 1.5	\$ 1.8	\$ 225.9	\$ 246.6	

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.

Change in Authorized Personnel - changes in services demand or decisions to outsource services 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.

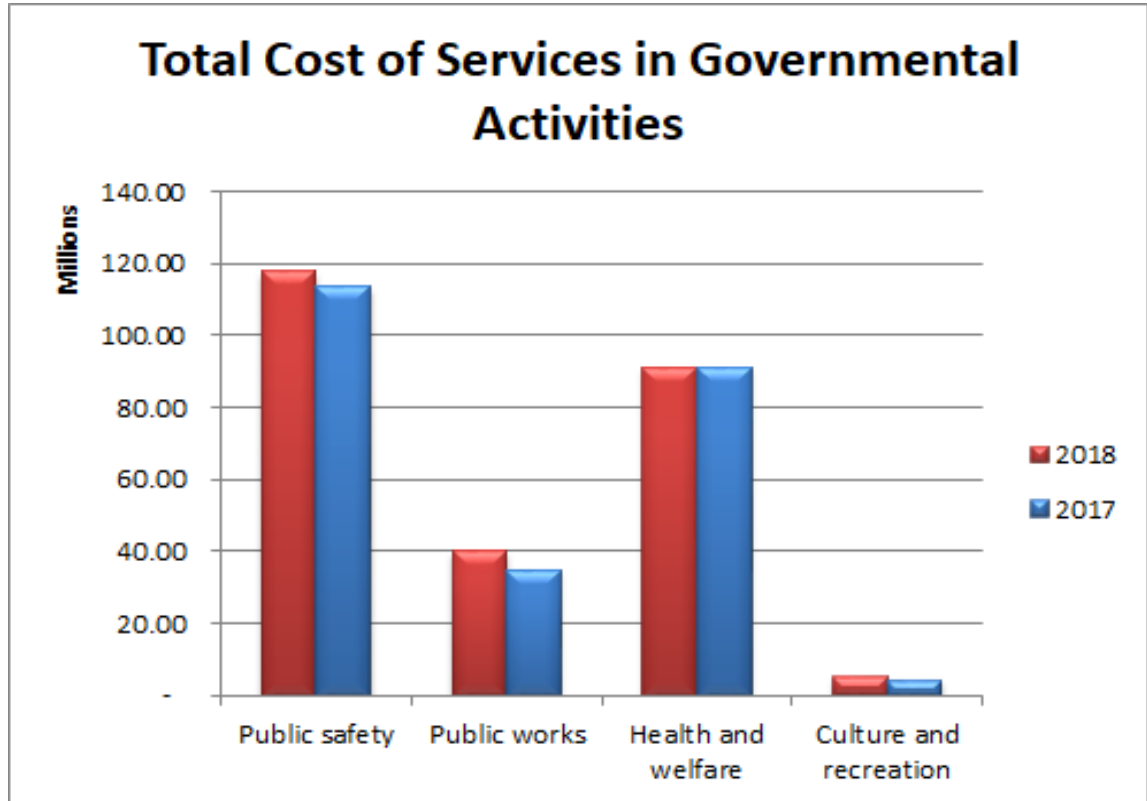
The table on the following page presents the cost of each of the County's four largest programs - Public Safety, Public Works, Health and Welfare, and Culture and Recreation - as well as each program's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

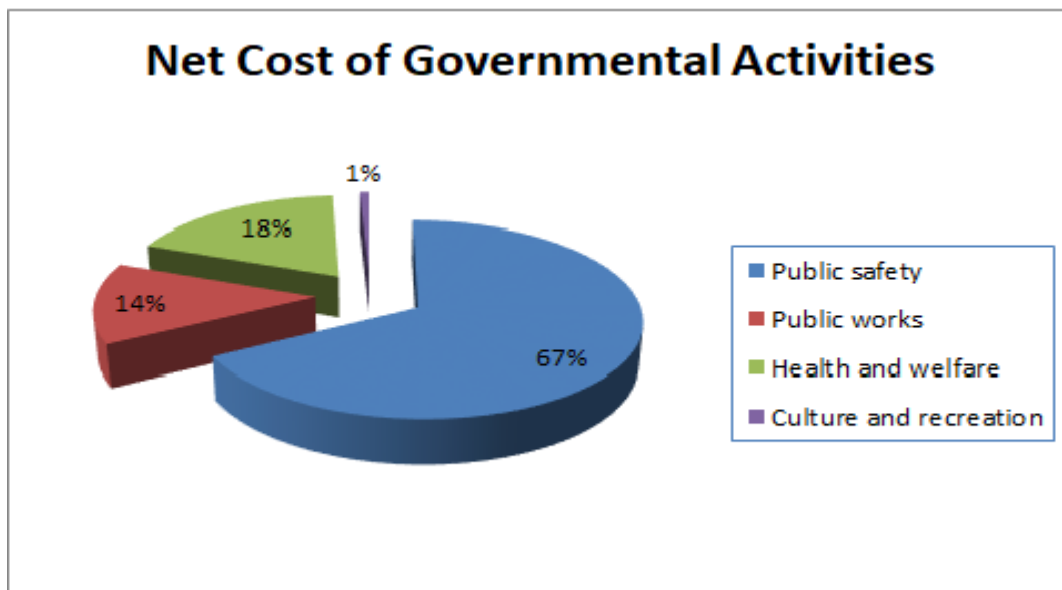
Some of the cost was paid by those who directly benefited from the programs, or other governments and organizations that subsidized certain programs with grants and contributions.

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

	Total Cost of Services		Net Cost (Revenue) of Services	
	2018	2017	2018	2017
Public safety	\$ 117.7	\$ 113.5	\$ 96.0	\$ 94.8
Public works	40.0	34.8	19.5	16.9
Health and welfare	90.8	91.3	26.4	28.2
Culture and recreation	5.2	4.4	1.1	1.9
Total	<u>\$ 253.7</u>	<u>\$ 244.0</u>	<u>\$ 143.0</u>	<u>\$ 141.8</u>

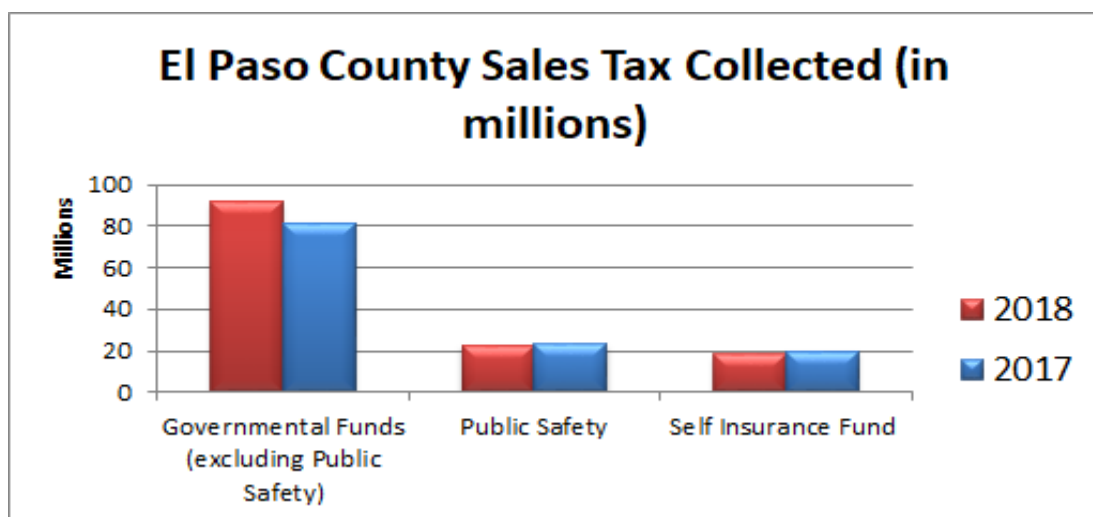
When comparing 2017 to 2018, Public Safety total cost of services increased \$4.2 million due to increased cost to run the jail, including significant increases in the inmate medical and food contracts. The increase in Public Works of \$5.2 million was primarily due to an intentional reinvestment in roads maintenance and repair during the 2018 budgeting process, which included a \$6 million allocation from the 2017 TABOR ballot initiative.





Sales Tax Revenue - Sales Tax Revenue in the governmental funds can appear to change significantly from year to year depending on how much sales and use tax revenue is allocated to our Internal Service Fund, which is not shown in the governmental funds financial statements. The following table provides a better analysis of sales tax revenue for the entire County compared to 2017. Below is a table showing total sales tax collections for the County as a whole:

(in millions)	2018	2017
Governmental Funds (excluding Public Safety)	\$ 91.6	\$ 81.6
Public Safety	22.8	23.2
Self-Insurance Fund	18.3	19.7
Total Sales and Use Tax	<u>\$ 132.7</u>	<u>\$ 124.5</u>



Please see Schedule 10, Sales and Use Tax Collections by State Category in the Statistical Section of this report for more information.

Financial Analysis of the County's Funds

At the end of the County's year, governmental funds reported a fund balance of \$94.5 million. This is an increase from 2017 of \$10.7 million. The General Fund saw an increase of \$12.5 million while Road and Bridge saw an increase of \$4.9 million. The increases in General Fund and Road and Bridge were offset by decreases in the Human Services Fund and the Capital Project Fund.

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 \$29.6 million. The County's Fund Balance Policy has set the appropriate fund balance as 0.5% of budgeted property tax, 10% of budgeted unrestricted sales tax, and 5% of all other budgeted unrestricted revenue sources. For the 2019 budget, the required beginning unrestricted fund balance is \$12.9 million. The 2018 ending fund balance is \$16.7 million higher than the required reserve. Also included in the General Fund Restricted Fund Balance is a reserve of \$7.5 million which is restricted under state law (TABOR - Taxpayers Bill of Rights) as an emergency reserve. The remaining amount of the fund balance is restricted funds unavailable for the Board to appropriate other than their designated purposes.

The General Fund balance increased \$12.5 million in 2018. The fund saw a \$3.2 million increase in property taxes, a \$1.8 million increase in sales tax, a \$3.2 million increase in charges for services, and almost a \$1 million increase in investment earnings.

The **Road and Bridge Fund** accounts for construction and maintenance of County roads and bridges financed by property taxes, highway user taxes, and other revenues restricted to use on roads and bridges. At the end of the current fiscal year, the Road and Bridge Fund had a total fund balance of \$21.4 million, which is \$4.9 million higher than 2017, primarily due to an intentional investment in road and bridge maintenance in 2018, and several projects still in progress as of the end of the year including the Chipta Park project, Fountain Mesa and Caballero intersection, Meadowbrook, South Academy overlay and Marksheffel intersection improvements.

The **Human Services Fund** accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and sales taxes. There was a \$2.0 million decrease to fund balance due to planned spending of the fund balance. Revenue in the Human Services Fund decreased \$4.3 million in 2018 as a result of less sale tax revenue in 2018.

The **Capital Project Fund** accounts for financial resources to be used for the acquisition or construction of major capital projects other than those financed by proprietary funds, as well as for payments on annual lease obligations. \$5.8 million of the \$8.0 million fund balance is held in escrow, restricted externally to be used only for payments on our annual lease obligations and construction projects. In 2018, \$2.2 million is assigned for information technology projects scheduled to be completed. The Capital Project Fund balance decreased \$10.6 million mainly due to the refunding of two of the County's certificates of participation and a one time adjustment to reserve accounts.

El Paso County Budgetary Highlights

Over the course of the year, the El Paso County Commissioners revised the County's General Fund Budget with a total of 85 resolutions for a net increase of \$33,042,122. The largest budget resolutions follow and total \$31,624,487. The remaining resolutions combined total \$1,417,635.

- Resolution 18-088 was approved in the amount of \$13,974,793 to reappropriate projects in process that were not yet completed and purchases that have been ordered but not received. These purchases and projects were scheduled to be completed in 2018.
- Resolution 19-54 was approved in the amount of \$6,771,680 to adjust various General Fund budgets for items that were unanticipated earlier in the fiscal year.
- Resolution 18-085 was approved in the amount of \$2,190,894 to appropriate funds from various Restricted General Fund balances to various Restricted General Fund program budgets.
- Resolution 18-325 was approved for \$2,055,000 from the Department of Housing and Urban Development (HUD) in cooperation with the Colorado Department of Public Safety, Division of Homeland Security and Emergency Management (DHSEM) to the Flood Mitigation and Recovery budget for the Chipita Park Road construction project.
- Resolution 18-355 was approved in the amount of \$2,054,289 to revise various General Fund budgets for items that were unanticipated earlier in the fiscal year during the 2018 Original Adopted Budget process.
- Resolution 18-084 in the amount of \$1,798,200 from the Department of Housing and Urban Development (HUD) in cooperation with the Colorado Department of Local Affairs (DOLA) to the Flood Mitigation and Recovery budget for the Riverside Mobile Home Park Relocation Project.
- Resolution 18-159 in the amount of \$850,000 was approved from the Colorado Department of Public Safety, Division of Homeland Security and Emergency Management (DHSEM) to the Flood Mitigation and Recovery budget for the Riverside Mobile Home Park Acquisition Project.
- Resolution 17-399 in the amount of \$603,403 was approved for the Sheriff's Office budget, from the White House Office of National Drug Control Policy for the High Intensity Drug Trafficking Areas (HIDTA) program.
- Resolution 18-200 was approved for \$362,500 from the Colorado Office of Behavioral Health to the Sheriff's Office budget to support the personnel, supplies and equipment needs of the Sheriff's Office Co-Responder Grant program.
- Resolution 18-415 in the amount of \$354,900 was approved from the El Pomar Foundation to the Financial Services Department budget for hail assistance to citizens of El Paso County and Teller County who were impacted by severe weather in July and August 2018.
- Resolution 18-322 was approved for \$305,031 from the Colorado Department of Human Services, Division of Behavioral Health under the contract for jail based behavioral services to the Sheriff's Office budget to support the Reintegration and Recovery Program at the El Paso County Criminal Justice Center.
- Resolution 18-429 in the amount of \$303,797 from the State of Colorado, Division of Criminal Justice to the Office of Community Corrections budget to assist in providing effective alternatives to prison for appropriate offenders.

General Fund Budget-to-Actuals

Due to conservative spending practices, the County ended the year underspending budgeted general fund expenditures by \$35.3 million. A majority of the underspending was reappropriated to the 2019 general fund budget to enable the County to finish projects it started in 2018, which were not completed by December 2018. Resolutions 19-57 and 19-90 reappropriated \$21.1 million to the 2019 budget. In addition, \$7.5 million of the underspending is due to the I-25 TIGER Grant match which had not been remitted to the State of Colorado as of December 31, 2018, and is committed for that purpose.

In the revenue area, the County projected and budgeted for a 13.7% increase in sales taxes. Actual collections were 6.5% higher than 2017. During 2018, the County increased the sales tax allocation to the Self Insurance Fund budget due to increased medical costs. Overall, the County's sales taxes ended with a \$2.7 million positive variance with the budget. Specific Ownership taxes were \$644,545 less than budgeted, due to decreased activity in the Clerk and Recorder's Office.

Capital Assets and Debt Administration

Capital Assets

As of the end of 2018, the County had invested \$995.8 million in a broad range of capital assets, including land, buildings, equipment, infrastructure, park facilities, etc. This table presents capital balances related to governmental funds and internal service funds.

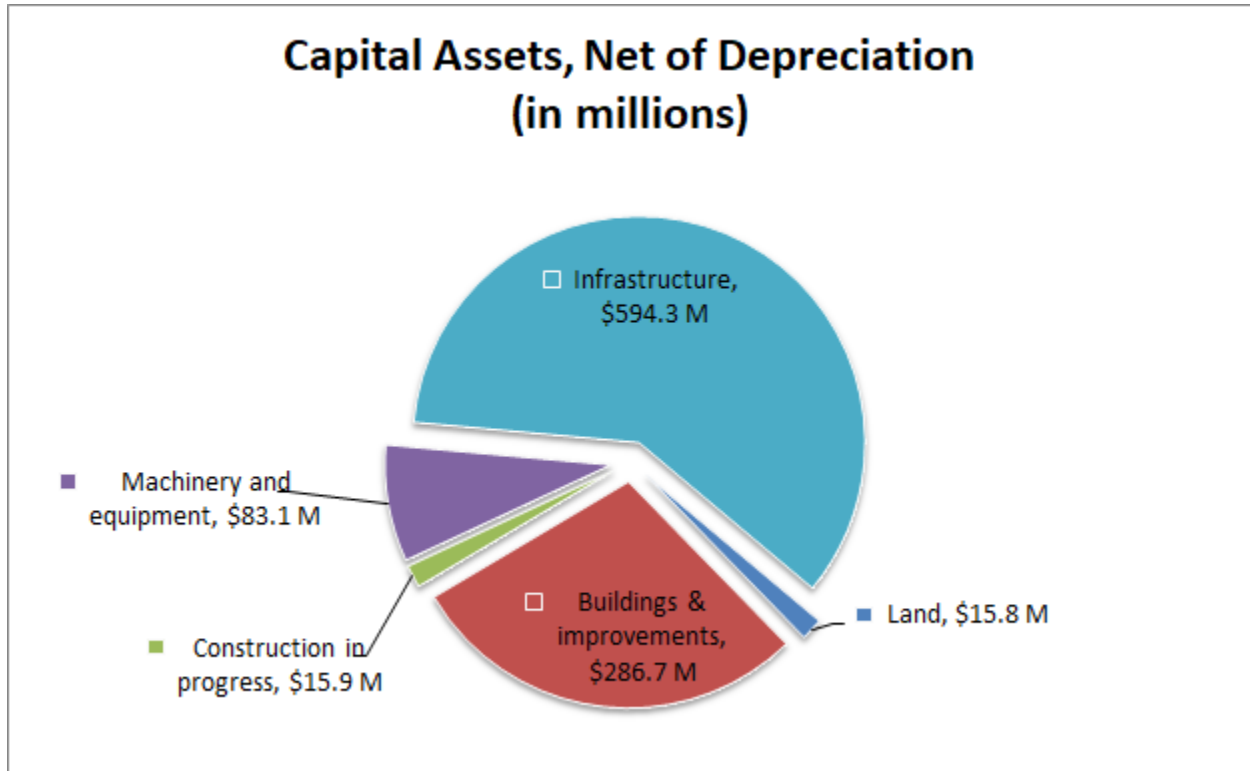
El Paso County Capital Assets			
(in millions)			
Governmental Activities			
	2018		2017
Land	\$	15.8	\$ 15.9
Construction in progress		15.9	11.6
Buildings and improvements		286.7	285.3
Machinery and equipment		83.1	80.1
Infrastructure		594.3	569.7
Total	\$	995.8	\$ 962.6

El Paso County's investments in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$528.5 million (see Note C3). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during 2018 included the following:

- Road & Bridge infrastructure projects of \$4,370,345 completed and \$3,295,037 additional in construction in progress.
- \$1,447,693 was expended for various land and building renovation and improvements.

Reconciliation of Capital Asset Schedules



Amount	Explanation
\$ 995,801,796	Total capital including Governmental & Internal Service Funds
31,847,464	Capital not Depreciated - Governmental & Internal Service Funds
495,542,013	Capital net of Depreciation - Governmental & Internal Service Funds
527,389,477	
31,847,464	Capital not Depreciated - Governmental & Internal Service Funds
963,954,332	Total Capital to Depreciate - Governmental & Internal Service Funds
995,801,796	Total before Depreciation
(468,412,319)	Depreciation
527,389,477	Net of Depreciation
995,482,055	Capital Assets Governmental Only
319,741	Internal Service Fund Capital Assets
\$ 995,801,796	

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 2018, El Paso County had a reduction in long-term debt accounts of \$120.9 million and additions of \$330.6 million resulting in a net increase of \$209.7 million. Of this change \$196.9 million was due to the net increase in the net pension liability. Additional information about El Paso County's long-term debt is presented in the notes to the financial statements, particularly Note C.5A.

In 2017, the County entered into a lease agreement as lessee for financing equipment for the Public Works Fleet Department. 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 equipment is valued at \$3,551,734 and has an eight-year estimated useful life. In 2018, a payment of \$1,280,413 was made on this capital lease and \$228,541 was included in depreciation expense.

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 Financial Services Department's Finance Division, at El Paso County, 200 S. Cascade Ave., Suite 30, Colorado Springs, Colorado 80903. An electronic copy of this report can be found on the County's website <https://admin.elpasoco.com/financial-services/budget-finance/comprehensive-annual-financial-reports/>.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EL PASO COUNTY, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	El Paso County Public Health	The El Paso County Housing Authority
ASSETS					
Cash and investments	\$ 78,551,894	\$ 741,846	\$ 79,293,740	\$ 4,820,908	\$ 6,775,960
Receivables					
Property taxes	54,040,662	-	54,040,662	-	-
Accounts	4,570,185	324,413	4,894,598	9,725	5,848,545
Intergovernmental	36,050,617	-	36,050,617	1,668,748	-
Accrued interest	-	-	-	-	117,862
Inventories	3,074,680	-	3,074,680	-	-
Prepaid expenses	733,912	-	733,912	-	1,710
Restricted cash and investments	5,843,513	-	5,843,513	-	-
Note receivable	3,987,170	-	3,987,170	-	-
Capital assets, not depreciated	31,847,464	-	31,847,464	4,778	-
Capital assets, net of accumulated depreciation	495,542,013	1,122,169	496,664,182	452,698	-
Total assets	714,242,110	2,188,428	716,430,538	6,956,857	12,744,077
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refundings	2,230,034	-	2,230,034	-	-
Deferred outflow - related to OPEB	49,263,452	70,281	49,333,733	1,550,038	-
Deferred outflow - related to pension	154,264,001	342,121	154,606,122	9,513,538	-
Total deferred outflows of resources	205,757,487	412,402	206,169,889	11,063,576	-
LIABILITIES					
Internal balances	(2,615)	2,615	-	-	-
Accounts payable	13,391,803	56,140	13,447,943	400,967	29,697
Due to other governments	2,279,458	-	2,279,458	-	-
Interest payable	501,917	-	501,917	-	-
Accrued liabilities	7,453,955	13,248	7,467,203	327,595	-
Unearned revenue	372,390	-	372,390	1,161,507	-
Noncurrent liabilities					
Due within one year	18,632,384	109	18,632,493	188,496	-
Due in more than one year	138,543,147	69,785	138,612,932	579,100	-
Net pension liability	316,041,467	702,259	316,743,726	19,166,683	-
Net OPEB liability	136,721,102	205,390	136,926,492	4,301,825	-
Total liabilities	633,935,008	1,049,546	634,984,554	26,126,173	29,697
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	54,040,662	-	54,040,662	-	-
Deferred inflow - related to OPEB	6,347,691	9,536	6,357,227	199,725	-
Deferred inflow - related to pension	1,273,132	11,921	1,285,053	218,633	-
Total deferred inflows of resources	61,661,485	21,457	61,682,942	418,358	-
NET POSITION					
Net investment in capital assets	403,907,088	1,122,169	405,029,257	457,476	-
Restricted for:					
TABOR	7,472,975	-	7,472,975	339,472	-
Clerk & Recorder projects	164,502	-	164,502	-	-
Public Safety	13,602,235	-	13,602,235	-	-
Public Works	12,008,053	-	12,008,053	-	-
Culture and Recreation projects	3,647,474	-	3,647,474	-	-
Other Projects	2,305,958	-	2,305,958	-	-
Unrestricted	(218,705,181)	407,658	(218,297,523)	(9,321,046)	12,714,380
Total net position	\$ 224,403,104	\$ 1,529,827	\$ 225,932,931	\$ (8,524,098)	\$ 12,714,380

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	El Paso County Public Health	The El Paso County Housing Authority
Primary government:									
Governmental activities:									
General government	\$ 85,774,721	\$ 29,096,576	\$ 13,716,104	\$ 35,000	\$ (42,927,041)	\$ -	\$ (42,927,041)	\$ -	\$ -
Public safety	117,746,035	6,323,983	14,744,268	694,432	(95,983,352)	-	(95,983,352)	-	-
Public works	39,982,986	398,882	869,895	19,205,198	(19,509,011)	-	(19,509,011)	-	-
Health and welfare	90,784,589	78,801	64,304,181	-	(26,401,607)	-	(26,401,607)	-	-
Culture and recreation	5,220,898	1,416,163	2,384,122	276,000	(1,144,613)	-	(1,144,613)	-	-
Auxiliary services	691,028	-	30,347	-	(660,681)	-	(660,681)	-	-
Interest on long-term debt	5,438,420	-	-	-	(5,438,420)	-	(5,438,420)	-	-
Total governmental activities	345,638,677	37,314,405	96,048,917	20,210,630	(192,064,725)	-	(192,064,725)	-	-
Business-type activities:									
Household hazardous waste	1,313,751	1,262,717	-	-	-	(51,034)	(51,034)	-	-
Total Business-type activities	1,313,751	1,262,717	-	-	-	(51,034)	(51,034)	-	-
Total primary government	346,952,428	38,577,122	96,048,917	20,210,630	(192,064,725)	(51,034)	(192,115,759)	-	-
Component units:									
Public Health	27,038,371	3,532,657	21,171,307	-	-	-	-	(2,334,407)	-
Housing Authority	314,468	144,081	-	-	-	-	-	-	(170,387)
Total component units	\$ 27,352,839	\$ 3,676,738	\$ 21,171,307	\$ -	-	-	-	(2,334,407)	(170,387)
General revenues:									
Taxes:									
Property taxes					52,159,477	-	52,159,477	-	-
Sales taxes					114,433,186	-	114,433,186	-	-
Specific ownership tax					7,444,710	-	7,444,710	-	-
Highway users tax					15,248,690	-	15,248,690	-	-
Investment earnings					2,120,598	11,946	2,132,544	62,277	684,202
Miscellaneous revenue					-	-	-	22,382	-
Total general revenues and transfers					191,406,661	11,946	191,418,607	84,659	684,202
Change in net position					(658,064)	(39,088)	(697,152)	(2,249,748)	513,815
Net position - January 1, restated					225,061,168	1,568,915	226,630,083	(6,274,350)	12,200,565
Net position - December 31					\$ 224,403,104	\$ 1,529,827	\$ 225,932,931	\$ (8,524,098)	\$ 12,714,380

