COUNTY OF EL PASO, TEXAS

ANNUAL FINANCIAL AND COMPLIANCE REPORTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

COUNTY OF EL PASO, TEXAS

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FOR THE YEAR ENDED SEPTEMBER 30, 2021

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FINANCIAL SECTION

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GIBSON RUDDOCK PATTERSON LLC
certified public accountants

INDEPENDENT AUDITOR'S REPORT

County Judge and Members of Commissioners Court
County of El Paso, Texas

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, the aggregate remaining fund information, and the budgetary comparison statements of the County of El Paso, Texas (County), as of and for the year ended September 30, 2021, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, which report total assets of $832,050,489, total net position of $214,899,986, and total revenues of $1,117,562,203. 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 discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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, the aggregate remaining fund information of the County as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Special Revenue Grants Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1. Q to the financial statements, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities,* which discusses the impact on the fund categories and net position related to the adoption of this statement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents on pages 6 through 27 and pages 118 through 128, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Supplementary 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 accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas Uniform Grant Management Standards, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022, 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 solely 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.

Clu Rubbock Patton LLC

El Paso, Texas
April 29, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis

As management of the County of El Paso (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 14 of this report.

Financial Highlights

Combined County assets and deferred outflows of resources from governmental and business type activities exceeded liabilities and deferred inflows of resources at the close of fiscal year 2021 by $97,001,743 which represents total net position. Of this amount, $83,042,195 or 85.61 percent relates to governmental-type activities while $13,959,548 or 14.39 percent represents business-type activities. Total net position is comprised of restricted and unrestricted net position and net investment in capital assets. Net investment in capital assets totaled $122,236,414 or 126.01 percent of total net position. Restricted assets represent funds subject to constraints that are imposed externally by creditors, debt covenants, grantors, contributors, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets totaled $52,674,514 or 54.30 percent of total net position of which $51,908,956 relates to the primary government and $765,558 relates to business type activities. Unrestricted net position on the other hand may be used to meet the County's ongoing obligations to citizens and creditors and totaled ($77,909,185) or (80.32) percent of total net position.

The negative unrestricted net position is attributable to pension and OPEB liabilities. Employers are required to recognize amounts for all benefits provided through the plans which include the net pension and total OPEB liabilities, deferred outflows of resources, deferred inflows of resources and pension and OPEB expenses.

The County's fiscal year 2021 operations resulted in total net position increasing by $26,902,293 or 38.38 percent above the prior year net position of $70,099,450. This was attributable to an increase of $27,262,758 or 48.88 percent including a prior period adjustment of $349,981 in the governmental-type and a decrease in business-type activities of ($360,465) or (2.52) percent including a prior period adjustment of $175,760 in business-type activities. Explanation of these changes is depicted hereafter in this management discussion and analysis.

Overview of the Financial Statements

Discussion and analysis here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner like a private-sector business. The statement of net position presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements distinguish functions of the County that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges similar to business-type activities. The governmental activities of the County include general government, administration of justice, public safety, health and welfare, community services, resource development, culture and recreation and public works. The business-type activities of the County include the Water and Wastewater Systems, and Solid Waste Project. The County Water Systems includes the East Montana Water Project, the Mayfair/Nuway Water Project, the Colonia Revolućion Water Project, Vista Del Este Water Project, Hill Crest Water Project, and the Square Dance Wastewater Project.

The government-wide financial statements include not only the County itself (known as the primary government), but also the discretely presented component units of the County, which include the Hospital District, known as University Medical Center (UMC), and Emergency Services Districts 1 and 2. The component units are included in this Annual Report because the El Paso County Commissioners Court, the County's governing body, has the legal duty to exercise financial accountability over them by appointing their board members, approving their budgets and setting their tax rates as discussed in the letter of transmittal. Copies of any of the districts separately issued financial reports can be obtained directly from the Districts. The government-wide financial statements can be found on Exhibits 1 and 2 of this report. Discretely presented Component Units are presented on Exhibits 12 and 13.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. El Paso County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, it is our hope that readers will better understand the long-term impact of the County’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains multiple individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue grants fund and capital projects 2012. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund, special revenue, and debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits 3-6 of this report.

Proprietary Funds. The County maintains two different types of proprietary funds - Enterprise and Internal Service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its County Solid Waste Project and County Water Systems consisting of East Montana Water Project, Mayfair/Nuway Water Project, Colonia Revolućion Water Project, Vista Del Este Water Project, Hill Crest Water Project, and Square Dance Wastewater Project. The internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its employee health benefits and workers compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for the County Water and Wastewater Systems and the County Solid Waste Project. The internal service funds are also presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on Exhibits 7-9 of this report.

Fiduciary Funds. 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 basic fiduciary fund financial statements can be found on Exhibits 10 and 11 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information. The combining statements regarding non-major governmental funds are presented following the notes to the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's changes in net pension liability and employer contributions to the plan, as well as changes in total OPEB liability and related ratios. Combining and individual fund statements and schedules are presented following the supplementary information of this report.

Government-Wide Financial Analysis

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In fiscal year 2015, the County implemented GASB 68 and at that time liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources resulting in a net position of ($45,236,688). Subsequently, due to changes in actuarial data, the County's net position increased by $83,816,974 in 2016, declined by $15,261,550 in 2017, increased in 2018 by $61,850,339, declined by ($14,293,401) in 2019, declined by ($776,222) in 2020 and increased by $28,152,293 in 2021 for a revised net position of $97,001,743 as of September 30, 2021. Therefore, it is vitally important to keep in mind the prior years' results as the current fiscal year financial data is discussed for comparison purposes.

In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $97,001,743 at the close of fiscal year 2021. By far, the largest component of the County's net position represents restricted assets and resources that are subject to external restrictions on how they may be used. Restricted resources total $52,674,514 and are comprised of capital project funds totaling $12,617,766 or 23.95 percent, special purpose funds totaling $33,222,031 or 63.07 percent, enterprise funds totaling $715,527 or 1.36 percent of restricted net position. Also included are debt service funds totaling $6,119,190 or 11.62 percent of total restricted net position. The next category relates to unrestricted net position totaling ($77,909,185) or (80.32) percent of total net position, which may be used to meet the County's ongoing obligations to citizens and creditors. The largest component is net investment in capital assets (e.g., land, buildings, machinery, and equipment) totaling $122,236,414 or 126.01 percent of total net position, which is net of any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Furthermore, as of September 30, 2021, the County's net position for governmental activities increased by $27,262,758 or 48.88 percent and business-type activities decreased by ($360,465) or (2.52) percent for a net overall increase of $26,902,293 or 38.38 percent from the previous fiscal year. Net investment in capital assets from governmental activities increased by $17,616,642 or 19.03 percent and decreased by ($169,068) or (1.39) percent for business-type activities. There was a net increase of $6,269,730 or 13.51 percent in restricted net position reported, composed of an increase of $6,416,297 or 14.10 percent related to governmental activities and a decrease of ($146,567) or (16.07) percent related to business-type activities. Unrestricted net position totaled ($77,909,185) and increased by $3,184,989 or 3.93 percent, which included an increase of $3,229,819 or 3.92 percent related to governmental activities and a decrease of ($44,830) or (3.72) percent related to business-type activities.

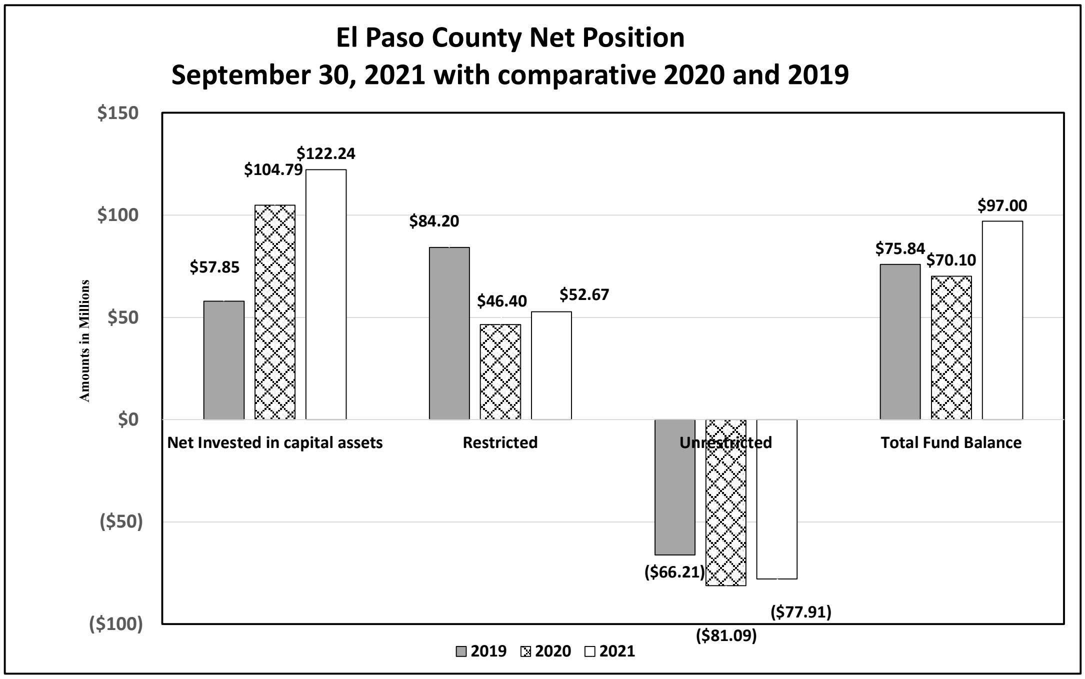
On a primary government perspective, the County's total assets from governmental and business-type activities increased by $88,943,866 or 18.18 percent. This increase was the culmination of a multitude of changes at the fund level, but more so, at the entity-wide level. Discussion here will focus on selective information to give the reader a basic understanding of changes by evaluating changes in the statement of net position and the associated changes in revenues and expenses. Detailed analysis and explanation will be focused on significant changes, which occurred throughout the various levels within these financial statements.

El Paso County, Texas Net Position						
	Governmental Activities		Business-type Activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Current and other assets	$ 313,787,114	$ 235,559,869	$ 2,279,240	$ 2,892,930	$ 316,066,354	$ 238,452,799
Capital assets	247,419,354	235,854,975	14,663,753	14,897,821	262,083,107	250,752,796
Total assets	561,206,468	471,414,844	16,942,993	17,790,751	578,149,461	489,205,595
Deferred outflows of resources	108,693,485	46,737,352	189,410	73,854	108,882,895	46,811,206
Long-term liabilities	410,538,568	367,691,603	2,852,310	2,788,177	413,390,878	370,479,780
Other liabilities	124,773,995	51,064,336	239,251	661,633	125,013,246	51,725,969
Total liabilities	535,312,563	418,755,939	3,091,561	3,449,810	538,404,124	422,205,749
Deferred inflows of resources	51,545,195	43,616,820	81,294	94,782	51,626,489	43,711,602
Net position:						
Net investment in capital assets	110,202,661	92,586,019	12,033,753	12,202,821	122,236,414	104,788,840
Restricted	51,908,956	45,492,659	765,558	912,125	52,674,514	46,404,784
Unrestricted	(79,069,422)	(82,299,241)	1,160,237	1,205,067	(77,909,185)	(81,094,174)
Total net position	$ 83,042,195	$ 55,779,437	$ 13,959,548	$ 14,320,013	$ 97,001,743	$ 70,099,450

The overall increase in net position of the County can be better understood when evaluating the changes to net position, total assets, and deferred outflows of resources minus total liabilities and deferred inflows of resources. Total assets amounted to $578,149,461, an increase of $88,943,866 or 18.18 percent and deferred outflows of resources totaled $108,882,895 and increased by $62,071,689 or 132.60 percent, most significantly due to an increase in pensions in governmental activities totaling $57,793,512 or 183.15 percent and an increase in business-type activities totaling $87,698 or 133.28 percent. Liabilities on the other hand totaled $538,404,124, an increase of $116,198,375 or 27.52 percent and deferred inflows of resources totaled $51,626,489 and increased by $7,914,887 or 18.11 percent. This change is most significantly related to an increase due to pensions which depicted an overall increase of $9,263,845 or 29.30 percent, consisting of an increase in governmental activities totaling $9,275,401 or 29.41 percent and a decrease in business-type activities totaling ($11,556) or (14.81) percent. There was also a significant decrease in deferred inflows of resources for OPEB due to an overall decrease of ($1,314,149) or (11.05) percent consisting of a decrease in governmental activities of ($1,312,217) or (11.05) percent and a decrease in business-type activities of ($1,932) or (11.54) percent.

Further analysis reflects that most of all assets relate to governmental activities totaling $561,206,468 and represents 97.07 percent of total assets. Overall, capital assets (net of related depreciation) totaled $262,083,107 and increased by $11,330,311, or 4.52 percent from the prior year, mainly due to related depreciation. Capital assets are comprised for the most part of land, roads, equipment, buildings, improvements, and construction in progress.

For entity-wide reporting purposes under GASB 34, capital outlays accounted for at the fund level must be reversed from expenses at the entity-wide level financial statements and reflected as capital assets net of depreciation. Pension and OPEB expenses are reported at the entity-wide level and changes in the actuarial projections can result in a reduction or increase of expenses as the liability changes. For this reason, you may observe fund level expenditure amounts more than expenses reported at the entity-wide level or vice versa. Total assets increased by $88,943,866 or 18.18 percent. This change was the result of the netting of multiple changes such as an increase in capital assets related to construction in progress for a net amount of $17,596,890 or 158.17 percent attributed mostly to the on-going construction and renovation of County facilities and various changes such as a decrease in buildings totaling ($7,616,140) or (5.80) percent, and other changes such as an increase in improvements totaling $3,484,353 or 24.54 percent, a decline in roads totaling ($1,981,527) or (8.29) percent, and an increase in land totaling $904,783 or 4.79% to name a few.



Other significant changes include an increase in cash and cash equivalents totaling $70,556,648 or 36.33 percent, a significant portion of this increase in cash and cash equivalents is due to American Rescue Plan Act (ARPA) funding, an increase to receivables net of allowance totaling $4,582,758 or 10.45 percent due mainly to an increase in billings to the granting agencies for pending reimbursement. The significance of these changes can be further evaluated by shifting attention away from assets and liabilities and focusing on the changes to the component of total net position, which is discussed immediately following discussion on total liabilities.

Overall, entity-wide liabilities were $538,404,124 and increased by $116,198,375 or 27.52 percent. Further analysis reflects liabilities related to governmental activities totaling $535,312,563 or 99.43 percent and business type activities totaling $3,091,561 or .57 percent. Compared to fiscal year 2020, liabilities increased mainly due to an increase in unearned revenue of $65,777,640 or 280.09 percent due to deferred revenue from the ARPA funding. Other significant increases included payroll liabilities of $4,255,688 or 58.40 percent, vouchers payable of $3,180,332 or 19.91 percent, compensated absences due within a year of $4,744,731 or 34.92 percent, net pension liability of $44,267,106 or 40.72 percent, SIB loan due in more than a year of $4,069,891 or 108.91 percent and OPEB liability due in more than a year for $9,950,511 or 20.35 percent. Significant declines in liabilities are attributable to contingent liabilities due within a year declining by ($1,091,250) or (95.62) percent, bonds due more than a year declining by ($13,516,404) or (9.02) percent, and compensated absences due in more than one year declining by ($6,122,808) or (27.19) percent. For information regarding compensated absences and other post-employment benefits, please see notes 1-L and 3-J, respectively.

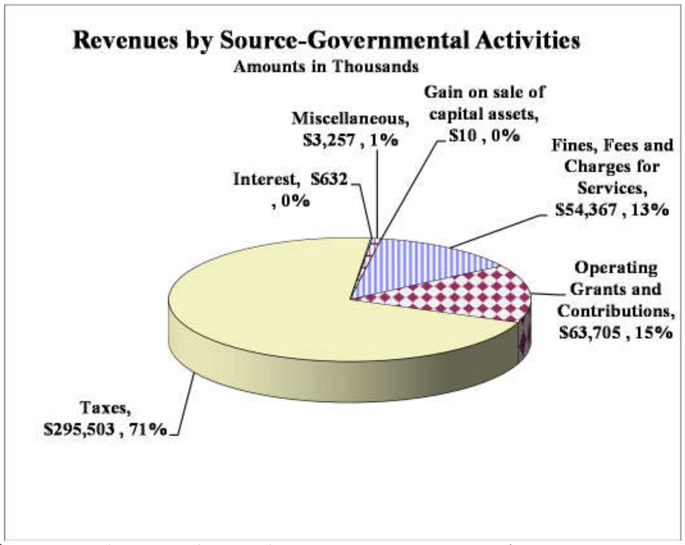
County of El Paso, Texas Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenues:						
Program revenues:						
Charges for services	$ 54,367,402	$ 54,576,049	$ 2,861,421	$ 2,929,697	$ 57,228,823	$ 57,505,746
Operating grants and contributions	63,704,775	39,098,782	-	-	63,704,775	39,098,782
Capital grants and contributions	-	-	26,592	699,560	26,592	699,560
General revenues:						
Property taxes	223,153,888	216,085,201			223,153,888	216,085,201
Other taxes	72,349,444	64,391,119			72,349,444	64,391,119
Other	3,898,602	4,691,884	$14,359	32,781	3,912,961	4,724,665
Total revenues	417,474,111	378,843,035	2,902,372	3,662,038	420,376,483	382,505,073
Expenses:						
General government	84,056,797	65,613,256			84,056,797	65,613,256
Administration of justice	75,314,878	80,900,932			75,314,878	80,900,932
Public safety	144,139,209	156,098,193			144,139,209	156,098,193
Health and welfare	15,944,660	23,712,099			15,944,660	23,712,099
Community services	30,702,469	9,913,237			30,702,469	9,913,237
Resource development	9,484,022	4,436,305			9,484,022	4,436,305
Culture and recreation	12,081,002	14,457,327			12,081,002	14,457,327
Public works	12,558,217	17,939,723			12,558,217	17,939,723
Interest on long-term debt	6,280,080	6,767,684			6,280,080	6,767,684
Enterprise fund			3,438,597	3,478,673	3,438,597	3,478,673
Total expenses	390,561,334	379,838,756	3,438,597	3,478,673	393,999,931	383,317,429
Increase (decrease) in net position before transfers	26,912,777	(995,721)	(536,225)	183,365	26,376,552	(812,356)
Transfers	-	(116,099)	-	(71,901)	-	(188,000)
Change in net position	26,912,777	(1,111,820)	(536,225)	111,464	26,376,552	(1,000,356)
Net position October 1	55,779,437	56,667,123	14,320,013	14,208,549	70,099,450	70,875,672
Prior period adjustment	349,981	224,134	175,760	-	525,741	224,134
Net position September 30	$ 83,042,195	$ 55,779,437	$ 13,959,548	$ 14,320,013	$ 97,001,743	$ 70,099,450

The increase in the County's overall net position by $26,902,293 or 38.38 percent is due to the impacts of GASB 68 and GASB 75 requiring government agencies to post actuarially projected net pension asset or liability tied directly to the fiscal year 2016 first year implementation which resulted in a corresponding fiscal year 2015 ending net position totaling ($45,236,688) which in part rebounded in fiscal year 2016, declined in 2017, significantly rebounded in 2018, declined in 2019, and significantly rebounded in 2020 and 2021. The current year increase in net position was attributable to governmental activities totaling $27,262,758 and decrease to business-type activities totaling ($360,465). Other factors impacting overall net position represent the degree to which revenues totaling $420,376,483 outpaced expenses totaling $393,999,931. Due to increased operating grants and contributions, property taxes and other taxes, namely sales tax.

