



COUNTY OF EL PASO, TEXAS 2022 Annual Comprehensive Financial Report May 22, 2023

Prepared by:

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OVERVIEW

Directly linked to the County Strategic Plan

Goal 1- Financially Sound County Government

3/2/2023 - Received GFOA Certificate of Achievement for Excellence in Financial Reporting for FY2021 (33rd consecutive year awarded)

Items for Discussion:

- 1. External Audit Results-Gibson, Ruddock, Patterson, LLP (GRP)**
- 2. Government-wide Financials(Primary Government)**
- 3. General Fund**

External Audit Results

- External Auditor's Opinion Letter - **No Audit Findings**
- Management Letter comments:
 - **Prior Year Comments:**
 - **Public Funds Investment Act Compliance:**
 - List of qualified brokers be reviewed, revised and adopted by Commissioners Court annually. **A list of qualified brokers will be submitted to Commissioners Court in fiscal year 2023.**
 - **Uniform Guidance Compliance**
 - Purchasing Policies and Procedures manual does not describe some of the procedure for procurement standards, 2 CFR 200.318 to 200.327. **Still exists, Purchasing Agent plans to include in the 2023 procedures update.**
 - **Procurement**
 - At least two purchase orders referenced a cooperative contract that had previously expired. **Similar occurrence, see current year comment 2.**
 - Purchases where only one vendor of the same three responded with a quote. **Improved.**

External Audit Results

➤ Management Letter comments-Continued:

➤ **Current Year Comments:**

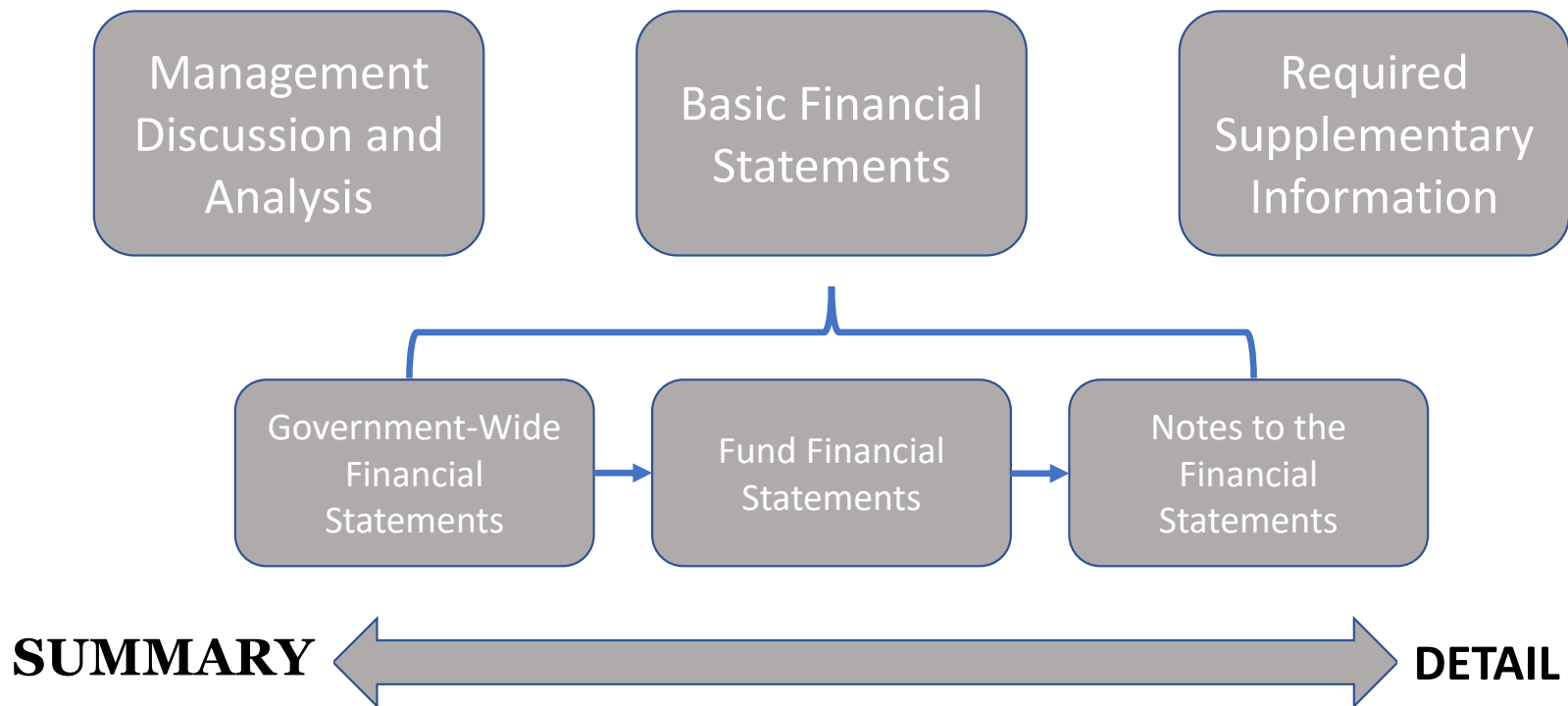
➤ **Grant Reporting:**

- Disaster Grant – Detention Health Cost from FEMA, personnel had difficulties locating certain documentation, appeared that a history of submitted documents and correspondence was not maintained.

➤ **Procurement**

- Several purchases from one vendor exceeded \$50k in total, documentation referenced an expired cooperative contract. Purchasing identified five other vendors where proper procedures for cooperatives were not followed. Another instance noted the total PO issued under a specified Court approval date exceeded the “not to exceed” amount.
- PPE purchases from one vendor exceeding \$50,000 in total, it was communicated that the purchases were made under the Commissioners Court Declaration of Local Disasters due to Public Health Emergency (COVID-19). However, documentation was not provided. Additionally, the purchases were not brought before the Commissioners Court at the earliest available meeting as required.

ACFR Structure



Difference between Government-Wide and Governmental Fund Financials

- Government-wide reporting provides information on current and long-term obligations, including capital assets and long-term liabilities – Useful in assessing the County’s overall financial health.
- Governmental Fund reporting provides information on near term inflows, outflows, and balances of spendable resources – Useful in assessing the County’s ability to meet short term requirements.

The County maintains 61 individual governmental funds. The largest governmental fund is the General Fund.