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EL PASO COUNTY, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2018

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Road and Bridge	Human Services	Capital Projects	Conservation Trust	
ASSETS						
Cash and investments	\$ 44,739,362	\$ 22,232,952	\$ 198,170	\$ 2,233,956	\$ 713,835	\$ 70,118,275
Taxes receivable	51,735,801	2,304,861	-	-	-	54,040,662
Accounts receivable	3,209,585	19,050	100	666,351	-	3,895,086
Advances to other funds	2,000,000	-	-	-	-	2,000,000
Due from other funds	2,575,449	194,908	-	-	-	2,770,357
Due from other governments	21,342,715	2,168,726	9,424,220	-	-	32,935,661
Inventories	1,827,543	1,247,137	-	-	-	3,074,680
Prepaid items	523,472	-	-	-	-	523,472
Restricted cash and investments	-	-	-	5,843,513	-	5,843,513
Total assets	<u>127,953,927</u>	<u>28,167,634</u>	<u>9,622,490</u>	<u>8,743,820</u>	<u>713,835</u>	<u>175,201,706</u>
LIABILITIES						
Accounts payable	7,738,390	2,322,546	1,392,099	714,695	6,471	12,174,201
Accrued liabilities	4,892,108	409,147	1,281,053	-	31,788	6,614,096
Advances from other funds	-	-	2,000,000	-	-	2,000,000
Due to other funds	753,821	1,517,603	1,002,561	-	1,502	3,275,487
Due to other governments	273	5,836	2,273,349	-	-	2,279,458
Unearned revenue	45,958	249,461	-	-	-	295,419
Total liabilities	<u>13,430,550</u>	<u>4,504,593</u>	<u>7,949,062</u>	<u>714,695</u>	<u>39,761</u>	<u>26,638,661</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue-property taxes	51,735,801	2,304,861	-	-	-	54,040,662
Total deferred inflows of resources	<u>51,735,801</u>	<u>2,304,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,040,662</u>
FUND BALANCES						
Nonspendable	2,351,015	1,247,137	-	-	-	3,598,152
Restricted	30,845,641	6,008,053	1,673,428	5,843,513	674,074	45,044,709
Committed	6,309,637	5,302,070	-	-	-	11,611,707
Assigned	3,368,046	8,800,920	-	2,185,612	-	14,354,578
Unassigned	19,913,237	-	-	-	-	19,913,237
Total fund balances	<u>62,787,576</u>	<u>21,358,180</u>	<u>1,673,428</u>	<u>8,029,125</u>	<u>674,074</u>	<u>94,522,383</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 127,953,927</u>	<u>\$ 28,167,634</u>	<u>\$ 9,622,490</u>	<u>\$ 8,743,820</u>	<u>\$ 713,835</u>	<u>\$ 175,201,706</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

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

Fund balances - total governmental funds	\$ 94,522,383
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	527,128,666
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 position.	2,245,673
Long-term note receivable from other governments for long-term capital lease.	3,987,170
Deferred outflows of resources are not available resources and, therefore, are not reported in the funds	
Deferred outflow related to pension (GASB 68)	154,264,001
Deferred outflow related to OPEB (GASB 75)	49,263,452
Deferred charge on refundings	2,230,034
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	(501,917)
Compensated absences payable	(16,797,032)
Certificates of participation payable	(124,030,000)
Capital leases payable	(1,896,362)
Unamortized premium	(5,757,108)
Unamortized debt discount	127,536
Net pension liability (GASB 68)	(316,041,467)
Net OPEB liability (GASB 75)	(136,721,102)
Deferred inflow related to pension (GASB 68)	(1,273,132)
Deferred inflow related to OPEB (GASB 75)	(6,347,691)
Net position - governmental activities	<u>\$ 224,403,104</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Major Funds				Non-Major Fund	Total Governmental Funds
	General Fund	Road and Bridge Fund	Human Services Fund	Capital Projects Fund	Conservation Trust	
REVENUES						
Property taxes	\$ 49,992,296	\$ 2,166,236	\$ -	\$ 945	\$ -	\$ 52,159,477
Sales taxes	89,417,673	-	14,655,563	10,359,950	-	114,433,186
Specific ownership taxes	5,063,894	2,380,816	-	-	-	7,444,710
Highway user taxes	-	15,248,690	-	-	-	15,248,690
Intergovernmental	25,586,794	2,157,343	57,408,908	934,161	1,419,164	87,506,370
Fees and fines	317,179	-	-	-	-	317,179
Licenses and permits	2,271,233	-	-	-	-	2,271,233
Charges for services	27,658,412	337,522	77,883	4,419,079	-	32,492,896
Investment earnings	1,973,936	-	-	141,412	9,959	2,125,307
Contributions	10,796,328	50,000	4,100	-	-	10,850,428
Miscellaneous	3,002,393	61,361	-	-	-	3,063,754
Total revenues	<u>216,080,138</u>	<u>22,401,968</u>	<u>72,146,454</u>	<u>15,855,547</u>	<u>1,429,123</u>	<u>327,913,230</u>
EXPENDITURES						
Current:						
General government	70,313,596	-	-	253,201	-	70,566,797
Public safety	104,589,560	-	-	-	-	104,589,560
Public works	-	13,021,839	-	-	-	13,021,839
Health and welfare	10,759,535	-	74,015,602	-	-	84,775,137
Culture and recreation	2,474,363	-	-	-	1,547,439	4,021,802
Auxiliary services	641,598	-	-	-	-	641,598
Debt service:						
Principal	-	-	-	9,542,481	-	9,542,481
Issuance costs	-	-	-	397,116	-	397,116
Interest and other charges	-	-	-	5,373,750	-	5,373,750
Capital outlay	9,090,553	10,505,335	96,237	3,828,369	-	23,520,494
Total expenditures	<u>197,869,205</u>	<u>23,527,174</u>	<u>74,111,839</u>	<u>19,394,917</u>	<u>1,547,439</u>	<u>316,450,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,210,933</u>	<u>(1,125,206)</u>	<u>(1,965,385)</u>	<u>(3,539,370)</u>	<u>(118,316)</u>	<u>11,462,656</u>
OTHER FINANCING SOURCES (USES)						
Issuance of refunding COP debt	-	-	-	28,380,000	-	28,380,000
Payment to refunded COP escrow agent	-	-	-	(32,881,942)	-	(32,881,942)
COP issuance premium	-	-	-	3,531,715	-	3,531,715
Sale of capital assets	249,793	-	2,202	-	-	251,995
Transfers	(6,000,000)	6,000,000	-	-	-	-
Total other financing sources (uses)	<u>(5,750,207)</u>	<u>6,000,000</u>	<u>2,202</u>	<u>(970,227)</u>	<u>-</u>	<u>(718,232)</u>
Net change in fund balances	12,460,726	4,874,794	(1,963,183)	(4,509,597)	(118,316)	10,744,424
Fund balances - January 1, restated	50,326,850	16,483,386	3,636,611	12,538,722	792,390	83,777,959
Fund balances - December 31	<u>\$ 62,787,576</u>	<u>\$ 21,358,180</u>	<u>\$ 1,673,428</u>	<u>\$ 8,029,125</u>	<u>\$ 674,074</u>	<u>\$ 94,522,383</u>

The accompanying notes are an integral part of this statement.

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, 2018

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

Net change in fund balances - total governmental funds	\$ 10,744,424
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:	
Capital outlay	23,520,494
Depreciation	(34,912,544)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. The details of this difference are as follows:	
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	17,902,750
In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(1,646,942)
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 has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums and discounts, and similar items when debt is first issued, whereas, these amounts, except issuance costs, are deferred and amortized in the statement of activities. The details of these differences are as follows:	
Debt issued or incurred:	
Accrued interest payable	(35,174)
Principal repayments on certificates of participation	7,125,000
Issuance of 2018 COP	(28,380,000)
Refunding payment to escrow agent	32,881,942
Premium on issuance of 2018 COP	(427,952)
Payment of capital leases as a reduction of long term debt	2,417,480
Amortization of debt premium	(2,696,143)
Amortization of discount	(14,170)
Deferred outflow on refundings 2016 COP	(67,140)
Deferred outflow on refundings 2018 COP	(8,590)
Deferred loss on refunding for certificate of participation	(149,408)
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 details of these revenues/expenses are as follows:	
Compensated absences	714,782
Accrued interest receivable	(4,709)
Note receivable activity	(631,350)
OPEB income (expense) calculated under GASB 75	17,145,985
Pension income (expense) calculated under GASB 68	(43,664,142)
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 are reported with governmental activities.	(472,657)
Change in net position - governmental activities	<u>\$ (658,064)</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2018

	Business-type Activities Non-Major Enterprise Fund Household Hazardous Waste	Governmental Activities- Self Insurance Internal Service Fund
ASSETS		
Current assets		
Cash and cash equivalents	\$ 741,846	\$ 8,433,619
Accounts receivable	324,413	675,099
Intergovernmental receivable	-	3,114,956
Due from other funds	-	560,663
Prepaid expenses	-	100,000
Deposits	-	110,440
Total current assets	1,066,259	12,994,777
Noncurrent assets		
Capital assets, net of accumulated depreciation	1,122,169	260,811
Total assets	2,188,428	13,255,588
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to OPEB	70,281	-
Deferred outflows - related to pension	342,121	-
Total deferred outflows of resources	412,402	-
LIABILITIES		
Current liabilities		
Accounts payable	56,140	1,217,602
Accrued wages	13,248	13,250
Unearned revenue	-	76,971
Claims payable	-	5,359,791
Flex and HRA payable	-	826,609
Due to other funds	2,615	52,918
Compensated absences	109	-
Total current liabilities	72,112	7,547,141
Noncurrent liabilities		
Claims payable	-	3,462,774
Compensated absences	69,785	-
Net OPEB liability	205,390	-
Net pension liability	702,259	-
Total noncurrent liabilities	977,434	3,462,774
Total liabilities	1,049,546	11,009,915
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	9,536	-
Deferred inflows - related to pension	11,921	-
Total deferred inflows of resources	21,457	-
NET POSITION		
Investment in capital assets	1,122,169	260,811
Unrestricted	407,658	1,984,862
Total net position	\$ 1,529,827	\$ 2,245,673

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities Non-Major Enterprise Funds Household Hazardous Waste	Governmental Activities Self Insurance Internal Service Funds
Operating revenues		
Charges for services	\$ 1,262,717	\$ 21,914,891
Intergovernmental	-	75,398
Total operating revenues	1,262,717	21,990,289
Operating expenses		
Insurance premiums	7,992	4,522,221
Claim settlements	-	31,477,193
Depreciation	47,128	10,131
Administration and operations	1,258,631	5,158,270
Total operating expenses	1,313,751	41,167,815
Operating income (loss)	(51,034)	(19,177,526)
Non-operating revenues/expenses		
Sales tax	-	18,286,430
Investment earnings	11,946	-
Miscellaneous	-	22,213
Insurance recoveries	-	396,226
Total non-operating revenues / expenses	11,946	18,704,869
Change in net position	(39,088)	(472,657)
Net position - January 1, restated	1,568,915	2,718,330
Net position - December 31	<u>\$ 1,529,827</u>	<u>\$ 2,245,673</u>

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, 2018

	Business-type Activities Non-Major Household Hazardous Waste Enterprise Funds	Governmental Activities Self Insurance Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from		
Customers	\$ 1,223,949	\$ (3,038,212)
Interfund services provided	-	28,105,010
Cash payments to or on behalf of		
Employees	(427,428)	(35,999,414)
Suppliers - operating	(401,054)	(4,039,787)
Interfund services used	(419,207)	(215,832)
Net Cash Provided by (Used in) Operating Activities	<u>(23,740)</u>	<u>(15,188,235)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales taxes received	-	18,286,430
Insurance recoveries and other revenue	-	418,439
Contributions	-	-
Net Cash Flows Provided by Noncapital Financing Activities	<u>-</u>	<u>18,704,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	11,946	-
Net Cash Flows Provided by Investing Activities	<u>11,946</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,794)	3,516,631
Cash and cash equivalents - January 1	753,640	4,916,988
Cash and cash equivalents - December 31	<u>741,846</u>	<u>8,433,619</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	(51,034)	(19,177,526)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation expense	47,128	10,131
(Increase) decrease in assets		
Receivable	(38,769)	28,969
Due from other funds	-	6,114,719
Intergovernmental receivables	-	(3,067,180)
Prepaid expenses	-	64,287
Increase (decrease) in liabilities		
Accounts payable	16,440	96,814
Accrued liabilities	-	957,383
Due to other funds	(75,334)	(215,832)
Compensated absences	6,770	-
Accrued pension/OPEB liability	71,059	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (23,740)</u>	<u>\$ (15,188,235)</u>

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Private Purpose Trust Fund	Pension Trust El Paso County Retirement Plan	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 270,922	\$ 5,867,277	\$ 40,502,169
Investments			
Equities:			
Domestic equities and equity funds	-	58,287,527	-
International equity funds	-	123,604,736	-
Fixed income:			
Fixed income funds	-	75,953,866	-
Real estate funds	-	79,817,905	-
Hedge fund of funds	-	17,663,217	-
Total investments	-	355,327,251	-
Receivables			
Securities sold	-	88,972	-
Other	-	423,743	32,084
Total receivables	-	512,715	32,084
Capital assets - net	-	237,262	-
Total assets	270,922	361,944,505	40,534,253
LIABILITIES			
Payable for securities purchased	-	795,136	-
Due to other governments	-	-	13,188,152
Escrow deposits held by Trustee	-	-	1,238,386
Funds due to bondholders	-	-	70,534
Other	-	666,323	26,037,181
Total liabilities	-	1,461,459	40,534,253
NET POSITION			
Net position restricted for pensions and other purposes	\$ 270,922	\$ 360,483,046	\$ -

The accompanying notes are an integral part of this statement.

EL PASO COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

	Private Purpose Trust Funds	Pension Trust El Paso County Retirement Plan
ADDITIONS		
Contributions:		
Employers	\$ -	\$ 12,329,099
Employees	-	13,230,297
Total contributions	-	25,559,396
Charges for services	157,829	-
Other income	-	1,108,794
Investment earnings:		
Net appreciation in fair value of investments	-	(14,519,293)
Interest and dividend income	-	4,936,311
Total investment earnings	-	(9,582,982)
Less investment expenses	-	(1,842,498)
Net investment income	-	(11,425,480)
Total additions	157,829	15,242,710
DEDUCTIONS		
Outside agencies	21,152	-
Benefits	-	34,100,433
Refunds	-	3,489,279
Administrative expenses	-	761,400
Total deductions	21,152	38,351,112
Change in net position	136,677	(23,108,402)
Net position - January 1	134,245	383,591,448
Net position - December 31	\$ 270,922	\$ 360,483,046

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note A – Summary of Significant Accounting Policies

1. Reporting entity

El Paso County, Colorado (the 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 County is considered financially accountable. The County is financially accountable if it appoints a voting majority of the potential component unit governing body and is able to impose its will on that potential component unit or because the potential component unit will provide a financial benefit or impose a financial burden on the County. 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 Retirement Plan

This is a cost-sharing, multiple-employer defined benefit plan as defined in State Statute 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 approximately 80 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 Housing Authority

The El Paso County Housing Authority (the Authority) was established by the Commissioners in order to help promote availability of decent, safe, and sanitary dwelling accommodations in the County to low-income families. The Commissioners appoint the five-member governing board and can impose its will on the Authority through its ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations of the Authority. The Authority administers El Paso County's low-income housing program.

Financial statements of the County's component units may be obtained from the County's Financial Services Department's Finance Division.

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Interfund services provided and used have been eliminated in the process of consolidation on the Government Wide financial statements with the exception of the business type activities. *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.

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 sales taxes.

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 ***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.

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 ***Household Hazardous Waste 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.

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 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.

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.

Public Improvement District Number 1 (PID#1) was established in 2011 as part of the implementation of the El Paso County 2030 Major Transportation Corridor Plan (MTCF). PID#1 is authorized to fund the costs of the public improvements using revenues derived from a mill levy, road impact fee revenues collected by El Paso

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County, proceeds of bonds, revenues received from other PIDs organized to implement the MTCP Program and any other legally available funds.

Public Improvement District Number 2 (PID#2) was established in 2011 as part of the implementation of the El Paso County 2030 Major Transportation Corridors Plan (MTCP). PID#2 is authorized to fund the costs of public improvements using revenues derived from the mill levy, proceeds of debt issued by the District, and any other legally available funds provided that such revenues are pledged or otherwise transferred to District No. 1 to be applied to the MTCP Program by said District.

Public Improvement District Number 3 (PID#3) was established in 2011 as part of the implementation of the El Paso County 2030 Major Transportation Corridors Plan (MTCP). PID#3 is authorized to fund the costs of public improvements using revenues derived from the mill levy, proceeds of debt issued by the District, and any other legally available funds, provided that such revenues are pledged or otherwise transferred to District No. 1 to be applied to the MTCP Program by said District.

Pioneer Village Roads Improvement District was established in 2013 to provide for the maintenance and upgrading of public roads within the boundaries of the District. Pioneer Village Roads Public Improvement District is authorized to fund the costs of public improvements using revenues derived from a mill levy and any other legally available funds.

Stratmoor Valley Streetlight Public Improvement District was established in 2013 to provide street lighting of the public roads within the boundaries of the District. Stratmoor Valley Streetlight Improvement District is authorized to fund the costs of public improvements using revenues derived from a mill levy and any other legally available funds.

Sheriff Agency Funds are used to account for funds collected for and disbursed from the Inmate Trust Fund and the Civil Trust Fund.

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.

4. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

A. Deposits and investments

Deposits consist of cash equivalent accounts, interest and non-interest bearing bank accounts. The County's investment policy limits the investments to the following securities:

- A. U.S. Treasury Obligations
- B. Federal Agency and Instrumentality Securities
- C. Time Certificates of Deposits (CDs)
- D. Negotiable Certificates of Deposit
- E. Corporate Bonds
- F. Municipal Bonds: General Obligations and Revenue Obligations
- G. Commercial Paper
- H. Eligible Bankers Acceptances
- I. Local Government Investments Pools (LGIP)
- J. Repurchase Agreements and Reverse Repurchase Agreements
- K. Deposits in State or Nationally Chartered Depository Institutions

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Additionally, the El Paso County Retirement Plan's (a component unit) investments authorized by Colorado statutes also include the following:

1. Corporate notes, bonds, and debentures
2. Railroad equipment trust certificates
3. Real property
4. Loans secured by first mortgages or deeds of trust on real property
5. Participating agreements with life insurance companies
6. 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 recognized in the year for which they are levied and attach an enforceable lien on the property. On or before May 1st, the Assessor sends Notice of Valuation for real property. Not later than December 15th, the Clerk certifies levy to the County Commissioners and an enforceable lien is attached as of January 1st of the coming year. Taxes are payable in two installments on February 28th and June 15th, or in one installment due April 30th. The El Paso County Treasurer bills and collects property taxes for the County and the other taxing authorities within the County. Collections for other districts are accounted for in the Treasurer's agency funds.

C. Inventories and prepaid items

Inventories are valued at cost using the first-in, first-out method. Inventories of the General Fund consist primarily of supplies held for consumption and expendable parts 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. The expenditure will be appropriately recognized using the consumption method, in the benefiting period.

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

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Participation issuances that are restricted for use in construction. The total of those accounts as of December 31, 2018, was \$20,314. 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, 2018, was \$5,823,199.

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 acquisition 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. 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
General equipment	5-15

F. Deferred inflows/outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The County has three items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pension and OPEB have been recorded as of December 31, 2018, which consist of four components: 1) contributions subsequent to measurement date; 2) change in proportionate share of the net liability; 3) changes of assumptions or other inputs; and 4) difference between expected and actual experience.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The County has three items that qualify for reporting in this category. One is the unavailable revenue from property taxes reported in the governmental funds balance sheet and also in the government-wide statement of net position. Deferred revenue for property taxes in the government-wide statements results from the accrual of property taxes levied for operations of the following year. This revenue will be recognized in the year it is levied for. Deferred inflows related to pension and OPEB have been recorded as of December 31, 2018, which consist of four components: 1) contributions subsequent to measurement date; 2) change in proportionate share of the net liability; 3) changes of assumptions or other inputs; and 4) difference between expected and actual experience.

G. Compensated absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County service. All compensated absences liabilities are

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accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Long-term obligations

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

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the El Paso County Retirement Plan and additions to/deductions from the El Paso County Retirement Plan's fiduciary net position have been determined on the same basis as they are reported by the El Paso County Retirement Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the plan provisions. Investments are reported at fair value.

J. Other Post Employment Benefits

The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined using the economic resources management focus and the accrual basis of accounting. For this purpose, benefits and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Expenditures are recognized when the liability is incurred, regardless of when payment is made. No assets are accumulated in a trust that meets criteria in paragraph 4 of GASB Statement no. 75.

K. Restatement of beginning net position

Effective January 1, 2018 the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which replaces GASB Statement No. 45 and is effective for reporting periods beginning after June 15, 2017. The statement provides revised guidance on the reporting of other postemployment benefits and impacts the noncurrent liabilities reported in the statement of net position.

El Paso County Primary Government	
Statement of Net Position	
<u>Governmental Activities</u>	
Net Position at December 31, 2017, as previously reported	\$ 244,849,124
Addition of net OPEB liability calculated pursuant to GASB 75	(113,432,329)
Removal of the net OPEB obligation calculated pursuant to GASB 45	97,282,395
Deferred Outflow - OPEB Contributions subsequent to measurement date	2,481,003
Restatement of Capital Projects Fund	(6,119,025)
Net Position December 31, 2017, as restated	<u>\$ 225,061,168</u>

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El Paso County Primary Government
Statement of Net Position

Business-type Activities

Non-Major Enterprise Fund Household Hazardous Waste

Net Position at December 31, 2017, as previously reported	\$ 1,739,319
Cumulative effect of application of GASB No. 75, Net OPEB	(170,179)
Deferred Outflow - OPEB Contributions subsequent to measurement date	(225)
Net Position December 31, 2017, as restated	\$ 1,568,915

El Paso County Discretely Presented Component Units
Statement of Net Position

El Paso County Public Health

Net Position at December 31, 2017, as previously reported	\$ (2,783,352)
Cumulative effect of application of GASB No. 75, Net OPEB Liability	(3,569,062)
Deferred Outflow - OPEB Contributions subsequent to measurement date	\$ 78,064
Net Position December 31, 2017, as restated	\$ (6,274,350)

In 2018, the County issued 2018 Certificates of Participation to refund the remaining balance of the 2007 Certificates of Participation. In the process of recording the refunding, it was determined that the reserve fund bank account of \$5,895,375 was previously reported in the Capital Projects Fund as restricted cash when it was actually bond insurance. A restatement is required to correct this entry.

Additionally, the other Certificates of Participation accounts held at US Bank were reviewed and it was found that the 2008 Certificates of Participation reserve fund also had bond insurance that had been recorded in the County's financial records in the Capital Projects Fund restricted cash for \$223,650. A restatement is also required to correct this entry.

The total restatement of the Capital Projects Fund is a reduction of \$6,119,025.

El Paso County
Statement of Revenues, Expenditures and Changes in Fund Balance

Capital Projects Fund

Fund Balance at December 31, 2017	\$ 18,657,747
Restatement of Capital Projects Fund	(6,119,025)
Fund Balance at December 31, 2017 as restated	\$ 12,538,722

5. Implementation of new accounting standards

For the year ended December 31, 2018, El Paso County implemented the provisions of the following new accounting standards:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*
- GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*
- GASB Statement No. 85, *Omnibus 2017*
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*

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Effective January 1, 2018, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, as amended. This statement establishes standards for recognizing and measuring OPEB liabilities, deferred outflows and inflows of resources, and expenses/expenditures. The implementation of this standard required restatement of the beginning net position and the recording of deferred outflows of resources and deferred inflows of resources related to OPEB in the financial statements. Additionally, implementation required changes to the notes, financial statements, and required supplemental information for OPEB plans.

Effective January 1, 2018, the County implemented GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*, which is effective for reporting periods beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, No. 68, and No. 73. Specifically, this statement addresses issues regarding (1) the presentation of payroll related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. There was no impact to the County's financial statements or the required supplementary information as a result of this statement implementation.

Effective January 1, 2018, the County implemented GASB Statement No. 85, *Omnibus 2017*, which is effective for reporting periods beginning after June 15, 2017. The Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and/or "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized costs
- Timing of the measurement of pension and OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pension or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans

There was no impact on the County's financial statements for 2018 with adoption of GASB Statement No. 85. Effective January 1, 2018, the County implemented GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which is effective for reporting periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance. Implementation of GASB Statement No. 86 had no impact on the County's financial Statements for 2018.

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Note B – Stewardship, Compliance, and Accountability

1. *Budgetary Information*

Budgets are adopted on a basis consistent with US generally accepted accounting principles (GAAP) for all government funds with a few minor exceptions. These exceptions are reconciled on the Budget to GAAP reconciliation schedule presented after the schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual. The Proprietary funds and Falcon Vista 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, Local Improvement Districts, Public Improvement District #1, Public Improvement District #2, Public Improvement District #3, Pioneer Village Roads Improvement District and Stratmoor Valley Public Improvement District. All annual appropriations lapse at fiscal year-end. Budgets are not presented for the Public Trustee Agency Fund or the other Agency funds because these are funds collected and held on behalf of others. In addition, budget is not presented for the Pension Trust because these funds are also collected on behalf of others and the Trust issues separately stated financial statements.