Overall, revenues grew by $37,871,410 or 9.90 percent mainly due to an increase in the maintenance and operations and debt service tax levies, growth in sales tax revenue and operating grants and contributions. Expenses increased by $10,682,502 or 2.79 percent attributed for the most part by changes in general government, community services and resource development as the County focuses on moving beyond the impact of COVID-19 on the residents of the County.

From here forward in the discussion, please note that the increases and decreases in entity-wide expenses in the various functions of County government are the result of a combination of financial impacts, such as depreciation expense, compensated absences, other post-employment benefits (OPEB), pension expense, allocation of profit/loss of the internal service funds back to departments and the conversion of capital outlays which are reflected at the entity-wide level as capital assets.

Governmental Activities

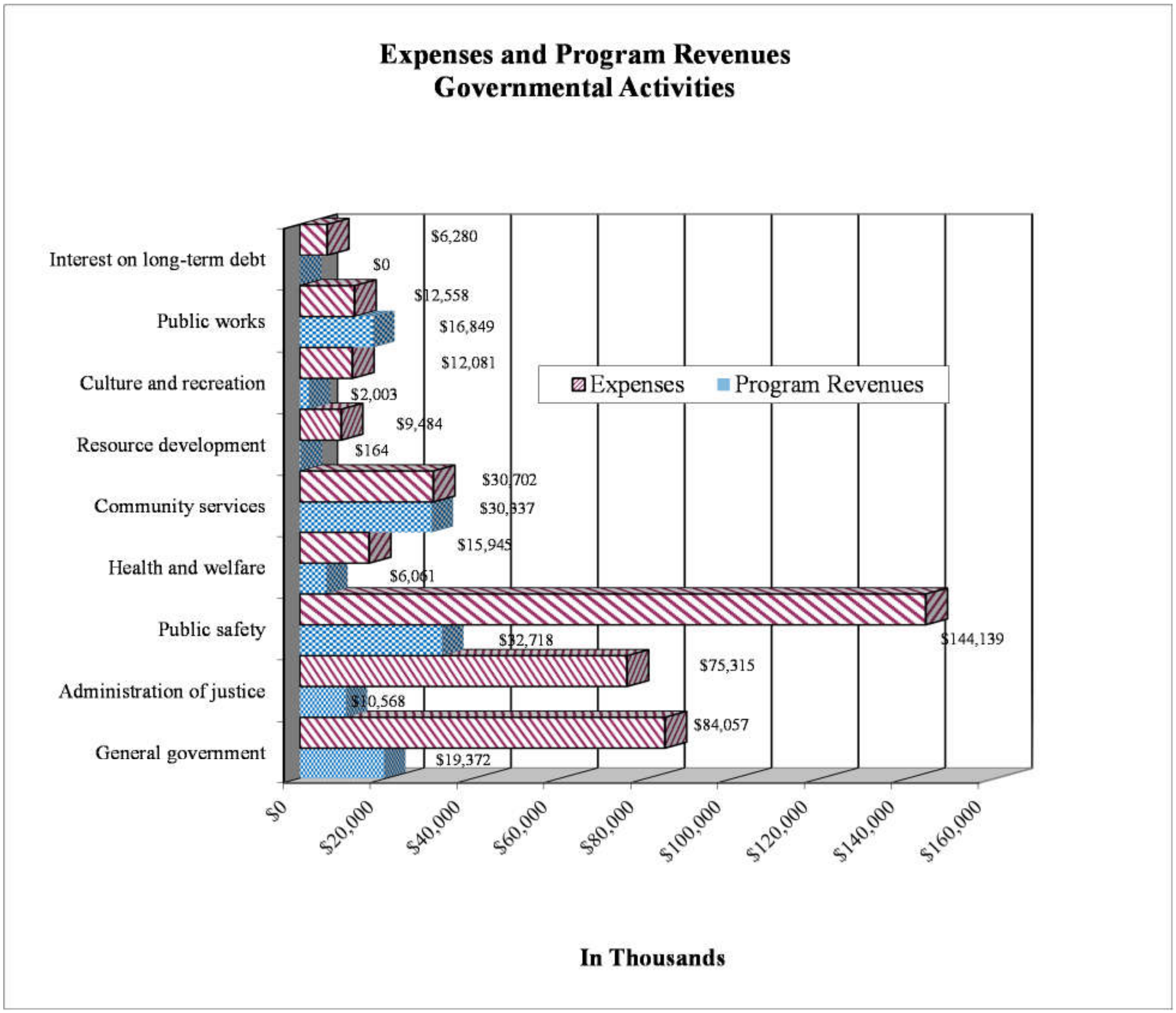


Governmental activities during fiscal year 2021 resulted in an increase in net position of $27,262,758 or 48.88 percent which represents 101.34 percent of the total increase for the primary government. Comparative fiscal year 2021 and 2020 data relating to these changes is shown in the table on the prior page and is discussed below. Total revenues from governmental activities increased by $38,631,076 or 10.20 percent over the previous year. Property taxes increased by $7,068,687 or 3.27 percent; other taxes comprised of sales and uses taxes, hotel taxes, and mixed beverage alcohol taxes increased by $7,958,325 or 12.36 percent. General revenues-other decreased by ($793,282) or (16.91) percent. Operating grants and contributions increased by $24,605,993 or 62.93 percent. Increases were offset by a decline in charges for services by ($208,647) or (0.38) percent. The increase in property taxes is attributable to increases in existing taxable property values and growth in new properties added to the tax rolls. The Commissioners Court opted to raise the tax rate in fiscal year 2013 to $0.408870 from $0.361196 per $100 of assessed valuation; in 2014 it was necessary to raise the rate to $0.433125 and in 2015 through 2018 it grew and remained at $0.452694. In 2019, the Commissioners Court opted for the effective tax rate which resulted in a decline in the rate to $0.447819. In 2020, Commissioners Court opted to increase the rate to the rollback rate of $0.488997. In 2021, Commissioners Court opted to maintain the tax rate at $0.488997.

Expenses in governmental activities increased by $10,722,578 or 2.82 percent and comprise 100.38 percent of the overall entity-wide increase of $10,682,502. Increases occurred in community services by $20,789,232 or 209.71 percent, resource development by $5,047,717 or 113.78 percent, and general government by $18,443,541 or 28.11 percent. Decreases were evident in areas such as in administration of justice by ($5,586,054) or (6.90) percent, public safety by ($11,958,984) or (7.66) percent, health and welfare by ($7,767,439) or (32.76) percent, culture and recreation by ($2,376,325) or (16.44) interest on long-term debt by ($487,604) or (7.20) percent, and public works by ($5,381,506) or (30.00) percent. The significance of the fiscal year decreases is mainly attributable to the County slowly returning to normal operations after the response to COVID-19 in FY2020.

Changes mentioned previously within each of the functions above are the result of a combination of factors both at the fund level and more materially at the entity-wide level as explained in the discussion of the changes in the statement of net position. More specific information can be found in the fund level discussion. Factors affecting expenses that are recognized in governmental activities and not presented in the individual government funds can be found on Exhibits 3.1 and 4.1 of the basic financial statements.

In order to provide a more precise depiction of current year operations in comparison to the prior fiscal year, a reconciliation of expenses from the statement of activities has been provided exclusive of pension expense on the following page.

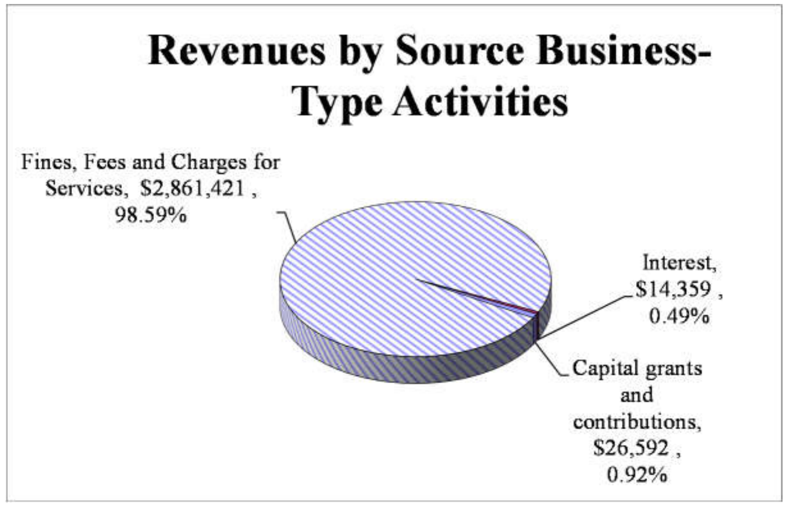


County of El Paso, Texas
Supplemental Information - Reconciliation of Expenses for Pension Expense in the Statement of Activities

	Totals	
As of September 30,	2021	2020
Expenses (Excluding Pension Expenses)		
General government	$79,025,158	58,174,294
Administration of justice	68,873,536	72,569,240
Public safety	128,196,125	135,979,111
Health and welfare	15,311,210	22,839,787
Community services	30,336,138	9,868,504
Resource development	9,377,175	4,268,553
Culture and recreation	11,569,663	13,696,850
Public works	11,947,663	17,056,224
Interest on long-term debt	6,280,080	6,767,684
Enterprise fund	3,408,580	3,464,326
Total expenses	$364,325,328	$344,684,573
Pension Expense		
General government	$5,031,639	$7,438,962
Administration of justice	6,441,342	8,331,692
Public safety	15,943,084	20,119,083
Health and welfare	633,450	872,312
Community services	366,331	44,733
Resource development	106,847	167,752
Culture and recreation	511,339	760,477
Public works	610,554	883,499
Interest on long-term debt		
Enterprise fund	30,017	14,346
Total expenses	$29,674,603	$38,632,856
Expenses (Including Pension Expenses)		
General government	$84,056,797	$65,613,256
Administration of justice	75,314,878	80,900,932
Public safety	144,139,209	156,098,193
Health and welfare	15,944,660	23,712,099
Community services	30,702,469	9,913,237
Resource development	9,484,022	4,436,305
Culture and recreation	12,081,002	14,457,327
Public works	12,558,217	17,939,723
Interest on long-term debt	6,280,080	6,767,684
Enterprise fund	3,438,597	3,478,673
Total expenses	$393,999,931	$383,317,429

Business-type Activities

Business-type activities resulted in a decrease in net position of ($360,465) or (2.52) percent and accounted for (1.28) percent of the total change in the primary government's net position. Comparative fiscal year 2021 and 2020 data relating to these changes is reflected on Exhibit 8 of this report.



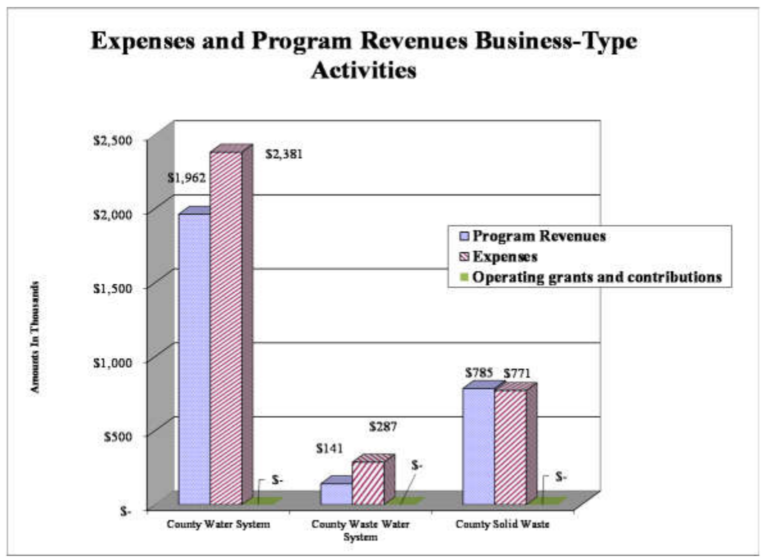
Overall revenues decreased by ($759,666) or (20.74) percent for a total of $2,902,372. Charges for services decreased by ($68,276) or (2.33), capital grants and contributions decreased by ($672,968) or (96.20) percent, and other revenues decreased by ($18,422) or (56.20) percent due to a decrease in interest rates.

Expenses in this area totaled $3,438,597, a decrease of ($40,076) or (1.15) percent and is mainly related to water system operations.

Financial Analysis of the Governmental Funds

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



Beginning in fiscal year 2016, the Commissioners Court authorized significantly increasing the earmarking of unassigned fund balance as a component of subsequent fiscal year budgets by creating an emergency reserve which is over and above the amount needed to balance the subsequent fiscal year budget. It is noteworthy to clarify the significance of this change in the unassigned fund balance was first implemented in the fiscal year 2017 General Fund adopted budget and thereafter equal to 90 percent of the estimated unallocated fund balance reserves which grew to $65,813,463 in fiscal year 2022. As stated in the County's Financial Policies, "Assignments will be made when necessary to utilize reserves to balance the proposed budget as needed or in the event of unforeseen circumstances that arise and require the expenditure of funds for which there was not an offsetting revenue source to account for the increase in unplanned appropriations, i.e., a catastrophic event."

In this regard, Local Government Code, Sec. 111.070 provides "The commissioners court may spend county funds only in strict compliance with the budget, except as provided by this section. Pursuant to section 111.070 (b) "…commissioners court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through reasonably diligent thought and attention. If the court amends the original budget to meet an emergency, the court shall file a copy of its order amending the budget with the county clerk and the clerk shall attach the copy to the original budget." Section 111.070 (c) states, "The commissioners court by order may: (1) amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure; or (2) designate the county budget officer or another officer or employee of the county who may, as appropriate and subject to conditions and directions provided by the court, amend the budget by transferring amounts budgeted for certain items to other budgeted items."

Therefore, beginning with fiscal year 2017 and continuing through the fiscal year 2022 budget cycle, pursuant to the County's Financial Policies, the Commissioners Court directed that a portion of the projected unassigned year-end fund balance be earmarked for unforeseen emergencies. This amount is to be placed as a line item in the budget after considering the unassigned amount used in balancing the subsequent fiscal year 2022 general fund operating budget, which totaled \$19.4 million, a decrease of (\$15.9) million or (45.10) percent above the prior designation of \$35.3 million. Based on the County Auditor's fiscal year 2021 year-end fund balance projection and 2022 revenue estimate certifications, the Budget Officer recommended to the Commissioners Court to earmark \$19.4 million as a line item in the 2022 fiscal year general fund budget **to be used only in the unlikely event of an unforeseen emergency**. Note, these stabilization line items do not meet the criteria of restricted or committed funds and therefore designations to balance the ensuing fiscal year budget and earmarking of funds for unforeseen emergencies are required under GASB 54 to be reported as unassigned. As a result, the County ended fiscal year 2021 with the unassigned fund balance of \$89,048,470, a decrease of (\$628,116) or (0.70) percent of which \$19,377,914 is earmarked by the County for unforeseen emergencies. In comparison to the fiscal year 2020 amount of \$35,297,805, this earmarked amount decreased by (\$15,919,891) or (45.10) percent and leaves a residual unassigned fund balance not otherwise earmarked totaling \$3,857,093 or a decrease of (\$6,160,338) or (61.50) percent. The fiscal year 2021 assigned fund balance in the general fund was \$7,319,741, an increase of \$1,207,927 or 19.76 percent.

Based on the fiscal year 2021 unassigned fund balance not otherwise earmarked of \$3,857,093 plus the amount earmarked for unforeseen emergencies of \$19,377,914 totaling \$23,235,007, El Paso County did not stay within its minimum target goal of 10-15 percent of its unassigned fund balance reserve with a ratio of 5.88 percent of the fiscal year 2022 adopted general fund budget of \$395,097,847 (\$414,475,761 including the \$19,377,914 earmarked for unforeseen emergencies).

At the end of the fiscal year, the County's governmental funds reported combined ending fund balance of \$163,433,370, an increase of \$5,123,633 or 3.24 percent in comparison with the prior year. Unassigned fund balance constitutes \$89,048,470 or 54.49 percent of total fund balance, which typically represents the amount that is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it has already been earmarked. Much of the restricted amount is attributable to capital projects, debt service, grants, and special revenue funds whose restrictions are stipulated by bond covenants, external resource providers or enabling legislation. The committed amount represents the Commissioners Court's formal action to use the funds for capital improvements within the County. The assigned amount is attributable to funds set aside to cover outstanding encumbrances at year end and an amount to balance the 2022 fiscal year's budget.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures or annual operating revenues. The Commissioners Court utilized unassigned reserves earmarked in balancing the fiscal year 2022 operating budget to cover an expenditure level that exceeded the corresponding estimated revenues certified in the budget by the County Auditor. In comparison to fiscal year 2021, the amount required to cover this budget gap increased by $21,452,114 or 48.36 percent.