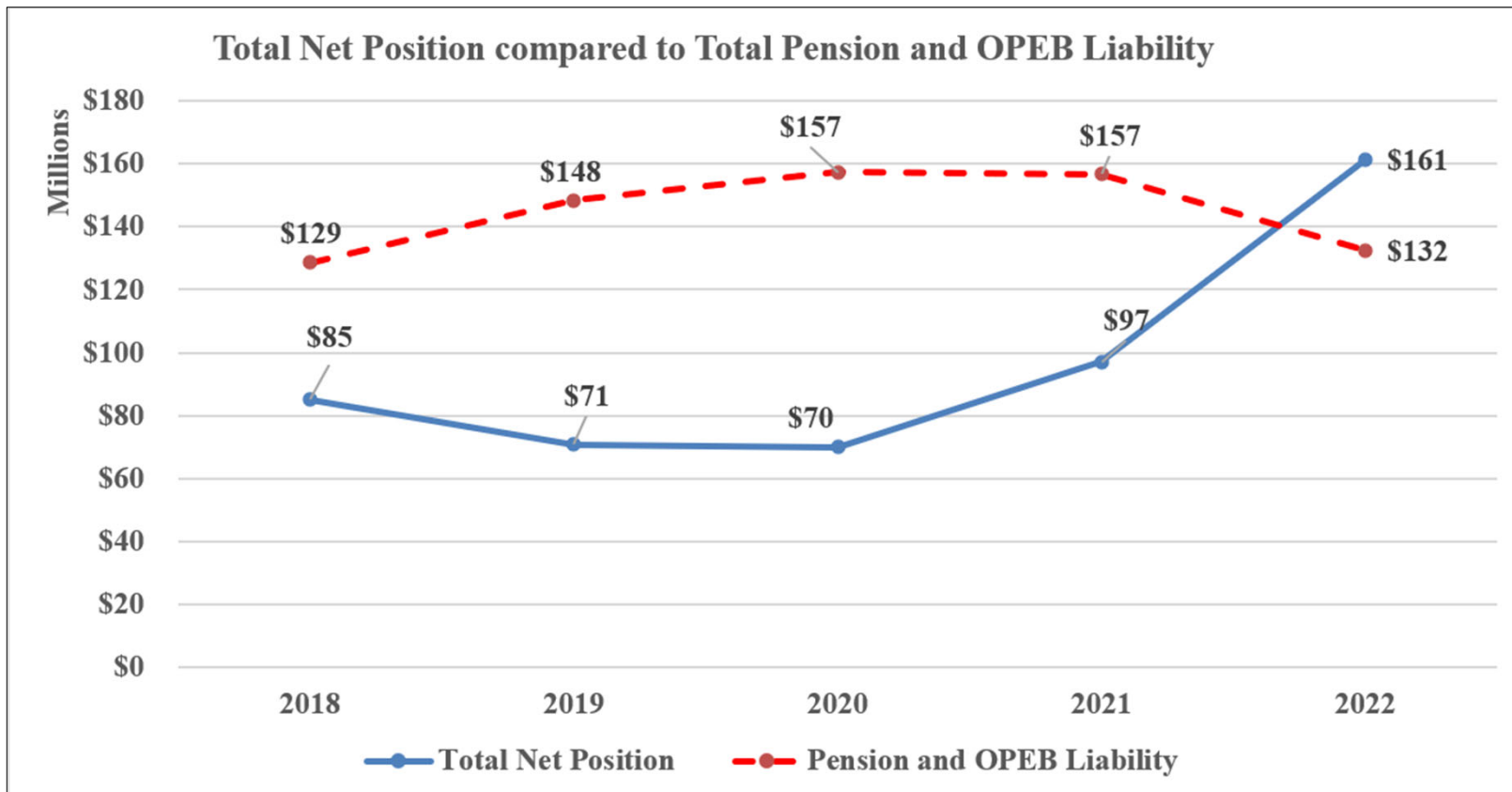
Government-wide Financials

Net Position:

Total Assets and Deferred Outflows of Resources minus Total Liabilities and Deferred Inflows of Resources

- Over time, net position serves as indicator of overall financial health
- Net position increased from \$97.0 million to \$161.2 million
- Total assets increased by \$127.0 million and deferred outflows of resources decreased by \$11.7 million
- Total liabilities decreased by \$68.7 million and deferred inflows of resources increased by \$119.9 million; primarily due to an increase in pension liability