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, 2018 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. Public hearings are conducted by the County to obtain taxpayer comments.
- B. Prior to December 31st, the budget is legally enacted through passage of an appropriation resolution.
- C. Any revisions that alter the total expenditures of any fund must be approved by the County Commissioners by passage of a resolution.
- D. 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.
- E. No fund had excesses of expenditures over appropriations for the year ended December 31, 2018.

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.

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3. Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. As of December 31, 2018, 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 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, Deputy County Administrator, or Chief Financial Officer are authorized to assign amounts for specific purposes.

Unassigned - The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

When expenditures are incurred for purposes for which both restricted and unrestricted (total of committed, assigned, and unassigned balances) fund balances are available, the County considers restricted funds to have been spent first.

The Board of County Commissioners adopted a minimum fund balance policy for the General Fund.

The appropriate minimum level of General Fund unrestricted fund balance to be maintained is the sum of:

- a. Historical uncollectable amounts for Property Taxes averaging 0.5%
 - b. Sales Tax for all funds (excluding restricted Public Safety Sales Tax) of 10%
 - c. All other Unrestricted General Fund Revenues of 5%
1. The General Fund unrestricted fund balance may be used in the following circumstances:
- a. Revenues received are at least 4% less than budgeted due to economic conditions
 - b. Federally declared natural disasters within the County
 - c. Elimination of core (tax related, non-grant) revenue streams, such as:
 - i. Sales and/or Use Tax
 - ii. Property Tax
 - iii. Clerk and Recorder Fees
 - iv. Specific Ownership Tax
 - d. BoCC determined emergency of one-time cost
 - e. Fund balance will be used in the order of: unassigned, assigned, and committed

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2. The General Fund unrestricted fund balance will be replenished using the following methods:
 - a. Adjust the five-year financial projection so that spending is adjusted down (or economic recovery predicted) and desired levels of unrestricted fund balance are replenished.
 - b. Natural disaster use is replenished when anticipated reimbursement will be received from state/federal government.
 - c. Fund balance will be replenished in the order of: committed, assigned, and unassigned.
3. The General Fund unrestricted fund balance will be replenished using the following timeline:
 - a. The amount that needs to be replenished will be adjusted in the five-year financial projection to be brought to the minimum required level over a maximum of five budget years.
4. The highest level of decision making authority to establish, modify and rescind commitments is the Board of County Commissioners by Resolution.
5. The officials authorized to assign Board of County Commissioner approved amounts for specific purposes are the County Administrator and Deputy County Administrator.

The minimum unrestricted fund balance required for 2018 is \$12,874,890. The County's unrestricted General Fund balance as of December 31, 2018 is \$29,590,920, which is \$16,716,030 more than required by the County's policy.

EL PASO COUNTY, COLORADO
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Note C – Detailed Notes on All Funds

1. Deposits and investments

Cash and Investments	Amount
Cash and investments	\$ 79,293,740
Restricted cash and investments	5,843,513
Fiduciary cash and equivalents	46,640,368
Fiduciary investments	355,327,251
Total cash and investments	<u>\$ 487,104,872</u>

The County's cash and investments consists of the following on December 31, 2018:

	Treasurer Funds	Primary Government Restricted Cash & Investments	Public Trustee	Retirement Plan	PID Funds	Sheriff Agency Funds	Total
Petty cash	\$ 99,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,670
Cash deposits	20,778,476	-	1,833,541	5,867,277	-	586,904	29,066,198
CSIP-money market funds	164,858	-	-	-	-	-	164,858
Local government investment pool	64,433,619	-	-	-	1,239,540	-	65,673,159
Investments	30,930,223	5,843,513	-	355,327,251	-	-	392,100,987
	<u>\$ 116,406,846</u>	<u>\$ 5,843,513</u>	<u>\$ 1,833,541</u>	<u>\$ 361,194,528</u>	<u>\$ 1,239,540</u>	<u>\$ 586,904</u>	<u>\$ 487,104,872</u>

The County's Public Improvement District (PID) Fund total consists of the following on December 31, 2018:

	PID-1	PID-2	PID-3	Pioneer Village Roads PID	Stratmoor Valley Streetlight PID	Total
Local government investment pool	\$ 1,141,276	\$ 34,876	\$ 3,881	\$ 478	\$ 59,029	\$ 1,239,540
	<u>\$ 1,141,276</u>	<u>\$ 34,876</u>	<u>\$ 3,881</u>	<u>\$ 478</u>	<u>\$ 59,029</u>	<u>\$ 1,239,540</u>

Restricted cash and investments are held by U.S. Bank and pertain to Certificate of Participation reserve funds. The balance of \$5,843,513, includes cash equivalents of \$20,314, various Guaranteed Investment Contracts of \$5,157,160 rated A2, Aaa and Baa1 by Moody, and \$666,039 in other investments that are not rated.

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.

At December 31, 2018, the El Paso County's cash deposits had a bank balance of \$24,581,597. Of the bank balance, \$850,642 was covered by federal depository insurance. The remainder of the bank balance, \$23,730,955, was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

There are several accounts included in the Treasurer's Agency Fund that are held under the custodianship of the El Paso County Treasurer. The transactions within these accounts occur outside of the oversight of the Financial Services Department.

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Investments

The investment program is operated in conformance with federal, state and other legal requirements as well as in accordance with Colorado Revised Statutes, specifically C.R.S. 24-75-601.

The County uses the “prudent person” standard which is applied in the context of managing an overall portfolio. The standard states that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Credit Risk – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. In order to mitigate credit risk, the County diversifies the investment portfolio through limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), limiting investment in securities that have higher credit risks, investing in securities with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) or money market funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. The County’s investment policy limits the investments to the following securities:

- A. U.S. Treasury Obligations
- B. Federal Agency and Instrumentality Securities
- C. Time Certificates of Deposits (CDs)
- D. Negotiable Certificates of Deposit
- E. Corporate Bonds
- F. Municipal Bonds: General Obligations and Revenue Obligations
- G. Commercial Paper
- H. Eligible bankers Acceptances
- I. Local Government Investments Pools (LGIP)
- J. Repurchase Agreements and Reverse Repurchase Agreements
- K. Deposits in State or Nationally Chartered Depository Institutions

Custodial Credit Risk – 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 requires all securities to be in the name of the County Treasurer and securities must be deposited in a safekeeping account at an authorized county depository institution or at an eligible security dealer.

Concentration Risk – Concentration risk is the risk of exposure to loss that can result from failing to diversify investments. The County’s investment policy directs the Treasurer to diversify securities held in the investment portfolio to minimize the risk of losses from an excessive concentration of securities from a single issuer, with similar maturities, or (except Treasury securities) in similar categories.

Interest Rate Risk – Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The County mitigates risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The County further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments, and therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- Liquidity funds will be held in investment instruments maturing within one year at the time of purchase.
- Longer term/core funds will be defined as funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be invested in higher quality and liquid securities.

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As of December 31, 2018, El Paso County Primary Government investments (including Fiduciary Funds held by Treasurer) had the following maturities:

	Fair Value	Investments Maturities		
		Up to 120 Days	121 Days to 5 Years	Credit Rating
<u>Investment Type for Primary Government</u>				
U.S. Treasuries	\$ 14,660,005	\$ -	\$ 14,660,005	US Govt Guar
<u>Instrumentality</u>				
Federal Agency Collateralized Mortgage Obligations	14,466	-	14,466	AA+
Federal Agency Bonds	5,613,326	-	5,613,326	AA+
Corporate Bonds	2,280,992	-	2,280,992	A+ to AAA
Municipal Bonds	1,752,138	-	1,752,138	A to AAA
Supra-National Agency Bonds	4,235,167	-	4,235,167	AAA
Certificates of Deposit	2,374,129	-	2,374,129	A+ to AA-
CSIP-Money Market Funds	164,858	164,858	-	AAAm
ColoTrust	64,433,619	64,433,619	-	AAAm
Total Investments controlled by the County	<u>\$ 95,528,700</u>	<u>\$ 64,598,477</u>	<u>\$ 30,930,223</u>	

Fair Value Measurement – El Paso County categorizes its fair values measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs such as matrix pricing techniques that values securities based on benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

As of December 31, 2018, El Paso County Primary Government investments (including Fiduciary Funds held by Treasurer) had the following recurring fair value measurements:

	12/31/2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by fair value level:</u>				
U. S. Treasuries	\$ 14,660,005	\$ -	\$ 14,660,005	\$ -
Federal Agency Collateralized Mortgage Obligations	14,466	-	14,466	-
Federal Agency Bonds	5,613,326	-	5,613,326	-
Corporate Bonds	2,280,992	-	2,280,992	-
Municipal Bonds	1,752,138	-	1,752,138	-
Supra-National Agency Bonds	4,235,167	-	4,235,167	-
Certificates of Deposit	2,374,129	-	2,374,129	-
Total investments by fair value	<u>\$ 30,930,223</u>	<u>\$ -</u>	<u>\$ 30,930,223</u>	<u>\$ -</u>
ColoTrust (external investment pool - measured at NAV)	64,433,619			
CSIP (external investment pool - measured at amortized cost)	164,858			
Total investments not by fair value	<u>\$ 64,598,477</u>			
Total investments controlled by the County	<u>\$ 95,528,700</u>			

The ColoTrust investment is a local government investment pool that reports at the fair value per share of the pool's underlying portfolio. For pricing and redeeming shares, ColoTrust maintains a stable net asset value (NAV) of \$1 per share using the fair value method. ColoTrust is exempt from being measured at fair value and is excluded from the fair value hierarchy.

The CSIP Money Market Fund investment is a governmental investment pool that is managed in accordance with GASB 79 requirements, as applicable, for the use of the amortized cost method of valuing its investment portfolio. The CSIP Money Market Fund is exempt from being measured at fair value and is excluded from the fair value hierarchy.

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ColoTrust and CSIP Money Market Fund investments do not have any unfunded commitments, redemption restrictions, or redemption notice periods.

Investments other than ColoTrust and CSIP Money Market Fund are assigned a hierarchy level based on asset type. Evaluations are made utilizing sources, frequencies, and reliability of observable and unobservable inputs, as well as industry standard considerations when applicable. All investments classified as Level 1 are valued using closing market prices, as quoted in active markets. Investments classified as Level 2 are evaluated based on various market and industry inputs, including institutional bond quotes, collateralized mortgage obligation (CMO) source, market prices, and independent market data analysis.

Blended Component Unit Retirement Plan – Cash and Investments

Deposits

The Retirement Plan (Plan) has a bank balance of \$4,525,441 on deposit with a banking institution at December 31, 2018. Of this bank balance, up to \$250,000 is insured by the Federal Deposit Insurance Corporation at December 31, 2018. The uninsured balances are collateralized with securities held by the banking institutions, but not in the Plan's name. In addition, \$1,341,836 was held by various money managers in banking institutions at December 31, 2018.

Investments

Fair Value Measurements – The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest level to unobservable inputs (Level 3). Level 1 inputs are unadjusted quoted prices for identical instruments in active markets; Level 2 inputs are observable inputs other than quoted market prices; Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The Plan has the following fair value measurements as of December 31, 2018:

		Fair Value Measurements Using		
	12/31/2018	Level 1	Level 2	Level 3
<u>Investments by fair value level:</u>				
International equity mutual funds	\$ 107,132,018	\$ 107,132,018	\$ -	\$ -
Domestic common stocks	29,502,436	29,502,436	-	-
Fixed income securities:				
U.S. Government agencies	5,835,531	-	5,835,531	-
U.S. Treasuries	8,599,494	-	8,599,494	-
Corporate securities	12,442,515	-	12,442,515	-
Total Investments by fair value level	<u>\$ 163,511,994</u>	<u>\$ 136,634,454</u>	<u>\$ 26,877,540</u>	<u>\$ -</u>
<u>Investments measured at the net asset value (NAV):</u>				
Real estate limited partnerships	\$ 79,817,905			
Fixed income funds	49,076,326			
Domestic equity funds	28,785,091			
International equity fund	16,472,718			
Hedge fund of funds	17,663,217			
Total Investments measured at the NAV	<u>191,815,257</u>			
Total investments held by the Retirement Plan	<u>\$ 355,327,251</u>			

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Domestic common stocks and international equity mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued primarily using quoted prices in inactive markets, as well as other pricing methods using observable inputs.

Investments measured at NAV:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real estate limited partnerships (1)	\$ 79,817,905	13,405,885	Qtrly, None	90 days, N/A
Fixed income funds (2)	49,076,326	None	Daily, Monthly	3-31 days
Domestic equity funds (3)	28,785,091	10,475,577	Monthly, None	5 days, N/A
International equity fund (4)	16,472,718	None	Daily	4 days
Hedge fund of funds (5)	17,663,217	None	Quarterly	70 days
Total Investments measured at the NAV	<u>191,815,257</u>			

(1) Real estate limited partnerships – 55% of real estate limited partnerships consist of an investment in a core-style, open-end real estate fund that holds a strategically diversified portfolio of real estate assets across the four main property types in major markets throughout the United States. The primary performance objective is to combine an attractive income yield with long-term capital growth. This fund allows for quarterly redemptions with a 90 day notice and values its underlying real estate investments using income, cost and sales comparison approaches. The remaining 45% of real estate limited partnerships consist of investments in 4 limited partnerships that are diversified by investment type and cannot be redeemed. Instead, the nature of the investments in these limited partnerships are that distributions are received through the liquidation of the underlying properties over 7 to 10 years.

(2) Fixed income funds – The fixed income funds consist of investments in an \$18.6 million collective trust and a \$30.5 million limited partnership. The collective trust's investment objective is high total investment return through a combination of current income and capital appreciation and to outperform its benchmark, the Barclays Capital Aggregate Bond Index. The collective trust is redeemable daily with a 3 days notice. The limited partnership's investment objective is to provide superior risk adjusted returns by opportunistically investing on a fully-funded basis without leverage in bank loans and bonds. The limited partnership is redeemable monthly with a 31 days notice.

(3) Domestic equity funds – 63% of domestic equity funds consist of an investment in the Parametric Defensive Equity Fund LLC (the Defensive Equity Fund). The investment objective of the Defensive Equity Fund is to provide favorable risk-adjusted performance relative to the S&P 500 index over the long term and is expected to produce the strongest relative performance when the S&P is experiencing negative returns. The Defensive Equity Fund allows monthly redemptions and the Plan has no unfunded commitments relating to this fund. The remaining domestic equity funds consist of 5 limited partnerships that are diversified by investment type and cannot be redeemed. Instead, the nature of the investments in these funds are that distributions are received through the liquidation of the underlying assets over estimated periods of 10 to 12 years.

(4) International equity fund – The international equity fund consists of an investment in the Aberdeen Emerging Equity Fund (the Emerging Equity Fund). The investment objective of the Emerging Equity Fund is to achieve total return in excess of the Morgan Stanley Capital International Inc. Emerging Markets Index through investing in the world's emerging stock markets as defined by the International Finance Corporation or companies with significant activities in emerging markets. The Emerging Equity Fund allows daily redemptions with a 4 days notice.

(5) Hedge fund of funds – The hedge fund of funds is a limited partnership which invests in a portfolio of funds. The underlying funds generally implement non-traditional or alternative investment strategies. The hedge fund of funds is redeemable quarterly with a 70 days notice.

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Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Plan's general investment policy is to limit its investments in fixed income securities to those with an S&P/Moody's rating of investment grade BBB/Baa or better, unless expressly permitted by the Board. However, the fixed income portfolio manager is allowed to hold fixed income securities with a rating of BB or B.

At December 31, 2018, the Plan's exposure to fixed income credit risk based on Standard & Poor's ratings is as follows:

S & P Rating	US Govt Agencies	US Treasuries	Corporate Securities	Fixed Income Funds	Total
AAA	\$ -	\$ 8,599,494	\$ -	\$ -	\$ 8,599,494
AA+	5,835,531	-	759,818	-	6,595,349
AA	-	-	455,287	18,564,155	19,019,442
AA-	-	-	1,314,907	-	1,314,907
A+	-	-	2,637,354	-	2,637,354
A	-	-	1,903,602	-	1,903,602
A-	-	-	3,909,852	-	3,909,852
BBB+	-	-	1,461,695	-	1,461,695
B	-	-	-	30,512,171	30,512,171
Total	<u>\$ 5,835,531</u>	<u>\$ 8,599,494</u>	<u>\$ 12,442,515</u>	<u>\$ 49,076,326</u>	<u>\$ 75,953,866</u>

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan limits its investments in any one issuer of equity securities, fixed income securities, short-term investments and commercial paper to no more than 5% of the applicable portfolio. No limitation is placed on investments in U.S. Government guaranteed obligations. No individual investments exceeded 5% of the Plan's net position at December 31, 2018.

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.

As of December 31, 2018, the effective duration of the Plan's fixed income portfolio is 3.0 years.

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, 2018, none of the Plan's investments were denominated in currencies other than the United States dollar.

Component Unit El Paso County Public Health – Cash and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, Public Health had bank deposits of \$1,327,796 collateralized with securities held by the financial institution's agent, but not in the Public Health name.

Fair Value Measurements – El Paso County Public Health categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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Cash and Investments held by El Paso County Public Health

	12/31/2018	Credit Rating	Maturity Date
Petty Cash	\$ 5,170	*	*
Cash Deposits	1,757,051	*	*
Local Government Investment Pool (ColoTrust)	3,058,687	AAAm	Demand
Total cash and investments	<u>\$ 4,820,908</u>		

* Not applicable to cash deposits

The ColoTrust investment is a local government investment pool that reports at the fair value per share of the pool's underlying portfolio. For pricing and redeeming shares, ColoTrust maintains a stable net asset value (NAV) of \$1 per share using the fair value method. ColoTrust is exempt from being measured at fair value and is excluded from the fair value hierarchy.

Component Unit El Paso County Housing Authority – Cash and Investments

Deposits in Bank and Investments – Deposits and investments consist of checking and money market accounts and government securities and are stated at fair value. Deposits are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the El Paso County Housing Authority (the “Authority”). The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name by the Federal Reserve Banks acting as third party agents or by a collateralization agreement.

HUD Deposit Restrictions – The U.S. Department of Housing and Urban Development (HUD) requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments. HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

Fair Value Measurements – The El Paso County Housing Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Cash and Investments held by El Paso County Housing Authority

The carrying amount of the Authority's cash deposits and investments was \$6,798,960 at December 31, 2018. Bank and investment balances before reconciling items were \$6,799,557 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

	12/31/2018			
Deposits				
Checking account	\$ 231,370			
Repurchase agreement	591,044			
Escrow account	1,040,849			
Custody account	3,332,516			
Total deposits	<u>5,195,779</u>			
Investments		Fair Value Inputs	Credit Rating	Maturity Date
ColoTrust	780,488	*	AAAm	Demand
U.S. Treasuries	800,390	Level 2	US Govt Guar	2018
GNMA Securities	22,900	Level 2	AAA	2030-2031
Total investments	<u>1,603,778</u>			
Total deposits and investments	<u>\$ 6,799,557</u>			

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* The ColoTrust investment is a local government investment pool that reports at the fair value per share of the pool's underlying portfolio. For pricing and redeeming shares, ColoTrust maintains a stable net asset value (NAV) of \$1 per share using the fair value method. ColoTrust is exempt from being measured at fair value and is excluded from the fair value hierarchy.

US Bank Treasury Obligations and US Bank Mortgage-backed Securities fair values are determined based on published market quotations using Level 2 inputs.

2. *Property taxes*

The County is permitted to levy taxes on the assessed valuation for general governmental services. The combined tax rate to finance general governmental services for the year ended December 31, 2018, was 8.068 mills. The County's assessed valuation for 2018 was \$7,581,560,780. Therefore, the County could collect \$61,167,899 for 2018 taxes. Instead, the Board of County Commissioners eliminated the County's entire portion of business personal property tax. The property taxes collectible in 2018 total \$54,416,907.

3. *Capital assets*

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance January 1, 2018	Increases	Decreases	Transfers	Balance December 31, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 15,880,500	\$ -	\$ (52,966)	\$ -	\$ 15,827,534
Art	86,000	35,311	-	-	121,311
Construction in progress	11,508,994	10,288,952	(1,283,433)	(4,615,894)	15,898,619
Total capital assets, not being depreciated	27,475,494	10,324,263	(1,336,399)	(4,615,894)	31,847,464
Capital assets, being depreciated:					
Buildings	209,159,401	5,987	(354,812)	-	208,810,576
Improvements other than buildings	76,181,434	1,447,693	(14,659)	124,507	77,738,975
Machinery and equipment	80,125,987	7,407,207	(6,540,861)	2,119,509	83,111,842
Infrastructure	569,682,966	22,238,095	-	2,371,878	594,292,939
Total capital assets, being depreciated	935,149,788	31,098,982	(6,910,332)	4,615,894	963,954,332
Less accumulated depreciation for:					
Buildings	(80,538,011)	(5,034,665)	146,360	-	(85,426,316)
Improvements other than buildings	(21,426,332)	(3,067,076)	10,261	-	(24,483,147)
Machinery and equipment	(61,389,067)	(5,968,378)	6,443,166	-	(60,914,279)
Infrastructure	(276,736,021)	(20,852,556)	-	-	(297,588,577)
Accumulated depreciation	(440,089,431)	(34,922,675)	6,599,787	-	(468,412,319)
Total capital assets, being depreciated, net	495,060,357	(3,823,693)	(310,545)	4,615,894	495,542,013
Governmental activities capital assets, net	\$ 522,535,851	\$ 6,500,570	\$ (1,646,944)	\$ -	\$ 527,389,477

\$319,741 of capital assets and \$58,930 of accumulated depreciation for Self-Insurance, an internal service fund, are included in this note.

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	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
Business-type activities:				
Capital assets, being depreciated:				
Buildings	1,599,936	-	-	1,599,936
Improvements other than buildings	83,365	-	-	83,365
Machinery and equipment	41,426	-	-	41,426
Total capital assets, being depreciated	1,724,727	-	-	1,724,727
Less accumulated depreciation for:				
Buildings	(486,685)	(39,998)	-	(526,683)
Improvements other than buildings	(45,015)	(3,335)	-	(48,350)
Machinery and equipment	(23,730)	(3,795)	-	(27,525)
Total accumulated depreciation	(555,430)	(47,128)	-	(602,558)
Total capital assets, being depreciated, net	1,169,297	(47,128)	-	1,122,169
Business-type activities capital assets, net	\$ 1,169,297	\$ (47,128)	\$ -	\$ 1,122,169

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

Governmental activities:	Amount
General government	\$ 5,549,065
Public safety	5,841,364
Public works	22,975,407
Health and welfare	53,323
Culture and recreation	492,652
Veteran's services	733
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	10,131
Total depreciation expense - governmental activities:	34,922,675
Business-type activities:	
Household hazardous waste	47,128
Total depreciation expense - business-type activities:	\$ 47,128

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4. *Inter-fund receivables and payables:*

The composition of inter-fund balances as of December 31, 2018, is as follows:

Due to/from other funds:		
Receivable Funds	Payable Funds	Amount
General	Road and Bridge	\$ 1,515,853
	Human Services	1,002,561
	Non-Major Govt. Funds	1,502
	Non-Major Internal Service	52,918
	Non-Major Enterprise	2,615
		<u>2,575,449</u>
Road and Bridge	General	194,908
		<u>194,908</u>
Non-Major Internal Service	General	558,913
	Road and Bridge	1,750
		<u>560,663</u>
	Total	<u><u>\$ 3,331,020</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. 17-362 authorizes the advancement of funds for cash flow purposes from the General Fund to other County funds. As of December 31, 2018, Human Services received an advance of \$2,000,000.

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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, 2018.

	Beginning balance 1/1/2018	Additions	Reductions	Ending balance 12/31/2018	Due within one year
Governmental activities:					
Certificates of participation	\$ 135,040,000	\$ 28,380,000	\$ (39,390,000)	\$ 124,030,000	\$ 8,790,000
Issuance discount	(141,706)	-	14,170	(127,536)	(14,170)
Plus Issuance premium	3,133,209	3,531,715	(907,816)	5,757,108	637,434
Total certificates of participation	138,031,503	31,911,715	(40,283,646)	129,659,572	9,413,264
Capital leases	4,313,842	-	(2,417,480)	1,896,362	1,271,210
OPEB	113,432,329	65,116,337	(41,827,564)	136,721,102	-
Claims payable	7,796,424	26,632,979	(25,606,838)	8,822,565	5,359,791
Compensated absences	17,511,814	10,080,626	(10,795,408)	16,797,032	2,588,119
Net pension liability	119,141,982	196,899,485	-	316,041,467	-
Governmental activities Long-term liabilities	400,227,894	330,641,142	(120,930,936)	609,938,100	18,632,384
Business-Type Activities:					
Compensated absences	64,693	30,778	(25,577)	69,894	109
OPEB	170,404	97,822	(62,836)	205,390	-
Net pension liability	265,663	436,596	-	702,259	-
Business-type activities Long-term liabilities	\$ 500,760	\$ 565,196	\$ (88,413)	\$ 977,543	\$ 109

Compensated absences are normally liquidated 79 percent by the General fund, 14 percent by the Human Services fund, 7 percent by the Road and Bridge fund and 0.5 percent by the Conservation Trust fund. Net pension liability is normally liquidated 73 percent by the General fund, 19 percent by the Human Services fund, 7 percent by the Road and Bridge fund, and 1 percent by the Conservation Trust fund. Other post employment benefits (OPEB) and claims payable are liquidated by the Self-Insurance fund.

B. Certificates of participation

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.

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.

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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, 2011 and refunded 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 became due and payable, in accordance with their terms, on December 1, 2012 at which time all of the 2002B Certificates were matured or redeemed at a redemption price. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2012, the County, through the El Paso County Facilities Corporation, issued \$12,010,000 in Certificates of Participation Series 2012, which were dated December 15, 2012. The Series 2012 Certificates carry interest rates ranging from 3.00% to 5.00% and mature December 21, 2023. Interest payments are due June 1 and December 1 of each year. Principal payments are due December 1.