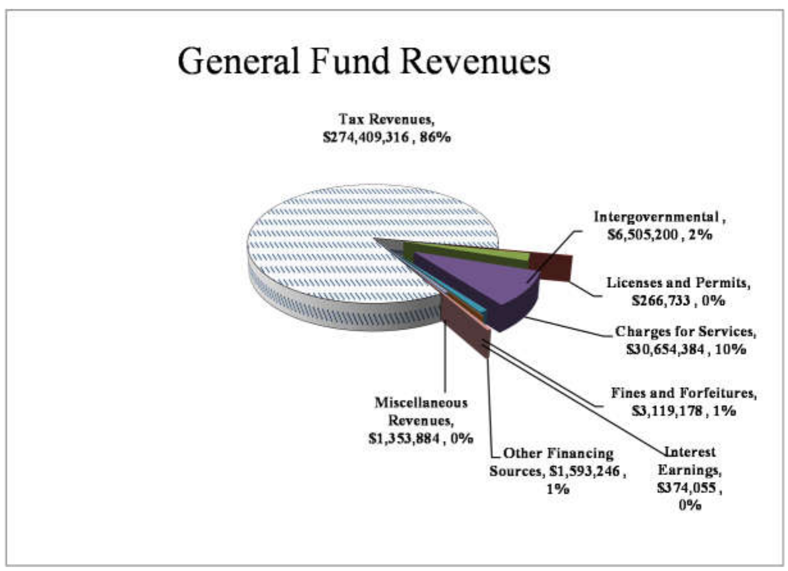
Grant funds ended the fiscal year with a fund balance of $4,777,452, an increase of $302,632 or 6.76 percent. This increase is attributed to a variety of factors such as residual unspent program income generated, and unspent proceeds.

The Capital Projects 2012 reported as a major fund ended the fiscal year with a fund balance of $13,767,449 and decreased by ($2,519,062) or (15.47) percent due to the continuation and completion of projects which were covered with these funds**.** Additionally, non-major capital project funds ended the fiscal year with fund balance of $13,281,958 and increased by $2,642,233 or 24.83 percent due to continuation of projects.

The debt service fund ended the fiscal year with a fund balance of $6,784,508, an increase of $2,931,803 or 76.10 percent, mainly due to an increase in excess sales and use tax transferred into the debt service fund at fiscal year-end from the general fund as statutorily required.

The special revenue funds in the aggregate ended the year with a fund balance of $28,444,579, an increase of $1,188,596 or 4.36 percent compared to the previous year and is utilized to account for a variety of funds which are restricted as to their use.

General Fund Trends

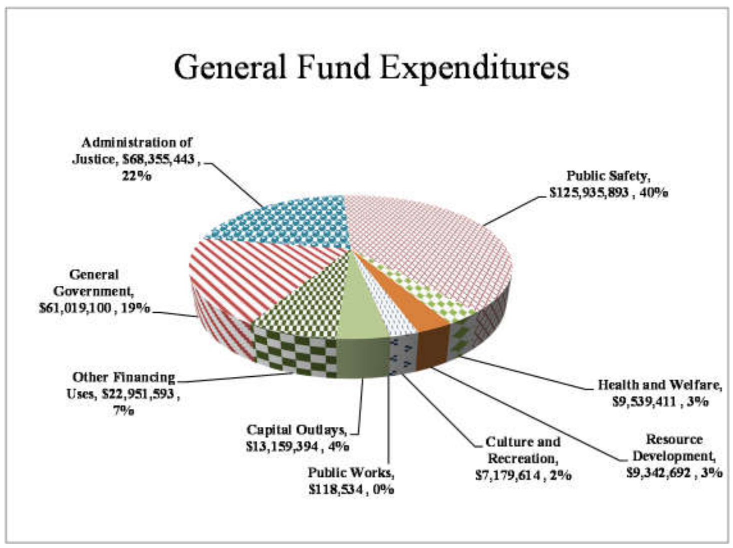


A myriad of factors contributed to the general fund’s financial position. Factors included actual revenues and other financing sources over expenditures and other financing uses in the amount of $674,322. Actual revenues totaled $316,682,750, an increase of $15,132,056 or 5.02 percent over fiscal year 2020. Further analysis, as depicted on the chart on the next page, reflects that various revenues and other financing sources aggregated increases totaled $15,832,938. Increases were primarily due to an increase in the taxes category totaling $19.0 million or 7.45 percent mainly due to the addition of new and increased property values to the tax rolls and an increase in sales and use tax, an increase in other financing sources totaling $700,882 or 78.54 percent and an increase in miscellaneous revenues totaling $208,935 or 18.25 percent. These increases netted with aggregate decreases totaling ($4,109,860) which include areas such as charges for services totaling ($1,566,251) or (4.86) percent, fines and forfeitures totaling ($363,731) or (10.44) percent, intergovernmental totaling ($920,360) or (12.39) percent, interest totaling ($1,242,421) or (76.86) percent, and licenses and permits totaling ($17,097) or (6.02) percent.

General Fund Revenues	2021 Actuals	2020 Actuals	Amount Increase (Decrease) from FY2020	Percent Increase (Decrease)	2021 actual as a % of Total Revenues and Other Financing Sources
Tax Revenues	$274,409,316	$255,376,335	$19,032,981	7.45%	86.21%
Licenses and Permits	266,733	283,830	(17,097)	-6.02%	0.08%
Intergovernmental	6,505,200	7,425,560	(920,360)	-12.39%	2.04%
Charges for Services	30,654,384	32,220,635	(1,566,251)	-4.86%	9.63%
Fines and Forfeitures	3,119,178	3,482,909	(363,731)	-10.44%	0.99%
Interest Earnings	374,055	1,616,476	(1,242,421)	-76.86%	0.12%
Miscellaneous Revenues	1,353,884	1,144,949	208,935	18.25%	0.43%
Other Financing Sources	1,593,246	892,364	700,882	78.54%	0.50%
Total revenues and other sources	$318,275,996	$302,443,058	$15,832,938	5.24%	100.00%

It is noteworthy to mention that various factors and actions by the County during the fiscal year had the effect of mitigating erosion of the fund balance and unspent budgeted amounts within the general fund. Emphasis and focus by the Commissioners Court, elected officials and department heads in fiscal year 2021 remained on efficient operations and cost saving measures. This included the continual monitoring of attrition, thorough evaluation and analysis of staffing resource requests and implementation of reorganization of staffing resources consistent with the County's fiscal policies and procedures.

Comparison of the general fund appropriations including carryforward appropriations reflects an increase in fiscal year 2021 of $10,729,265 or 2.82 percent over fiscal year 2020 total budget of $380,877,755. As depicted in the chart on the next page, actual expenditures and transfers-out in fiscal year 2021 increased by $18,821,368 or 6.30 percent bringing the total of general fund expenditures and transfers out to $317,601,674.



This moderate overall growth of over $18.8 million was mainly attributed to strategic plan goal funding and other initiatives included in the budget total. Increases overall aggregated $18,821,368 and were experienced in all areas as detailed in the General Fund Expenditures table below.

General Fund Expenditures	2021 Actuals	2020 Actuals	Amount Increase (Decrease) from FY2020	Percent Increase (Decrease)	2021 actual as a % of Total Expenditures and Other Financing Uses
General Government	$61,019,100	$61,289,377	($270,277)	-0.44%	19.22%
Administration of Justice	68,355,443	70,149,208	(1,793,765)	-2.56%	21.52%
Public Safety	125,935,893	130,876,881	(4,940,988)	-3.78%	39.65%
Health and Welfare	9,539,411	9,032,236	507,175	5.62%	3.00%
Resource Development	9,342,692	2,771,632	6,571,060	237.08%	2.94%
Culture and Recreation	7,179,614	6,170,446	1,009,168	16.35%	2.26%
Public Works	118,534	159,306	(40,772)	-25.59%	0.04%
Capital Outlays	13,159,394	1,289,588	11,869,806	920.43%	4.14%
Other Financing Uses	22,951,593	17,041,632	5,909,961	34.68%	7.23%
Total Expenditures (Uses)	$317,601,674	$298,780,306	$18,821,368	6.30%	100.00%

Further analysis depicts a significant increase in resource development for economic development and in capital outlays for County mobility projects. General government saw increases in certain departments that were offset by decreases in other departments for a net decrease of ($270,277). Administration of justice saw a net decrease of ($1,793,765) which saw increases in various departments being offset by a decrease of ($2,492,510) for district attorney, due to most of the staff retiring when the district attorney retired. Public safety saw a large decrease in sheriff's department for ($5,201,275) that offset increases in other departments for a net decrease of ($4,940,988). Health and welfare saw increases in sheriff animal control, general assistance, and county health.

Note, some of the increases and decreases mentioned above relate to continual assessment and restructuring of departments under the Commissioners Court and direction of the county administrator and have a netting effect for which further analysis is needed.

General Fund Budgetary Highlights

The fiscal year 2021 adopted budget of $391,607,020 increased by $10,729,265 compared to fiscal year 2020 and increased during the fiscal year for a budget correction in capital projects of $300,000 and for carryover appropriations totaling $5,139,544 bringing the amended budget total to $397,046,564. This budget included $44,361,350 of fund balance reserves to balance the fiscal year 2021 budget gap of appropriations in excess of estimated revenues and $35,297,805 designated for unforeseen emergencies but unassigned.

General Fund Budgetary Variance Highlights

Analysis of budget to actual trends in Exhibit 5 depicts actual revenues and sources combined were $6,328,131 or 2.03 percent more than estimates and occurred with areas experiencing positive variance increases such as in sales taxes of $11,611,664 or 23.5 percent, motor vehicle sales tax of 318,633 or 6.12 percent, mixed beverage tax totaling $44,894 or 1.80 percent, and miscellaneous of $396,134 or 41.36 percent. Offsetting unfavorable variances included areas such as property taxes totaling ($171,880) or (0.08) percent, fines and forfeitures totaling ($1,128,491) or (26.57) percent, licenses and permits of ($25,267) or (8.65) percent, charges for services of ($3,004,973) or (8.93) percent, interest of ($1,113,830) or (74.86) percent, intergovernmental of ($1,181,234) or (15.37) percent, and bingo tax totaling ($1,094) or (4.38) percent.

Favorable appropriation variances were experienced in all functions of the County's general fund as the Commissioners Court and County departments remained frugal and the Court continued its cost containment/reduction policies such as monitoring staffing vacancies and instituting reorganization and restructuring of departments, no appropriation transfers between categories of personnel, operating and capital without sufficient justification for approval by the Court and encouraging efficiencies in business practices.

Overall favorable expenditures and transfers out appropriation variances totaled $60,047,018 (for discussion purposes, the overall variance totaled $79,424,932 or 20.00 percent of total appropriations less the Court's $19,377,914 designation for emergencies discussed earlier in this document) which represents 4.89 percent of the adopted general fund budget with carryover. The most significant favorable variances were experienced in the areas of general government, administration of justice, public safety, and resource development which totaled $36,130,858, $8,033,939, $10,655,362 and $11,057,046 or 45.49, 10.12, 13.42, and 13.92 percent of the total overall appropriation variances, respectively. The majority of these variances, in general government related to appropriations in the general and administrative account totaling $28.1 million or 80.54 percent, mainly attributable to the $19,377,914 reserve for emergencies and other various contingencies which totaled $8,741,513 allocated to areas such as personnel and benefits, maintenance of operations, professional services, judicial legal fees and capital contingency accounts for which expenditure trends required only partial appropriation transfers. The second significant increase in this area related to the information technology department totaling $3.3 million or 20.24 percent. In the area of public safety, most of the variance of $10.7 million or 13.42 percent related to the Sheriff's Department totaling $9.4 million mainly due to continued efforts of cost savings relating to operation of the County's Downtown Jail and Eastside Jail Annex facilities as well as the Juvenile Probation Departments which totaled $713,572 or 4.44 percent, emergency management totaling $150,000 or 100.00 percent and Courthouse security totaling $205,041 or 14.42 percent. In the area of resource development, much of the $11.1 million variance is mainly due to the economic development of $10,425,172 or 57.11 percent. Another significant variance was attributable to the area of administration of justice totaling $8,033,939 or 10.17 percent of which the most significant change occurred in the council of judges administration totaling $2,741,994 or 30.12 percent, district attorney totaling $3,352,278 or 17.93 percent, public defender totaling $547,428 or 6.10 percent just to name a few. Favorable variances overall included unspent personnel and fringe benefit appropriations throughout the budget because of continued due diligence oversight of the County's hiring policy and other departmental cost saving initiatives. Regarding operating appropriations, the favorable variance was mainly due to employees teleworking resulting in reduced use of operating and contingency funds under the control of the Commissioners Court and collaborative efforts of elected officials and department heads. Capital outlays also had a favorable variance of $10,879,307 or 45.26 percent, due to departments not spending on certain capital outlays while employees are teleworking. The appropriation variance for transfers-out totaled $794,889 or 3.35 percent related to excess grant matching funds to secure state and federal grant funding for which expenditures were less than anticipated.

Capital Asset and Debt Administration

El Paso County, Texas
Summary of Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
Categories	2021	2020	2021	2020	2021	2020
Land	$19,757,923	$18,853,900	$20,530	$19,770	$19,778,453	$18,873,670
Easements	110,000	110,000			110,000	110,000
Artwork	56,255	56,255			56,255	56,255
Buildings	123,665,265	131,281,405			123,665,265	131,281,405
Improvements	17,683,720	14,199,367			17,683,720	14,199,367
Equipment	14,525,862	16,183,889	151,899	143,146	14,677,761	16,327,035
Furniture and Fixtures	410,713	385,971			410,713	385,971
Infrastructure	6,962,250	7,236,590	14,484,242	12,986,747	21,446,492	20,223,337
Vehicles	7,453,344	8,099,916	7,082	9,658	7,460,426	8,109,574
Roads	21,910,010	23,891,537			21,910,010	23,891,537
Bridges and culverts	5,787,101	6,044,526			5,787,101	6,044,526
Leased equipment	374,760	124,858			374,760	124,858
IT Systems in progress	3,036,406	3,323,088			3,036,406	3,323,088
Construction in progress	25,685,745	6,063,673		1,738,500	25,685,745	7,802,173
Total assets	$247,419,354	$235,854,975	$14,663,753	$14,897,821	$262,083,107	$250,752,796

Capital assets

The County's capital assets for governmental and business type activities as of September 30, 2021, amounted to $262,083,107 net of accumulated depreciation. This investment in capital assets includes land, easements, artwork, buildings, improvements, equipment, vehicles, roads, bridges, leased equipment, and IT systems and construction in progress. The total change in the County's capital assets for the current fiscal year was a net increase of $11,330,311 or 4.52 percent, comprised of an increase of $11,564,379 or 4.90 percent in governmental activities and a decrease of ($234,068) or (1.57) percent in the business-type activities.

During fiscal year 2021, some of the ongoing projects funded with the debt issued in previous fiscal years are Fabens Airport Facility Renovations, Courthouse Walkways and Sidewalk, Building Central Access and Security Controls, Celeste Drainage, Tornillo Detention Pond, Bailey Detention Pond, Fabens Dam Upgrade, Upsala, John Hayes Street Extension Project, O.T Smith Hike and Bike Trail, Tornillo Sidewalk, Bus Shelter, Tornillo Shared Use Path, Sportspark Improvements-Canopies, Canutillo roads and sidewalks project, Courthouse Surveillance System-Phase 1, Jail Annex Security System, Medical Examiners HVAC Renovations, Downtown Remodeling Project, Casa Ronquillo Renovations, Bob Hope Extension Project, Tom Mays Extension Project, Ascencion Street Improvement Project, Rojas Drive Improvement. The Pellicano Drive Improvement project in progress and other upcoming projects are funded with debt issued in the current year. Additional information on the County's capital assets can be found in note 3-C and Exhibits G1- G3.

Long-term Debt

El Paso County's Outstanding Debt						
	Governmental Activities		Business-Type Activities		Totals	
Type of Debt	2021	2020	2021	2020	2021	2020
General obligation bonds	$126,785,000	$133,890,000			$126,785,000	$ 133,890,000
Certificates of obligation	7,790,000	12,180,000	$1,272,000	$1,293,000	9,062,000	13,473,000
SIB Loans	8,337,290	4,041,146			8,337,290	4,041,146
Revenue bonds			1,358,000	1,402,000	1,358,000	1,402,000
Total	$142,912,290	$150,111,146	$2,630,000	$2,695,000	$145,542,290	$ 152,806,146

At the end of the fiscal year, the County had total debt outstanding of $145,542,290 as reflected above. Of this amount, $142,912,290 was governmental activity debt and $1,272,000 business activity debt backed by the full faith and credit of the government. The remainder of the County's debt of $1,358,000 represents revenue bonds secured solely by specified revenue sources. During the current fiscal year, the County's total debt decreased by a net amount of ($7,263,856) or (4.75) percent due to the payment of principal on the debt offset with debt issuances in the form of Certificates of Obligation, Series 2021, in the amount of $1,605,000 and a new SIB loan in the amount of $4,600,000.

On October 13, 2020, Moody's reaffirmed El Paso County's rating of Aa2 and referred to the County's very strong credit position and its Aa2 rating being equivalent to the median rating of Aa2 for US counties. The key credit factors include a solid financial position, a low debt burden, an extensive tax base, but an unfavorably high pension liability and a somewhat weak wealth and income profile.

On February 17, 2022, Fitch ratings reaffirmed El Paso County's rating of AA and outlook stable. This rating is underpinned by the County's highest level of demonstrated and anticipated operating financial resilience through a typical economic cycle. Fitch views the County as retaining solid revenue growth prospects, high revenue raising ability, and sound expenditure flexibility, carrying costs are expected to remain moderate. Fitch expects the County's long-term debt burden will also remain moderate. A state law reducing local government's ability to increase property taxes does not alter the County's fundamental credit profile. The combination of a solid revenue framework and expenditure flexibility, as well as a historically strong and stable reserve cushion leaves El Paso County well positioned to address challenges posed by periodic economic downturns. The County has demonstrated a commitment to prudent budgetary practices and mid-year adjustments when pressure arises. Fitch expects the County will maintain the highest level of financial resilience.