Government-wide Financials



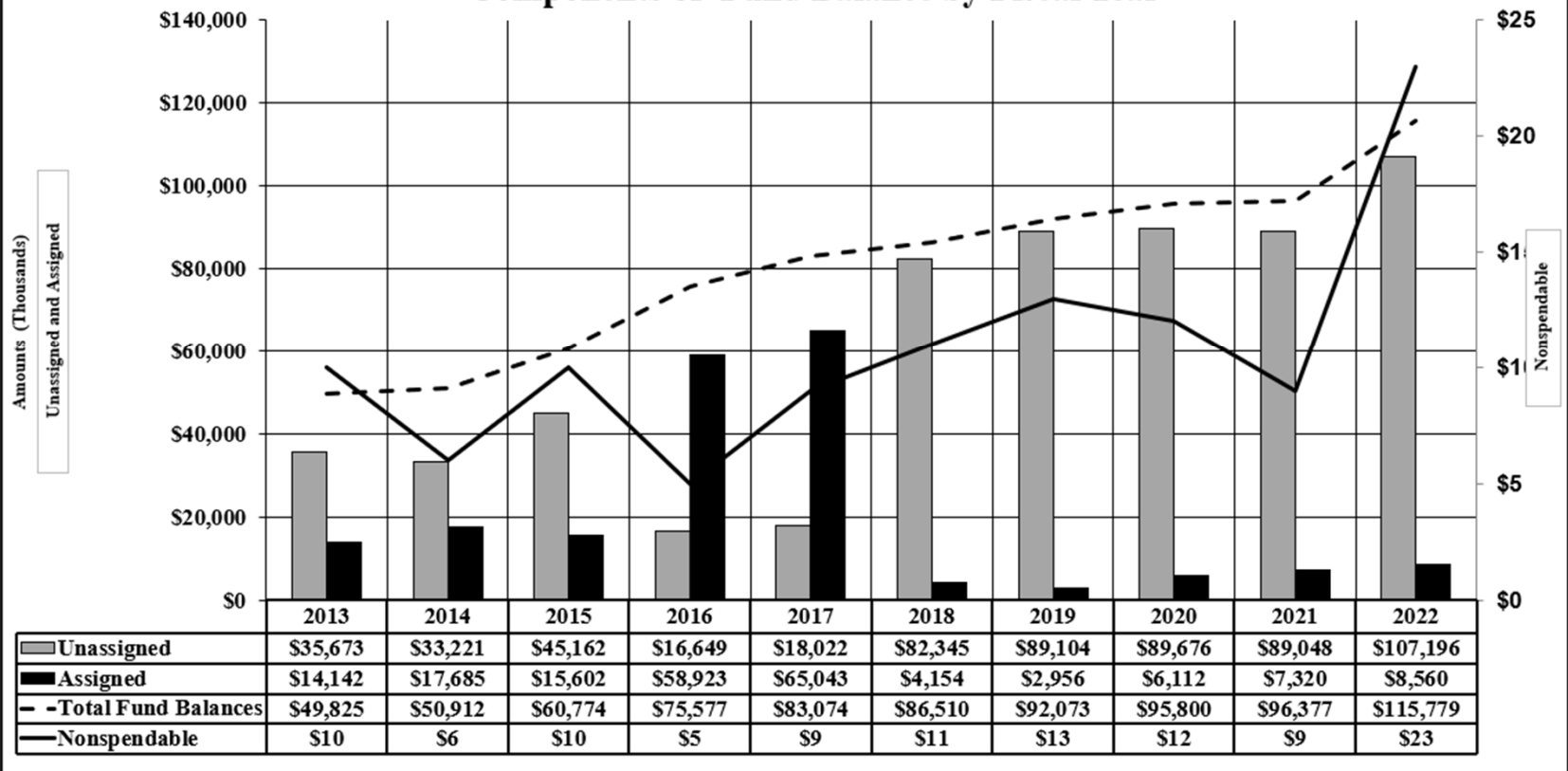
Government-wide Financials

What affects Net Pension Liability and Total OPEB Liability

- Net Pension Liability and Total OPEB Liability are affected by both actual changes and projected assumptions of future liabilities.
 - Actual changes that affect the liability are:
 - employer/employee contributions,
 - investment earnings, and
 - current payouts.
 - Projected actuarial assumptions (change yearly) based on:
 - projected employee life expectancy,
 - length of service,
 - changes in salary over time, and
 - projected earnings over time.