During 2016, the County, through the El Paso County Facilities Corporation, issued \$23,245,000 Refunding Certificates of Participation series 2016, which were dated June 1, 2016 and refunded a portion of the Certificates of Participation Series 2007A. The 2016 certificates carry interest rates ranging from 2.00% to 3.00% and mature December 1, 2029. Interest payments are due June 1 and December 1. Principal payments are due December 1.

During 2018, the County, through the El Paso County Facilities Corporation, issued \$28,380,000 Refunding Certificates of Participation Series 2018, which were dated May 1, 2018 and refunded the remaining balance of the 2007 Series A Certificates of Participation. The 2018 certificates carry interest rates ranging from 3.00% to 5.00% and mature December 1, 2029. Interest payments are due June 1 and December 1. Principal payments are due December 1.

C. Debt Refunding

In 2018, the County, through El Paso County Facilities Corporation, issued new long-term debt to extinguish the obligation of previously issued Certificates of Participation in order to take advantage of lower interest rates. The 2018 Certificates were issued for the refunding of the 2007A Certificates, originally issued in the aggregate principal amount of \$77,850,000, with an outstanding principal amount of \$32,265,000 at the time of the 2018 refunding.

On May 10, 2018, El Paso County, issued \$28.4 million in 2018 Refunding Certificates of Participation with an average interest rate of 2.9 percent. These certificates refunded \$32,265,000 of 2007 Series A Certificates of Participation with an average interest rate of 4.3 percent. The current refunding was undertaken to reduce the total debt service payments over the next 12 years by \$3.4 million and resulted in an economic gain of \$2.5 million.

D. Capital lease obligations

In 2014, 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 first payment on this capital lease was made in February 2015. A portion of the assets acquired through this capital lease are intangible in nature. The net book value of physical assets acquired are as follows at December 31, 2018:

<u>Asset:</u>	<u>Governmental Activities</u>
Oracle Project - JDE System Exadata Machines	\$ 351,996
Less: Accumulated Depreciation	(316,796)
Net	<u>\$ 35,200</u>

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In 2017, the County entered into a lease agreement as lessee for financing equipment for the Public Works' Fleet Division. 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. In 2018, a payment of \$1,280,413 was made on this capital lease. The net book value of physical assets acquired are as follows at December 31, 2018:

<u>Asset:</u>	Governmental Activities
Public Works Fleet Vehicles - 2017 Vehicles	\$ 104,920
2018 Vehicles	3,446,814
Less: Accumulated Depreciation	(228,541)
Net	<u>\$ 3,323,193</u>

The following schedule reflects debt service requirements for the capital lease as of December 31, 2018:

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Payment Amount</u>
February, 2019	\$ 30,949	\$ 1,271,210	\$ 1,302,159
February, 2020	10,202	625,152	635,354
Total	<u>\$ 41,151</u>	<u>\$ 1,896,362</u>	<u>\$ 1,937,513</u>

E. Summary of debt service requirements

The following schedule reflects debt service requirements to maturity for certificates of participation as of December 31, 2018:

	Government Activities Certificates of Participation	
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 8,790,000	\$ 4,794,237
2020	9,075,000	4,506,071
2021	9,400,000	4,164,280
2022	9,770,000	3,786,628
2023	10,190,000	3,376,875
2024-2028	46,370,000	11,381,768
2029-2033	18,260,000	3,971,908
2034-2036	12,175,000	1,044,631
	<u>\$ 124,030,000</u>	<u>\$ 37,026,398</u>

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F. 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 \$3,894,604 for all types of leases. These expenditures were made primarily from the General, Self Insurance and Human Services funds.

G. Conduit debt obligations

From time to time, the County has issued the following types of conduit debt: single family mortgage bonds and mortgage revenue refunding bonds to assist low-to-middle income residents in purchasing a residence; exempt facility bonds for residential rental projects to be occupied by low-to-middle income residents and owned by private-sector entities; industrial revenue bonds to provide financial assistance to private-sector entities to promote industry and develop trade or other economic activity; and qualified 501(c)(3) bonds to provide financial assistance to non-profits for the acquisition and construction of eligible facilities. The various bonds are secured by investments under Indentures of Trust loans that finance the projects, property, loan guarantees, and letters of credit, and 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, 2018, the bonds had an estimated aggregate principal amount payable of \$250,296,854.

In 2018, the County did not issue any new conduit debt.

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6. Fund Balance Designation

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

	General	Road & Bridge	Human Services	Capital Expenditure	Other Government	Total
Nonspendable:						
Inventories	\$ 1,827,543	\$ 1,247,137	\$ -	\$ -	\$ -	\$ 3,074,680
Prepaid items	523,472	-	-	-	-	523,472
	<u>2,351,015</u>	<u>1,247,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,598,152</u>
Restricted:						
TABOR	7,472,975	-	-	-	-	7,472,975
Clerk & Recorder Projects	164,502	-	-	-	-	164,502
Public Safety Projects	13,602,236	-	-	-	-	13,602,236
Public Works	6,000,000	6,000,000	-	-	-	12,000,000
Baptist Road Rural Trans.	-	8,053	-	-	-	8,053
Culture and Recreation	2,973,399	-	-	-	674,074	3,647,473
Social Services	-	-	1,673,428	-	-	1,673,428
Debt Service	-	-	-	5,823,199	-	5,823,199
Construction Projects	-	-	-	20,314	-	20,314
Small Business Development	239,478	-	-	-	-	239,478
Other Projects	393,051	-	-	-	-	393,051
	<u>30,845,641</u>	<u>6,008,053</u>	<u>1,673,428</u>	<u>5,843,513</u>	<u>674,074</u>	<u>45,044,709</u>
Committed:						
Public Safety	442,718	-	-	-	-	442,718
Public Works	1,500,000	-	-	-	-	1,500,000
Clerk's Projects	1,786,158	-	-	-	-	1,786,158
Road & Bridge	-	5,231,723	-	-	-	5,231,723
Colorado Ave. Project	-	70,347	-	-	-	70,347
Culture and Recreation	248,052	-	-	-	-	248,052
County Fair	107,943	-	-	-	-	107,943
Debt Service Payments	1,705,000	-	-	-	-	1,705,000
Other Projects	519,766	-	-	-	-	519,766
	<u>6,309,637</u>	<u>5,302,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,611,707</u>
Assigned:						
Subsequent Year's Expenditures	-	-	-	-	-	-
Capital Projects	-	-	-	2,185,612	-	2,185,612
Infrastructure Projects	-	-	-	-	-	-
Facilities Projects	549,654	-	-	-	-	549,654
Public Safety	446,839	-	-	-	-	446,839
Public Works Projects	-	8,800,920	-	-	-	8,800,920
Public Communications	1,321,556	-	-	-	-	1,321,556
Other Projects	1,049,997	-	-	-	-	1,049,997
	<u>3,368,046</u>	<u>8,800,920</u>	<u>-</u>	<u>2,185,612</u>	<u>-</u>	<u>14,354,578</u>
Unassigned:	<u>19,913,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,913,237</u>
Total fund balance	<u>\$ 62,787,576</u>	<u>\$ 21,358,180</u>	<u>\$ 1,673,428</u>	<u>\$ 8,029,125</u>	<u>\$ 674,074</u>	<u>\$ 94,522,383</u>

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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, \$600,000, \$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 \$1,000,000. 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 not exceeded this commercial coverage in the past three fiscal years.

All funds of the County participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior- and current-year claims. Claims liabilities of \$8,822,565 that are reported in the Self-Insurance Fund at December 31, 2018, 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 2018 and 2017 were:

	Balance 1/1/2018	Claims and Changes in Estimates	Claim Payments	Balance 12/31/2018
Self-Insurance Fund	\$ 7,796,424	\$ 26,632,979	\$ 25,606,838	\$ 8,822,565

	Balance 1/1/2017	Claims and Changes in Estimates	Claim Payments	Balance 12/31/2017
Self-Insurance Fund	\$ 7,970,695	\$ 26,057,267	\$ 26,231,538	\$ 7,796,424

Amounts reflected represent current claims for self-funded medical claims, workers' compensation and other liability claims totaling \$5,359,791. The long-term portion represents claims pertaining to ongoing workers' compensation and liability claims totaling \$3,462,774.

2. Contingencies

A Litigation

There is no current pending litigation in which the County is involved that is expected to result in material judgments against the County. All pending litigation is being vigorously defended. The potential settlement amounts are inestimable and 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.

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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 2018, the County exceeded its fiscal year spending limit by \$4,025,078. At the time of this report, the County is still considering options regarding a possible refund or a ballot initiative. The County will ensure proper actions will be taken to be in compliance with TABOR.

3. *El Paso County Retirement Plan*

A Plan description and provisions

The following brief description of the El Paso County Retirement Plan (Plan) is provided for informational purposes only. Participants should refer to the plan document for more complete information. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the El Paso County Retirement Plan, 2880 International Cir., Suite 030, Colorado Springs, Colorado 80910, or by calling (719) 520-7490. The report may also be found at <https://retirement.elpasoco.com>.

General - The Plan is a cost-sharing multiple-employer defined benefit plan covering all permanent, full-time and job-share employees of the participating employers upon their date of employment. Employers, as defined in the plan document, include El Paso County, El Paso County Public Health, Pikes Peak Library District, 4th Judicial District Attorney and El Paso County Retirement Plan. The El Paso County Retirement Plan's proportionate share is not a significant part for footnotes disclosures.

All employees hired after September 1, 1967 are required to participate. Employees hired from 1974 through 1981 who were age 60 or older at their date of employment could elect to become a member as of January 1, 1982. The participants of the Plan consisted of the following as of December 31, 2018 (the most recent actuarial valuation date):

Inactive plan members currently receiving benefits	1,630
Inactive plan members entitled to but not yet receiving benefits	330
Active plan members	2,693
Total	<u><u>4,653</u></u>

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The El Paso County Board of Retirement (the Board) manages and administers the Plan. The Board consists of five members, one of whom is the El Paso County Treasurer, two of whom are appointed by the El Paso County Board of Commissioners (the Board of Commissioners) and two of whom are employees of the participating employers elected by participants. The Board shall have all powers necessary to effect the management and administration of the Plan in accordance with its terms. The Board has the powers set forth in Part 1, Title 24, Article 54, of the Colorado Revised Statutes.

Plan Amendments - The Board has the right to alter, amend, or terminate the Plan or any part thereof in such manner as it may determine; provided that no such alteration or amendment shall provide that a retirement benefit payable to any retired member shall be less than that provided by his or her accumulated contributions or affect the right of any member to receive a refund of his accumulated contributions and provided further that no alteration, amendment or termination of the Plan or any part thereof shall permit any part of the Plan to revert to or be recoverable by any employer or be used for or diverted to purposes other than the exclusive benefit of members, retired members, terminated vested members or beneficiaries under the Plan, except such funds, if any, as may remain at termination of the Plan after satisfaction of all liabilities with respect to members, retired members, terminated vested members and beneficiaries under the Plan and are due solely to erroneous actuarial calculations.

The Plan is intended to comply with the requirements of the applicable provisions of Internal Revenue Service Code Section 401(a) as now in effect or hereafter amended, and any modification or amendment of the Plan may be made retroactive, as necessary or appropriate, to establish and maintain such compliance.

Contributions - Contribution requirements are established and may be amended by the Board. Through December 31, 2009, participants contributed 6% of their monthly compensation to the Plan. The Plan was amended during 2009 to increase the participant monthly contribution rate to 6.5% effective January 1, 2010, 7.0% effective January 1, 2011 and 7.5% effective January 1, 2012. The Plan was further amended in 2013 to increase the participant monthly contribution rate to 8.0% effective January 1, 2014. Under the Plan provisions, the participating employers make monthly contributions at least equal to the contributions made by the participants. Interest is credited on employee contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 16% of covered payroll for both 2018 and 2017.

Contributions are tax-deferred to the participants for federal income tax purposes. If participants have completed five years of service if hired before January 1, 2013 and eight years of service if hired on or after January 1, 2013, they are eligible to receive a future monthly retirement benefit. Any refund of contributions paid waives all future rights to any benefits. However, eligible participants who return to employment with a participating employer within 48 months and were previously refunded their contributions may reinstate withdrawn service if they repay the Plan the amount received when employment was terminated, plus interest, within twelve months of rehire.

Active participants who have completed five years of service if hired before January 1, 2013 and eight years of service if hired on or after January 1, 2013 may purchase up to five years of service credit for any period of full-time, nonvested previous employment with any public or private employer. One month of service credit may be purchased for each full month of full-time, nonvested, noncovered employment. The cost to purchase one month of service credit for noncovered employment is the "actuarial equivalent cost", as determined by the actuary for the Plan.

Participants may elect to pay for purchases of service credit in a lump sum or an installment basis. Effective July 2016, service credit purchases may also be made by rollover contributions from an eligible retirement plan. Payments may be made on a monthly, quarterly or annual basis with interest due at the actuarial equivalent interest rate for periodic benefits. The period over which installment payments may be made

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cannot exceed a period equal to the total amount of credited service to be purchased. Purchased service is recognized when paid.

Administrative Expenses - The Plan's administrative expenses are paid from the assets of the Plan accumulated from contributions and investment earnings. During 2018 and 2017, the Plan received \$1,099,000 and \$450,000, respectively, from the Plan's employers for reimbursement of administrative and investment expenses.

Termination Benefits - Participants vest in accumulated contributions as follows:

- (a) If hired before January 1, 2013 and credited with less than five years of service or hired on or after January 1, 2013 and credited with less than eight years of service: Refund of the participant's accumulated contributions.
- (b) If hired before January 1, 2013 and credited with five or more years of service or hired on or after January 1, 2013 and credited with eight or more years of service:
 - (i) The participant may elect to receive a deferred retirement benefit which shall be equal to the participant's accrued benefit as of the date of termination and payable on the participant's normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month subsequent to the participant's attainment of age 55. The reduction shall be 3% for each year by which payments commence prior to the first of the month following the participant's normal retirement date.
 - (ii) In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

Retirement Benefits - Participants hired before January 1, 2010 are eligible for normal retirement on the first of the month coincident with attainment of age 62. Participants hired after December 31, 2009 are eligible for normal retirement after attainment of age 62, but not before the completion of 60 months of continuous service. Participants hired after December 31, 2012 are eligible for normal retirement after attainment of age 62, but not before the completion of 96 months of continuous service.

If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service earned through December 31, 2012 and 2.00% times the final average monthly compensation, times years of credited service earned after December 31, 2012. If hired on or after January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.00% times final average monthly compensation times years of credited service.

The normal retirement benefit will not be greater than 75% of the participant's final average monthly compensation if hired before January 1, 2013 and not greater than 60% of final average monthly compensation if hired on or after January 1, 2013. Final average compensation is the highest monthly average of considered compensation during the 36 consecutive calendar months of credited service out of the last 120 calendar months of credited service.

A participant is eligible for an early retirement benefit at age 55, provided the member has completed five or eight years of credited service. If the participant is hired before January 1, 2013, five years is required. If hired on or after January 1, 2013, eight years is required. The monthly pension is based on the vested portion of the normal retirement benefit, reduced by 3% for each year the early retirement date precedes the normal retirement date.

A participant is eligible for special early retirement benefits if the sum of the participant's age and credited service equals 75 or more. Employees hired on or after January 1, 2016 must be a minimum age of 50 to be

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eligible under this provision. The monthly benefit is equal to the normal retirement benefit and is not reduced for early commencement.

The annuity for delayed retirement is computed by the normal retirement formula considering credited service and compensation to actual retirement.

Disability Benefits - A participant is eligible for disability benefits if the participant's employment is terminated due to total and permanent disability as determined by eligibility for and receipt of disability benefits continuously until the normal retirement date under (1) the employer's long-term disability plan, or (2) Title II of the Federal Social Security Act. The annuity, payable at age 62, shall be calculated as for normal retirement considering the credited service that would have accrued had the participant been employed until the normal retirement date and the final average compensation during the calendar year preceding the year of the member's disability retirement.

Payment of Benefits - The monthly benefit, computed as set forth above, shall be paid in equal monthly payments commencing one month after the actual retirement date continuing at monthly intervals for the retired participant's lifetime thereafter. If the retired participant's death occurs prior to the payment of 120 monthly payments, the remainder of the 120 payments shall be paid to the participant's beneficiary.

Death Benefits Prior to Retirement - Death benefits prior to retirement are as follows:

In the event that an active participant or vested participant dies prior to their normal retirement date, the participant's surviving beneficiary will be entitled to either two times the participant's accumulated contributions payable immediately or a monthly benefit equal to 60% of the monthly retirement benefit earned by the member prior to the date of death. Payment of the monthly benefit to the beneficiary will begin on the first of the month following the death or the date the member would have attained age 55, if later. If the participant met the rule of 75 while working and had not applied for retirement no ceased employment as of date of death, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

Between normal and delayed retirement - In the event that a participant dies after their normal retirement date but prior to their actual retirement, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

Death Benefits After Retirement - Death benefits after retirement consist of a lump-sum benefit of \$3,000 payable upon the death of a retired participant.

Plan Termination - Although not presently contemplated, the Board has the right to terminate the Plan at any time, subject to limitations. In the event of termination, after payment of expenses, accumulated contributions would be returned to the participants, and the remaining assets distributed on a pro rata method to the participants based on accrued benefits. Participating employers would not receive any Plan assets.

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B Summary of significant accounting policies

Reporting entity - The Plan is considered a cost-sharing multiple-employer pension trust fund.

Basis of accounting and presentation - The financial statements of the Plan are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America that apply to governmental accounting for fiduciary funds. Employee and employer contributions are recognized in the period they are due. Investment earnings are recognized in the period earned. Expenses are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the Plan provisions.

Investments - Investments are stated at fair value. Fair value is the amount the Plan can reasonably expect to receive to sell an investment in an orderly transaction between market participants. See Note C for further information on the fair values of investments. Investment income is recognized when earned by the Plan. Investment income from funds and limited partnerships measured at net asset value is included in net appreciation (depreciation) in fair value of investments consistent with the presentation provided by the asset custodian.

Capital Assets - Capital assets are recorded at cost. Depreciation is calculated using the straight-line method over useful lives of 3 to 7 years.

Tax Status - The Plan is a governmental plan within the meaning of the Internal Revenue Code (the Code). The Internal Revenue Service has determined and informed the Plan by a letter dated July 1, 2014, that the Plan is designed in accordance with the applicable sections of the Code. The Plan has been subsequently amended; however, management of the Plan believes that the Plan is designed and operating in accordance with the Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Subsequent Events - The Plan has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

C Net Pension Liability

The total pension liability as of December 31, 2018 reflects the new actuarial assumptions that were adopted by the Retirement Board in October 2018 based on the experience study for the period January 1, 2013 to December 31, 2017, and was determined by rolling forward the total pension liability from January 1, 2018 to December 31, 2018.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of January 1, 2018:

Inflation	2.50%
Salary increases	Graded by service, from 8.00% to 3.00%
Investment rate of return	7.50%, net of investment expenses. This is based on an inflation rate of 2.50% and a real rate of return of 5.00%

Mortality rates were based on the RP-2000 Sex-Distinct Mortality Table projected generationally using Projection Scale MP-2017. Mortality rates used for disabled members were based on the RP-2000 Disabled Mortality Table projected generationally using Projection Scale MP-2017.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table (the rates shown below exclude the inflation component of 2.90%):

Asset Class	Long-Term Expected Real Rate of Return
US Equity	7.91%
International Equity	6.43%
Emerging Markets	9.82%
Private Equity	11.39%
Fixed Income	3.99%
Hedge Funds	3.96%
Real Estate	4.89%

Discount Rate - The discount rate used to measure the total pension liability as of December 31, 2018 was 5.23%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members until 2045. In accordance with GASB requirements, a municipal bond rate was used in the development of the blended GASB discount rate after that point. The municipal bond rate of 3.64% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2018. Based on the long-term rate of return of 7.50% and the municipal bond rate of 3.64%, the blended GASB discount rate is 5.23%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the El Paso County Primary Government's proportionate share of the net pension liability, separated according to Governmental Activities and Business-type Activities. The proportionate share of the net pension liability is calculated using the GASB blended discount rate of 5.23%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.23%) or 1-percentage-point higher (6.23%) than the current rate.

El Paso County Primary Government	1% Decrease	Current Discount Rate	1% Increase
Proportionate Share of the Net Pension Liability	(4.23%)	(5.23%)	(6.23%)
Government Activities	\$ 402,149,899	\$ 316,041,467	\$ 245,459,430
Business-type Activities Non-Major Enterprise Funds Household Hazardous Waste	891,713	702,259	544,273
El Paso County Primary Government	\$ 403,041,612	\$ 316,743,726	\$ 246,003,703

EL PASO COUNTY, COLORADO
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D Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, El Paso County Primary Government reported a liability of \$316,743,726 for its proportionate share of the Plan's net pension liability. Of this total, \$316,041,467 was attributed to El Paso County Governmental Activities and \$702,259 was attributed to El Paso County Business-type Activities Non-Major Enterprise Funds - Household Hazardous Waste. El Paso County's proportion of the net pension liability was based on its contributions to the Plan for the calendar year 2018 relative to the total contributions of participating employers to the Plan.

At December 31, 2018, El Paso County's proportion was 80.02%, which was a decrease of 0.29% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, El Paso County recognized pension expense of \$53,626,577. Of this total, \$53,507,930 was attributed to El Paso County Governmental Activities and \$118,647 was attributed to Business-type Activities Non-Major Enterprise Funds - Household Hazardous Waste.

At December 31, 2018, El Paso County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Government Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,998,361	\$ (428,756)
Changes in assumptions	129,887,477	-
Net Difference between projected and actual investment earnings	21,116,597	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	261,566	(844,376)
Total	\$ 154,264,001	\$ (1,273,132)

Business-type Activities Household Hazardous Waste	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,648	\$ (10,049)
Changes in assumptions	288,070	-
Net Difference between projected and actual investment earnings	46,823	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	580	(1,872)
Total	\$ 342,121	\$ (11,921)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferral attributed to:		Total Combined Deferral
	Government Activities	Business-type Activities Household Hazardous Waste	
2019	\$ 43,065,789	\$ 92,949	\$ 43,158,738
2020	\$ 38,188,371	\$ 82,422	\$ 38,270,793
2021	37,908,050	81,817	37,989,867
2022	33,828,659	73,012	33,901,671
Total	\$ 152,990,869	\$ 330,200	\$ 153,321,069

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
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E Component Unit - El Paso County Public Health

The following presents the El Paso County Public Health's proportionate share in the Retirement Plan's net liability and the sensitivity to changes in the discount rate, expense, deferred outflows of resources, deferred inflows of resources and the proportionate share of the deferred amounts.

At December 31, 2018 the El Paso County Public Health Department reported a liability of \$19,166,683 for its proportionate share of the Plan's net pension liability. The El Paso County Public Health proportion of the net pension liability was based on its contributions to the Plan for the calendar year 2018 relative to the total contributions of participating employers to the Plan. The El Paso County Public Health proportion was 4.84%, which was a decrease of 0.03% from its proportion measured in 2017.

	1% Decrease 4.23%	Current Discount Rate 5.23%	1% Increase 6.23%
El Paso County Public Health proportionate share of the net pension liability	\$ 24,388,707	\$ 19,166,683	\$ 14,886,086

For the year ended December 31, 2018 The El Paso County Public Health portion of the Plan's recognized a pension expense totaled \$3,178,731. The El Paso County Public Health reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 181,838	\$ 26,553
Net difference between projected and actual assumptions	7,877,136	-
Net difference between projected and actual earnings on pension plan investment	1,280,633	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	173,931	192,080
Total	\$ 9,513,538	\$ 218,633

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ended December 31	Deferred Amount
2019	\$ 2,552,847
2020	2,337,531
2021	2,354,945
2022	2,049,582
Total	\$ 9,294,905

EL PASO COUNTY, COLORADO
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4. Other post employment benefits (OPEB)

Plan Description

El Paso County provides a multiple-employer defined benefit post-employment health care plan referred to as The Plan which covers eligible retired employees of the County. The plan also covers employees and retirees of the District Attorney's office, which is a separate employer, as well as, employees and retirees of El Paso County Retirement Plan and El Paso County Public Health, component units of the County. Authority was established by approval of a resolution adopted by the Board of County Commissioners (CBC) to create the MBTF fund on December 15, 2004. The CBC has the authority to amend the contributions and terms of the MBTF at will.

The Retirement Plan's, a component unit of El Paso County, proportionate share of the liabilities, deferred inflows, deferred outflows of resources and expenses related to the Other Post Employment Benefits Plan is not a significant part to Primary Government for footnote disclosures.

To enroll in the retiree medical plans, the employee must be enrolled in a medical plan at the time of retirement and satisfy the following age and service requirements:

- Normal retirement begins at age 62 with full benefits. Employees hired before 2013 are required to accrue a minimum of five years of service, while those hired in 2013 or later must accrue a minimum of eight years of service.
- Early retirement can begin as early as age 55 if the employee has achieved credited service of five years (if hired before 2013) or eight years (if hired in 2013 or later).
- Special early retirement is available with a minimum of age plus years of service equal to 75. If hired in 2016 or later, an employee must have a minimum of age of 50 plus years of service to attain eligibility through the Rule of 75.
- Spouses of eligible employees and dependent children may also enroll in the plan.

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

Benefits provided

The County provides medical benefits for retirees under age 65 which are the same as those provided for active employees. The medical plan is a self-funded EPO using the Etna network and administered by EBMS. The plan has a deductible of \$2,000 for individuals and \$6,000 for families. The maximum out-of-pocket is \$6,000 for individuals and \$10,000 for families. Coinsurance generally is 75%. Prescription benefits are managed by Express Scripts and have copays that vary from \$6 for generic drugs up to \$200 for non-preferred specialty drugs. For retirees age 65 and over, the benefit changed in 2018 to a fully insured United American Medicare supplement plan and Medicare Part D Prescription Drug Plan administered by Retiree First.