This optimistic outlook is based on the actions exhibited by the Commissioners Court in establishing expenditure controls in fiscal years 2009 through 2013 and moderate expenditure growth in 2015, negative expenditures growth in 2016 and resumed moderate growth in 2017, 2018, 2019, 2020, and 2021. Assuming the local economy continues to remain stable, future outlook remains positive based on the premise that trends in revenue will remain stable, but revenue enhancements may be warranted if the growth in expenditures over the next few fiscal years outpaces revenues to a point of substantially depleting fund balance reserves. Maintaining an equitable budget balancing strategy should support the County's revenues and expenditures staying relatively in alignment for the future. Furthermore, future gains of budgetary alignment will be dependent upon the actions of the Commissioners Court, statutory mandates imposed by the State and the impact of economic conditions in the El Paso region. More detailed information on the County's indebtedness may be found in note 3-F.

Economic Factors and Next Year's Budgets and Rates

- According to the Texas Labor Market Review, as of September 2021 the statewide unemployment rate was 4.9 percent. In comparison, at the same time last year the rate was 8.0 percent. El Paso's unemployment rate for September 2021 was 5.4 percent in comparison to 8.2 percent in September 2020. The key factor to this decrease in unemployment is the COVID-19 pandemic that shut down the economy in March 2020 through the end of the year into March 2021 when statewide restrictions were lifted, businesses opened up and started rehiring.

- Over the past fiscal year, between September 2020 and September 2021, El Paso's employment increased by 3.7 percent and gained 12,500 jobs. This is indicative of the easing of impact from the COVID-19 pandemic and related stay home orders and business restrictions of social distancing negatively impacting local businesses and overwhelmed hospitals. Further details are delineated in the El Paso MSA Employment by Industry table in the transmittal letter to this report.

- El Paso's cultural and business ties as a border region with Mexico, along with the passage of United States Mexico Canada Agreement (USMCA), drive its economy. The continued attraction of El Paso County as a favorable business environment, coupled with continued moderately low interest rates, continues to stimulate local construction activity.

- Assessed property values have averaged approximately 2.50 percent growth over the past five years.

- For fiscal year 2011 the tax rate was set at $0.363403 and decreased to $0.361196 per $100 of assessed valuation in 2012 because of increased property valuations and the addition of new property to the tax base. The tax rate was increased to $0.408870 in fiscal year 2013, and to $0.433125 in 2014 and increased to $0.452694 in 2015 and remained the same thru 2018, then decreased to $0.447819 in 2019, increased to $0.488997 in 2020 and remained at $0.488997 in 2021. The tax rate was increased most significantly due to increase in the I&S tax rate for the repayment of the 2012 bond issue and due to a capital policy change to fund short-term capital outlays from the maintenance and operations tax rate equal to one penny rather than thru the issuance of debt. The 2021 tax rate was to fund the County's strategic plan goals and other initiatives that increased the budget total by over $10.7 million. Some of the major projects include $3.8 million to fund 45 percent of the recurring capital equipment needs, $800,000 for rural transit expansion, $4 million for growing mobility project needs, $11 million in storm water to bring the total allocation to just over $35 million, $4.2 million to annual paving program and transferred to the Road and Bridge Fund, and $1.25 million to the economic impact fund to stimulate economic development and job growth.

- The overall fund balance of the general fund experienced stabilization and growth between fiscal years 2011 and 2015, increasing approximately $14 million or 42.95 percent in fiscal year 2011, slight growth by $3.7 million in fiscal year 2012, marginally declining by ($446,881) or (.89) percent in 2013, increasing by $1,087,654 or 2.18 percent in 2014, substantially growing by $9,861,241 in fiscal year 2015, $14,802,185 in 2016, $7,498,084 in 2017, $3,435,530 in 2018, $5,563,671 in 2019, $3,726,868 in 2020 and experienced only slight growth of $577,431 in 2021.

- Sales and use tax revenues grew in 2010 after a decline in 2009 and continued to reflect growth through fiscal year 2021 and surprisingly in spite of the COVID-19 pandemic. In 2021, sales and use tax revenues exceeded $61 million for the first time while in the middle of an economic disruption due to the pandemic and has continued to show growth into fiscal year 2022. On a positive note, this resulted in an excess sales tax transfer of $5.2 million to the debt service fund.

- The Commissioners Court will continue its focus of containing general fund expenditure growth while enhancing revenue growth to keep up with inflation.

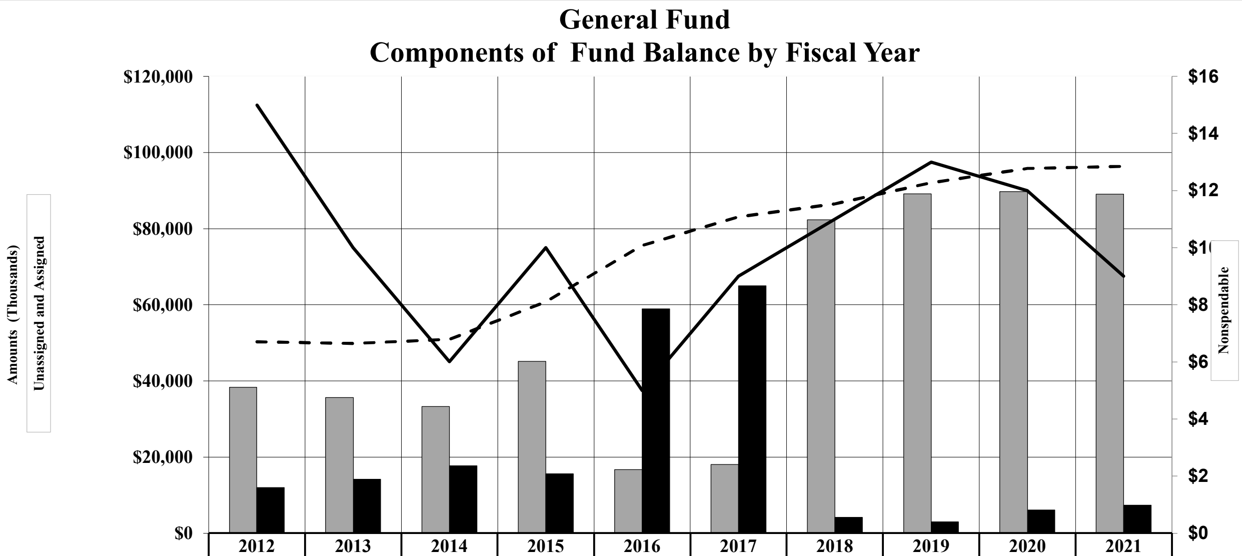
All these factors were considered in preparing the County's budget for the 2022 fiscal year.

The focus of the County remains on conservative fiscal management while addressing public service needs and State mandates. As of September 30, 2021, the Federal Funds rate was zero to 0.25 percent. Interest earnings for the twelve months ended September 2021 were $646,398, down $1,903,715 or 74.65 percent when compared to $2,550,113 in the prior fiscal year, due mainly to a decrease in interest rates.

Unquestionably, the County faces continued challenges associated with meeting the steadily increasing demands for additional services and infrastructures for its rapid growth. The Commissioners Court members will continue to evaluate and analyze ways to streamline the County's operations by consolidating activities internally and with other governmental entities and downsizing, wherever possible, to achieve maximum cost effectiveness for the taxpayers. To date, inter-local governmental agreements have been the most popular method for consolidating activities with other governmental entities.

For the future, it is anticipated that in fiscal year 2022, the Court will continue to face funding challenges. Some of these challenges will include identification of new sources or increases to revenues through aggressive collection efforts of amounts due to the County and possible shifting of financial funding for responsibilities shifted from the State to the County. Other challenges include public health and welfare, public safety and culture and recreation in response to community needs. Healthcare benefit costs for County employees and retirees due to the trend of increasing health care costs, County workforce wages and fringe benefits and continuation of contractual collective bargaining salary adjustments for the Sheriff's Department remain major concerns. Further challenges facing the Court in the future are the increasing space needs, inflation and various other funding mandates placed upon the County as it continues to grow.

At its discretion, the Court will continue to utilize some amount of fund balance, which is healthy in the sense that it keeps the County from building up excessive reserves and reduces a future burden on taxpayers. The Court decreased its use of fund balance in the fiscal year 2021 budget by ($1,429,406) compared to the amount used in fiscal year 2020. County government will continually strive to effectuate steady increases in revenue while costs are on the rise. In terms of overall financial condition, the County's present financial position remains strong like most communities across the nation and will require that the Commissioners Court continue their focus on ensuring revenues and expenditures remain in alignment, while continually assessing the maintenance of adequate reserves at a minimum of no less than first quarter operating costs.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Unassigned	$38,318	$35,673	$33,221	$45,162	$16,649	$18,022	$82,345	$89,104	$89,676	$89,048
Assigned	$11,939	$14,142	$17,685	$15,602	$58,923	$65,043	$4,154	$2,956	$6,112	$7,320
Total Fund Balances	$50,272	$49,825	$50,912	$60,774	$75,577	$83,074	$86,510	$92,073	$95,800	$96,377
Nonspendable	$15	$10	$6	$10	$5	$9	$11	$13	$12	$9

The graph above depicts how the general fund's fund balances have increased or decreased over a period of years.

Although it is healthy to utilize some amount of fund balance to balance a subsequent fiscal year budget and current designations are utilized to ensure statutory compliance of a balanced budget, caution should be exercised not to become dependent upon fund balance to support future expenditure growth to assure maintenance of reasonable fund balance reserves in accordance with County financial policies. Emphasis must be placed on generating adequate operational revenues to meet planned operational expenditures and it is paramount to maintaining sound financial stability and maintenance of realistic fund balance reserves. Departments will be challenged with continually assessing possible increased efficiencies to operate within their budgets. To maintain the County's favorable financial condition, more than ever, monitoring of expenditures will continue to be vital in forecasting budget inadequacies and identifying potential excesses.

On March 13, 2020, the County along with the State of Texas and the United States declared an emergency in response to the COVID-19 virus pandemic. For more details on this evolving pandemic and its potential impacts to the County see note 3U in the notes to the financial statements and the County's website. http://www.epcounty.com/

The fiscal year 2022 overall budget adopted by the County totaled $498,174,997, a net increase of $23.0 million or 4.84 percent in comparison to the fiscal year 2021 adopted budget as amended. The budget preparation function is currently performed by the Budget and Fiscal Policy Department which was created during fiscal year 2015. This department participates in the Government Finance Officers Association's Budget Presentation Award Program and the formal adopted budgets can be found on the County's web page as reflected below.
http://www.epcounty.com/budget/currentbudget.htm

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the El Paso County Auditor, 800 East Overland Avenue, Room 406, El Paso, Texas, 79901. This report can also be accessed through the County's web page as reflected below.
http://www.epcounty.com/auditor/publications/acfr.htm

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BASIC FINANCIAL STATEMENTS

County of El Paso, Texas
Statement of Net Position
September 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$262,880,874	$1,905,452	$264,786,326	$201,243,882
Receivables (net of allowance for uncollectible)	48,327,351	90,168	48,417,519	112,655,488
Inventories	9,213		9,213	16,490,000
Prepaid	1,002,550		1,002,550	21,497,929
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	1,567,126	283,620	1,850,746	
Other assets				12,389,625
Net pension asset				3,027
Capital Assets (net of accumulated depreciation):				
Land	19,757,923	20,530	19,778,453	30,235,742
Easements	110,000		110,000	
Artwork	56,255		56,255	
Buildings	123,665,265		123,665,265	331,439,478
Improvements	17,683,720		17,683,720	
Equipment	14,525,862	151,899	14,677,761	4,410,663
Furniture and fixtures	410,713		410,713	87,414,000
Infrastructure	6,962,250	14,484,242	21,446,492	
Vehicles	7,453,344	7,082	7,460,426	4,108,149
Roads	21,910,010		21,910,010	
Bridges and culverts	5,787,101		5,787,101	
Leased equipment	374,760		374,760	
Construction in progress	28,722,151		28,722,151	10,162,506
Total assets	561,206,468	16,942,993	578,149,461	832,050,489
DEFERRED OUTFLOWS OF RESOURCES				
Bond refunding	2,348,089		2,348,089	11,804,000
Goodwill				2,383,000
OPEB	16,996,180	35,910	17,032,090	344,000
Pensions	89,349,216	153,500	89,502,716	43,511,606
Total deferred outflows of resources	108,693,485	189,410	108,882,895	58,042,606
LIABILITIES				
Vouchers payable	19,082,093	69,757	19,151,850	191,777,612
Retainage payable	978,094		978,094	
Claims payable	1,269,156		1,269,156	
Payroll liabilities	11,536,884	5,928	11,542,812	68,770
Due to others	308,995	136,100	445,095	
Due to other units	1,412,139		1,412,139	
Due to other governments	209,225	17,100	226,325	
Unearned revenue	89,262,060		89,262,060	
Accrued interest payable	715,349	10,366	725,715	185,868
Noncurrent liabilities:				
Due within one year				
Bonds	15,055,404	66,000	15,121,404	12,743,000
Notes				3,333,095
SIB Loan	530,109		530,109	
Capital leases	79,202		79,202	141,150
Self-insured obligations				3,612,000
Claims and judgments	3,681,278		3,681,278	
Contingent liabilities	50,000		50,000	
Compensated Absences	18,332,989		18,332,989	
Medicare Advance Payments				23,159,000
Due in more than one year				
Bonds	133,851,142	2,564,000	136,415,142	344,855,000
Notes				14,159,201
SIB Loan	7,807,181		7,807,181	
Capital leases	243,256		243,256	
Self-insured obligations				495,000
Contingent liabilities	2,910,000		2,910,000	
Compensated absences	16,392,445		16,392,445	
Net pension liability	152,813,290	157,332	152,970,622	61,312,457
Total OPEB liability	58,792,272	64,978	58,857,250	1,877,000
Other long term liabilities				1,278,000
Total liabilities	535,312,563	3,091,561	538,404,124	658,997,153
DEFERRED INFLOWS OF RESOURCES				
OPEB	10,568,207	14,805	10,583,012	502,000
Pensions	40,809,569	66,489	40,876,058	15,693,956
Bond refunding	167,419		167,419	
Total deferred inflows of resources	51,545,195	81,294	51,626,489	16,195,956
NET POSITION				
Net investment in capital assets	110,202,661	12,033,753	122,236,414	111,189,690
Restricted for:				
Capital projects	12,617,766		12,617,766	
Grants	4,777,452		4,777,452	
Legislative	28,444,579		28,444,579	
Debt service	6,069,159	50,031	6,119,190	6,213,000
Enterprise fund		715,527	715,527	
Health care				2,884,000
Unrestricted	(79,069,422)	1,160,237	(77,909,185)	94,613,296
Total net position	$83,042,195	$13,959,548	$97,001,743	$214,899,986

The notes to the financial statements are an integral part of this statement.

County of El Paso, Texas
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental Activities:								
General government	$84,056,797	$13,752,935	$5,619,432		($64,684,430)		($64,684,430)	
Administration of justice	75,314,878	4,540,410	6,027,914		(64,746,554)		(64,746,554)	
Public safety	144,139,209	19,395,886	13,322,410		(111,420,913)		(111,420,913)	
Health and welfare	15,944,660	58,666	6,002,028		(9,883,966)		(9,883,966)	
Community services	30,702,469		30,337,068		(365,401)		(365,401)	
Resource development	9,484,022	80,774	83,015		(9,320,233)		(9,320,233)	
Culture and recreation	12,081,002	2,002,818			(10,078,184)		(10,078,184)	
Public works	12,558,217	14,535,913	2,312,908		4,290,604		4,290,604	
Interest on long-term debt	6,280,080				(6,280,080)		(6,280,080)	
Total governmental activities	390,561,334	54,367,402	63,704,775		(272,489,157)		(272,489,157)	
Business-type activities:								
County water system	2,381,108	1,935,370		26,592		(419,146)	(419,146)	
County waste water system	286,611	140,793				(145,818)	(145,818)	
County solid waste	770,878	785,258				14,380	14,380	
Total business-type activities	3,438,597	2,861,421		26,592		(550,584)	(550,584)	
Total primary government	$393,999,931	$57,228,823	$63,704,775	$26,592	($272,489,157)	($550,584)	($273,039,741)	
Component units:								
Hospital district	$1,038,075,000	$625,960,000	$292,267,000					($119,848,000)
Emergency services district 1	3,777,333	543,250	255,917					(2,978,166)
Emergency services district 2	6,128,335	726,218	2,485,441					(2,916,676)
Total component units	$1,047,980,668	$627,229,468	$295,008,358					($125,742,842)
General revenues:								
Taxes:								
Property					$223,153,888		$223,153,888	$134,496,295
Hotel/Motel					3,234,964		3,234,964	
Sales					61,023,329		61,023,329	4,281,089
Motor vehicle sales tax					5,522,351		5,522,351	
Bingo					23,906		23,906	
Mixed beverage					2,544,894		2,544,894	
Interest					632,039	$14,359	646,398	476,618
Miscellaneous					3,256,685		3,256,685	56,070,375
Gain on sale of capital assets					9,878		9,878	
Total general revenues and transfers					299,401,934	14,359	299,416,293	195,324,377
Change in net position					26,912,777	(536,225)	26,376,552	69,581,535
Net position - beginning					55,779,437	14,320,013	70,099,450	145,318,451
Prior period adjustment					349,981	175,760	525,741	
Net position - ending					$83,042,195	$13,959,548	$97,001,743	$214,899,986

The notes to the financial statements are an integral part of this statement.