General Fund - Fund Balance

**General Fund
Components of Fund Balance by Fiscal Year**



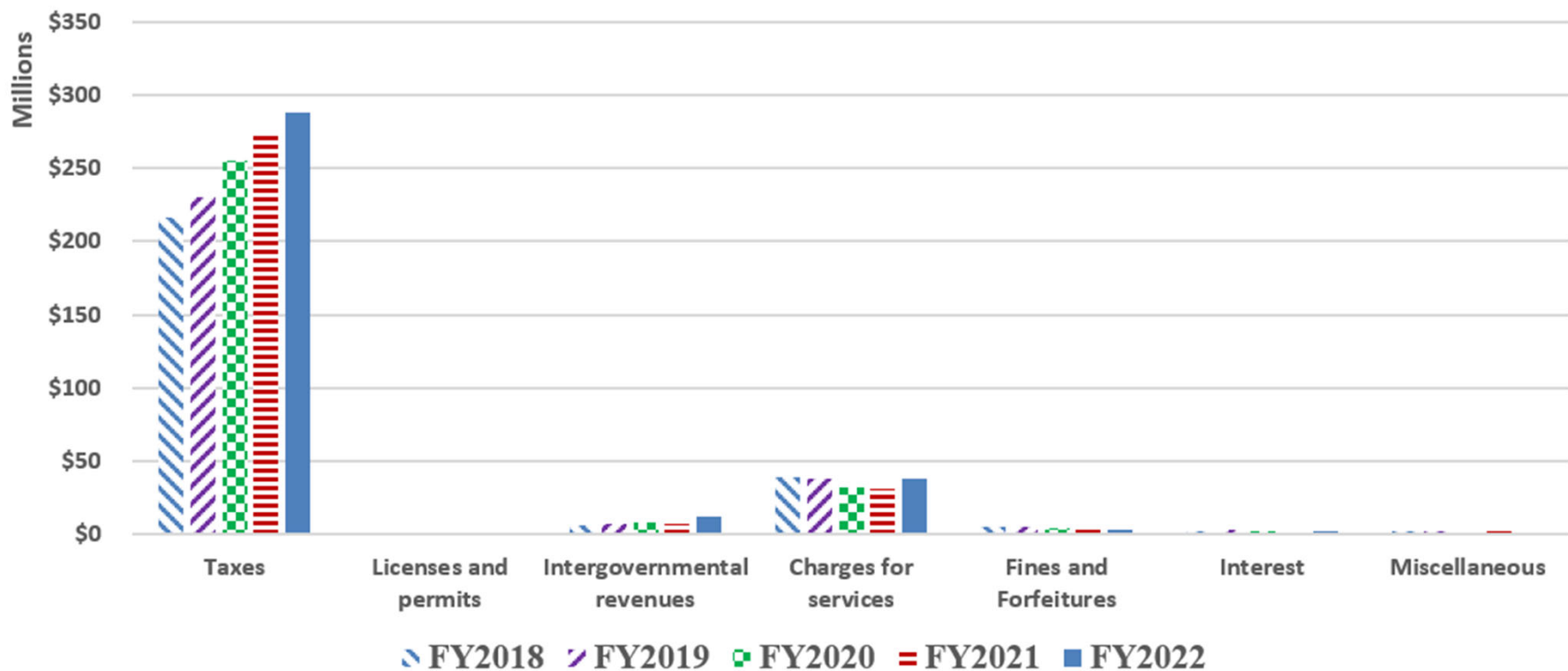
General Fund Highlights - Revenues

Revenue Highlights

- Overall revenues increased by \$27.15 million from the prior year and **\$15.59 million** over final budgeted amount.
- Key increases over budget were in:
 - Sales taxes \$9.02 million or 20.13%, of which \$5.4 million was transferred to debt service as excess sales tax per statute (Tax Code §323.505)
 - Motor vehicle sales tax \$1.48 million or 2.03%,
 - Mixed Beverage tax \$1.26 million or 1.10%,
 - Intergovernmental \$4.56 million or 3.35%,
 - Charges for Services \$4.09 million or .64% and
 - Interest \$1.91 million or .21%.
- Other revenue categories provide a net decrease of (\$6.72) million