Contributions

The County generally provides a subsidy for retirees, depending on age and years of service at the time of retirement. Retirees pay the difference between the premium and the County subsidy. Spouses and dependents of retirees pay 100% of the additional premium costs above the retiree cost. The benefits are funded on a pay-as-you-go basis.

The tables below show the 2018 retiree, County, and total monthly contributions:

Years of Service	Under 65, Retired Before 2004		
	Retiree	County	Total
15-19 years	180.14	441.02	621.16
20+ years	68.33	552.83	621.16
Spouse	572.88	0.00	572.88

EL PASO COUNTY, COLORADO
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Years of Service	Under 65, Retired Before 2004 thru 2018 and Elected Officials with 8+ Years		
	Retiree	County	Total
< 8 years	621.16	0.00	621.16
8-14 years	279.52	341.64	621.16
15-19 years	155.29	465.87	621.16
20+ years	0.00	621.16	621.16
Spouse	572.88	0.00	572.88
Years of Service	Medicare Eligible		
	Retiree	County	Total
< 8 years	291.26	0.00	291.26
8-14 years	131.07	160.19	291.26
15-19 years	72.81	218.45	291.26
20+ years	0.00	291.26	291.26
Years of Service	Medicare Eligible, Elected Officials		
	Retiree	County	Total
< 4 years	291.26	0.00	291.26
4-7 years	145.63	145.63	291.26
8+ years	0.00	291.26	291.26

Employees covered by benefit terms

As of January 1, 2018, the number of active and inactive employees covered by the plan was as follows. The count of retirees does not include spouses. The count of active employees does not include those who waived their benefits or new employees who were not yet covered.

	The Plan	Primary Government		Public Health
		Governmental Activities	Business-Type Activities	
Active employees	1,874	1,594	5	97
Retirees	625	610	0	4
Total	2,499	2,204	5	101

OPEB Liabilities, OPEB Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2018 El Paso County reported a liability of \$136,926,492 for its proportionate share of the collective total OPEB liability. The total OPEB liability was measured as of January 1, 2018, and the collective total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date. The proportionate share of the collective total OPEB liability has been calculated based on each component unit's projected payments as benefits come due over the long term as compared to the total projected payments of all entities that make benefit payments. At December 31, 2018 El Paso County's proportion was 91.67% which is consistent with its proportionate measurement at prior year.

EL PASO COUNTY, COLORADO
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The Total OPEB liability at December 31, 2018 is as follows:

Total OPEB Liability	The Plan	Primary Government		Public Health
		Government Activities	Business-Type Activities	
Beginning Balance (restated) December 31, 2017	\$ 123,925,748	\$ 113,432,329	\$ 170,404	\$ 3,569,062
Changes for the year				
Service cost	6,280,813	5,748,986	8,636	180,887
Interest	3,940,839	3,607,149	5,419	113,496
Difference between expected and actual experience	(8,292,029)	(7,589,901)	(11,402)	(238,810)
Current year amortization of experience differences	60,918,477	55,760,202	83,766	1,754,452
Changes in benefit terms	(34,694,363)	(31,756,616)	(47,706)	(999,198)
Employer contributions	(2,710,563)	(2,481,047)	(3,727)	(78,064)
Net Changes	\$ 25,443,174	\$ 23,288,773	\$ 34,986	\$ 732,763
Balance at December 31, 2018	\$ 149,368,922	\$ 136,721,102	\$ 205,390	\$ 4,301,825

Changes in benefit terms

The reduction in the liability for changes in benefit terms is due to the 2018 change in the benefits for retirees over the age of 65. While previously provided the same self-funded medical benefit as other actives and retirees, the benefit was changed to a fully insured Medicare Supplement plan.

Changes in assumptions

The table below shows the assumption changes that were made and their impact on the liability. More information about the details and sources of the assumptions can be found later in the notes.

Assumption	Description of Change	Impact on Liability
Discount Rate	Reduced from 4.22% to 3.18%	\$ 22,063,394
Termination, Disability and Retirement Rate	Updated to reflect assumptions used in pension actuarial valuation at 1/1/2018	9,049,798
Mortality Rate	Updated to more recent mortality table, which reflects mortality improvements.	20,021,490
Medical Costs and Trends	Updated assumptions based on actual recent experience.	4,761,532
Excise Tax	Not previously included	2,069,686
Participation Rates	Update assumptions to reflect recent experience.	(2,121,932)
Total Impact on Liability		\$ 55,843,968

For the year ended December 31, 2018, El Paso County recognized OPEB income of:

El Paso County Primary Government	
Government Activities	\$ 14,516,680
Business-Type Activities	25,310
Component Unit	
Public Health	456,756

EL PASO COUNTY, COLORADO
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At December 31, 2018 the County reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

El Paso County Primary Government	Deferred Outflows of		Deferred Inflows of
Government Activities	Resources		Resources
Differences between expected and actual experience	\$	-	\$ 6,347,691
Changes in assumptions		46,634,147	-
Employer contributions subsequent to measurement date		2,629,305	-
Total:	\$	49,263,452	\$ 6,347,691

\$2,629,305 reported as deferred outflows of resources related to OPEB for El Paso County Primary Government, Governmental Activities is a result from the County's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

El Paso County Primary Government	Deferred Outflows of		Deferred Inflows of
Business-type Activities	Resources		Resources
Household Hazardous Waste			
Differences between expected and actual experience	\$	-	\$ 9,536
Changes in assumptions		70,056	-
Employer contributions subsequent to measurement date		225	-
Total:	\$	70,281	\$ 9,536

\$225 reported as deferred outflows of resources related to OPEB for El Paso County Primary Government, Business-type Activities is a result from the Household Hazardous Waste contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

El Paso County Component Units	Deferred Outflows of		Deferred Inflows of
Public Health	Resources		Resources
Differences between expected and actual experience	\$	-	\$ 199,725
Changes in assumptions		1,467,308	-
Employer contributions subsequent to measurement date		82,730	-
Total:	\$	1,550,038	\$ 199,725

\$82,730 reported as deferred outflows of resources related to OPEB for El Paso County Component Unit, Public Health Department is a result from the Department's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

EL PASO COUNTY, COLORADO
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Other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	El Paso County Primary Government		El Paso County
	Government Activities	Business-Type Activities	Public Health
2019	\$ 7,883,846	\$ 11,844	\$ 248,059
2020	7,883,846	11,844	248,059
2021	7,883,846	11,844	248,059
2022	7,883,846	11,844	248,059
2023	7,883,846	11,844	248,059
Thereafter	867,226	1,300	27,288
Total	\$ 40,286,456	\$ 60,520	\$ 1,267,583

Actuarial assumptions

The actuarial assumptions used in the valuation represent a reasonable long-term expectation of future OPEB outcomes. The assumptions are tested with each valuation for ongoing reasonableness and are updated if appropriate.

**Measurement Date
and Valuation Date** January 1, 2018

Census Data All data was provided by the El Paso County. The census data was provided in April 2018.

Liability Components Medical: A liability exists for the implicit subsidy due to age. A liability also exists due to explicit employer contributions for retirees.
Dental: Dental and Vision benefits are provided to retirees but do not have an explicit or implicit liability.

Cost Method Entry age normal, determined as a level percent of projected pay

Funding Policy Pay as you go

Discount Rate 3.18% Source: S&P Municipal Bond 20 Year High Grade Index as of January 2, 2018

Payroll Growth 3.5% Provided by the El Paso County

General Inflation 3.0% per year

Mortality Rate For actives, RP-2014 White Collar Mortality Table, adjusted for improved mortality with a 70% factor applied to males rates and a 55% factor applied to female rates.
For retirees, RFP-2014 Healthy Annuitant Mortality projected to 2018 using the MP-2015 projection scale, with a 73% factor applied to male rates and a 78% factor applied to female rates.

Source: Used at recommendation of El Paso County based on discussion with their external auditors.

Age	Sample Rates			
	Actives		Retirees	
	Male	Female	Male	Female
50	0.083%	0.051%	0.297%	0.198%
55	0.137%	0.078%	0.458%	0.277%
60	0.230%	0.113%	0.635%	0.393%
65	0.406%	0.172%	0.831%	0.595%
70	0.720%	0.299%	1.185%	0.965%

EL PASO COUNTY, COLORADO
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Termination Before Retirement Source: Pension valuation as of 1/1/2017

Years of service	Sample Rates	
	Male	Female
0	20.0%	20.0%
1	17.5%	17.5%
2	12.5%	17.0%
3	12.5%	13.0%
4	10.0%	12.5%
5	9.0%	11.0%
10	4.9%	6.5%
15	3.2%	4.2%
16+	3.0%	4.0%

Disability Rate Source: Pension valuation at 1/1/2017

Age	Rate
20	0.02%
25	0.03%
30	0.04%
35	0.06%
40	0.09%
45	0.13%
50	0.20%
55+	0.35%

Retirement Rate Source: Pension valuation at 1/1/2017

Age	Sample Rates	
	Reduced Pension	Unreduced Pension
<=49	0	30%
50	0	35%
55	15%	25%
56	5%	15%
57	5%	15%
58	10%	15%
59	10%	15%
60	10%	20%
65	0	25%
67	0	20%

Participation Rate 59% of active employees are assumed to elect the County's healthcare coverage in retirement

Spousal Coverage Current active employees: 29% of actives are assumed to be married. 18% of electing retirees are assumed to elect coverage for their spouse. Husbands are assumed to be 3 years older than their wives unless actual spouse age is available.
Current retired employees: Actual spouse information is used where available; otherwise husbands are assumed to be 3 years older than their wives.

EL PASO COUNTY, COLORADO
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Medical Trend Rate The medical claims and premiums are assumed to increase at the following rates. Source: PriceWaterCoopers 2017 Assumption and Disclosure Survey

Year	Trend Rate
2018	6.2%
2019	6.0%
2020	5.8%
2021	5.6%
2022	5.4%
2023	5.2%
2024+	5.0%

Medical Aging Factors Source: Society of Actuaries 2013 Study "Health Care Costs - From Birth to Death"

Age	Male	Female
50	1.197	1.488
55	1.570	1.733
60	2.023	2.022
65	0.933	0.886

Age Adjusted Medical Costs Calculated by Leif Associates, using the medical aging factors, the projected 2018 medical claim cost per member per month, and the distribution of current enrollees by age and gender.

Age	Male	Female
50	\$ 434	\$ 539
55	\$ 569	\$ 628
60	\$ 733	\$ 733
65	\$ 895	\$ 858

Admin Costs

FY 2018	
PMPM	\$ 34.79
Annual Trend	3%

Excise Tax This is a permanent annual tax on high-cost employer-sponsored health coverage beginning in 2022, otherwise known as Cadillac Tax.

Amount of Tax 40% of the cost of health coverage that exceeds predetermined thresholds amounts.

Cost of Coverage Includes the total contributions paid by both the employer and employees but not cost-sharing amounts when care is received.

Thresholds Initially, \$10,200 for individual coverage and \$27,500 for family coverage. For pre-65 retirees, the amounts are \$11,850 for individual coverage and \$30,950 for family coverage. Amounts are assumed to increase at the rate of 3% per year.

EL PASO COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the total OPEB liability to changes in the Discount Rate

The following table presents the total OPEB liability of the El Paso County Primary Government, the proportionate share of the total OPEB liability for the Governmental Activities and respectively for the Business-Type Activities, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or higher than the current discount rate.

El Paso County Primary Government	1% Decrease 2.18%	Discount Rate 3.18%	1% Increase 4.18%
Government Activities	\$ 165,615,796	\$ 136,721,102	\$ 114,600,017
Business-Type Activities - Non Major			
Enterprise Funds - Household	248,797	205,390	172,158
Hazardous Waste			
Total OPEB Liability	\$ 165,864,593	\$ 136,926,492	\$ 114,772,175

El Paso County Component Unit	1% Decrease 2.18%	Discount Rate 3.18%	1% Increase 4.18%
Public Health proportionate share of OPEB Liability	\$ 5,210,974	\$ 4,301,825	\$ 3,605,802

Sensitivity of the total OPEB liability to changes in the Health Cost Trend Rates

The following table presents the total OPEB liability of the El Paso County Primary Government, the proportionate share of the total OPEB liability for the Governmental Activities and respectively for the Business-Type Activities, as well as what the total OPEB liability would be if it were calculated using a trend rate that is 1-percentage point lower or higher than the current trend rate.

El Paso County Primary Government	1% Decrease 5.2% graded	Trend Rate 6.2% graded	1% Increase 7.2% graded
Government Activities	\$ 113,396,386	\$ 136,721,102	\$ 167,478,163
Business-Type Activities - Non Major			
Enterprise Funds - Household	170,350	205,390	251,595
Hazardous Waste			
Total OPEB Liability	\$ 113,566,736	\$ 136,926,492	\$ 167,729,758

El Paso County Component Unit	1% Decrease 5.2% graded	Trend Rate 6.2% graded	1% Increase 7.2% graded
Public Health proportionate share of OPEB liability	\$ 3,567,931	\$ 4,301,825	\$ 5,269,572

5. *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 of \$17,245,000 were issued to finance a building project for PPRBD. In 2012, the 2003 Series COP were refinanced by the Refunding and Improvement Certificates of Participation Series 2012. PPRBD continued into the lease agreement with the County to make lease payments that will pay the debt

EL PASO COUNTY, COLORADO
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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 El Paso County Emergency Services Authority (ESA) - The ESA was established in 2014 between the City of Fountain and El Paso County (after the dissolution of the El Paso County Emergency Service Agency at the end of March 2014) to provide for uniform ambulance service in El Paso County, Colorado. It is the goal of the ESA to provide excellent emergency medical and ambulance transport services to citizens and visitors throughout El Paso County.

The ESA is a 12-member board made up of EMS and first-responder professionals, physicians, elected officials and citizens, offering broad-based representation. Currently, the board includes two emergency room physicians, four fire district representatives, one paramedic, three elected officials, a citizen representative and a senior citizen representative.

The ESA 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 to recover all its expenses.

The Pikes Peak Regional Communications Network (PPRCN) - The County, in conjunction with the City of Colorado Springs, has created the Pikes Peak Regional Communication Network. The PPRCN's board is composed of five members; two members appointed by the Colorado Springs Mayor, one member appointed by the Director of Colorado Springs Utilities, one member appointed by the Sheriff of El Paso County, and one member appointed by the Administrator of El Paso County. The agency board shall provide a financial and operating report to the Colorado Springs City Council and the El Paso County Board of County Commissioners no later than September 1 of each year.

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

On November 2, 2004, the Pikes Peak Rural Transportation Authority was established by the voters in the four governments. The PPRTA was authorized to collect a one-percent sales tax to fund transportation and transit improvements. Fifty-five percent of the money would fund a voter-approved list of capital projects, 35% would be used for additional maintenance (such as street overlays and pothole patching), and 10% would be used to expand the Springs Transit bus system.

In November 2012, nearly 80% of the voters in the region (including those in Ramah, which had joined the RTA in 2009) approved a ten-year extension for capital projects, from 2015 to 2024.

7. *Construction and other significant commitments*

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

December 31, 2018 Projects	Spent to Date	Amount to Complete Project in 2019
General Fund Projects	\$ 7,424,074	\$ 11,035,498
Conservation Trust Fund Projects	7,387	3,363
Road & Bridge Fund Projects	1,257,105	6,412,150
Total Construction Commitments	<u>\$ 8,688,566</u>	<u>\$ 17,451,011</u>

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8. *Tax Abatements*

As of December 31, 2018, and according to GASB Statement No. 77, *Abatement Disclosures*, the County has no tax abatement agreements in place that qualify under the definition of tax abatements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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 taxes, and other revenues restricted to use on roads and bridges.

DEPARTMENT OF HUMAN SERVICES FUND

Accounts for the federal and state public welfare programs administered by the County and financed by grants, intergovernmental reimbursements, and sales 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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 50,355,700	\$ 50,355,700	\$ 49,992,296	\$ (363,404)
Sales taxes	86,717,267	86,717,268	89,417,673	2,700,405
Specific ownership taxes	5,708,439	5,708,439	5,063,894	(644,545)
Intergovernmental	17,373,464	33,565,405	25,576,471	(7,988,934)
Fees and fines	577,500	584,984	317,179	(267,805)
Licenses and permits	2,343,000	2,343,000	2,271,233	(71,767)
Charges for services	25,680,920	26,174,777	27,658,412	1,483,635
Investment earnings	1,301,250	1,301,250	1,861,292	560,042
Contributions	6,995,814	11,169,964	10,796,328	(373,636)
Miscellaneous	2,735,475	2,996,802	3,002,393	5,591
Total revenues	199,788,829	220,917,589	215,957,171	(4,960,418)
EXPENDITURES				
General Government				
Administration	9,234,306	9,472,678	1,902,436	7,570,242
Budget and Finance	5,246,436	2,186,078	2,230,262	(44,184)
County Assessor	3,860,687	3,860,687	3,668,514	192,173
County Attorney	1,208,299	1,208,299	1,199,966	8,333
County Clerk and Recorder	11,471,090	12,394,011	11,160,410	1,233,601
County Surveyor	9,129	9,129	8,271	858
County Treasurer	1,270,588	1,270,588	1,203,107	67,481
Economic Development	8,294,197	12,990,181	12,985,968	4,213
Employment and Risk Management	1,439,754	1,705,464	1,535,156	170,308
Facilities management	9,738,306	11,028,024	8,903,961	2,124,063
Fleet management	3,528,034	3,734,141	3,539,386	194,755
Information technology	10,560,561	11,371,220	10,535,316	835,904
Planning and Community Development	2,284,622	3,106,345	2,465,647	640,698
Procurement	597,668	644,601	644,600	1
Retirement administration	7,728,844	7,913,844	7,913,032	812
Security	1,541,358	1,491,585	1,306,520	185,065
Total General Government	78,013,879	84,386,875	71,202,552	13,184,323
Public Safety				
Coroner	2,548,929	2,668,929	2,627,502	41,427
County Sheriff	76,591,993	80,984,286	75,956,620	5,027,666
District Attorney Office	15,055,142	15,146,969	15,144,010	2,959
Fire and flood recovery	1,048,000	4,505,567	957,977	3,547,590
Justice services	6,807,782	8,788,009	8,598,741	189,268
Total Public Safety	102,051,846	112,093,760	103,284,850	8,808,910
Health and Welfare				
Environmental services	378,992	450,682	395,408	55,274
Health administration	3,392,167	3,392,167	3,392,167	-
Pikes Peak Workforce Center	6,256,514	7,027,757	6,971,959	55,798
Total Health and Welfare	10,027,673	10,870,606	10,759,534	111,072
Culture and Recreation				
Parks	2,844,053	3,457,593	2,474,364	983,229
Total Culture and Recreation	2,844,053	3,457,593	2,474,364	983,229

EL PASO COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Auxiliary services				
Veterans services	453,291	461,231	426,215	35,016
CSU extension service	177,258	217,537	215,382	2,155
Total Auxiliary services	630,549	678,768	641,597	37,171
Capital outlay	6,147,807	21,270,327	9,090,553	12,179,774
Total expenditures	199,715,807	232,757,929	197,453,450	35,304,479
Excess (deficiency) of revenues over (under) expenditures	73,022	(11,840,340)	18,503,721	30,344,061
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	160,000	169,516	249,793	80,277
Transfers	(6,000,000)	(6,000,000)	(6,000,000)	-
Total other financing sources (uses)	(5,840,000)	(5,830,484)	(5,750,207)	80,277
Net change in fund balances	<u>\$ (5,766,978)</u>	<u>\$ (17,670,824)</u>	<u>\$ 12,753,514</u>	<u>\$ 30,424,338</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,290,406	\$ 2,290,406	\$ 2,166,236	\$ (124,170)
Specific ownership taxes	2,380,816	2,380,816	2,380,816	-
Highway user taxes	13,600,000	13,600,000	15,248,690	1,648,690
Intergovernmental	864,000	7,278,334	2,157,343	(5,120,991)
Charges for services	500,000	500,000	337,522	(162,478)
Contributions	-	-	50,000	50,000
Miscellaneous	-	-	61,361	61,361
Total revenues	19,635,222	26,049,556	22,401,968	(3,647,588)
EXPENDITURES				
Administration	9,227,997	20,375,184	10,026,188	10,348,996
Personnel services	10,910,168	10,652,668	10,637,230	15,438
Capital outlay	7,438,608	8,807,677	2,839,954	5,967,723
Total expenditures	27,576,773	39,835,529	23,503,372	16,332,157
Excess (deficiency) of revenues over (under) expenditures	(7,941,551)	(13,785,973)	(1,101,404)	12,684,569
OTHER FINANCING SOURCES (USES)				
Transfers	6,000,000	6,000,000	6,000,000	-
Total other financing sources (uses)	6,000,000	6,000,000	6,000,000	-
Net change in fund balances	\$ (1,941,551)	\$ (7,785,973)	\$ 4,898,596	\$ 12,684,569

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 14,655,563	\$ 14,655,563	\$ 14,655,563	\$ -
Intergovernmental	58,014,316	58,014,316	57,136,040	(878,276)
Charges for services	155,766	155,766	77,883	(77,883)
Contributions	30,000	30,000	4,100	(25,900)
Total revenues	72,855,645	72,855,645	71,873,586	(982,059)
EXPENDITURES				
Child welfare block grant	38,204,113	38,381,091	37,580,573	800,518
Child care block grant	2,720,850	3,064,550	3,057,200	7,350
Child Support Enforcement	4,185,595	4,770,305	4,749,953	20,352
Miscellaneous federal grants	3,390,138	2,915,638	2,623,226	292,412
Local County funding	694,660	742,660	386,020	356,640
County administration block grant	16,752,359	17,047,653	16,852,380	195,273
Temporary aid to needy families	10,132,930	9,158,748	8,646,766	511,982
Total expenditures	76,080,645	76,080,645	73,896,118	2,184,527
Excess (deficiency) of revenues over (under) expenditures	(3,225,000)	(3,225,000)	(2,022,532)	1,202,468
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	2,202	2,202
Total other financing sources (uses)	-	-	2,202	2,202
Net change in fund balances	\$ (3,225,000)	\$ (3,225,000)	\$ (2,020,330)	\$ 1,204,670

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
FOR THE YEAR ENDED DECEMBER 31, 2018

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

	General Fund	Road & Bridge	Human Services
Sources/inflows of resources			
Total revenues and other financing sources - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances - budget and actual	\$ 216,206,964	\$ 28,401,968	\$ 71,875,788
Interest earned on investments is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	112,644	-	-
Accrued revenues are not an inflow for budgetary purposes but are included as revenue for financial reporting purposes	10,323	-	272,868
	<u>216,329,931</u>	<u>28,401,968</u>	<u>72,148,656</u>
Uses/outflows of resources			
Total expenditures and other financing uses - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances - budget and actual	203,453,450	23,503,372	73,896,118
Capital outlays are outflows of budgetary resources but do not include completed work in progress expenses for financial reporting purposes	-	-	-
Accrued wages are not outflows of budgetary resources but are expenditures for financial reporting purposes	476,289	23,802	215,721
Inventory adjustments are not outflows of budgetary resources but are expenses for financial reporting purposes	(58,892)	-	-
Prepaid expenses are not outflows of budgetary resources but as adjustments to expenses for financial reporting purposes	(1,642)	-	-
	<u>\$ 203,869,205</u>	<u>\$ 23,527,174</u>	<u>\$ 74,111,839</u>
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets			

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
LAST 5 FISCAL YEARS

El Paso County Governmental Activities

	2018	2017	2016	2015	2014
County's proportion (percentage) of the collective net pension liability	79.84%	80.13%	80.73%	80.21%	80.23%
County's proportionate share of the collective pension liability	\$ 316,041,467	\$ 119,141,982	\$ 130,040,090	\$ 124,740,902	\$ 110,118,016
Covered payroll	\$ 122,901,005	\$ 119,604,078	\$ 113,987,927	\$ 106,668,864	\$ 103,784,288
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	257.15%	99.61%	114.08%	116.94%	96.47%
Plan fiduciary net pension as a percentage of the total pension liability	47.66%	72.07%	68.22%	67.55%	72.66%

Business-type Activities Non-Major Enterprise Funds
Household Hazardous Waste

	2018	2017	2016	2015	2014
Fund's proportion (percentage) of the collective net pension liability	0.18%	0.18%	0.19%	0.17%	0.17%
Fund's proportionate share of the collective pension liability	\$ 702,259	\$ 265,663	\$ 302,885	\$ 271,217	\$ 217,681
Covered payroll	\$ 272,843	\$ 266,696	\$ 265,932	\$ 231,923	\$ 207,975
Fund's proportionate share of the net pension liability as a percentage of its covered-employee payroll	257.39%	99.61%	113.90%	116.94%	104.67%
Plan fiduciary net pension as a percentage of the total pension liability	47.66%	72.07%	68.22%	67.55%	72.66%

See the accompanying independent auditors' report.

The County implemented GASB Statement No. 68 in fiscal year 2014. Information for years prior to fiscal year 2014 is unavailable.