Exhibit 3

County of El Paso, Texas
Balance Sheet
Governmental Funds
September 30, 2021

	General	Special Revenue Grants	County Capital Projects 2012	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$106,606,134	$89,450,749	$14,495,517	$51,817,707	$262,370,107
Receivables (net of allowances for uncollectible):					
Taxes	25,263,051				25,263,051
Accounts	12,157,148	8,884,673		332,023	21,373,844
Due from other funds	190,000	4,916,118			5,106,118
Inventory of supplies	9,213				9,213
Prepaids	1,002,550				1,002,550
Cash - restricted				1,567,126	1,567,126
Total assets	$145,228,096	$103,251,540	$14,495,517	$53,716,856	$316,692,009
Liabilities					
Vouchers payable	$11,162,569	$3,015,340	$340,416	$4,563,768	$19,082,093
Retainage Payable	133,973	187,577	387,652	268,892	978,094
Payroll liability	10,842,739	491,056		200,994	11,534,789
Due to others	162,208			131,614	293,822
Due to other funds	327,248	5,571,537			5,898,785
Due to other units	1,412,139				1,412,139
Due to other governments	168,682			40,543	209,225
Unearned revenue	53,482	89,208,578			89,262,060
Total liabilities	24,263,040	98,474,088	728,068	5,205,811	128,671,007
Deferred inflows of resources					
Unavailable revenue- property taxes	24,587,632				24,587,632
Total deferred inflows of resources	24,587,632				24,587,632
Fund Balances (Deficits)					
Nonspendable:					
Inventory	9,213				9,213
Restricted:					
Temporary budgetary stabilization				17,726,232	17,726,232
Building construction/renovation			10,079,207	1,118,478	11,197,685
Bridge construction			2,449,800		2,449,800
General assistance				548,887	548,887
Parks				26,108	26,108
Public safety				299,731	299,731
Records management				910,266	910,266
Road construction/maintenance				5,874,955	5,874,955
Software/IT improvements				140,562	140,562
Equipment			345,749		345,749
Water/sewer construction				1,567,126	1,567,126
Debt service				6,784,508	6,784,508
Other purposes		4,777,452		3,084,508	7,861,960
Committed:					
Capital projects				4,622,316	4,622,316
Assigned:					
Imprest and change funds	118,109				118,109
Other purposes	7,201,632		892,693	5,807,368	13,901,693
Unassigned	89,048,470				89,048,470
Total fund balances	96,377,424	4,777,452	13,767,449	48,511,045	163,433,370
Total liabilities, deferred inflows, and fund balances	$145,228,096	$103,251,540	$14,495,517	$53,716,856	$316,692,009

The notes to the financial statements are an integral part of this statement.

El Paso County, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2021

Total fund balances for governmental funds		$163,433,370
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	$19,757,923	
Easements	110,000	
Artwork	56,255	
Buildings, net of accumulated depreciation	123,665,265	
Improvements, net of accumulated depreciation	17,683,720	
Equipment, net of accumulated depreciation	14,525,862	
Furniture and fixtures, net of accumulated depreciation	410,713	
Infrastructure, net of accumulated depreciation	6,962,250	
Vehicles, net of accumulated depreciation	7,453,344	
Roads, net of accumulated depreciation	21,910,010	
Bridges and culverts, net of accumulated depreciation	5,787,101	
Leased equipment, net of accumulated depreciation	374,760	
Construction in progress	28,722,151	
Total capital assets		247,419,354
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Unavailable revenue property taxes		24,587,632
Receivable for court costs, net of allowance for uncollectible accounts		1,658,447
Compensated absences		(34,725,434)
Total OPEB liability		(52,364,299)
Net pension liability		(104,273,643)
Internal service fund is used to charge the health care costs for county employees, dependants, and retirees		49,019
Long-term liabilities, including bonds payable, that are not due and payable in the current period and therefore not reported in the funds.		
Accrued interest on bonds	(715,349)	
General long-term debt	(134,575,000)	
SIB Loan	(8,337,290)	
Capital leases	(322,458)	
Contingent liabilities	(2,960,000)	
Claims and judgments	(3,681,278)	
Deferred bond premium	(12,150,876)	
Total long-term liabilities		(162,742,251)
Total net position of governmental activities		$83,042,195

The notes to the financial statements are an integral part of this statement.

Exhibit 4

County of El Paso, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General	Special Revenue Grants	County Capital Projects 2012	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$274,409,316			$20,710,176	$295,119,492
Licenses and permits	266,733				266,733
Intergovernmental revenues	6,505,200	$55,213,400		1,986,175	63,704,775
Charges for services	30,654,384			20,311,407	50,965,791
Fines and forfeitures	3,119,178			533,437	3,652,615
Interest	374,055	40,818	$19,927	191,653	626,453
Miscellaneous	1,353,884	1,377,563	113,608	356,477	3,201,532
Total Revenues	316,682,750	56,631,781	133,535	44,089,325	417,537,391
EXPENDITURES					
Current:					
General government	61,019,100	1,099,604		5,081,586	67,200,290
Administration of justice	68,355,443	5,820,896		873,543	75,049,882
Public safety	125,935,893	11,572,374		1,089,850	138,598,117
Health and welfare	9,539,411	6,081,031		148,455	15,768,897
Community services		28,281,078			28,281,078
Resource development	9,342,692	35,478			9,378,170
Culture and recreation	7,179,614			3,979,035	11,158,649
Public works	118,534	1,209,824		16,937,483	18,265,841
Debt service:					
Principal				13,403,856	13,403,856
Interest				6,347,116	6,347,116
Capital outlays	13,159,394	4,732,771	2,652,597	12,142,157	32,686,919
Total expenditures	294,650,081	58,833,056	2,652,597	60,003,081	416,138,815
Excess (deficiency) of revenues over (under) expenditures	22,032,669	(2,201,275)	(2,519,062)	(15,913,756)	1,398,576
OTHER FINANCING SOURCES (USES)					
Transfers in	1,293,429	3,026,765		17,946,280	22,266,474
Transfers out	(22,951,593)	(530,988)		(1,511,350)	(24,993,931)
Issuance of debt				1,605,000	1,605,000
SIB loan proceeds				4,600,000	4,600,000
Capital leases	299,817	8,130			307,947
Sale of capital assets				28,999	28,999
Total other financing sources and uses	(21,358,347)	2,503,907		22,668,929	3,814,489
Net change in fund balances	674,322	302,632	(2,519,062)	6,755,173	5,213,065
Fund balances - beginning	95,799,993	4,474,820	16,286,511	41,748,413	158,309,737
Prior year adjustment	(76,933)			7,459	(69,474)
Net change in reserve for inventories	(19,958)				(19,958)
Fund balances - ending	$96,377,424	$4,777,452	$13,767,449	$48,511,045	$163,433,370

The notes to the financial statements are an integral part of this statement.

Exhibit 4.1

County of El Paso, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2021

Amount reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$5,213,065
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered another source of financing, but in the statement of net position, the lease obligation is reported as a liability.			(307,947)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.			
Debt issued:			
Certificates of Obligation		(1,605,000)	
SIB Loan		(4,600,000)	
Deferred outflow on refunding		($822,183)	
Repayments			
Bond premium(loss)		1,957,545	
Deferred inflow on refunding		34,809	
Principal payments		13,403,856	
Net adjustment			8,369,027
Court cost receivables, net of allowance for uncollectible amounts			(517,737)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Unavailable revenue property taxes		383,840	
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.			
Contingent liabilities		133,750	
Compensated absences		1,378,077	
Other post employment benefits		(3,618,814)	
Pension expense		4,290,309	
Pension revenue		55,153	
Depreciation expense		(19,824,289)	
The net effect of various transactions involving capital assets (i.e., additions, sales and retirements) is to increase net position			
Additions	36,126,642		
Retirements	(6,534,677)		
Accumulated depreciation related to retirements	1,377,248	30,969,213	
Unpaid claims workers comp		783,140	
Change in purchasing inventory		(19,958)	
Expenses related to capital lease payments and retirements		98,098	
Accrued interest on bonds		67,036	
			14,695,555
Internal service fund is used to charge the health care costs for county employees, dependants, and retirees.			(539,186)
Change in net position of governmental activities			$26,912,777

The notes to the financial statements are an integral part of this statement.

Exhibit 5

County of El Paso, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Property	$205,466,716	$205,466,716	$205,294,836	($171,880)
Sales	49,411,665	49,411,665	61,023,329	11,611,664
Motor vehicle sales tax	5,203,718	5,203,718	5,522,351	318,633
Bingo	25,000	25,000	23,906	(1,094)
Mixed beverage	2,500,000	2,500,000	2,544,894	44,894
Licenses and permits	292,000	292,000	266,733	(25,267)
Intergovernmental	7,686,434	7,686,434	6,505,200	(1,181,234)
Charges for services	33,659,357	33,659,357	30,654,384	(3,004,973)
Fines and forfeitures	4,247,669	4,247,669	3,119,178	(1,128,491)
Interest	1,487,885	1,487,885	374,055	(1,113,830)
Miscellaneous	957,750	957,750	1,353,884	396,134
Total revenues	310,938,194	310,938,194	316,682,750	5,744,556
EXPENDITURES				
Current:				
General government				
Personnel	50,750,485	47,110,617	44,292,348	2,818,269
Operating	70,014,930	50,059,299	16,746,710	33,312,589
Total General government	120,765,415	97,169,916	61,039,058	36,130,858
Administration of justice				
Personnel	66,571,310	67,566,715	63,058,328	4,508,387
Operating	8,703,189	8,822,667	5,297,115	3,525,552
Total Administration of justice	75,274,499	76,389,382	68,355,443	8,033,939
Public safety				
Personnel	111,236,384	110,740,114	101,941,237	8,798,877
Operating	24,281,843	25,851,141	23,994,656	1,856,485
Total Public safety	135,518,227	136,591,255	125,935,893	10,655,362
Health and welfare				
Personnel	4,769,283	4,867,003	4,746,317	120,686
Operating	5,440,202	5,516,193	4,793,094	723,099
Total Health and welfare	10,209,485	10,383,196	9,539,411	843,785
Resource development				
Personnel	1,108,892	1,108,892	929,412	179,480
Operating	9,507,308	19,290,846	8,413,280	10,877,566
Total Resource development	10,616,200	20,399,738	9,342,692	11,057,046
Culture and recreation				
Personnel	4,088,502	4,134,154	3,866,378	267,776
Operating	3,119,295	3,596,953	3,313,236	283,717
Total Culture and recreation	7,207,797	7,731,107	7,179,614	551,493
Public works				
Personnel	110,633	110,633	56,484	54,149
Operating	84,123	86,573	62,050	24,523
Total Public works	194,756	197,206	118,534	78,672
Community services:				
Personnel	99,581	99,581		99,581
Operating	300,000	300,000		300,000
Total community services	399,581	399,581		399,581
Capital outlays	12,802,448	24,038,701	13,159,394	10,879,307
Total expenditures	372,988,408	373,300,082	294,670,039	78,630,043
Excess of revenues over expenditures	(62,050,214)	(62,361,888)	22,012,711	84,374,599
OTHER FINANCING SOURCES (USES)				
Transfers in	1,009,671	1,009,671	1,293,429	283,758
Transfers out	(18,618,612)	(23,746,482)	(22,951,593)	794,889
Capital leases			299,817	299,817
Total other financing sources and uses	(17,608,941)	(22,736,811)	(21,358,347)	1,378,464
Net change in fund balances	(79,659,155)	(85,098,699)	654,364	85,753,063
Fund balances - beginning	95,799,993	95,799,993	95,799,993	
Prior period adjustment			(76,933)	(76,933)
Fund balances - ending	$16,140,838	$10,701,294	$96,377,424	$85,676,130

The notes to the financial statements are an integral part of this statement.

Exhibit 6

County of El Paso, Texas
Special Revenue Fund - Grant Funds
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	$215,788,117	$215,788,117	$55,213,400	($160,574,717)
Interest	69,357	69,357	40,818	(28,539)
Miscellaneous	2,433,886	2,433,886	1,377,563	(1,056,323)
Total revenues	218,291,360	218,291,360	56,631,781	(161,659,579)
Expenditures:				
General government:				
Personnel	62,730	62,730	54,005	8,725
Operating	1,309,735	1,309,735	1,045,599	264,136
Total general government	1,372,465	1,372,465	1,099,604	272,861
Administration of justice:				
Personnel	11,822,025	11,822,025	4,749,887	7,072,138
Operating	3,601,915	3,601,915	1,071,009	2,530,906
Total administration of justice	15,423,940	15,423,940	5,820,896	9,603,044
Public safety:				
Personnel	21,166,776	21,166,776	7,660,733	13,506,043
Operating	13,846,871	13,846,871	3,911,641	9,935,230
Total public safety	35,013,647	35,013,647	11,572,374	23,441,273
Health and welfare:				
Personnel	1,277,571	1,277,571	1,115,537	162,034
Operating	15,107,993	15,107,993	4,965,494	10,142,499
Total health and welfare	16,385,564	16,385,564	6,081,031	10,304,533
Resource development:				
Operating	115,000	115,000	35,478	79,522
Total resource development	115,000	115,000	35,478	79,522
Community services:				
Personnel	12,519,678	12,519,678	9,835,501	2,684,177
Operating	110,342,411	110,342,411	18,445,577	91,896,834
Total community services	122,862,089	122,862,089	28,281,078	94,581,011
Public works:				
Personnel	391,840	391,840	4,018	387,822
Operating	2,512,485	2,512,485	1,205,806	1,306,679
Total public works	2,904,325	2,904,325	1,209,824	1,694,501
Capital outlays	31,926,314	31,926,314	4,732,771	27,193,543
Total expenditures	226,003,344	226,003,344	58,833,056	167,170,288
Excess (deficiency) of revenues over (under) expenditures	(7,711,984)	(7,711,984)	(2,201,275)	5,510,709
Other financing sources (uses):				
Transfers in	7,250,895	7,250,895	3,026,765	(4,224,130)
Transfers out	(3,129)	(3,129)	(530,988)	(527,859)
Capital leases			8,130	8,130
Total other financing sources (uses)	7,247,766	7,247,766	2,503,907	(4,743,859)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(464,218)	(464,218)	302,632	766,850
Fund balance - beginning	4,474,820	3,285,895	4,474,820	
Fund balance - ending	$4,010,602	$2,821,677	$4,777,452	$766,850

The notes to the financial statements are an integral part of this statement.

Exhibit 7

County of El Paso, Texas
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-type Activities-Enterprise Funds							
	El Paso County Water Projects (Current Year)	**El Paso County Water Projects (Prior Year)**	**El Paso County Waste Water System (Current Year)**	**El Paso County Waste Water System (Prior Year)**	**County Solid Waste (Current Year)**	**County Solid Waste (Prior Year)**	**Total Current Year**	**Governmental Activities - Internal Service Fund**
ASSETS								
Current assets:								
Cash and cash equivalents	$1,800,382	$2,267,523	$13,132	$6,953	$91,938	$138,814	$1,905,452	$510,767
Accounts receivable	14,896	100,860	6,158	6,329	69,114	67,584	90,168	32,009
Due from other funds								942,667
Restricted cash and cash equivalents								
Customer deposits	136,100	129,550					136,100	
Interest and sinking fund	12,969	28,481	39,678	39,678			52,647	
Total current assets	1,964,347	2,526,414	58,968	52,960	161,052	206,398	2,184,367	1,485,443
Noncurrent assets:								
Restricted cash, cash equivalents, and investments:								
County Water System Reserve fund	94,873	107,158					94,873	
Total restricted assets:	94,873	107,158					94,873	
Capital assets:								
Infrastructure	16,242,607	14,202,743	5,153,754	5,153,754			21,396,361	
Equipment	205,082	174,604					205,082	
Vehicles	42,734	42,734					42,734	
Land	20,530	19,770					20,530	
Construction in Progress		1,738,500						
Less accumulated depreciation	(6,643,053)	(6,248,176)	(357,901)	(186,108)			(7,000,954)	
Total capital assets, net of accumulated depreciation	9,867,900	9,930,175	4,795,853	4,967,646			14,663,753	
Total noncurrent assets	9,962,773	10,037,333	4,795,853	4,967,646			14,758,626	
Total assets	11,927,120	12,563,747	4,854,821	5,020,606	161,052	206,398	16,942,993	1,485,443
DEFERRED OUTFLOWS OF RESOURCES								
Pensions	153,500	65,802					153,500	
OPEB	35,910	8,052					35,910	
Total deferred outflows of resources	189,410	73,854					189,410	
LIABILITIES								
Current liabilities:								
Accounts payable	6,129	288,855			63,628	123,638	69,757	
Retainage payable		86,925						
Customer deposits payable	136,100	129,550					136,100	
Claims payable								1,269,156
Payroll Liability	5,928	3,570					5,928	2,095
Due to others								15,173
Due to other funds								150,000
Due to other governments	15,980	18,160	1,120	13		260	17,100	
Current liabilities payable from restricted assets:								
East Montana Water Project 1997A payable	30,000	30,000					30,000	
Mayfair/Nuway Water System Bonds 2012 payable	5,000	5,000					5,000	
Colonia Revolucion Water Project Bonds payable	9,000	9,000					9,000	
Desert Acceptance Cert Oblig Sewer Bonds 2017 Payable			22,000	21,000			22,000	
Accrued interest payable	6,031	6,253	4,335	4,409			10,366	
Total current liabilities	214,168	577,313	27,455	25,422	63,628	123,898	305,251	1,436,424
Noncurrent liabilities:								
East Montana Water Project 1997A payable	650,000	680,000					650,000	
Mayfair/Nuway Water System Bonds 2012 payable	233,000	238,000					233,000	
Colonia Revolucion Water Project Bonds payable	431,000	440,000					431,000	
Desert Acceptance Cert Oblig Sewer Bonds 2017 Payable			1,250,000	1,272,000			1,250,000	
Net Pension Liability	157,332	62,950					157,332	
Total OPEB Liability	64,978	30,227					64,978	
Total noncurrent liabilities	1,536,310	1,451,177	1,250,000	1,272,000			2,786,310	
Total liabilities	1,750,478	2,028,490	1,277,455	1,297,422	63,628	123,898	3,091,561	1,436,424
DEFERRED INFLOWS OF RESOURCES								
Pensions	66,489	78,045					66,489	
OPEB	14,805	16,737					14,805	
Total deferred inflows of resources	81,294	94,782					81,294	
NET POSITION								
Net investment in capital assets	8,509,900	8,528,175	3,523,853	3,674,646			12,033,753	
Restricted for:								
Debt	50,031	50,253					50,031	
East Montana Water Project	28,037	164,354					28,037	
County Solid Waste					97,424	82,500	97,424	
Desert acceptance Waste Water			53,513	48,538			53,513	
Vista Del Este Water Project	402,541	413,943					402,541	
County Water System Reserve Fund	94,873	107,158					94,873	
County Water System Repair Reserve Fund	17,809	15,409					17,809	
East Montana 1997A interest and sinking	7,807	15,918					7,807	
Mayfair/Nuway interest and sinking	4,688	4,651					4,688	
Colonia Revolucion 2013 interest and sinking	8,835	9,401					8,835	
Unrestricted:								
County Water System	1,160,237	1,205,067					1,160,237	
Internal Service fund								49,019
Total net position	$10,284,758	$10,514,329	$3,577,366	$3,723,184	$97,424	$82,500	$13,959,548	$49,019

The notes to the financial statements are an integral part of this statement.