General Fund Highlights - Revenues

General Fund -Revenues



General Fund Highlights - Revenues

	General Fund				
	FY2018	FY2019	FY2020	FY2021	FY2022
REVENUES					
Taxes	\$216,665,954	\$230,087,149	\$255,376,335	\$274,409,316	\$288,394,501
Licenses and permits	275,230	285,245	283,830	266,733	275,393
Intergovernmental revenues	6,175,410	7,110,632	7,425,560	6,505,200	11,536,581
Charges for services	39,169,131	37,865,135	32,220,635	30,654,384	37,799,051
Fines and Forfeitures	4,941,912	4,502,693	3,482,909	3,119,178	2,907,226
Interest	1,914,202	3,034,980	1,616,476	374,055	2,207,929
Miscellaneous	1,586,275	1,609,609	1,144,949	1,353,884	711,890
Total Revenues	\$270,728,114	\$284,495,443	\$301,550,694	\$316,682,750	\$343,832,571

General Fund Highlights - Revenues

General Fund

Change over Prior Years

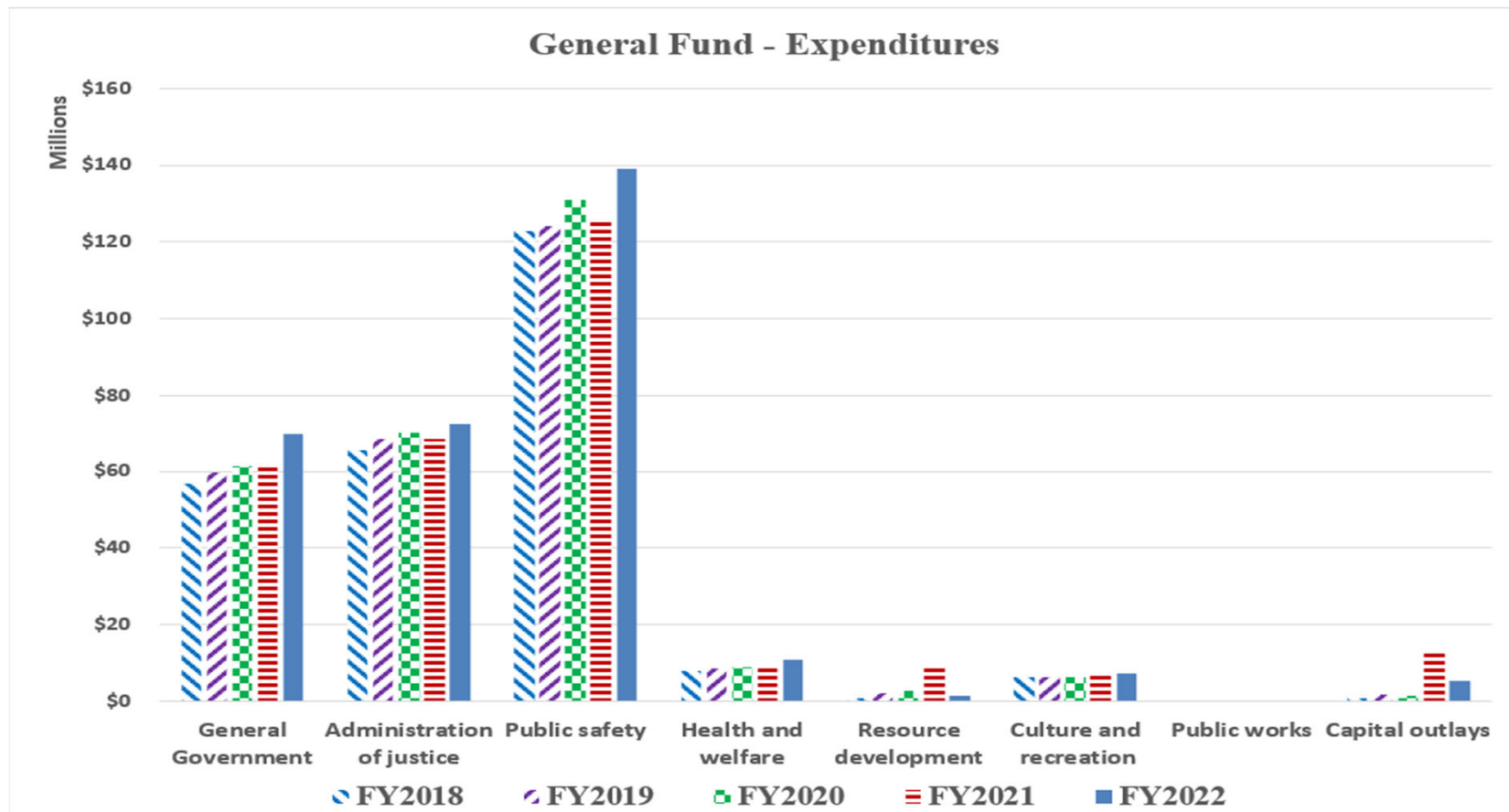
	FY2019	FY2020	FY2021	FY2022
REVENUES				
Taxes	\$13,421,195	\$25,289,186	\$19,032,981	\$13,985,185
Licenses and permits	10,015	(1,415)	(17,097)	8,660
Intergovernmental revenues	935,222	314,928	(920,360)	5,031,381
Charges for services	(1,303,996)	(5,644,500)	(1,566,251)	7,144,667
Fines and Forfeitures	(439,219)	(1,019,784)	(363,731)	(211,952)
Interest	1,120,778	(1,418,504)	(1,242,421)	1,833,874
Miscellaneous	23,334	(464,660)	208,935	(641,994)
Total Revenues	\$13,767,329	\$17,055,251	\$15,132,056	\$27,149,821