EL PASO COUNTY, COLORADO
SCHEDULE OF THE COUNTY'S
PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS

El Paso County Governmental Activities

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contributions	\$ 9,832,182	\$ 9,568,436	\$ 9,134,127	\$ 8,533,522	\$ 8,283,907	\$ 7,096,878	\$ 6,880,096	\$ 6,151,821	\$ 5,597,621	\$ 4,754,745
Contributions in relation to the contractually required contribution	9,832,182	9,568,436	9,134,127	8,533,522	8,283,907	7,096,878	6,880,096	6,151,821	5,597,621	4,754,745
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 122,901,005	\$ 119,604,078	\$ 113,987,927	\$ 106,668,864	\$ 103,784,288	\$ 94,636,264	\$ 91,725,879	\$ 87,872,000	\$ 86,128,471	\$ 79,245,751
Contribution as a percentage of covered payroll	8.00%	8.00%	8.01%	8.00%	7.98%	7.50%	7.50%	7.00%	6.50%	6.00%

Business-type Activities Non-Major Enterprise Funds - Household Hazardous Waste

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contributions	\$ 21,828	\$ 21,336	\$ 21,275	\$ 18,554	\$ 16,598	\$ 15,289	\$ 15,223	\$ 17,866	\$ 18,131	\$ 13,548
Contributions in relation to the contractually required contribution	21,828	21,336	21,275	18,554	16,598	15,289	15,223	17,866	18,131	13,548
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 272,843	\$ 266,696	\$ 265,932	\$ 231,923	\$ 207,975	\$ 203,847	\$ 202,966	\$ 255,231	\$ 278,948	\$ 225,804
Contribution as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	7.98%	7.50%	7.50%	7.00%	6.50%	6.00%

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
SCHEDULE OF CHANGES IN THE SPONSOR'S NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	<u>2018*</u>
Service Cost	\$ 6,280,813
Interest	3,940,839
Differences between expected and actual experience	(8,292,029)
Changes of assumption or other inputs	60,918,477
Changes of benefit terms	(34,694,363)
Employer Contributions	<u>(2,710,563)</u>
Net Change in Total OPEB Liability	\$ 25,443,174
 Total OPEB Liability - beginning	 \$ 123,925,748
Total OPEB Liability - ending	\$ 149,368,922
 Covered Employee Payroll	 \$ 151,504,110
 Total OPEB Liability as a percentage of Covered Employee Payroll	 98.6%

Notes to Schedule:

Major Assumptions

Discount Rate	3.18%
Medical Trend	6.2%

*The amounts presented for each fiscal year were determined as of December 31.

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years information will be displayed up to 10 years as information becomes available.

See the accompanying independent auditor's report

EL PASO COUNTY, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

1. Notes to the Budgetary Information

Budgets are adopted on a basis consistent with US generally accepted accounting principles (GAAP) for all government funds with a few minor exceptions. These exceptions are reconciled on the Budget to GAAP reconciliation schedule on the previous page. The Proprietary funds and Falcon Vista, 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, Local Improvement Districts, Public Improvement District #1, Public Improvement District #2, Public Improvement District #3, Pioneer Village Roads Improvement District and Stratmoor Valley Public Improvement District. All annual appropriations lapse at fiscal year end. Budgets are not presented for the Public Trustee Agency Fund or the other Agency funds because these are funds collected and held on behalf of others. In addition, budget is not presented for the Pension Trust because these funds are also collected on behalf of others and the Trust issues separately stated financial statements.

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, 2018 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. Public hearings are conducted by the County to obtain taxpayer comments.
- B. Prior to December 31, the budget is legally enacted through passage of an appropriation resolution.
- C. Any revisions that alter the total expenditures of any fund must be approved by the County Commissioners by passage of a resolution.
- D. 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.
- E. No fund had excesses of expenditures over appropriations for the year ended December 31, 2018.

2. Notes to Postemployment Benefits Other than Pension (OPEB) schedule.

No assets have been accumulated in a trust that meets criteria in paragraph 4 of Statement 75.

Changes of benefit terms. Amounts presented reflect the 2018 change of benefit terms to require Medicare-eligible recipients to enroll in Medicare for retirees over the age of 65.

Changes of assumptions. Changes of assumptions and other inputs for 2018 reflect the effects of changes in several factors: discount rate reduced from 4.22% to 3.18%; termination, disability, and retirement rates were updated to reflect assumptions used in pension actuarial valuation at January 1, 2017; mortality rate was updated to more recent mortality table; and medical costs, trends, and participation rates reflect actual recent experience.

**OTHER SUPPLEMENTARY
INFORMATION**

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

EL PASO COUNTY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,373,259	\$ 1,373,259	\$ 1,419,164	\$ 45,905
Investment earnings	1,000	1,000	9,959	8,959
Total revenues	1,374,259	1,374,259	1,429,123	54,864
EXPENDITURES				
Culture and recreation	1,374,259	1,657,228	1,543,812	113,416
Capital outlay	-	11,567	-	11,567
Total expenditures	1,374,259	1,668,795	1,543,812	124,983
Change in fund balances	<u>\$ -</u>	<u>\$ (294,536)</u>	<u>\$ (114,689)</u>	<u>\$ 179,847</u>

See the accompanying independent auditors' report.

Other Major Governmental 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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 945	\$ 945
Sales taxes	12,359,950	10,359,950	10,359,950	-
Intergovernmental	-	110,000	934,161	824,161
Charges for services	3,740,896	3,740,896	4,419,079	678,183
Total revenues	16,100,846	14,210,846	15,714,135	1,503,289
EXPENDITURES				
Administration	20,000	130,251	108,526	21,725
Principal	11,595,271	9,573,525	8,912,481	661,044
Interest and other charges	6,091,316	6,113,062	5,879,156	233,906
Total expenditures	17,706,587	15,816,838	14,900,163	916,675
Excess (deficiency) of revenues over (under) expenditures	(1,605,741)	(1,605,992)	813,972	2,419,964
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	1,605,741	1,605,741	-	(1,605,741)
Total other financing sources (uses)	1,605,741	1,605,741	-	(1,605,741)
Net change in fund balances	\$ -	\$ (251)	\$ 813,972	\$ 814,223

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.

HOUSEHOLD HAZARDOUS WASTE

The Household Hazardous Waste 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
HOUSEHOLD HAZARDOUS WASTE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 1,113,167	\$ 1,113,167	\$ 1,262,717	\$ 149,550
Total revenues	1,113,167	1,113,167	1,262,717	149,550
OPERATING EXPENSES				
Personnel Services	436,126	449,240	437,562	11,678
Administration and operations	678,541	765,427	751,235	14,192
Total expenditures	1,114,667	1,214,667	1,188,797	25,870
Operating income (loss)	(1,500)	(101,500)	73,920	175,420
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	1,500	1,500	11,946	10,446
Total nonoperating revenues (expenses)	1,500	1,500	11,946	10,446
Change in net position	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ 85,866</u>	<u>\$ 185,866</u>

See the accompanying independent auditor's report.

EL PASO COUNTY, COLORADO
SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 22,746,921	\$ 22,746,921	\$ 22,408,728	\$ (338,193)
Total revenues	22,746,921	22,746,921	22,408,728	(338,193)
OPERATING EXPENSES				
Insurance premiums	4,093,578	4,884,578	4,518,740	365,838
Claim settlements	30,706,078	31,221,078	30,451,052	770,026
Administration and operations	4,491,496	5,222,234	5,158,271	63,963
Total expenditures	39,291,152	41,327,890	40,128,063	1,199,827
Operating income (loss)	(16,544,231)	(18,580,969)	(17,719,335)	861,634
NONOPERATING REVENUES (EXPENSES)				
Sales tax	18,286,430	18,286,430	18,286,430	-
Total nonoperating revenues (expenses)	18,286,430	18,286,430	18,286,430	-
Change in net position	\$ 1,742,199	\$ (294,539)	\$ 567,095	\$ 861,634

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
FOR THE YEAR ENDED DECEMBER 31, 2018

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

	Capital Projects	Conservation Trust Fund	Household Hazardous Waste	Self- Insurance Fund
Sources/inflows of resources				
Total revenues and other financing sources - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances/net position - budget and actual	\$ 15,714,135	\$ 1,429,123	\$ 1,274,663	\$ 40,695,158
Interest earned on investments is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	141,412	-	-	-
Accounts Receivable for Accrued wages is not an inflow for budgetary purposes but is included as revenue for financial reporting purposes	-	-	-	-
Certificates of Participation are not an inflow for budgetary purposes but are non-operating revenues for financial reporting purposes	-	-	-	-
Total operating revenues, non-operating revenues, capital contributions - GAAP basis from the combining statement of revenues, expenses and changes in fund net assets	<u>15,855,547</u>	<u>1,429,123</u>	<u>1,274,663</u>	<u>40,695,158</u>
Uses/outflows of resources				
Total expenditures and other financing uses - budgetary basis from the schedules of revenues, expenditures, and changes in fund balances/net position - budget and actual	14,900,163	1,543,812	1,188,797	40,128,063
Capital outlays are outflows of budgetary resources but do not include completed work in progress expenses for financial reporting purposes	3,828,369	-	-	-
Certificates of Participation refunding costs are not outflows of budgetary resources but are expenses for financial reporting purposes	645,221	-	-	-
Certificates of Participation are not an outflow for budgetary purposes but are non-operating expenses for financial reporting purposes	970,227	-	-	-
Depreciation is not an outflow of budgetary resources but is an expense for financial reporting purposes	-	-	47,128	10,131
Accrued wages are not outflows of budgetary resources but are expenditures for financial reporting purposes	-	3,627	6,767	-
Prepaid expenses are not outflows of budgetary resources but as adjustments to expenses for financial reporting purposes	21,164	-	71,059	-
Loss on disposal of property is not an outflow of budgetary resources but is an expense for financial reporting purposes	-	-	-	-
Health claims incurred but not reported are not outflows of budgetary resources but are expenses for financial reporting purposes	-	-	-	1,029,621
Total operating expenses - GAAP basis from the combining statement of revenues, expenses and changes in fund net position	<u>\$ 20,365,144</u>	<u>\$ 1,547,439</u>	<u>\$ 1,313,751</u>	<u>\$ 41,167,815</u>

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.

SCHOOLS TRUST FUND

The Schools 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 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.

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.

PUBLIC IMPROVEMENT DISTRICTS

Public Improvement Districts account for the receipt and disbursement of revenues derived from mill levies, proceeds of debt issued by the Districts, and revenues from road impact fees.

SHERIFF AGENCY FUNDS

Accounts for funds collected for and disbursed from the Inmate Trust Fund, the Civil Trust Fund and the Confidential Informant Trust Fund.

EL PASO COUNTY, COLORADO
SCHOOLS TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Charges for services	\$ 100,000	\$ 100,000	\$ 157,829	\$ 57,829
TOTAL ADDITIONS	100,000	100,000	157,829	57,829
DEDUCTIONS				
Outside agencies	100,000	100,000	21,152	78,848
TOTAL DEDUCTIONS	100,000	100,000	21,152	78,848
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,677</u>	<u>\$ 136,677</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
 AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 DECEMBER 31, 2018

	Treasurer's	Public Trustee	Falcon Vista	Public Improvement District 1
ASSETS				
Cash and cash equivalents	\$ 36,771,650	\$ 1,833,541	\$ 70,534	\$ 1,141,276
Other Assets	-	15,567	-	16,517
Total assets	<u>36,771,650</u>	<u>1,849,108</u>	<u>70,534</u>	<u>1,157,793</u>
LIABILITIES				
Due to other governments	13,188,152	-	-	-
Escrow deposits held by Trustee	-	1,238,386	-	-
Funds due to bondholders	-	-	70,534	-
Other	<u>23,583,498</u>	<u>610,722</u>	<u>-</u>	<u>1,157,793</u>
Total liabilities	<u>\$ 36,771,650</u>	<u>\$ 1,849,108</u>	<u>\$ 70,534</u>	<u>\$ 1,157,793</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
 AGENCY FUNDS
 COMBINING STATEMENT OF NET POSITION
 DECEMBER 31, 2018

Public Improvement District 2	Public Improvement District 3	Pioneer Village Roads Improvement District	Stratmoor Valley Streetlight Public Improvement District	Sheriff Agency Funds	Total
\$ 34,876	\$ 3,881	\$ 478	\$ 59,029	\$ 586,904	\$ 40,502,169
-	-	-	-	-	32,084
<u>34,876</u>	<u>3,881</u>	<u>478</u>	<u>59,029</u>	<u>586,904</u>	<u>40,534,253</u>
-	-	-	-	-	13,188,152
-	-	-	-	-	1,238,386
-	-	-	-	-	70,534
<u>34,876</u>	<u>3,881</u>	<u>478</u>	<u>59,029</u>	<u>586,904</u>	<u>26,037,181</u>
<u>\$ 34,876</u>	<u>\$ 3,881</u>	<u>\$ 478</u>	<u>\$ 59,029</u>	<u>\$ 586,904</u>	<u>\$ 40,534,253</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, 2018

TREASURER'S AGENCY FUND

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 37,120,651	\$ 1,136,269,170	\$ 1,136,618,171	\$ 36,771,650
LIABILITIES				
Due to other governments	11,229,647	890,170,200	888,211,695	13,188,152
Other	25,891,004	246,098,970	248,406,476	23,583,498
Total liabilities	\$ 37,120,651	\$ 1,136,269,170	\$ 1,136,618,171	\$ 36,771,650

PUBLIC TRUSTEE AGENCY FUND

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 1,661,300	\$ 43,182,947	\$ 43,010,706	\$ 1,833,541
Other assets	21,078	15,567	21,078	15,567
Total assets	1,682,378	43,198,514	43,031,784	1,849,108
LIABILITIES				
Escrow deposits held by trustee	1,053,489	42,411,725	42,226,828	1,238,386
Other	628,889	786,789	804,956	610,722
Total liabilities	\$ 1,682,378	\$ 43,198,514	\$ 43,031,784	\$ 1,849,108

FALCON VISTA ACQUISITION LID

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 104,798	\$ 214,326	\$ 248,590	\$ 70,534
LIABILITIES				
Funds due to bondholders	\$ 104,798	\$ 214,326	\$ 248,590	\$ 70,534

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, 2018

PUBLIC IMPROVEMENT DISTRICT #1

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 856,280	\$ 1,126,461	\$ 841,465	\$ 1,141,276
Other assets	208,535	16,517	208,535	16,517
Total assets	<u>1,064,815</u>	<u>1,142,978</u>	<u>1,050,000</u>	<u>1,157,793</u>
LIABILITIES				
Other	<u>\$ 1,064,815</u>	<u>\$ 1,142,978</u>	<u>\$ 1,050,000</u>	<u>\$ 1,157,793</u>

PUBLIC IMPROVEMENT DISTRICT #2

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 43,216	\$ 331,024	\$ 339,364	\$ 34,876
LIABILITIES				
Other	<u>\$ 43,216</u>	<u>\$ 331,024</u>	<u>\$ 339,364</u>	<u>\$ 34,876</u>

PUBLIC IMPROVEMENT DISTRICT #3

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 3,010	\$ 21,150	\$ 20,279	\$ 3,881
LIABILITIES				
Other	<u>\$ 3,010</u>	<u>\$ 21,150</u>	<u>\$ 20,279</u>	<u>\$ 3,881</u>

PIONEER VILLAGE ROADS PUBLIC IMPROVEMENT DISTRICT

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 55,117	\$ 41,904	\$ 96,543	\$ 478
LIABILITIES				
Other	<u>\$ 55,117</u>	<u>\$ 41,904</u>	<u>\$ 96,543</u>	<u>\$ 478</u>

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, 2018

STRATMOOR VALLEY STREETLIGHT PUBLIC IMPROVEMENT DISTRICT

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 40,031	\$ 27,669	\$ 8,671	\$ 59,029
LIABILITIES				
Other	\$ 40,031	\$ 27,669	\$ 8,671	\$ 59,029

SHERIFF AGENCY FUNDS

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 496,378	\$ 7,676,614	\$ 7,586,088	\$ 586,904
LIABILITIES				
Other	\$ 496,378	\$ 7,676,614	\$ 7,586,088	\$ 586,904

TOTALS - ALL AGENCY FUNDS

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
ASSETS				
Cash and investments	\$ 40,380,781	\$ 1,188,891,265	\$ 1,188,769,877	\$ 40,502,169
Other assets	229,613	32,084	229,613	32,084
	40,610,394	1,188,923,349	1,188,999,490	40,534,253
LIABILITIES				
Due to other governments	11,229,647	890,170,200	888,211,695	13,188,152
Escrow deposits held by trustee	1,053,489	42,411,725	42,226,828	1,238,386
Funds due to bondholders	104,798	214,326	248,590	70,534
Other	28,222,460	256,127,098	258,312,377	26,037,181
Total liabilities	\$ 40,610,394	\$ 1,188,923,349	\$ 1,188,999,490	\$ 40,534,253

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
FALCON VISTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
ADDITIONS				
Special assessments	\$ 138,500	\$ 212,826	\$ 211,523	\$ (1,303)
Interest	1,500	1,500	2,803	1,303
TOTAL ADDITIONS	140,000	214,326	214,326	-
DEDUCTIONS				
Debt service	140,000	248,590	248,590	-
TOTAL DEDUCTIONS	140,000	248,590	248,590	-
Change in net position	<u>\$ -</u>	<u>\$ (34,264)</u>	<u>\$ (34,264)</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
PUBLIC IMPROVEMENT DISTRICT #1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
ADDITIONS				
Special assessments	\$ 935,000	\$ 990,000	\$ 1,127,251	\$ 137,251
Interest	5,000	10,000	15,727	5,727
TOTAL ADDITIONS	940,000	1,000,000	1,142,978	142,978
DEDUCTIONS				
Outside agencies	807,775	1,057,775	1,050,000	7,775
TOTAL DEDUCTIONS	807,775	1,057,775	1,050,000	7,775
Change in net position	<u>\$ 132,225</u>	<u>\$ (57,775)</u>	<u>\$ 92,978</u>	<u>\$ 150,753</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
PUBLIC IMPROVEMENT DISTRICT #2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Special assessments	\$ 317,420	\$ 317,456	\$ 327,590	\$ 10,134
Interest	1,000	1,000	3,434	2,434
TOTAL ADDITIONS	318,420	318,456	331,024	12,568
DEDUCTIONS				
Outside agencies	339,356	340,809	339,364	1,445
TOTAL DEDUCTIONS	339,356	340,809	339,364	1,445
Change in net position	<u>\$ (20,936)</u>	<u>\$ (22,353)</u>	<u>\$ (8,340)</u>	<u>\$ 14,013</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
PUBLIC IMPROVEMENT DISTRICT #3
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Special assessments	\$ 18,451	\$ 18,560	\$ 20,921	\$ 2,361
Interest	-	-	229	229
TOTAL ADDITIONS	18,451	18,560	21,150	2,590
DEDUCTIONS				
Outside agencies	20,277	20,371	20,279	92
TOTAL DEDUCTIONS	20,277	20,371	20,279	92
Change in net position	<u>\$ (1,826)</u>	<u>\$ (1,811)</u>	<u>\$ 871</u>	<u>\$ 2,682</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
PIONEER VILLAGE ROADS PUBLIC IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Special assessments	\$ 36,299	\$ 40,569	\$ 40,796	\$ 227
Interest	-	950	1,108	158
TOTAL ADDITIONS	36,299	41,519	41,904	385
DEDUCTIONS				
Outside agencies	43,045	68,544	68,543	1
TOTAL DEDUCTIONS	43,045	68,544	68,543	1
Change in net position	<u>\$ (6,746)</u>	<u>\$ (27,025)</u>	<u>\$ (26,639)</u>	<u>\$ 386</u>

See the accompanying independent auditors' report.

EL PASO COUNTY, COLORADO
 STRATMOOR VALLEY STREETLIGHT PUBLIC IMPROVEMENT DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN NET POSITION - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
ADDITIONS				
Special assessments	\$ 23,528	\$ 23,533	\$ 26,547	\$ 3,014
Interest	-	-	1,122	1,122
TOTAL ADDITIONS	23,528	23,533	27,669	4,136
DEDUCTIONS				
Outside agencies	22,853	22,853	8,451	14,402
TOTAL DEDUCTIONS	22,853	22,853	8,451	14,402
Change in net position	<u>\$ 675</u>	<u>\$ 680</u>	<u>\$ 19,218</u>	<u>\$ 18,538</u>

See the accompanying independent auditors' report.

MISCELLANEOUS

EL PASO COUNTY, COLORADO
HUMAN SERVICES FUND
SCHEDULE OF EBT AUTHORIZATIONS, WARRANT EXPENDITURES, AND TOTAL EXPENDITURES
FOR THE YEAR ENDING DECEMBER 31, 2018

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	\$ 6,460,693	\$ 10,533	\$ -	\$ 6,460,693	\$ 10,533
LEAP	\$ 4,795,625	\$ -	\$ 38,990	\$ 4,834,615	\$ 38,990
TANF	\$ 12,653,089	\$ 3,121,937	\$ 5,521,329	\$ 18,174,419	\$ 8,643,266
Administration	\$ 6,381,946	\$ 3,497,401	\$ 13,466,511	\$ 19,848,457	\$ 16,963,913
Child Welfare	\$ 24,717,711	\$ 7,561,010	\$ 23,865,660	\$ 48,583,371	\$ 31,426,670
Core Services	\$ 3,810,052	\$ 787,091	\$ 2,558,173	\$ 6,368,225	\$ 3,345,264
AND	\$ 1,174,692	\$ 227,758	\$ 343,359	\$ 1,518,051	\$ 571,116
IV-D Administration**	\$ -	\$ 1,303,950	\$ 3,446,003	\$ 4,749,953	\$ 4,749,953
Child Care	\$ 14,527,953	\$ 1,673,652	\$ 1,383,548	\$ 15,911,500	\$ 3,057,200
Grants Settled in CFMS**	\$ -	\$ 3,361	\$ 4,114,693	\$ 4,118,054	\$ 4,118,054
Grants/Other ***	\$ -	\$ -	\$ 1,062,584	\$ -	\$ 1,062,584
Senior Services***	\$ -	\$ -	\$ 124,296	\$ -	\$ 124,296
Sub-Total	\$ 74,521,761	\$ 18,186,693	\$ 55,925,146	\$ 130,567,338	\$ 74,111,839
Food Assistance	\$ 97,372,045	\$ -	\$ -	\$ 97,372,045	\$ -
Grand Total	\$ 171,893,806	\$ 18,186,693	\$ 55,925,146	\$ 227,939,383	\$ 74,111,839
				\$ 227,865,779	\$ 74,111,839

A. EBT Authorizations reflect Human Services payments authorized by El Paso County and paid by Colorado Department of Human Services

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.

LOCAL HIGHWAY FINANCE REPORT		City or County:
		El Paso County
		YEAR ENDING :
This Information From The Records Of El Paso County		Prepared By:
		Nikki Simmons
		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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	4,876,948
4. Miscellaneous local receipts (from page 2)	16,772,252
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	21,649,199
B. Private Contributions	
C. Receipts from State government (from page 2)	16,002,753
D. Receipts from Federal Government (from page 2)	1,403,281
E. Total receipts (A.7 + B + C + D)	39,055,233

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	3,619,062
2. Maintenance:	7,515,821
3. Road and street services:	
a. Traffic control operations	547,186
b. Snow and ice removal	1,403,158
c. Other	18,103,486
d. Total (a. through c.)	20,053,830
4. General administration & miscellaneous	2,991,727
5. Highway law enforcement and safety	
6. Total (1 through 5)	34,180,439
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	34,180,439

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	16,483,386	39,055,233	34,180,439	21,358,180	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2018	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,166,236	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	329,896	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,380,816	g. Other Misc. Receipts	68,986
6. Total (1. through 5.)	2,710,712	h. Other	16,703,266
c. Total (a. + b.)	4,876,948	i. Total (a. through h.)	16,772,252
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	15,248,690	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	30,768
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	754,062	d. Federal Transit Admin	1,337,448
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	35,066
f. Total (a. through e.)	754,062	g. Total (a. through f.)	1,403,281
4. Total (1. + 2. + 3.f)	16,002,753	3. Total (1. + 2.g)	
			(Carry forward to page 1)
Notes and Comments:			

III. STATISTICAL SECTION

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 Position by Component
Changes in Net Position
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 Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 432,326,238	\$ 421,605,773	\$ 408,258,511	\$ 386,839,249
Restricted	12,143,902	18,137,383	31,613,701	25,753,607
Unrestricted	(19,957,838)	(18,810,665)	(34,744,060)	(57,276,815)
Total governmental activities net position	<u>424,512,302</u>	<u>420,932,491</u>	<u>405,128,152</u>	<u>355,316,041</u>
Business-type activities				
Net investment in capital assets	864,976	1,412,817	1,418,042	1,373,439
Unrestricted	1,346,726	516,836	382,867	435,992
Total business-type activities net position	<u>2,211,702</u>	<u>1,929,653</u>	<u>1,800,909</u>	<u>1,809,431</u>
Primary government				
Net investment in capital asset	433,191,214	423,018,590	409,676,553	388,212,688
Restricted	12,143,902	18,137,383	31,613,701	25,753,607
Unrestricted	(18,611,112)	(18,293,829)	(34,361,193)	(56,840,823)
Total primary government net position	<u>\$ 426,724,004</u>	<u>\$ 422,862,144</u>	<u>\$ 406,929,061</u>	<u>\$ 357,125,472</u>

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

2013	2014	2015	2016	2017	2018
\$ 378,815,025	\$ 378,589,179	\$ 379,277,388	\$ 393,539,637	\$ 402,103,483	\$ 403,907,088
23,152,127	32,866,602	34,410,977	34,912,960	50,144,509	39,201,197
(65,951,812)	(78,622,043)	(184,587,074)	(201,767,248)	(213,954,280)	(218,705,181)
336,015,340	332,833,738	229,101,291	226,685,349	238,293,712	224,403,104
1,329,309	1,285,181	1,263,552	1,291,263	1,169,297	1,122,169
466,906	568,953	460,289	503,404	570,022	407,658
1,796,215	1,854,134	1,723,841	1,794,667	1,739,319	1,529,827
380,144,334	379,874,360	380,540,940	394,830,900	403,272,780	405,029,257
23,152,127	32,866,602	34,410,977	34,912,960	50,144,509	39,201,197
(65,484,906)	(78,053,090)	(184,126,785)	(201,263,844)	(213,384,258)	(218,297,523)
\$ 337,811,555	\$ 334,687,872	\$ 230,825,132	\$ 228,480,016	\$ 240,033,031	\$ 225,932,931