Exhibit 8

County of El Paso, Texas
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities-Enterprise Funds							
	El Paso County Water Projects (Current Year)	**El Paso County Water Projects (Prior Year)**	**El Paso County Waste Water System (Current Year)**	**El Paso County Waste Water System (Prior Year)**	**County Solid Waste (Current Year)**	**County Solid Waste (Prior Year)**	**Total Current Year**	**Governmental Activities - Internal Service Fund**
OPERATING REVENUES								
Charges for services	$1,935,370	$2,049,761	$140,793	$120,312	$785,258	$759,624	$2,861,421	
Employee premiums								$630,160
Employer premiums								23,873,512
Retiree premiums								2,527,833
Cobra								51,624
Other								2,096,884
Total operating revenues	1,935,370	2,049,761	140,793	120,312	785,258	759,624	2,861,421	29,180,013
OPERATING EXPENSES								
Personnel expenses	166,318	124,975					166,318	
Operating expenses	144,858	640,727					144,858	
Depreciation	394,877	373,310	171,793	171,792			566,670	
Public utilities	1,484,716	976,938	79,623	52,280			1,564,339	
Professional services	140,536	290,817		15,870	770,878	744,614	911,414	
Claims								27,430,579
Administrative								5,021,663
Total operating expenses	2,331,305	2,406,767	251,416	239,942	770,878	744,614	3,353,599	32,452,242
Operating income (loss)	(395,935)	(357,006)	(110,623)	(119,630)	14,380	15,010	(492,178)	(3,272,229)
NONOPERATING REVENUES (EXPENSES)								
Interest revenue	13,815	31,679		302	544	800	14,359	5,586
Interest expense	(49,803)	(51,582)	(35,195)	(35,768)			(84,998)	
Total nonoperating revenues (expenses)	(35,988)	(19,903)	(35,195)	(35,466)	544	800	(70,639)	5,586
Income(loss) before contributions and transfers	(431,923)	(376,909)	(145,818)	(155,096)	14,924	15,810	(562,817)	(3,266,643)
Capital and non-federal grant contributions	26,592	683,690		15,870			26,592	
Transfer in (out)				(71,901)				2,727,457
Change in Net Position	(405,331)	306,781	(145,818)	(211,127)	14,924	15,810	(536,225)	(539,186)
Total net position, beginning	10,514,329	10,207,548	3,723,184	3,934,311	82,500	66,690	14,320,013	588,205
Prior period adjustment	175,760						175,760	
Total net position, ending	$10,284,758	$10,514,329	$3,577,366	$3,723,184	$97,424	$82,500	$13,959,548	$49,019

The notes to the financial statements are an integral part of this statement.

Exhibit 9

County of El Paso, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities-Enterprise Funds							
	El Paso County Water Projects (Current Year)	**El Paso County Water Projects (Prior Year)**	**El Paso County Waste Water System (Current Year)**	**El Paso County Waste Water System (Prior Year)**	**County Solid Waste (Current Year)**	**County Solid Waste (Prior Year)**	**Total Current Year**	**Governmental Activities - Internal Service Fund**
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	$2,025,704	$2,044,790	$142,071	$1,163,096	$783,468	$757,912	$2,951,243	
Payments for personnel expenses	(163,871)	(127,816)					(163,871)	
Payments for operating expenses	(514,509)	(270,240)		(945,704)			(514,509)	
Payments for utilities	(1,484,716)	(976,938)	(79,623)	(52,280)			(1,564,339)	
Payments for professional services	(140,536)	(290,817)		($15,870)	(830,888)	(680,822)	(971,424)	
Receipts from employee premiums								$630,160
Receipts from employer premiums								22,898,836
Receipts from retiree premiums								2,527,833
Receipts from cobra premiums								51,624
Receipts from miscellaneous services								2,096,884
Payments for claims								(27,728,331)
Payments for administrative expenses								(5,021,663)
Net cash provided (used) by operating activities	(277,928)	378,979	62,448	149,242	(47,420)	77,090	(262,900)	(4,544,657)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers from (to) other funds				(71,901)				2,727,457
Net cash provided (used) by noncapital financing activities				(71,901)				2,727,457
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Bond proceeds								
Capital contributions	26,592	683,690		15,870			26,592	
Interest paid	(50,025)	(51,803)	(35,269)	(35,846)			(85,294)	
Principal repayments	(44,000)	(44,000)	(21,000)	(21,000)			(65,000)	
Infrastructure	(301,364)						(301,364)	
Land	(760)						(760)	
Equipment	(30,478)	(174,604)					(30,478)	
Construction in progress		(1,705,974)						
Net cash provided (used) by capital and related financing activities	(400,035)	(1,292,691)	(56,269)	(40,976)			(456,304)	
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipt of interest	13,815	31,677		302	544	800	14,359	5,586
Net cash provided (used) by investing activities	13,815	31,677		302	544	800	14,359	5,586
Net increase(decrease) in cash and cash equivalents	(664,148)	(882,035)	6,179	36,667	(46,876)	77,890	(704,845)	(1,811,614)
Cash and cash equivalents, beginning of year	2,532,712	3,414,747	46,631	9,964	138,814	60,924	2,718,157	2,322,381
Prior period adjustment	175,760						175,760	
Cash and cash equivalents, end of year	$2,044,324	$2,532,712	$52,810	$46,631	$91,938	$138,814	$2,189,072	$510,767
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating income (loss)	($395,935)	($357,004)	($110,623)	($119,630)	$14,380	$15,010	($492,178)	($3,272,229)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	394,877	373,310	171,793	171,792			566,670	
(Increase) decrease in accounts receivable	85,964	(14,184)	171	1,042,771	(1,530)	(1,842)	84,605	(32,009)
(Increase) decrease in due from other funds								(942,667)
Increase (decrease) in customer deposits	6,550	6,200					6,550	
Increase (decrease) in vouchers payable	(282,726)	283,562		(945,704)	(60,010)	63,792	(342,736)	
Increase (decrease) in retainage payable	(86,925)	86,925					(86,925)	
Increase (decrease) in claims liability								(297,752)
Increase (decrease) in payroll liability	2,358	873					2,358	
Increase (decrease) in pension liability	(4,872)	(4,778)					(4,872)	
Increase (decrease) in OPEB liability	4,961	1,064					4,961	
Increase (decrease) in due to other governments	(2,180)	3,011	1,107	13	(260)	130	(1,333)	
Total adjustments	118,007	735,983	173,071	$268,872	(61,800)	62,080	229,278	(1,272,428)
Net Cash Provided (Used) by Operating Activities	($277,928)	$378,979	$62,448	$149,242	($47,420)	$77,090	($262,900)	($4,544,657)

The notes to the financial statements are an integral part of this statement.

Exhibit 10

County of El Paso, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

Custodial Funds

	Totals
Assets	
Cash and cash equivalents	$47,656,984
Accounts Receivable	111,370
Restricted:	
Cash and cash equivalents	7,808,625
Total assets	55,576,979
Liabilities	
Accounts payable	10,622
Payroll liabilites	309,996
Due to others	68,844
Due to governmental agencies	400,502
Total liabilities	789,964
Net Position	
Restricted for:	
Individuals, organizations, and other governments	54,787,015
Total net position	$54,787,015

The notes to the financial statements are an integral part of this statement.

Exhibit 11

County of El Paso, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
September 30, 2021

Custodial Funds

	Totals
Additions	
Contributions	
Employee	$294,300
Local	71,305
State	10,774,494
Other contributions	692,425
Fees	440,047,217
Hot check collections	63,667
Seizures	1,635,565
Bonds	1,694,088
Court registery	16,447,002
Legal	5,950,274
Inmate escrow	6,702,427
Interest	48,205
Other revenue	95,405
Total Additions	484,516,374
Deductions	
Salary & Benefits	9,967,866
Administrative expenses	2,106,317
Settlement of claims	2,179,777
Other deductions	462,718,758
Total deductions	476,972,718
Increase (Decrease) in Net Position	7,543,656
Net position - Beginning, as restated	47,243,359
Net Position - Ending	$54,787,015

The notes to the financial statements are an integral part of this statement.

Exhibit 12

County of El Paso, Texas
Statement of Net Position - Component Units
September 30, 2021

	Component Units			
	Hospital District	Emergency Services District #1	Emergency Services District #2	Total
ASSETS				
Cash and cash equivalents	$193,249,000	$2,753,097	$5,241,785	$201,243,882
Receivables (net of allowance for uncollectible)	110,832,000	367,263	1,456,225	112,655,488
Inventories	16,490,000			16,490,000
Prepaid	21,398,000	44,620	55,309	21,497,929
Other assets	12,385,000		4,625	12,389,625
Net pension asset			3,027	3,027
Capital assets (net of accumulated depreciation):				
Land	27,823,000	1,010,836	1,401,906	30,235,742
Buildings	311,588,000	8,272,144	11,579,334	331,439,478
Equipment		794,419	3,616,244	4,410,663
Furniture and fixtures	87,414,000			87,414,000
Vehicles		611,572	3,496,577	4,108,149
Construction in progress	7,904,000		2,258,506	10,162,506
Total assets	789,083,000	13,853,951	29,113,538	832,050,489
Deferred Outflows of Resources				
Loss on bond refunding	11,804,000			11,804,000
Goodwill	2,383,000			2,383,000
OPEB	344,000			344,000
Pensions	43,191,000	104,210	216,396	43,511,606
Total deferred outflows of resources	57,722,000	104,210	216,396	58,042,606
LIABILITIES				
Vouchers payable	191,566,000	36,608	175,004	191,777,612
Payroll liabilities			68,770	68,770
Accrued interest payable		36,739	149,129	185,868
Noncurrent liabilities:				
Due within one year				
Bonds	12,743,000			12,743,000
Notes	800,000	755,302	1,777,793	3,333,095
Capital leases		49,925	91,225	141,150
Self-insured obligations	3,612,000			3,612,000
Medicare Advance Payments	23,159,000			23,159,000
Due in more than one year				
Bonds(net of related costs)	344,855,000			344,855,000
Notes		7,607,849	6,551,352	14,159,201
Self-insured obligations	495,000			495,000
Net pension liability	61,278,000	34,457		61,312,457
Total OPEB liability	1,877,000			1,877,000
Other long term liabilities	1,278,000			1,278,000
Total liabilities	641,663,000	8,520,880	8,813,273	658,997,153
Deferred Inflows of Resources				
OPEB	502,000			502,000
Pensions	15,653,000	299	40,657	15,693,956
Total deferred inflows of resources	16,155,000	299	40,657	16,195,956
NET POSITION				
Net investment in capital assets	94,583,000	2,588,372	14,018,318	111,189,690
Restricted for:				
Debt service	6,213,000			6,213,000
Health care	2,884,000			2,884,000
Unrestricted	85,307,000	2,848,610	6,457,686	94,613,296
Total net position	$188,987,000	$5,436,982	$20,476,004	$214,899,986

The notes to the financial statements are an integral part of this statement.

Exhibit 13

County of El Paso, Texas
Statement of Activities
Component Units
For the Year Ended September 30, 2021

	Component Units			
	Hospital	Emergency Services		
	District	District #1	District #2	Total
Revenues				
Program Revenues:				
Charges for services	$625,960,000	$543,250	$726,218	$627,229,468
Operating grants and contributions	292,267,000	255,917	2,485,441	295,008,358
Total program revenues	918,227,000	799,167	3,211,659	922,237,826
Expenses	(1,038,075,000)	(3,777,333)	(6,128,335)	(1,047,980,668)
Net program revenues(expenses)	(119,848,000)	(2,978,166)	(2,916,676)	(125,742,842)
General revenues:				
Taxes:				
Property	127,490,000	3,232,999	3,773,296	134,496,295
Sales			4,281,089	4,281,089
Interest	475,000	937	681	476,618
Miscellaneous	55,732,000	22,566	315,809	56,070,375
Total general revenues and transfers	183,697,000	3,256,502	8,370,875	195,324,377
Change in net position	63,849,000	278,336	5,454,199	69,581,535
Net position - beginning	125,138,000	5,158,646	15,021,805	145,318,451
Net position - ending	$188,987,000	$5,436,982	$20,476,004	$214,899,986

The notes to the financial statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The County's most significant accounting policies are described below.

A. Description of Government-wide 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business type activities which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The County of El Paso is a public corporation and a political subdivision of the State of Texas. The governing body of the County is the Commissioners Court. The Commissioners Court is composed of five elected officials, the County Judge and four County Commissioners.

The financial statements of the County, the reporting entity, include all governmental activities, departments, agencies, organizations and functions of the County for which the governing body is financially accountable. In evaluating and determining how to define the financial reporting entity, all likely units have been considered. As such the County is not included in any other governmental entity as defined by GASB Statement 61, *The Financial reporting Entity: Omnibus an amendment of GASB Nos. 14 and 34.*

Discretely presented component units. The decisions to include or exclude a potential component unit in the reporting entity were made by applying standards contained in GAAP. The key consideration for including or excluding a potential component unit is the primary governing body's financial accountability. A primary government is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing board and if it is able to impose its will or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

In conformity with the criteria discussed above, the financial statements of the El Paso County Hospital District (Hospital District), Emergency Services District #1 (ESD1), and Emergency Services District #2 (ESD2), have been included in the financial reporting entity as discretely presented component units. The El Paso County Commissioners Court appoints their governing bodies, approves their budgets, sets their tax rates and approves their issuance of bonded debt.

Note 1. Summary of Significant Accounting Policies

B. Reporting Entity (Continued)

These units are reported on a separate statement and summarized in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The Hospital District operates University Medical Center (UMC), a non-profit organization. UMC is the sole corporate member of El Paso Children's Hospital (EPCH) and El Paso First Health Plans, Inc. d/b/a El Paso Health (the Health Plan). The Health Plan is organized as a health maintenance organization (HMO) licensed only in Texas to provide prepaid health coverage to employees and dependents of various organizations in its service area. Complete financial statements for UMC can be obtained from its administrative office at: University Medical Center, 4815 Alameda Avenue, El Paso, Texas 79905, (915) 521-7610.

Section 775.301 of the Texas Health and Safety Code, as amended by the 83rd Legislature grants certain control provisions to the Commissioners Court of counties that border the United States and Mexico and have a population of more than 800,000. Under the statute, the County has certain control provisions over the Emergency Services District Number One (ESD1) and Emergency Services District Number Two (ESD2), which includes the responsibility of appointing a Board of Commissioners, establishing the operating policies and procedures for the districts and approving the District's annual budget and tax rate. ESD1 and ESD2 are discrete component units of the County.

ESD1was created for the purpose of saving lives, the protection of property endangered by fires and other emergencies, and to promote the teaching and practices of fire and accident prevention. ESD1 is a taxing entity and a political subdivision of the State of Texas. ESD1 was formed as provided by Article III, Section 48-e of the Texas Constitution. ESD1 is administered by a Board of Commissioners appointed by the Commissioners of the County of El Paso, Texas, that acts as the authoritative and legislative body of the entity. ESD1 has one blended component unit, the Horizon Volunteer Fire Department (HVFD) which was established to provide first responders to fires, medical emergencies, disasters and terrorist acts, and to protect the lives and property of the residents in the ESD1's response area. HVFD was incorporated in the State of Texas in January 2015 as a non-profit organization under section 501(c)(3) of the Internal Revenue Code. Complete financial statements can be obtained from the Office of the Board of Commissioners, President, 14151 Nunda, Horizon City, Texas 79928.

ESD2 was created for the purpose of saving lives, the protection of property endangered by fires and other emergencies, and to promote the teaching and practices of fire and accident prevention. ESD2 is a taxing entity and a political subdivision of the State of Texas. ESD2 was formed as provided by Article III, Section 48-e of the Texas Constitution. ESD2 is administered by a Board of Commissioners appointed by the Commissioners of the County of El Paso, Texas, that acts as the authoritative and legislative body of the entity. ESD2 contracts with six volunteer fire departments to provide emergency services for the areas of Clint, Fabens, Montana Vista, San Elizario, Socorro and West Valley. Currently ESD2 covers approximately 600 square miles and serves an estimated population of 105,000 citizens. ESD2 volunteers are trained as both certified Firefighters and EMTs providing both basic and advanced life support. Complete financial statements can be obtained from the El Paso County Emergency Services District #2 – Office of the Board of Commissioners, President, 16001 Socorro Road, Fabens, Texas 79838 and can be found on their website at http://www.epcountyesd2.org/.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Government-wide and Fund Financial Statements

The government-wide financial statements report financial information of the primary government and its component units for all non-fiduciary activities. The effects of interfund activities have been removed from the government-wide financial statements, except where the elimination would distort the financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separate from business-type activities, which rely on fees and charges for a significant portion of their revenues.

The statement of net position focuses on the net position of the governmental and business type activities of the primary government and its component units, where the net position equals the assets and deferred outflows of resources less liabilities and deferred inflows of resources. The statement of activities focuses on the direct expenses of a given function that are offset by program revenues. *Direct expenses* are those expenses that are clearly identifiable with a specific function. *Program revenues* include 1) charges for services and 2) operating and capital grants and contributions. Taxes and other revenue items not included in program revenues are reported as *general revenues*.

Separate financial statements are provided for the Governmental, Proprietary, and Fiduciary funds, even though the latter are excluded from the government-wide financial statements.

D. 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 and fiduciary fund financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows occur. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

All governmental funds are reported using a current financial resources measurement focus. Ordinarily, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheet with this measurement focus. The operating statements of the funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). In the case of the County, "measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days thereafter, to pay liabilities of the current period. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Revenues susceptible to accrual include property taxes, fines and forfeitures, special assessments, licenses, interest income and charges for services. Sales and use taxes collected and held by the State at fiscal year-end on behalf of the County are also recognized as revenue. Permits are not susceptible to accrual because they generally are not measurable.

Unavailable and unearned revenues arise when potential revenues do not meet both the measurable and available tests for recognition in the current period. Unavailable and unearned revenues also come about when resources are received by the County before the County is legally entitled to them. In succeeding periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflows for unavailable revenue or the liability for unearned revenue is removed from the statements and revenue is recognized.

The County reports the following major governmental funds:

The General Fund is the primary operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Due to a change in accounting standards implemented with GASB 84, certain funds that were classified as fiduciary funds have been removed from the fiduciary funds and included in the General Fund. Those funds are: County Payroll Fund, County Employees' Retirement Fund, Social Security Fund, and Child Support Fund.