General Fund Highlights - Expenditures

Expenditure Highlights

- Overall expenditures and transfers out increased by \$13.26 million or 34.19% over the prior year.
- Overall expenditures were under budget by \$82.55 million or 21.24%
- Key under budget functions
 - General Government \$41.5 million or 37.24%,
 - Capital outlays (all functions) \$14.4 million or 73.35%,
 - Resource development \$11.7 million or 90.10%,
 - Public safety \$6.4 million or 4.41%, and
 - Administration of justice \$7.0 million or 8.86%.

General Fund Highlights - Expenditures



General Fund Highlights - Expenditures

	General Fund				
	FY2018	FY2019	FY2020	FY2021	FY2022
EXPENDITURES					
General Government	\$56,845,896	\$59,707,718	\$61,289,377	\$61,019,100	\$69,866,821
Administration of justice	65,644,306	68,390,120	70,149,208	68,355,443	72,380,074
Public safety	122,773,677	124,118,996	130,876,881	125,935,893	138,995,060
Health and welfare	8,071,620	8,409,534	9,032,236	9,539,411	10,752,616
Resource development	878,108	2,141,007	2,771,632	9,342,692	1,286,678
Culture and recreation	6,289,401	6,410,282	6,170,446	7,179,614	7,239,792
Public works	189,165	291,868	159,306	118,534	172,216
Capital outlays	686,899	1,885,163	1,289,588	13,159,394	5,212,785
Total expenditures	\$261,379,072	\$271,354,688	\$281,738,674	\$294,650,081	\$305,906,042

General Fund Highlights - Expenditures

General Fund

Change over Prior Years

	FY2019	FY2020	FY2021	FY2022
EXPENDITURES				
General Government	\$2,861,822	\$1,581,659	(\$270,277)	\$8,847,721
Administration of justice	2,745,814	1,759,088	(1,793,765)	4,024,631
Public safety	1,345,319	6,757,885	(4,940,988)	13,059,167
Health and welfare	337,914	622,702	507,175	1,213,205
Resource development	1,262,899	630,625	6,571,060	(8,056,014)
Culture and recreation	120,881	(239,836)	1,009,168	60,178
Public works	102,703	(132,562)	(40,772)	53,682
Capital outlays	1,198,264	(595,575)	11,869,806	(7,946,609)
Total expenditures	\$9,975,616	\$10,383,986	\$12,911,407	\$11,255,961
Revenues over(under) expenditures	\$3,791,713	\$6,671,265	\$2,220,649	\$15,893,860



Questions and Recommendations