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

Expenses	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
General government	\$ 40,459,544	\$ 43,100,936	\$ 46,367,966	\$ 59,265,849
Public safety	71,629,027	70,323,510	73,974,617	87,608,455
Public works	39,723,895	41,884,076	41,224,357	49,352,850
Health and welfare	65,628,193	59,051,252	62,298,421	71,896,379
Culture and recreation	2,911,825	2,854,071	3,108,688	4,017,556
Auxiliary services	184,138	81,062	405,317	529,369
Outside agencies	4,046,667	6,207,919	5,986,054	5,895,486
Interest on long-term debt	2,734,663	6,186,058	6,411,700	7,938,172
Total governmental activities expenses	<u>227,317,952</u>	<u>229,688,884</u>	<u>239,777,120</u>	<u>286,504,116</u>
Business-type activities:				
Waste management	814,250	827,965	913,594	952,362
Land development	-	-	-	-
Total business-type activities expenses	<u>814,250</u>	<u>827,965</u>	<u>913,594</u>	<u>952,362</u>
Total primary government expenses	<u>228,132,202</u>	<u>230,516,849</u>	<u>240,690,714</u>	<u>287,456,478</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	16,888,532	19,453,228	22,969,843	25,954,492
Public safety	4,695,479	5,273,240	5,138,506	5,032,350
Public works	1,963,976	652,189	209,252	711,194
Health and Welfare	165,172	243,041	293,282	152,199
Culture and recreation	618,382	617,047	568,749	675,916
Outside agencies	240,898	224,440	225,825	54,413
Operating grants and contributions	73,028,190	74,376,558	66,637,356	69,900,661
Capital grants and contributions	22,988,775	6,118,913	5,987,521	12,653,521
Total governmental activities program revenues	<u>120,589,404</u>	<u>106,958,656</u>	<u>102,030,334</u>	<u>115,134,746</u>
Business-type activities:				
Charges for services:				
Waste management	730,278	790,000	882,726	952,671
Land development	-	-	-	-
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>730,278</u>	<u>790,000</u>	<u>882,726</u>	<u>952,671</u>
Total primary government program revenues	<u>\$ 121,319,682</u>	<u>\$ 107,748,656</u>	<u>\$ 102,913,060</u>	<u>\$ 116,087,417</u>

(Continued)

2013	2014	2015	2016	2017	2018
\$ 58,162,963	\$ 68,213,731	\$ 69,873,396	\$ 65,653,733	\$ 65,281,483	\$ 85,774,721
90,516,659	102,380,666	99,913,246	107,410,027	113,483,626	117,746,035
44,133,430	34,466,675	31,903,334	31,919,113	34,766,473	39,982,986
69,676,163	70,758,066	84,785,987	90,671,586	91,321,790	90,784,589
3,332,306	3,432,589	3,595,595	4,098,894	4,393,346	5,220,898
535,323	568,875	447,472	646,005	702,870	691,028
5,860,942	-	-	-	-	-
7,731,019	7,436,929	7,206,931	7,232,318	6,004,080	5,438,420
279,948,805	287,257,531	297,725,961	307,631,676	315,953,668	345,638,677
981,058	998,704	1,025,034	1,140,009	1,299,489	1,313,751
-	-	-	-	-	-
981,058	998,704	1,025,034	1,140,009	1,299,489	1,313,751
280,929,863	288,256,235	298,750,995	308,771,685	317,253,157	346,952,428
27,369,375	25,107,711	24,992,044	27,436,347	29,520,516	29,096,576
6,736,549	6,008,910	6,857,472	7,218,040	7,231,670	6,323,983
1,070,430	1,170,633	701,000	858,364	581,918	398,882
160,391	156,654	156,310	191,302	211,234	78,801
908,101	785,649	904,825	638,292	817,269	1,416,163
94,023	-	-	-	-	-
70,868,809	84,646,148	81,438,559	90,783,302	87,028,434	96,048,917
9,644,943	14,524,609	15,870,740	23,674,209	18,300,352	20,210,630
116,852,621	132,400,314	130,920,950	150,799,856	143,691,393	153,573,952
957,064	1,034,755	1,097,983	1,198,611	1,239,115	1,262,717
-	-	-	-	-	-
-	21,635	14,181	10,512	2	-
967,064	1,056,390	1,112,164	1,209,123	1,239,117	1,262,717
\$ 117,809,685	\$ 133,456,704	\$ 132,033,114	\$ 152,008,979	\$ 144,930,510	\$ 154,836,669

Schedule 2 – Continued
El Paso County
Changes in Net Position
Last Ten Fiscal Years

Net (Expense) Revenue	Fiscal Year			
	2009	2010	2011	2012
Governmental activities	\$ (106,728,548)	\$ (122,730,228)	\$ (137,746,786)	\$ (171,369,370)
Business-type activities	(83,972)	(37,965)	(30,868)	8,309
Total primary government net expense	<u>(106,812,520)</u>	<u>(122,768,193)</u>	<u>(137,777,654)</u>	<u>(171,361,061)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	44,657,977	46,165,964	47,311,463	42,920,278
Sales taxes	58,722,451	56,432,810	58,259,187	75,207,266
Other taxes	15,242,819	15,717,611	15,703,573	15,817,127
Investment earnings	355,449	373,076	374,538	201,608
Gain/Loss on sale of capital assets	82,816	362,773	195,502	15,022
Transfers	74,966	98,183	-	-
TABOR limitation	-	-	-	-
Total governmental activities	<u>119,136,478</u>	<u>119,150,417</u>	<u>121,844,263</u>	<u>134,161,301</u>
Business-type activities:				
Investment earnings	3,481	1,953	308	213
Loss on sale of capital assets	-	-	-	-
Transfers	(74,966)	(98,183)	-	-
Total business-type activities	<u>(71,485)</u>	<u>(96,230)</u>	<u>308</u>	<u>213</u>
Total primary government	<u>119,064,993</u>	<u>119,054,187</u>	<u>121,844,571</u>	<u>134,161,514</u>
Change in Net Position				
Governmental activities	12,407,930	(3,579,811)	(15,902,523)	\$ (37,208,069)
Business-type activities	(155,457)	(134,195)	(30,560)	8,522
Total primary government	<u>\$ 12,252,473</u>	<u>\$ (3,714,006)</u>	<u>\$ (15,933,083)</u>	<u>(37,199,547)</u>

2013	2014	2015	2016	2017	2018
\$ (163,096,184)	\$ (154,857,217)	\$ (166,805,011)	\$ (156,831,820)	\$ (172,262,275)	\$ (192,064,725)
(13,389)	57,686	87,130	69,114	(60,372)	(51,034)
(163,109,573)	(154,799,531)	(166,717,881)	(156,762,706)	(172,322,647)	(192,115,759)
43,587,576	43,584,455	44,606,433	48,046,061	48,852,104	52,159,477
86,971,156	90,841,733	100,147,762	102,160,928	119,995,369	114,433,186
16,212,257	16,929,457	18,003,165	18,710,879	20,473,922	22,693,400
270,118	319,970	433,220	672,452	1,104,655	2,120,598
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(15,174,442)	-	-
147,041,107	151,675,615	163,190,580	154,415,878	190,426,050	191,406,661
173	233	258	1,712	5,024	11,946
-	-	-	-	-	-
-	-	-	-	-	-
173	233	258	1,712	5,024	11,946
147,041,280	151,675,848	163,190,838	154,417,590	190,431,074	191,418,607
(16,055,077)	(3,181,602)	(3,614,431)	(2,415,942)	18,163,775	(658,064)
(13,216)	57,919	87,388	70,826	(55,348)	(39,088)
\$ (16,068,293)	\$ (3,123,683)	\$ (3,527,043)	\$ (2,345,116)	\$ 18,108,427	\$ (697,152)

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			
	2009	2010	2011	2012
General Fund				
Non-spendable	\$ -	\$ -	\$ 377,254	\$ 462,770
Restricted	-	-	6,446,587	6,653,514
Committed	-	-	1,131,782	1,635,399
Assigned	-	-	21,716,258	17,370,988
Unrestricted	-	-	3,499,404	4,147,026
Reserved	6,364,437	7,706,723	-	-
Unreserved	28,545,587	29,885,543	-	-
Total general fund	<u>34,910,024</u>	<u>37,592,266</u>	<u>33,171,285</u>	<u>30,269,697</u>
All Other Governmental Funds				
Non-spendable	-	-	2,198,308	1,758,568
Restricted	-	-	25,167,114	19,100,093
Committed	-	-	1,777,863	1,802,389
Assigned	-	-	3,436,343	5,709,904
Unrestricted	-	-	(517,775)	(62,060)
Reserved	14,483,922	45,449,515	-	-
Unreserved, reported in:				
Special revenue funds	10,779,478	5,232,264	-	-
Capital projects funds	-	1,402,989	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>25,263,400</u>	<u>52,084,768</u>	<u>32,061,853</u>	<u>28,308,894</u>
Total governmental funds	<u>\$ 60,173,424</u>	<u>\$ 89,677,034</u>	<u>\$ 65,233,138</u>	<u>\$ 58,578,591</u>

Data Source:

Statement of Activities

El Paso County Financial Statements

* GASB 54 was implemented in 2011. Years 2011 and after are presented in compliance with GASB 54.

Information for 2008 - 2010 is presented as before

GASB-54 implementation. Data is not available to restate.

	2013	2014	2015	2016	2017	2018
\$	805,176	\$ 1,666,071	\$ 1,802,453	\$ 1,786,850	\$ 2,126,150	\$ 2,351,015
	7,693,246	14,126,448	15,159,318	16,918,398	33,792,193	30,845,641
	7,167,737	4,429,589	5,864,367	6,207,230	4,814,696	6,309,637
	18,212,599	6,438,541	6,304,446	3,041,630	3,466,811	3,368,046
	500,901	2,275,218	8,507,501	3,878,328	6,127,000	19,913,237
	-	-	-	-	-	-
	-	-	-	-	-	-
	34,379,659	28,935,867	37,638,085	31,832,436	50,326,850	62,787,576
	2,422,657	1,898,716	1,526,994	1,595,497	1,374,363	1,247,137
	15,458,881	18,740,154	19,251,659	17,994,562	22,907,728	14,199,068
	1,096,611	338,253	3,686,145	3,230,862	3,244,381	5,302,070
	5,160,998	6,864,980	7,697,910	12,237,313	12,043,662	10,986,532
	(35,445)	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	24,103,702	27,842,103	32,162,708	35,058,234	39,570,134	31,734,807
\$	58,483,361	\$ 56,777,970	\$ 69,800,793	\$ 66,890,670	\$ 89,896,984	\$ 94,522,383

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Property taxes	\$ 44,657,977	\$ 46,165,964	\$ 47,311,463	\$ 42,920,278
Sales taxes	58,722,451	56,432,810	58,259,187	75,207,266
Other taxes	15,242,819	15,717,611	15,703,573	15,817,127
Intergovernmental	74,619,901	72,949,855	61,886,419	65,101,975
Fees and fines	1,154,509	845,649	766,805	519,762
Licenses and permits	274,330	438,298	593,272	666,357
Charges for services	18,471,476	17,703,477	22,784,406	27,743,834
Investment earnings	355,449	372,623	371,306	201,608
Miscellaneous	7,394,816	8,902,461	10,019,400	9,123,766
TABOR limitation	-	-	-	-
Total revenues	220,893,728	219,528,748	217,695,831	237,301,973
Expenditures				
Current				
General government	37,748,026	40,009,509	43,903,734	48,485,500
Public safety	66,134,393	66,464,205	71,401,763	72,903,001
Public works	16,772,311	18,603,168	18,466,109	16,402,954
Health and welfare	60,896,990	65,697,695	62,949,418	66,250,148
Culture and recreation	2,479,030	2,774,378	2,924,070	3,135,372
Outside agencies	4,150,462	6,316,283	5,986,054	5,895,486
Auxiliary services	287,069	356,624	415,880	455,906
Debt service:				
Principal	2,975,000	4,250,000	6,118,768	6,769,510
Issuance costs	-	682,438	6,362,994	201,246
Interest and other charges	5,581,880	5,945,964	411,600	7,858,020
Capital outlay	18,861,177	35,694,283	27,772,512	20,012,664
Total expenditures	215,886,338	246,794,547	246,712,902	248,369,807
Excess of revenues over (under) expenditures	5,007,390	(27,265,799)	(29,017,071)	(11,067,834)
Other financing sources (uses)				
Refund of bond issuance costs/COP's	-	-	32,820,000	12,010,000
Payment to refunding COP-agent	-	-	(35,412,037)	(11,561,686)
Certificates of participation issued	-	55,925,000	-	-
Premium on certificates of participation	-	421,387	2,102,895	1,663,072
Discount on bonds	-	324,839	(232,632)	-
Capital lease financing	-	-	4,999,998	-
Proceeds from sale of capital assets	93,760	4,532,774	294,951	2,301,901
Transfers in	6,904,660	(4,434,591)	-	-
Transfers out	(6,829,694)	-	-	-
Total other financing sources (uses)	168,726	56,769,409	4,573,175	4,413,287
Net changes in fund balances	<u>\$ 5,176,116</u>	<u>\$ 29,503,610</u>	<u>\$ (24,443,896)</u>	<u>\$ (6,654,547)</u>
Debt service as a percentage of noncapital expenditures	4.34%	4.83%	5.70%	6.41%

Data Source:
El Paso County Financial Statements

2013	2014	2015	2016	2017	2018
\$ 43,587,576	\$ 43,584,455	\$ 44,606,433	\$ 48,046,061	\$ 48,852,104	\$ 52,159,477
86,971,156	90,841,733	100,147,762	102,160,928	119,995,369	114,433,186
16,212,257	16,929,457	18,003,165	18,710,879	20,473,922	22,693,400
67,025,567	79,619,263	73,728,259	80,827,146	82,971,106	87,506,370
456,956	586,491	636,484	570,957	542,053	317,179
1,577,421	1,526,229	1,800,512	2,074,273	2,331,200	2,271,233
30,684,504	27,679,991	27,993,683	29,108,076	29,705,737	32,492,896
271,697	320,925	433,250	672,376	1,100,023	2,125,307
10,098,538	10,747,974	13,081,413	17,166,403	14,448,006	13,914,182
-	-	-	(15,174,442)	-	-
256,885,672	271,836,520	280,430,961	284,162,657	320,419,520	327,913,230
48,338,903	48,338,903	57,962,560	60,536,969	62,346,142	70,566,797
81,038,873	97,266,185	89,767,014	95,719,071	101,862,204	104,589,560
16,686,258	11,929,523	13,345,188	11,124,604	14,054,809	13,021,839
66,753,246	71,811,589	76,344,728	81,884,291	83,991,576	84,775,137
2,783,478	3,155,545	3,100,511	3,467,576	3,463,937	4,021,802
5,860,942	-	-	-	-	-
491,187	544,147	532,362	580,784	621,999	641,598
7,915,375	8,177,293	9,017,858	9,369,501	10,358,395	9,542,481
-	-	-	553,492	41,500	397,116
8,104,485	7,874,819	7,594,548	6,986,417	6,410,938	5,373,750
18,443,459	17,179,810	9,930,562	17,595,029	18,522,129	23,520,494
256,416,206	278,263,484	267,595,331	287,817,734	301,673,629	316,450,574
469,466	(6,426,964)	12,835,630	(3,655,077)	18,745,891	11,462,656
-	-	-	23,245,000	-	28,380,000
-	-	-	(23,049,162)	-	(32,881,942)
-	-	-	-	-	-
-	-	-	347,655	-	3,531,715
-	-	-	-	-	-
-	4,618,769	-	-	-	-
55,036	102,804	187,193	201,461	3,826,775	251,995
-	-	-	-	433,648	-
-	-	-	-	-	-
55,036	4,721,573	187,193	744,954	4,260,423	(718,232)
\$ 524,502	\$ (1,705,391)	\$ 13,022,823	\$ (2,910,123)	\$ 23,006,314	\$ 10,744,424
6.73%	6.13%	6.45%	6.05%	5.92%	5.09%

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
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
2012	2013	300,459,180	3,507,471,170	1,746,010,570	126,334,870	13,206,340
2013	2014	291,843,530	3,494,373,880	2,007,606,090	247,188,270	13,728,040
2014	2015	275,803,640	3,562,258,110	2,028,632,390	236,062,500	13,762,980
2015	2016	284,448,230	3,906,417,080	2,080,685,820	242,501,400	14,205,740
2016	2017	272,587,050	3,982,682,110	2,106,720,270	240,065,640	14,170,090
2017	2018	297,104,290	4,138,373,140	2,354,996,370	283,460,490	14,448,250
2018	2019	287,789,390	4,260,244,670	2,385,207,600	269,194,640	15,218,710

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

Natural Resources	Oil and Gas	Public Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	*Tax-Exempt Property	** New Construction	*** Abatement Value
\$ 8,325,440	-	278,262,800	6,825,492,150	7.531	1,549,584,850	174,719,260	434,805
6,502,350	-	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
5,758,010	-	260,564,000	6,334,487,370	7.663	1,585,165,900	-	381,352
5,752,860	81,420	277,390,880	6,337,964,970	7.714	1,588,612,250	-	293,158
6,016,310	-	317,449,500	6,439,985,430	7.791	1,620,634,570	-	444,416
5,833,670	-	318,472,400	6,852,564,340	7.869	1,675,329,490	-	481,974
6,022,650	-	340,591,400	6,962,839,210	7.919	1,692,265,240	-	315,662
5,867,990	-	351,450,300	7,445,701,460	7.965	1,692,265,240	-	308,204
5,147,070	-	358,758,700	7,581,560,780	8.068	1,709,949,360	-	701,712

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

Taxes Payable	2010	2011	2012	2013
Assessment Year	2009	2010	2011	2012
County direct rates				
General	5.017	4.612	3.109	3.844
Abatement	0.064	0.070	0.060	0.066
Road & Bridge	0.330	0.330	0.330	0.330
Social Services	0.000	0.000	0.000	0.000
Capital	1.330	1.655	3.080	2.500
Insurance	0.000	0.000	0.000	0.000
Retirement	0.790	0.870	1.018	0.923
Total County direct rates	7.531	7.537	7.597	7.663
City and town rates				
Calhan	17.563	17.563	20.000	17.563
Colorado Springs	4.279	4.279	4.279	4.279
Fountain	10.239	10.239	10.239	10.239
Green Mountain Falls	13.558	14.588	14.588	17.588
Manitou Springs	15.750	15.750	15.750	12.070
Monument	6.289	6.289	6.289	6.289
Palmer Lake	15.989	16.459	16.459	16.459
Ramah	19.827	19.827	19.827	19.827
<i>Levy Ranges for the following districts are:</i>				
Fire Protection Districts	1.357-12.423	1.310-12.423	1.191-12.423	1.164-13200
Sanitation Districts	0.621-4.500	0.549-4.654	0.549-5.334	0.573-5.534
Water Districts	0.445-14.437	0.454-14.437	0.495-16.803	0.478-17.709
Sanitation & Water Districts	6.950-29.055	6.950-30.986	5.500-35.508	5.805-37.471
Special Improvement Districts	1.000-51.000	1.000-51.000	1.000-51.000	1.000-59.420
Regional Library District	3.468	3.556	3.999	4.030
Metropolitan Districts	0.450-100.000	0.440-100.000	0.440-100.000	0.440-83.000
School Districts	24.436-60.216	23.538-60.216	24.723-60.216	24.703-602.16

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

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

2014	2015	2016	2017	2018	2019
2013	2014	2015	2016	2017	2018
4.141	7.384	7.461	7.539	7.589	7.635
0.051	0.077	0.078	0.050	0.046	0.103
0.330	0.330	0.330	0.330	0.330	0.330
0.000	0.000	0.000	0.000	0.000	0.000
2.200	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000
0.992	0.000	0.000	0.000	0.000	0.000
7.714	7.791	7.869	7.919	7.965	8.068
17.563	17.563	17.563	17.563	17.563	17.563
4.279	4.279	4.279	4.279	4.279	4.279
10.239	10.239	10.239	10.239	10.239	10.239
17.588	17.588	17.588	17.588	17.588	17.588
12.060	12.050	12.246	13.001	13.072	13.083
6.289	6.289	6.255	6.289	6.225	6.289
16.459	16.459	11.238	21.238	21.238	21.238
19.827	19.827	19.827	19.827	19.827	19.827
1.167 - 14.390	1.141 - 15.290	1.022-15.286	0.963-15.286	0.899-18.100	0.837-18.400
0.578 - 5.755	0.578 - 6.101	0.587-6.040	0.591-6.248	0.583-7.734	0.854-6.637
0.478 - 17.872	0.478 - 18.574	0.471-16.444	0.478-17.725	0.481-17.725	0.479-17.725
2.937 - 34.956	2.937 - 41.288	2.937-34.943	2.937-36.836	2.937-36.953	2.937-38.277
1.000 - 51.000	1.000 - 51.000	1.000-51.000	1.000-57.089	1.009-51.000	1.009-51.329
4.000	4.000	3.857	3.957	3.812	4.000
0.440 - 100.000	0.440 - 100.000	0.440-100.000	0.440-100.000	0.440-100.000	0.440-100.000
24.726 - 60.216	24.775 - 60.216	25.195-60.216	24.748-60.216	24.731-61.320	24.776-61.900

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
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%
2012	18,010,412	17,870,639	99.22%	78,939	17,949,578	99.66%
2013	22,332,783	22,222,512	99.51%	52,071	22,274,584	99.74%
2014	29,396,268	29,266,912	99.56%	9,229	29,276,141	99.59%
2015	42,805,385	42,640,553	99.61%	54,337	42,694,889	99.74%
2016	46,172,810	45,946,994	99.51%	68,912	46,015,906	99.66%
2017	47,061,251	46,810,929	99.47%	(33,756)*	46,777,173	99.40%
2018	50,339,066	49,992,296	99.31%	114,467	50,106,763	99.54%

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

()* A citizen that has paid for property taxes may request an abatement (refund) for the past two years plus the current year. When abatements pertaining to prior years' exceed the prior years' tax collections it will reflect as a negative amount in the "Collections for Subsequent Years" column.



Schedule 8
El Paso County
Property Taxes by Fund
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Property taxes				
Fund 1 - General Fund	\$ 30,678,405	\$ 31,122,339	\$ 29,776,229	\$ 17,870,640
Fund 2 - Road & Bridge	2,002,020	2,092,121	2,094,348	1,936,902
Fund 4 - Department of Human Services	-	-	-	-
Fund 6 - Capital Improvement Fund	8,161,662	8,124,020	10,121,707	17,375,089
Fund 16 - Retirement Fund	3,815,890	4,827,484	5,319,179	5,737,647
Total Property Tax Revenue	<u>\$ 44,657,977</u>	<u>\$ 46,165,964</u>	<u>\$ 47,311,463</u>	<u>\$ 42,920,278</u>

Data Source:
El Paso County Financial Statements

	2013	2014	2015	2016	2017	2018
\$	22,222,512	\$ 29,266,912	\$ 42,640,552	\$ 45,946,994	\$ 46,810,929	\$ 49,992,296
	1,947,715	1,939,123	1,965,881	2,099,067	2,041,175	2,166,236
	-	-	-	-	-	-
	14,182,145	12,378,420	-	-	-	945
	5,235,204	-	-	-	-	-
\$	43,587,576	\$ 43,584,455	\$ 44,606,433	\$ 48,046,061	\$ 48,852,104	\$ 52,159,477

Schedule 9
El Paso County
Principal Sales Tax Remitters
Current Year and Nine Years Ago

	2018			2009		
	Sales Tax Collected	Rank	% of Total County Sales Tax Collected	Sales Tax Collected	Rank	% of Total County Sales Tax Collected
Taxpayer						
Major Retail Store	\$ 5,796,316	1	5.07%	\$ 4,056,114	1	6.31%
Major Retail Store	2,451,830	2	2.14%	1,378,347	2	2.14%
Major Retail Store	2,306,102	3	2.02%	1,235,302	4	1.92%
Local Government	2,273,981	4	1.99%	1,371,202	3	2.13%
Major Retail Store	1,865,578	5	1.63%	883,059	8	1.37%
Hotel Industry	1,815,809	6	1.59%	999,161	7	1.55%
Major Retail Store	1,794,842	7	1.57%	797,521	10	1.24%
Major Internet Store	1,696,272	8	1.48%			
Major Retail Store	1,289,211	9	1.13%			
Telecommunications	1,073,093	10	0.94%	1,066,296	5	1.66%
Telecommunications				1,036,083	6	1.61%
Telecommunications				826,358	9	1.28%
Total	22,363,034		19.54%	13,649,443		21.21%

Sales and Use Tax is the County's largest revenue source, producing 37.4% of the revenues for the Governmental Activities. We are prohibited by ordinance from releasing sales tax information on individual taxpayers. We are providing the above information as the next best available option.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Retail Trade	35,897,986	37,406,489	40,291,234	52,016,333	54,519,334	58,394,750	64,154,280	66,580,666	70,586,791
Food Services	8,070,771	8,407,642	9,080,980	11,506,575	12,153,093	13,169,783	14,248,669	15,037,543	16,066,298
Information (Magazines, Newspapers, etc)	4,693,512	4,268,166	4,349,358	5,742,631	5,804,560	5,566,355	5,138,986	5,222,347	5,098,580
Wholesale Trade	2,829,795	2,641,184	2,765,390	3,425,124	3,900,413	4,169,023	4,078,713	4,391,626	5,240,746
Accommodations	2,457,583	2,710,502	2,514,101	3,304,999	3,554,791	4,107,007	4,601,196	5,306,470	5,642,508
Real Estate and Rental & Leasing	1,619,745	1,530,237	1,463,676	1,926,810	2,151,403	2,479,993	2,837,395	3,288,920	3,586,564
Manufacturing	1,541,106	1,989,234	2,524,664	3,265,568	3,841,170	3,398,167	3,645,074	3,822,582	3,895,733
Utilities	1,564,556	1,764,030	1,869,553	2,348,062	2,444,738	2,496,897	2,242,659	2,498,969	2,573,171
Other Services (except Public Admin)	1,490,607	1,526,585	1,638,749	1,982,092	2,121,983	2,395,764	2,538,537	2,685,360	2,925,810
Construction	699,674	761,574	1,166,426	1,432,089	1,655,433	2,133,413	2,492,062	3,063,222	2,727,972
Professional, Scientific and Technical Services	809,231	599,824	686,215	1,092,019	704,538	845,868	841,555	1,249,022	1,241,622
Finance and Insurance	430,360	489,974	460,402	572,430	589,510	532,771	523,856	561,194	673,419
Arts Entertainment & Recreation	315,104	342,311	365,250	475,382	426,138	499,415	576,888	583,232	626,786
Waste Management & Remediation Services	215,568	241,770	236,490	303,262	306,892	304,164	300,369	356,030	430,748
Mining	154,633	167,484	198,869	326,983	351,283	342,787	405,045	522,100	496,025
Education Services	160,237	168,587	175,845	213,356	216,598	186,250	165,916	166,113	162,558
Health Care & Social Assistance	124,779	132,906	139,476	188,272	142,505	134,195	150,841	147,178	154,544
Transportation & Warehousing	37,435	40,945	62,666	76,392	76,646	75,648	87,528	178,939	224,090
Agriculture, Forestry, Fishing & Hunting	90,248	103,424	120,376	141,331	133,315	135,758	168,222	187,568	157,030
Public Administration	40,923	42,987	50,136	64,667	66,486	64,279	56,474	59,659	55,088
Category Not Specified	173,857	(1,886)	11,560	7,128	(32,028)	(48,549)	(16,050)	4,131	(2,033)
Tobacco Tax	114,764	117,810	103,208	104,636	106,331	102,252	106,713	104,879	88,290
Total Sales Tax:	63,532,474	65,451,779	70,274,624	90,516,141	95,235,132	101,485,990	109,344,928	116,017,750	122,652,340
Clerk and Recorder Collections	2,633,983	2,827,992	3,228,003	4,209,854	4,812,397	5,388,523	6,381,493	6,692,197	6,349,509
Reg Bldg Admin Fee	273,784	254,107	312,003	287,611	406,529	405,806	433,477	633,474	534,530
Building Materials	1,124,758	856,458	1,392,448	1,616,726	1,004,300	927,403	1,469,579	1,137,658	1,835,013
Total Use Tax:	4,032,525	3,938,557	4,932,454	6,114,191	6,223,226	6,721,732	8,284,549	8,463,329	8,719,052
Total Sales and Use Tax:	67,564,999	69,390,336	75,207,078	96,630,332	101,458,358	108,207,722	117,629,477	124,481,079	131,371,392

Source: Colorado Department of Revenue

Notes: The above totals will not equate to the Sales Tax Totals on the Statement of Activities because the Sales Tax allocation to Internal Services Fund (Self Insurance) is eliminated as well as timing differences on collections for prior periods.