Special Revenue-Grants Funds are used to account for funds received from federal, state and local agencies for specific programs and services for the community. Federal funds include those received from the U. S. Department of Treasury, the U. S. Department of Health and Human Services, U. S. Department of Justice, U. S. Department of Homeland Security, Office of National Drug Control Policy, and U. S. Department of Agriculture, among others. State funds include those received from the Office of the Governor, Texas Department of Transportation, Texas Department of Public Safety, Texas Attorney General, Texas Department of Housing and Community Affairs, and others. Local funds are from the City and other local agencies.

The County Capital Projects 2012 is used to account for the financial resources secured through the sale of certificates of obligation to fund a multitude of County projects, to include the Tornillo-Guadalupe Land Port of Entry bridge, renovations to existing and construction of new County facilities, improvements to the County's Information Technology Systems, enhancements to the Sheriff's Department radio and emergency communication systems, and the replacement of vehicles for the Sheriff's Department and other County departments.

The County reports enterprise funds as major proprietary funds. The enterprise funds account for the activities of the County Water Systems (East Montana, Mayfair/Nuway, Vista del Este, Hillcrest, and Colonia Revolućion Water Projects), County Sewer System (Desert Acceptance Sewer project), and County Solid Waste. User charges are used to pay off the debt on the revenue bonds for the East Montana Water Project, plus the operating expenses for enterprise funds.

Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The County reports the following non-major governmental funds:

Special Revenue Funds account for specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects.

Debt Service Funds account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term obligation debt of the County.

Capital Projects Funds account for financial resources that are restricted, committed, or assigned to expenditure for major capital outlays.

The County additionally reports the following fund types:

Internal Service Funds account for the health benefits provided to County employees, retirees and dependents. The workers' compensation benefits fund is also accounted for in the Internal Service Funds. Contributions to the funds are made as charges to the departments for covered employees along with contributions from employees and retirees to the health fund.

Fiduciary Funds account for assets held in either a trustee capacity or in a custodial capacity for individuals, private organizations, other governmental units, and/or other funds meeting the criteria established in GASB Statement No. 84, *Fiduciary Activities*. Fiduciary funds are reported in one of four categories based on applicability of (1) pension and other employee benefit trust funds, (2) investment trust funds, (3) private-purpose funds, and (4) custodial funds. Pension and other employee benefit trust funds report resources held in trust for the members and beneficiaries of defined benefit pension or other benefit plans. Investment trust funds report the external portions of investment pools held in trust by the sponsoring government. Private-purpose trust funds report all other trust arrangements whose principal and interest benefit individuals, private organizations, or other governments. Custodial funds report all other assets, not held in trust, the County holds on behalf of others in a purely custodial capacity. These funds include:

IRS Section 125 Fund is used to account for the employees' contributions to a cafeteria plan under the provisions of the *Internal Revenue Code Section 125.*

El Paso County Community Supervision and Corrections Fund is used to account for the activities of the State Adult Probation Department.

County Attorney Bad Check Trust Fund is used to account for the collections and disbursement of insufficient fund checks filed with the County Attorney by area merchants.

Sheriff's Task Force Seizures Fund is used to account for funds seized by various initiatives of the Sheriff's Department and held pending disposition by the Courts.

District Attorney Seizures Fund is used to account for multi-agency seizures held pending disposition by the Courts.

Other Elected Officials Fund is used to account for the collections of various County officials pending the allocation to the County, other governmental entities or individuals.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Interfund activities have been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges for services (i.e., application fees, fines, court fees, processing fees, etc.), 2) operating grants and contributions, 3) capital grants and contributions. Other revenues that are not related to a specific activity or function are reported as *general revenues*. General revenues include all taxes, grants and contributions not restricted to a specific program or function, and any unrestricted investment earnings.

The proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services in connection with the proprietary fund's principal operations. The East Montana Water Project recognizes tap and water service fees as operating revenues. The County Waste Water System is funded with other financing sources, grants, and USDA-RUS loan until it becomes operational, and then it will recognize a wastewater service fee as operating revenues. The County Solid Waste Project recognizes waste collection fees as operating revenues. Revenues and expenses not considered as operating are classified as non-operating.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budgetary Information

Annual budgets are approved and utilized for the general, special revenue, grant, and debt service funds. Annual budgets for the debt service funds are adopted by fund type in the aggregate. Annual budgets are adopted for the special revenue and grant funds at the aggregate level by function. Budgets for grants are employed as a management control device in order to comply with granting agencies' provisions. Appropriations expire at fiscal year-end with the exception of grant funds and capital projects.

Formal budgetary integration is employed for the general, special revenue, grants, and debt service funds. Capital projects funds are ordinarily more project oriented than period oriented, thus, project-length budgets for all capital projects funds are utilized and appropriations at year-end carry forward to subsequent years until project completion. Budgets for all funds are prepared on the modified accrual basis. Formal budgetary integration is not employed in the Internal Service Funds.

The County has one special revenue fund that was not included in the adopted budget. This fund is the County Attorney Bad Check Operating Account, which is legally controlled at the discretion of the County Attorney.

The annual adopted budget for fiscal year 2021 totaled $475,184,978. Throughout the year, the Commissioners Court amended the budget for an aggregate increase total of $141,943,987. These increases represented statutorily provided increases for additional funding by granting agencies and intergovernmental agreements bringing the overall budget total to $742,702,489, including re-appropriations.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Information (Continued)

The appropriation changes included revisions as follows:

County of El Paso, Texas
Schedule of Amended Funding Amounts
For the period ending September 30, 2021

	General Fund	Special Revenue Fund	Enterprise Fund	Debt Service Fund	Capital Projects Fund	Grants	Total Funding Amounts
October 1, 2020	$391,607,020	$51,394,122	$4,039,744	$19,807,243	$8,336,849		$475,184,978
Total amendments	300,000	332,476	(105,944)		5,887,904	$135,529,551	141,943,987
Subtotal	391,907,020	51,726,598	3,933,800	19,807,243	14,224,753	135,529,551	617,128,965
Carry over Re-appropriation	5,139,544	3,059,187			26,897,871	90,476,922	125,573,524
Totals	$397,046,564	$54,785,785	$3,933,800	$19,807,243	$41,122,624	$226,006,473	$742,702,489

F. Cash and Cash Equivalents

Cash and cash equivalents as reported by the County and the component units represent cash on hand, demand deposits, negotiable order of withdrawal (NOW) accounts, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

County policy and State law require that all monies deposited in a depository bank be completely insured by the Federal Deposit Insurance Corporation or fully collateralized with securities of the United States or its agencies or a letter of credit from the Federal Home Loan Bank. The County has opted for the letter of credit to collateralize deposits in excess of FDIC insurance. Cash equivalents consisted of primarily of TexPool and TexPool Prime temporary investments.

Governmental Accounting Standards Board Statement (GASB) No. 40 "*Deposit and Investment Risk Disclosures, an amendment to GASB Statement Number 3",* establishes and modifies disclosure requirements related to investment risks associated with credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. To limit the concentration of credit risk, the County only invests in obligations of U. S. Agencies and Instrumentalities. The County has also established interest rate risk policies that limit the maximum maturity of any one security to 10 years or less.

The County is not exposed to foreign currency risk since County policy prohibits investment in any foreign investments.

Note 1. Summary of Significant Accounting Policies (Continued)

F. Cash and Cash Equivalents (Continued)

Investments of the County reported on the balance sheet are stated at fair value based on quoted market prices. All of the County's investments are purchased with maturities of ten years or less. In accordance with the Public Funds Investment Act, all County investments are in United States Treasury Securities, agency securities, TexPool, TexPool Prime, certificates of deposit. All certificates of deposit are fully insured by the Federal Deposit Insurance Corporation and/or fully collateralized with United States Treasury or agency securities. United States Treasury Securities are backed by the full faith and credit of the United States. It is the County's practice to accrue interest on temporary investments throughout the year. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. Management asserts the County is in substantial compliance with the requirements of the Act and local policies.

All component units consider investments with original maturities of three months or less to be cash equivalents. Investments with an original maturity of more than three months are reported as investments. ESD2 reported no investments. ESD1 investments are recorded at fair value, based on quoted market prices. Investments of UMC are stated at amortized cost or fair value, depending on the investment.

Agencies have no expressed liability assumed by the U.S. Government; however, the agencies are required to maintain secured advances, guaranteed mortgages, U.S. Government securities or cash in an amount equal to the amount of the consolidated bonds and discount notes outstanding.

<u>TexPool and TexPool Prime</u>

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool and TexPool Prime, the Texas Local Government Investment Pools. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other individuals who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

Currently, TexPool and TexPool Prime are rated AAAm by Standard & Poor's. As a requirement to maintain the weekly rating, portfolio information must be submitted to Standard & Poor's, as well as the office of the State Comptroller of Public Accounts for review.

TexPool invests in obligations of the United States Government, its agencies or instrumentalities, fully collateralized repurchase agreements or reverse repurchase agreements, or no-load money market funds that are registered with and regulated by the SEC. TexPool Prime invests in obligations of the United States Government, its agencies or instrumentalities, fully collateralized repurchase agreements or reverse repurchase agreements, no-load money market funds that are registered with and regulated by the SEC, certificates of deposit issued by national or state banks or credit unions, including savings banks, provided that such bank or credit union are domiciled in Texas, or commercial paper that matures in 270 days or less from the date of its issuance.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” for the current portion of the interfund loan or “advances to/from other funds” for the non-current portion of interfund loans. All other transactions that occur between individual funds for goods or services provided are classified as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental fund, which indicates they do not represent available financial resources and are not available for appropriation.

Property tax receivables are shown net of an allowance for uncollectible accounts. Property taxes are levied October 1st and become delinquent on February 1st, at which time penalties and interest are assessed. The allowance for uncollectible property taxes is set at one percent of the outstanding delinquent taxes at September 30, 2021.

H. Inventories and Prepaid Items

All inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories of the governmental funds are recorded as expenditures when purchased and then adjusted for the remaining inventory at year end as a change in fund balance under the purchases method. Payments made to vendors for goods or services that will benefit periods beyond year-end are classified as prepaid items.

I. Restricted Assets

Certain proceeds of the County Water System Projects are classified as restricted assets on the balance sheet and are maintained separate on the books. Those resources are for the repayment of the related debt, customer deposits, and to maintain the required reserves. The reserve fund is used to cover any deficiencies from operations that could adversely affect debt service payments.

The government-wide statement of net position reports $52,674,514 of restricted assets, of which $28,444,579 is restricted by enabling legislation.

J. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the appropriate governmental or business-type activities columns in the government-wide financial statements. Capital assets are those assets with a value of $5,000 or more and with useful lives of over one year. Also, the value of existing capitalized assets is increased for any additions regardless of the amount, when the useful life is extended or the functionality of the asset is improved. Assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets, works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement are reported at acquisition value on date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or substantially extend the life of the assets are not capitalized.

Note 1. Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

Improvements and major outlays are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is recognized as an expense of the period and not included as part of the capitalized value of the assets constructed.

Capital assets for the enterprise fund related to the East Montana Water System are depreciated using the 120 percent declining balance over 40 years in accordance with the bond covenant.

All other capital assets are depreciated in accordance with the County depreciation method listed below. Capital assets under construction are not depreciated until construction is completed.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Moveable & Fixed Equipment	3-10
Furniture	10
Roads	20
Vehicles	5
Heavy Vehicles	7-10
Improvements	20
Bridges	35
Infrastructure	15-30

Assets of the UMC are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Years
Land and land improvements	5-25
Building & Improvements	8-40
Moveable & Fixed Equipment	3-15

Assets of ESD1 are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Years
Building & Improvements	5-40
Heavy trucks	10
Equipment	3-10

Assets of ESD2 are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Years
Building & Improvements	40
Transportation Equipment	5-10
Equipment	5-10

Note 1. Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will periodically report a separate section for deferred outflows of resources. The deferred outflow of resources represents a consumption of net position that relates to a future period and will not be recognized as an outflow of resources until then; the effect is positive, similar to an asset but is not an asset.

The County has three deferred outflows of resources, the first, a deferred charge for the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds. The second, a deferred charge related to other post employment benefits. The third, a deferred charge related to pensions.

The UMC has four deferred outflows; the first is the 2017 debt refunding loss amortization, second is the Children's Hospital goodwill amortization, third is attributable to changes in certain pension plan items, and fourth is for other postemployment benefits.

ESD1 has one deferred outflow relating to pensions.

ESD2 has one deferred outflow relating to pensions.

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This deferred inflow of resources represents an acquisition of net position that applies to a future period and is not recognized as an inflow of resources until that time similar to a liability but is not a liability.

The County has four types of deferred inflows of resources that qualify for reporting in this category. One item, unavailable revenues-property taxes is reported only in the governmental funds balance sheet. The second, is a deferred inflow for bond refunding and is amortized over life of the refunding bonds on the statement of net position. The third is a deferred inflow related to pensions. The fourth is a deferred inflow related to other post employment benefits.

UMC has two deferred inflow of resources, for pensions and other post employments benefits.

The ESD1 has two types of deferred inflow of resources, one related to pensions and the other for unavailable revenue from property taxes.

The ESD2 has only one type of deferred inflow of resources related to pensions.

The fiduciary net position of the Texas County and District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. The Plan's fiduciary net position has been determined on the same basis as that used by the Plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

The fiduciary net position of the Texas Emergency Services Retirement System (TESRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TESRS's fiduciary net position. The Plan's fiduciary net position has been determined on the same basis as that used by the Plan. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Compensated Absences

Regular full-time employees accumulate vacation leave at varying rates depending on their years of service with the County as follows:

Number of Years of Service	Vacation Leave hours Earned Per Year
Up to 5 years	80
5 to 15 years	120
Over 15 years	160

Vacation leave may be accumulated up to a maximum of two times the annual vacation benefit (160, 240, or 320 hours depending on the number of years of service). During FY2020, the maximum accumulation was increased by 25 percent to 200, 300, and 400, respectively. It was increased as a result of COVID-19 restrictions limiting people from using their vacation time. These limits reverted to the original maximums on September 30, 2021. Employees lose, without pay, unused vacation leave, which exceeds this limit. Regular part-time employees accumulate vacation leave at half the rate of regular full-time employees. On September 30, 2021, the County's total liability for vested vacation leave totaled $19,048,209.

All full-time, regular non-elected employees who have completed three (3) months of full time service are eligible to use accrued sick leave with pay. An employee earns sick leave at the rate of 15 working days per year and may accumulate a maximum sick leave balance of 90 working days. Outstanding sick leave balances are canceled, without recompense, upon termination, resignation, retirement or death except in the case of sheriff's officers. In accordance with the provisions of Governmental Accounting Standard Board, Statement No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

A liability in the amount of $15,677,226 has been established for the accumulated vested sick leave benefits of the El Paso County Sheriff's deputies and detention officers. This is in accordance with the provisions of the contract agreement between the County and the El Paso County Sheriff's Association, whereby the County shall buy back any unused sick leave at the end of an officer's career. An officer will be paid at the rate of one day's pay for one day's sick leave up to 90 days and thereafter at the rate of one day's pay for every three days of sick leave.

Note 1. Summary of Significant Accounting Policies (Continued)

L. Compensated Absences (Continued)

Vested vacation and sick leave benefits are not expected to be liquidated with expendable and available financial resources and therefore, are reported as long term liabilities in the government wide statements. The accrued accumulated vested benefits liability for the current year is $34,725,434 of which $18,332,989 is reported as due within one year. The general fund or the appropriate special revenue fund is used to liquidate any liabilities for compensated absences.

Non-exempt employees who are authorized or permitted to work in excess of forty (40) hours in a workweek are entitled to compensatory time off at a rate one and one-half times for all time actually worked over forty (40) hours in a workweek. Paid and unpaid leave of any type taken during a workweek do not count as hours worked in computing overtime. Non-exempt employees may not have a balance of more than eighty (80) hours of compensatory time at any given time. A non-exempt employee will be paid for all compensatory time the employee has earned, but not used, at the time of separation from employment.

There is no legal requirement, nor is the County obligated, to pay overtime or grant compensatory time to FLSA-exempt employees. Department Heads or designees may grant compensatory time off on an hour for hour basis for hours worked in excess of the forty (40) hour work week to an exempt employee.

For 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 appropriate governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Bond premiums, discounts, and issuance costs are recognized in the fund financial statements of governmental fund types during the current period. The bond face amount and any premiums are reported as other financing resources while any discounts are reported as other financing uses. Bond issuance costs are reported in either the capital projects or debt service fund depending on whether the bond is a new issue or refunding issue, regardless of whether or not the costs were withheld from the bond proceeds received.

N. Fund Balances

The County Commissioners Court annually approves financial policies which include a policy for maintaining a minimum fund balance of 10 to 15 percent of the total general fund adopted operating budget in any one fiscal year, or at a minimum, a balance equal to the projected cash needs for the first fiscal quarter to meet operating obligations. Use of this reserve is limited to an unanticipated emergency, calamity, natural disaster or the loss/shortfall of a major revenue source.

In accordance with GASB, the County categorized its fund balances in five classifications and in the hierarchy to which the government is bound to honor constraints on specific purposes for which amounts in those funds can be spent.

Note 1. Summary of Significant Accounting Policies (Continued)

N. Fund Balances (Continued)

Nonspendable – These balances represent amounts that are not in spendable form or are legally or contractually required to be maintained intact, such as inventories.

Restricted Fund Balance – Represents amounts that are restricted to specific purposes, with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Fund balance on the debt service funds will be restricted for the payment of principal and interest on the debt service obligation. Any funds that are remaining after all debt is extinguished will be transferred to the general fund to be used for any general purpose. The restricted other purposes amount of $3,084,508 reported as other governmental funds consists of $3,084,508 special revenue.

Committed Fund Balance – These balances represent amounts that are restricted for purposes which County Commissioners Court, the County's highest level of decision-making authority, have designated their use. These amounts are committed through the adoption of a court order. These amounts can only be re-allocated by the same formal action that was taken to originally commit those amounts. Funds allocated through the use of general fund monies for capital assets are categorized as committed.

Assigned Fund Balance – Represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The governing body may delegate its authority to assign amounts to another body or officials, for example a budget or finance director. The Commissioners Court, when it is appropriate for fund balance to be assigned, delegates the authority to the Executive Budget Director. Assignments may occur subsequent to fiscal year end.