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	EPC Debt Per Capita*
	Certificates of Participation	Capital Leases			
2009	120,309,103	597,047	120,906,150	0.52%	199
2010	172,193,855	-	172,193,855	0.71%	277
2011	166,148,666	3,736,230	169,884,896	0.66%	267
2012	174,251,235	2,501,720	176,752,955	0.68%	274
2013	169,487,902	1,256,345	170,744,247	0.64%	261
2014	162,243,456	4,607,822	166,851,278	0.59%	252
2015	154,054,010	3,444,964	157,498,974	0.54%	234
2016	146,932,597	2,285,462	149,218,059	0.49%	216
2017	138,031,503	4,313,842	142,345,345	0.66%	205
2018	129,659,572	1,896,362	131,555,934	**	211

Notes:

The Certificates of Participation amounts have been updated to reflect totals net of related premiums and discounts.

*Data revised in 2018 with most recent information from the Bureau of Economic Analysis

**Data not available

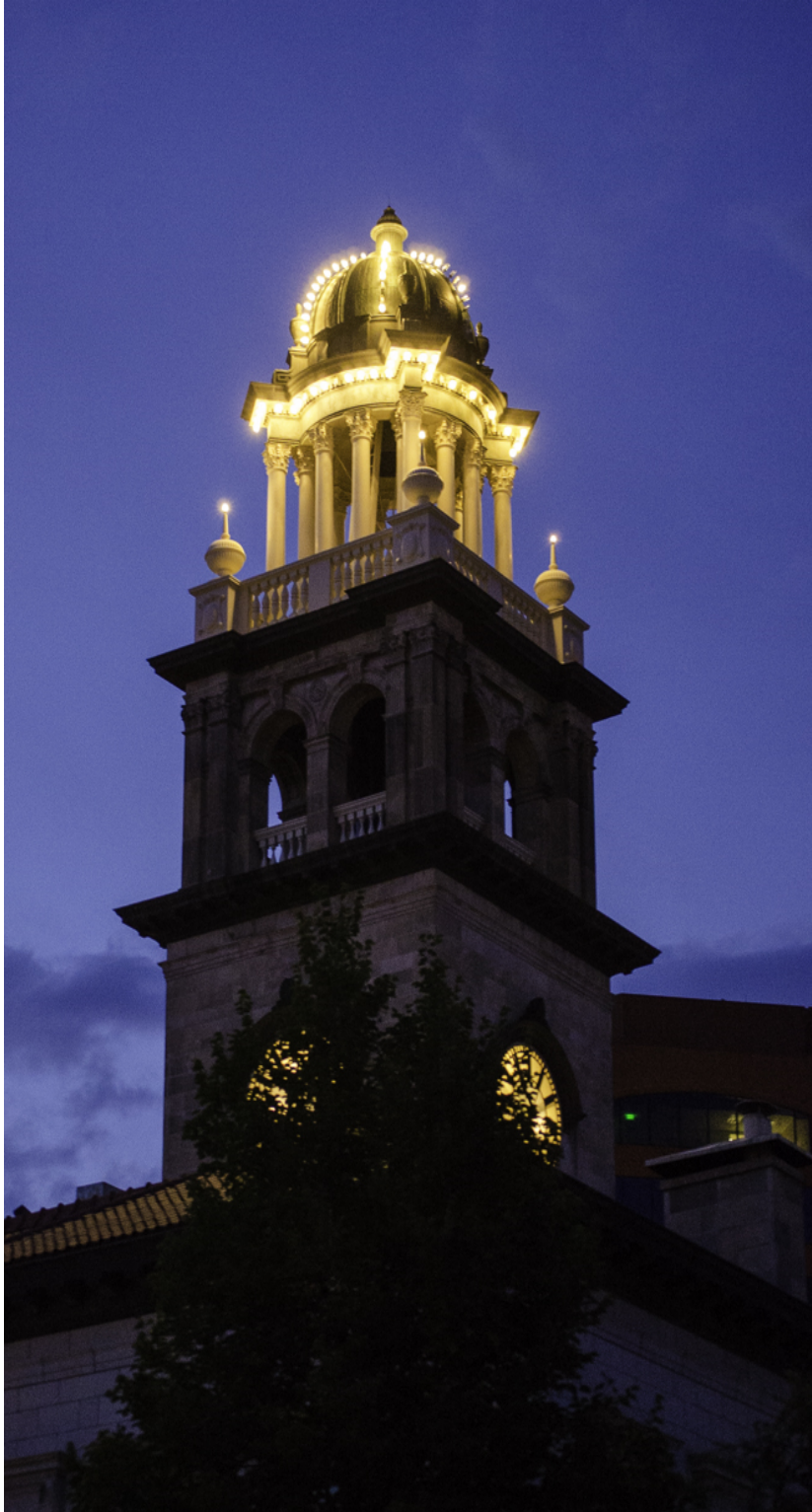
Data sources:

El Paso County Financial Statements

US Department of Commerce

Bureau of Economic Analysis

DEMOGRAPHIC AND ECONOMIC INFORMATION



Schedule 12
El Paso County
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population *				Total Personal Income	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
2009	4,976,853	1.51%	608,518	1.55%	23,193,879	41,515	38,254	90.35%
2010	5,029,196	1.47%	622,263	2.96%	24,123,028	41,717	38,600	90.61%
2011	5,116,302	1.35%	637,302	1.23%	25,470,641	44,179	40,246	88.46%
2012	5,189,458	1.31%	645,678	1.56%	26,050,723	45,089	40,346	89.33%
2013	5,268,367	1.52%	655,150	1.54%	26,626,735	46,824	40,642	90.66%
2014	5,355,866	1.66%	662,874	1.67%	28,079,165	49,823	42,360	86.08%
2015	5,443,612	1.60%	674,630	1.30%	29,262,206	50,971	43,385	86.06%
2016	5,540,545	1.78%	688,227	2.01%	30,315,645	51,999	44,409	85.40%
2017	5,607,154	1.20%	699,232	0.07%	31,149,325	52,059	46,511	85.11%
2018	5,695,564	1.58%	713,856	2.09%	35,603,678	56,846	***	***

Notes:

* Data revised in 2018 with most recent information from the Colorado Division of Local Government

** Data revised in 2018 with most recent information from the Bureau of Economic Analysis

*** Data revised in 2018 with the most recent information from the Colorado Division of Labor and Employment

**** 2018 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 ***

Employed	Unemployed	Unemployment Rate	Public School Enrollment	Motor Vehicles Registered
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
301,831	26,259	8.70%	126,274	508,616
274,091	21,325	8.00%	116,061	515,108
278,409	14,199	5.10%	113,837	529,595
293,736	14,200	4.60%	117,928	545,363
311,612	9,854	3.20%	118,754	576,719
329,377	11,199	3.40%	119,442	568,674
349,709	15,737	4.50%	121,192	592,000

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

Employer	2018			2009		
	Percentage of Total El Paso County			Percentage of Total El Paso County		
	Employees	Rank	Employment	Employees	Rank	Employment
Fort Carson	30,589	1	11.06%	23,087	1	9.80%
United States Air Force Academy	8,730	2	3.16%	10,350	3	4.39%
Schriever Air Force Base	6,978	3	2.52%	8,094	4	3.43%
UCHealth Memorial Health System	6,479	4	2.34%	4,700	5	1.99%
Peterson Air Force Base	5,565	5	2.01%	11,227	2	4.76%
School District #11 - Colorado Spgs	3,915	6	1.42%	3,900	6	1.65%
School District #20 - Air Academy	3,459	7	1.25%	2,636	8	1.12%
Penrose-St. Francis Health Services	3,024	8	1.09%	2,856	7	1.21%
El Paso County	3,018	9	1.09%	2,000	10	0.85%
City of Colorado Springs	2,448	10	0.89%	2,300	9	0.98%
	<u>74,205</u>			<u>71,150</u>		
El Paso County Total Employment***	276,597			235,692		

*** State of Colorado, LMI Gateway, 2nd Qtr 2018/2009

Data Source: various, 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Commissioners	5	5	5	5	5	5	5	5	5	5
County Assessor	52	52	52	52	52	52	53	53	53	53
County Clerk & Recorder - Operations	24	24	24	24	24	45	45	45	45	39
Motor Vehicle	70	70	70	73	73	73	73	82	85	90
Elections	14	14	14	14	14	10	10	10	10	10
Driver's Licenses	3	3	3	3	3	8	8	8	8	9
County Coroner	18	19	20	20	20	21	21	22	23	25
County Sheriff - Operations	238	243	285	285	428	432	431	471	460	356
Detentions	362	362	347	347	359	354	354	354	340	452
County Treasurer	19	19	19	19	19	19	19	19	19	19
Public Trustee	12	12	12	8	8	6	6	6	6	6
County Attorney - General Fund	9	9	9	10	10	10	10	11	11	13
Dept. of Human Services	18	18	18	19	19	21	21	23	23	26
District Attorney - EPC Funded	183	183	183	183	183	201	203	207	212	213
Teller County Funded	1	4	4	4	1	1	4	4	4	4
Grant Funded	13	14	14	14	9	9	8	8	8	8
Human Services - General	362	414	383	390	390	416	480	511	530	544
Senior Services	1	1	1	1	1	1	1	1	1	1
Veterans Services	3	3	3	4	4	5	6	7	7	7
Pikes Peak Workforce Center	65	65	65	65	51	51	51	51	52	48
Administrative Services - Administration	4	4	4	4	4	2	2	2	1	3
CSU Extension	-	-	-	3	3	3	3	3	3	3
Development Services	21	24	23	23	23	23	23	25	27	29
Budget and Economic Development	8	12	16	16	17	23	25	29	29	29
Employee Benefits/Med Serv	12	13	18	18	18	23	23	6	7	7
Environmental Services	3	4	-	-	3	5	5	5	5	5
Facilities	31	31	31	49	49	53	53	53	53	104
Finance	12	15	35	37	45	45	47	47	50	51
*Fleet Services	-	-	-	-	-	32	32	33	34	34
Human Resources	-	-	-	-	-	-	-	17	19	21
Information Services	66	70	70	72	72	72	72	75	74	73
Justice Services	1	1	1	1	1	1	1	2	3	12
Procurements & Contracts	6	6	6	7	7	7	7	9	9	9
Public Communications	2	2	4	4	5	6	9	9	11	11
Risk Management	-	-	-	-	-	-	-	7	7	9
Security	29	30	30	31	31	34	34	37	41	-
Household Hazardous Waste	5	5	5	6	4	4	4	4	4	4
800 MHz	-	-	-	-	-	-	-	-	-	-
Parks & Community Resources - Parks	29	29	29	35	28	32	33	37	39	41
*Road & Bridge	175	187	187	201	201	169	169	172	181	194
Health and Environment	160	178	178	178	141	138	137	138	142	148
Retirement	2	3	3	3	3	2	2	2	2	3
Total	2,038	2,148	2,171	2,228	2,328	2,414	2,490	2,610	2,643	2,718

Data Source: El Paso County Final Budget

*Fleet and Road & Bridge were separated in 2014.



Schedule 15

El Paso County

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BoCC Administrative Services										
Board Meetings	103	93	100	88	76	75	72	75	87	83
Board/Committee/Commission Appts	135	120	104	106	109	115	98	89	90	91
Facilities Management										
Number of buildings maintained	126	128	132	131	130	130	130	129	129	132
Square feet total maintained	2,236,000	2,241,501	2,949,191	3,070,453	3,164,384	3,164,384	3,134,227	3,131,918	3,131,918	3,117,410
Parks										
Acres of Regional Parks, Recreation areas and conservation lands	7,044	7,044	6,585	6,585	6,585	8,000	8,000	8,000	8,000	8,000
Miles of Regional, Park & Nature Trails	92	92	101	101	101	105	105	105	105	105
County Office Sites (landscape maintenance)	21	8	9	8	11	11	11	11	11	11
Procurement and Contracts										
Purchase Orders Issued	656	751	835	751	963	1,208	995	861	909	990
Purchase Orders Issued (dollars)	58,760,700	102,556,780	91,458,617	86,926,957	95,971,781	90,979,051	116,725,239	80,775,849	99,800,000	85,000,000
Surplus sales (\$)	99,711	101,256	122,406	72,920	62,835	134,358	228,673	246,321	156,000	282,000
Financial/Budget										
Payroll Serviced	53,960	55,952	55,500	57,939	63,125	66,555	66,782	63,199	64,990	70,585
Journal Entries Processed	21,312	22,173	22,247	31,240	67,181	64,481	72,637	71,438	70,258	54,837
Processed Payment Requests	49,198	57,181	60,750	61,421	73,967	75,165	77,429	79,584	81,543	77,970
Budget Entries Processed	2,857	2,899	2,390	3,468	4,151	2,885	4,111	2,248	2,172	2,077
Public Safety										
Claims Submitted	3,228	3,244	3,257	3,291	3,312	3,334	3,356	3,373	3,382	3,388
Personal Contacts (excluding DSS)	9,925	10,322	10,714	10,757	10,799	10,842	10,884	10,896	10,972	11,051
Telephone Information	24,880	25,327	25,758	26,196	26,600	27,053	27,288	27,304	27,335	27,665
Medicaid Nursing Home Clients	50	53	53	51	52	54	53	54	54	54
Briefings on VA Benefits	2,603	5,697	6,037	4,629	3,458	4,267	3,582	3,640	3,717	3,801
HS quality assurance inquiries	753	1,527	1,539	1,542	1,558	1,564	1,570	1,572	1,584	1,589
Human Services - Senior Services										
Number seniors/participation levels	4,431	4,620	4,781	4,947	5,026	5,106	5,187	5,203	5,210	5,240
CSU Extension										
Printed brochures and SIAs	40,000	117,145	117,145	55,000	55,500	45,000	50,000	67,566	89,000	117,968
Phone, walk-in, individual	25,000	61,095	61,095	12,780	16,240	18,000	18,000	21,500	25,000	27,000
County Attorney - General Fund										
Board of Equalization	650	650	655	650	650	650	655	139	734	175
Contracts/Agreements (drafted or reviewed)	450	455	435	450	461	470	540	600	610	615
Litigation (for and against the County)	760	205	180	123	105	102	113	102	105	93
Liquor License matters	25	20	26	6	6	5	2	2	6	10
Notices of Claims reviewed	40	32	30	47	63	71	69	68	66	69
Ordinances (new)	1	2	-	5	4	1	1	0	2	3
Resolutions (drafted or reviewed)	210	200	240	145	150	155	150	230	215	220
Written legal opinions	150	185	200	215	243	270	290	350	425	433
Meetings/hearings attended	1,030	1,045	1,110	1,210	1,235	1,210	1,500	1,650	1,700	1,650
Safety and Risk Management										
Safety Training Seminars -- Attendance	-	11	4	4	6	3	4	4	2	3
Personal Safety & Awareness consultations	350	350	33	37	29	10	10	0	28	20
Wellness programs	27	63	85	100	97	119	137	102	65	32
Employee orientations	233	26	24	24	26	26	23	23	23	23
Safety training/meetings	13	11	61	70	78	118	50	422	43	40
Safety/wellness publications/website info	7	10	11	36	65	64	68	111	112	4
Risk management & insurance consultations	1,500	89	15	17	12	16	10	25	24	35
Clerk and Recorder										
Documents recorded	150,587	135,516	131,805	157,392	153,576	121,600	141,375	153,608	155,000	151,000
Documents processed	181,458	168,253	162,674	192,779	188,958	157,647	176,021	193,279	195,000	192,100
Meetings (agendas, minutes, etc.)	2,798	2,055	2,050	2,551	2,802	2,267	3,028	3,182	3,244	3,387
Vehicles Registered	487,456	495,418	498,573	508,616	515,108	529,595	545,363	576,719	655,000	592,000
Drivers Licenses Issued	31,918	51,833	59,722	76,959	67,922	68,396	80,977	81,963	127,000	111,000
Number of precincts	404	405	405	199	199	199	242	242	255	282
Ballot Combinations	26	60	44	44	27	65	31	63	32	28
Registered Voters	335,880	364,831	382,079	426,355	413,830	427,640	416,990	461,809	468,676	391,983
Election administration jurisdictions	265	268	271	271	271	273	273	273	273	273
Worker's Compensation Fund										
Workers' Compensation claims	204	162	160	163	151	186	173	147	153	182
Claims cost (\$)	1,522,550	1,327,492	1,089,136	1,327,492	1,213,215	1,022,427	986,356	1,138,436	1,163,000	1,377,000

(Continued)

Schedule 15 - Continued

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Treasurer										
Annual Tax Statements	244,740	243,846	243,389	244,236	243,389	245,309	235,276	250,490	252,707	255,899
Delinquent Tax Statements	16,424	15,103	15,538	14,952	12,782	13,409	12,263	12,682	12,052	12,815
Property Tax Payments Processed	448,415	406,865	407,756	407,559	407,492	409,710	410,328	415,032	418,138	426,133
Tax roll changes (abatements)	1,097	1,256	1,105	903	912	1,261	903	1,175	629	1,298
Non-property tax revenue transactions	22,807	23,059	19,655	35,442	35,834	34,453	39,761	26,899	39,848	35,940
Tax Liens Sold--manufactured housing	173	93	107	105	54	47	51	113	120	97
Tax Liens Sold--real estate	4,166	2,486	2,719	2,367	1,786	1,877	1,951	1,718	2,018	1,881
Tax Liens redeemed	3,137	4,023	3,102	2,848	2,785	2,452	2,153	1,865	2,062	1,759
Tax Deeds issued	10	20	53	26	39	18	20	35	16	22
Certificates of Taxes Due Reports	37,168	28,711	44,139	33,769	30,410	27,646	33,293	39,247	35,835	33,336
County warrants paid	18,433	17,549	12,750	12,965	13,159	13,213	12,642	13,860	13,036	13,276
County Assessor										
Abstracts provided to all taxing entities	260	265	265	269	273	275	277	278	289	295
Telephone calls handled	32,507	26,962	32,160	34,956	37,872	27,500	31,890	32,190	33,832	34,847
Maps produced for the public	300	255	110	274	109	174	171	164	175	519
Appeals heard by the assessor	9,496	1,892	4,752	887	1,853	775	3,969	562	3,994	350
Residences inventoried and measured	2,233	1,521	1,615	1,407	2,164	1,676	1,887	2,113	2,762	3,314
Property transfers logged	29,243	25,780	29,252	34,606	37,219	34,904	40,897	34,654	42,500	43,000
District Attorney										
Felony cases prosecuted	4,401	4,123	3,920	4,344	4,586	4,169	5,567	6,745	7,150	7,750
Traffic/misdemeanor cases prosecuted	29,596	27,980	25,786	23,575	22,705	24,876	25,831	24,637	24,640	23,800
Juvenile cases prosecuted	1,512	1,494	1,166	1,121	1,088	844	989	1,164	1,100	1,290
Sheriff's Office Detentions										
Average daily population - Metro & CJC	1,499	1,360	1,377	1,380	1,485	1,483	1,547	1,627	1,643	1,713
Initial inmate classifications	18,902	18,966	16,379	15,066	20,469	16,408	17,535	17,414	17,009	18,499
Total attendance, Inmate programs - CJC	54,273	59,577	60,786	45,298	31,009	38,416	41,849	43,507	46,665	47,889
Number of commitments	27,280	24,661	21,641	20,658	20,834	22,203	23,472	20,848	19,746	22,266
Number of releases	21,132	24,725	21,814	20,858	20,772	19,547	21,009	20,812	15,914	22,327
Number of prisoner transports	19,620	21,103	31,880	20,361	20,471	22,970	31,534	32,779	30,112	39,840
Department of Transportation										
Miles of road graveled	39	21	28	16	8	15	11	9	10	14
Miles of dust control applied	36	35	108	100	66	6	78	79	78	75
Miles of surface treatment applied	32	34	32	54	51	76	26	43	25	51
Drainage crosspans constructed	21	19	20	24	24	30	26	27	39	22
Feet of curb, gutter or sidewalks	16,305	26,553	18,056	27,000	19,902	25,909	38,251	41,322	26,204	13,500
Miles of road paved	39	43	27	21	21	15	78	44	24	47
Paved roads (miles)	1,024	1,038	1,043	1,070	1,073	1,081	1,073	1,112	1,127	1,161
Gravel roads (miles)	1,051	1,051	1,049	1,044	1,045	1,049	1,045	1,050	1,051	1,040
Self Insurance Fund										
Lawsuits/notice of claims	23	9	23	47	76	65	97	68	62	59
Litigations cost (\$)	300,890	38,213	36,607	78,533	89,588	102,327	194,832	88,179	118,000	175,000
Property claims	36	47	53	88	43	52	59	167	97	29
Cost (\$)	170,449	98,860	139,352	272,795	89,216	200,712	151,248	138,409	1,011,000	81,000
Liability claims	106	68	52	39	39	42	38	35	64	75
Cost (\$)	83,185	96,678	58,109	376,721	750,157	82,377	333,822	103,661	150,000	246,000
Household Hazardous Waste Fund										
Household chemical waste programs	1	1	1	1	12	15	18	16	267	270
Yard waste collection programs/days	52	52	51	52	352	351	88	86	84	88
Black Forest wildfire mitigation programs	85	85	85	134	148	134	157	148	150	152
Economic Development										
Businesses certified (Enterprise Zone)	348	287	294	415	231	226	246	224	250	380
Contributions to Zone projects	1,548	1,635	2,084	2,192	2,352	2,637	3,003	3,171	3,000	3,882
Enterprise Zone Projects	49	50	52	47	49	53	60	61	57	59
Active affordable housing projects	139	141	144	145	127	125	123	115	120	250
Community Dev Block Grant projects	17	19	14	17	21	15	16	13	15	14
Human Resources										
Applications processed	15,218	12,061	13,463	17,174	20,979	22,327	27,195	28,844	28,643	28,121
Employee recognition awards	262	260	-	-	-	-	-	440	-	-

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sheriff										
Patrol units and other vehicles	208	198	200	316	344	345	342	336	324	353
Department of Transportation										
Paved roads (miles)	1,024	1,038	1,043	1,070	1,073	1,081	1,112	1,122	1,129	1,147
Gravel roads (miles)	1,051	1,051	1,049	1,044	1,045	1,049	1,050	1,050	1,051	1,051
Miles of road graveled	39	21	28	16	8	21	7	9	5	28
Drainage crossspans constructed	21	19	20	24	24	30	26	27	45	737
Feet of curb, gutter or sidewalks	16,305	26,553	18,056	27,000	37,572	49,852	38,730	41,322	31,885	17,627
Parks										
Acres of Regional Parks, Recreation and conservation lands	7,044	7,044	6,585	6,585	6,585	7,900	7,900	7,900	7,855	7,855
Miles of Regional, Park & Nature Trails	92	92	101	101	101	102	107	107	122	122
County Office Sites (landscape maintenance)	21	8	9	9	11	11	11	11	19	19
Facilities										
Number of buildings maintained	126	128	132	132	130	130	134	144	132	130
Square feet total maintained	2,236,000	2,241,501	2,949,191	3,164,503	3,164,384	3,131,918	3,134,227	3,137,589	3,117,410	3,117,410
County Fairgrounds										
Buildings	18	18	22	22	22	26	25	26	26	26
Stadium	1	1	1	1	1	1	1	1	1	1
Entertainment Pavilion	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