Unassigned Fund Balance – Represents the amount designated for emergencies in budgeting the general fund, budgetary appropriation for shortfalls in projected revenue in the general fund, and the residual amount in the general fund that has not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount. Stabilization amounts of $24,330,809 and $38,038,937 for emergencies and budgetary shortfalls, respectively, are included in this category as authorized by Commissioners Court. Commissioners Court may authorize an emergency expenditure only in a case of grave public necessity to meet an unusual and unforeseen condition

It is the County's policy to use restricted funds first, when expenditures are incurred for purposes for which both restricted and unrestricted funds are available. In the case of unrestricted funds, the County will consider first reducing committed funds, then assigned, and followed by unassigned when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

O. Comparative Data/reclassifications

Comparative total data for the previous year have been presented in selected accompanying financial statements in order to afford an understanding of changes in the County's position and operations. Comparative data, nonetheless, have not been presented in all statements because such inclusion would make certain statements unduly complex and difficult to comprehend.

Note 1. Summary of Significant Accounting Policies (Continued)

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and outflows or resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84 *Fiduciary Activities.* The County implemented GASB 84 in fiscal year 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The County had some agency funds that were determined to no longer qualify as fiduciary funds (Payroll, Retirement, Social Security, and Child Support) due to the GASB 84 analysis. The required changes due to the implementation of GASB 84 are reflected in the County's financial statements and the notes to those statements. As this Statement was implemented retroactively it resulted in a restatement of the prior period net position of the Fiduciary Activities as follows:

County of El Paso Fiduciary Funds
Statement of Net Position

Net position at September 30, 2020 as previously reported	$0
Addition of Net Position as calculated pursuant to GASB 84	$47,243,359
Net Position September 30, 2020, as restated	$47,243,359

In June 2017, GASB issued Statement No. 87 *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and reporting for leases by governments. This statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. This statement becomes effective for reporting periods beginning after December 15, 2019. GASB 95 postponed the effective beginning date by eighteen months to June 15, 2021.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the end of a Construction Period.* This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In financial

Note 1. Summary of Significant Accounting Policies (Continued)

Q. New Accounting Pronouncements (Continued)

statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting standards. This statement becomes effective for reporting periods beginning after December 15, 2019. GASB 95 postponed the effective beginning date by one year to periods beginning after December 15, 2020. The County has early implemented this Statement. The County implemented this Statement in fiscal year 2020.

In August 2018, GASB issued Statement No. 90 *Majority Equity Interests-an amendment of GASB statements No. 14 and No. 61.* The primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of the financial statement information component units. Defines a majority equity interest and specifies that a majority equity interest be reported as an investment if a government's holding of the equity interest meets the definition of an investment and be measured using the equity method, unless it is held for a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment or permanent fund. This statement is effective for reporting periods beginning after December 15, 2018. GASB 95 postponed the effective beginning date by one year to periods beginning after December 15, 2019. This Statement doe not apply to the County.

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations.* The primary objective of this statement is to provide a single method of reporting conduit debt obligation by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2020. GASB 95 postponed the effective beginning date by one year to periods beginning after December 15, 2021.

In January 2020, GASB issued Statement No. 92 *Omnibus 2020.* The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 95 postponed the effective beginning date by one year to periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 93 *Replacement of Interbank Offered Rates.* As the London Interbank Offering Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021 and many variable payments made or received by governmental entities are dependent on this rate. It has become necessary for those governments to amend or replace financial instruments for the purpose of replacing the LIBOR with other reference rates, by either changing the reference rate or adding or changing the fallback provisions related to the reference rate. Accounting and financial reporting for derivative instruments under GASB 53 and leases under GASB 87 would be affected if they are variable rate instruments tied to the LIBOR rate. This statement addresses these issues and other accounting and financial reporting implications that result from the replacement of an Interbank Offering Rate (IBOR) as the rate upon which variable payments depend. This statement is effective for reporting periods beginning after June 15, 2020. GASB 95 postponed the effective beginning date by one year to periods beginning after June 15, 2021.

Note 1. Summary of Significant Accounting Policies (Continued)

Q. New Accounting Pronouncements (Continued)

In March 2020 GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (PPP). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87 *Leases*, as amended. Some PPPs meet the definition of a Service Concession Arrangement (SCA). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance.* The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The effective dates of certain provisions contained in the following pronouncements are postponed one year: Statements 83, 84, 88, 89, 90, 91, 92, 93, Implementation Guides 2017-3, 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement 87 and Implementation Guide 2019-3. The requirements of this Statement are effective immediately. The County has implemented this Statement in fiscal year 2020.

In May 2020, GASB issued Statement No. 96 *Subscription-based Information Technology Arrangements.* The objective of this Statement defines a Subscription-based Information Technology Arrangement (SBITA), establishes that a SBITA results in a right-to-use subscription asset-an intangible asset- and a corresponding liability, provides capitalization criteria for outlay other than subscription payments and note disclosures required regarding a SBITA based on the standard established in Statement 87, *Leases*. This Statement is effective for fiscal year beginning after June 15, 2022.

Note 1. Summary of Significant Accounting Policies (Continued)

Q. New Accounting Pronouncements (Continued)

In June 2020, GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- An Amendment to GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32.* The objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units, mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. This Statement requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

In October 2021, GASB issued Statement No. 98 *the Annual Comprehensive Financial Report* and its acronym ACFR. This new term and acronym replaces instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness. This statement is effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. The County has implemented this change effective with the FY2021 Annual Comprehensive Financial Report.

Statements 87, 91, 92, 93, 94, 96, and 97 may or may not have a material effect on the County’s financial statements once implemented. The County will be analyzing the effects of these pronouncements and plans to adopt them if applicable by their effective dates.

Note 2. Legal Compliance - Budgets

Budgets are adopted by Commissioners Court on a modified accrual basis. Under Texas law, county governments may prepare annual budgets under one of three subchapters. The County operates under *Local Government Code § 111.061, Subchapter C, Alternate Method of Budget Preparation in counties with a population of more than 125,000*. Pursuant to *Local Government Code § 111.062*, the Commissioners Court opted to establish the Office of the Chief Administrator, which includes the department of Budget and Fiscal Policy and appoint a Budget Executive Director (Budget Officer) to prepare the County budget.

Note 2. Legal Compliance – Budgets (Continued)

The Budget Officer prepares a proposed budget utilizing spending requests received from various County departments and agencies and makes recommendations to the Commissioners Court under the direction of and in collaboration with the County Administrator. This proposed budget contains the County Auditor's certified estimate of revenues. Pursuant to the Texas Local Government Code, § 111.072, § 111.034(b)(4) preceding year estimate and (5) ensuing fiscal year and, § 111.039(b), only the County Auditor may estimate revenues and the Commissioners Court may not legally adopt an annual operating budget containing appropriations in excess of the available funds at the beginning of the fiscal year and the anticipated revenues for the fiscal year as estimated by the County Auditor.

Public hearings pertaining to the proposed budget are conducted on an as needed basis by Commissioners Court after preliminary budget workshops are conducted with the Budget Officer and consideration by the County Administrator. During these hearings, department heads and elected officials are provided opportunity to present their requests and to further explain and/or justify their requests. Before determining the final budget, Commissioners Court with the assistance of the Budget Officer and County Administrator, while establishing overall spending priorities for the County, may increase or decrease the amounts requested by the different departments and/or agencies.

Pursuant to Texas Local Government Code, §111.066 the Budget Officer files a copy of the proposed budget with the County Clerk and the County Auditor; §111.091, upon the adoption and certification of a general or special county budget, the County Auditor shall open an appropriation account for each main budgeted or special item in the budget. Furthermore, the County Auditor with oversight of all appropriation accounts and payments drawn against those appropriations is required to periodically inform the Commissioners Court of the condition of the appropriation accounts and ensure that expenses do not exceed departmental appropriations.

After approval of the budget, Commissioners Court may authorize transfers of appropriations within the various expenditure levels during the year. Such transfers may not increase the overall budget total and are screened for consideration consistent with the County's fiscal policies. The County budget may increase during the course of the fiscal year for newly received bond proceeds, grants, state aid, intergovernmental contracts, or unanticipated revenue received after adoption of the budget as certified by the County Auditor.

The legal level of budgetary control requires that all expenditures shall be made in strict compliance with the budget. The legal level of budgetary control for the general fund and special revenue funds is effectively controlled at the category (personnel, operations, capital outlays) level by department, while control for the debt service funds and capital projects funds is at the fund level. Any budgetary changes affecting appropriations at these levels occur only with the formal approval of the Commissioners Court.

Note 3. Detailed Notes on all Funds

A. Deposits and Investments

At year-end, the carrying amounts of the County's deposits were $322,102,681 consisting of cash and cash equivalents. Of this amount, $1,734,323 represents restricted custodial funds from the County Clerk's Probate Account, $6,074,302 represents restricted funds held in the District Clerk's Custodial Account, $1,567,126 represents restricted cash in the Capital Projects fund, and $283,620 represents restricted assets for business-type activities. The bank balance of $174,811,179 was covered by $250,000 federal depository insurance with the remaining bank balance collateralized with an irrevocable Letter of credit from the Federal Home Loan Bank of Dallas, Texas held in the County's name in the County Auditor's office.

The carrying amount of the deposits for the UMC, the discretely presented component unit, was $204,494,000, consisting of cash and cash equivalents. At September 30, 2021, the UMC's deposits were either insured or collateralized in accordance with state law. EPCH, The Health Plan, and the Foundation held balances in excess of FDIC limits at September 30, 2021. Bank balances in excess of FDIC limits totaled $21.6 million for EPCH, and $3.6 million for the Foundation.

The carrying amount of the deposits for the ESD1, the discretely presented component unit, was $2,753,097, consisting of cash and cash equivalents. The bank balance was covered by $250,000 federal deposit insurance and the remaining bank balance collateralized by pledged securities with a fair value of $4,876,078 as of September 30, 2021.

The carrying amount of the deposits for the ESD2, the discretely presented component unit, was $5,241,785, consisting of cash and cash equivalents. The bank balance was covered by $250,000 federal deposit insurance and the remaining bank balance collateralized by pledged securities with a fair value of $9,151,811 as of September 30, 2021.

As of September 30, 2021, the County had the following temporary investments included in cash and cash equivalents, reported at amortized cost, which approximates the value of the pool shares.

Investment Type	Amortized Cost	Weighted Average Maturity (Years)
TexPool investment pool	$82,823,226	0.13
TexPool Prime investment pool	57,670,749	0.34
Total	$140,493,976	0.21

Management is not aware of the presence of any limitation or restrictions on withdrawals such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates.

Disclosures of Fair Value of Investments – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Note 3. Detailed Notes on all Funds (Continued)

A. Deposits and Investments (Continued)

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

As of September 30, 2021, the UMC had the following investments measured at fair value as shown below.

		Fair Value Measurements Using		
September 30, 2021	**Fair Value**	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$16,299,000	$16,299,000		
Equity Securities	1,073,000	1,073,000		
Exchange Traded Funds	348,000	348,000		
Mutual Funds	1,250,000	1,250,000		
Total investments by fair value level	18,970,000	$18,970,000		
Investment pool carried at amortized cost	45,601,000			
Total investments	$64,571,000			

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values of estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

ESD1 had no investments as of September 30, 2021.

Interest rate risk. In accordance with the County's investment policy, the County has established interest rate risk policies that limit the maximum maturity of any one security to 10 years or less. The County has been able to minimize its exposure to interest rate risk through its depository contract, which set a minimum interest rate the depository would pay above the current short-term market rates.

The UMC interest rate risk policy requires total investments have a weighted-average maturity of five years or less.

ESD2 investment policy does not place any limit on investment maturities, as a means of managing exposure to fair value losses arising from increasing interest rates.

Note 3. Detailed notes on all funds (Continued)

A. Deposits and Investments (Continued)

Credit risk. The Texas Public Funds Investment Act *Government Code §2256* limits allowable investments to obligations of, or guaranteed by, governmental entities, certificates of deposit, share certificates, repurchase agreements, bankers acceptances not to exceed 270 days, or commercial paper not to exceed 365 days, mutual funds, guaranteed investment contracts, and investment pools. The County further limits investments to United States Treasury bills, bonds and notes, certificates of deposit, United States Agency securities (GNMA, SBA, EXIM BANK, FMHA, GSA, FNMA, FHLB, FHLMC, and FFCB), repurchase agreements (County not to exceed four days), commercial paper through an authorized investment pool, and an investment pool authorized through Commissioners Court.

UMC's policy allows investments in U.S. Treasury and Agency securities and other investments under the Texas Public Funds Investment Act. UMC investment in U.S. Treasury obligations carry the explicit guarantee of the U.S. government. At September 30, 2021 UMC's government money market funds were rated AAA by Standard & Poor's rating agency. UMC also invests in TexSTAR, a local government investment pool, rated AAA by Standard & Poor's.

ESD2 has no investment policy that would further limit investment choices except State law.

El Paso County Investment at September 30, 2021	Standard & Poor's Rating
Local Government Investment Pools	AAAm

Concentration of credit risk. To limit the concentration of credit risk, the County has an established policy, whereby the maximum aggregate for all investments in obligations of U. S. Agencies and Instrumentalities shall not exceed 100 percent. The County is not exposed to foreign currency risk since the County prohibits investment in any foreign investments.

UMC places no limit on the amount that may be invested in any one issuer as long as the restrictions of the *Texas Public Funds Investment Act* are followed. The UMC holds 76.9% of total investments in Wells Fargo Government Money Market Fund-WFFXX.

ESD2 place no limit on the amount the district may invest in any one issuer.

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the County's or UMC's deposits may not be returned to the respective entity. The County, UMC, and ESD1 protect their deposits by requiring the depository bank to fully collateralize the amount in excess of federal depository insurance at 102% of deposits in excess of federal depository insurance, with securities held in the respective entity's name in a joint custody account with the respective entity's depository bank at a third party financial institution.

ESD2 evaluates exposure to custodial credit risk for deposits exceeding the amount insured by the FDIC by comparing the amounts of cash on-hand to collateral funds.

Custodial credit risk – investments. For an investment, this is the risk that in the event of the failure of the issuer, the County or UMC 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 and UMC reduce this risk by requiring investments to be held in a safekeeping or trust account.

Note 3. Detailed notes on all funds (Continued)

B. Receivables

Receivables as of September 30, 2021, for the general fund, major special revenue grant funds, and other governmental funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Major Special Revenue-Grant Fund	Other Governmental Funds	Total
Receivables:				
Taxes	$25,518,233			$25,518,233
Accounts	12,157,148	$8,786,241	$332,023	21,275,412
Notes		98,432		98,432
Less: allowance for uncollectible	(255,182)			(255,182)
Net total receivables	$37,420,199	$8,884,673	$332,023	$46,636,895

Property taxes receivables are reported net of unrealizable amounts. The taxes receivable account represents uncollected tax levies of the past twenty years on real property and the last four years on personal property in accordance with State statute. The allowance for estimated uncollectible taxes is one percent of the total delinquent taxes receivable, including penalties and interest, as of September 30, 2021. Based on a five-year trend of the taxes receivable, including penalties and interest, the County deferred approximately 95.94 percent until collection of those revenues. In calculating the taxes revenue, a period of 60 days is used to measure availability since the taxes for any current tax year are materially received well into the next fiscal year. Expenditure accruals are also being recognized 60 days after the fiscal year end.

On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property, whether or not the taxes are imposed in the year the lien attaches. Property taxes are levied as of October 1 on property values assessed as of the same date. The tax levy is billed on or shortly after October 1 and is considered due upon receipt by the taxpayers. The tax levy must be paid by January 31. Taxes become delinquent if not paid before February 1.

Governmental funds report unearned revenue in connection with receivables for revenues that are considered not available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (general fund)	$24,587,632	
Court costs and fines (general fund)		$53,482
Draw-downs prior to meeting eligibility requirements (CARES Act)		3,596,393
Draw-downs prior to meeting eligibility requirements (CSLFRF)		78,216,214
Draw-downs prior to meeting eligibility requirements (ERA)		7,188,470
Draw-downs prior to meeting eligibility requirements (grants)		207,501
Total unavailable /unearned revenue for governmental funds	$24,587,632	$89,262,060

Note 3. Detailed notes on all funds (Continued)

C. Capital Assets

Capital assets activity for the year ended September 30, 2021, was as follows:

Primary Government

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Artwork	$56,255				$56,255
Land	18,853,900	$10,000	$894,023		19,757,923
Easements	110,000				110,000
Information Technology System in progress	3,323,087		281,359	($568,040)	3,036,406
Construction in progress	6,063,674	394,090	23,795,175	(4,567,194)	25,685,745
Total capital assets, not being depreciated	28,406,916	404,090	24,970,557	(5,135,234)	48,646,329
Capital assets, being depreciated:					
Bridges and culverts	10,060,763				10,060,763
Buildings	325,297,225		1,407,922		326,705,147
Equipment	64,004,135	15,625	2,548,593	(427,096)	66,141,257
Furniture and fixtures	1,459,587		95,515		1,555,102
Improvements	26,971,604		4,722,772		31,694,376
Infrastructure	10,387,331		112,208		10,499,539
Leased equipment	518,327	(9,834)	354,302	(338,580)	524,215
Roads	56,637,557		345,946		56,983,503
Vehicles	28,658,586		1,568,827	(633,767)	29,593,646
Total capital assets, being depreciated	523,995,115	5,791	11,156,085	(1,399,443)	533,757,548
Less accumulated depreciation for:					
Bridges and culverts	(4,016,237)		(257,425)		(4,273,662)
Buildings	(194,015,820)		(9,024,062)		(203,039,882)
Equipment	(47,820,246)	(260)	(4,221,849)	426,960	(51,615,395)
Furniture and fixtures	(1,073,616)		(70,773)		(1,144,389)
Improvements	(12,772,237)		(1,238,419)		(14,010,656)
Infrastructure	(3,150,741)		(386,548)		(3,537,289)
Leased equipment	(393,469)	9,834	(104,400)	338,580	(149,455)
Roads	(32,746,020)		(2,327,473)		(35,073,493)
Vehicles	(20,558,670)		(2,193,340)	611,708	(22,140,302)
Total accumulated depreciation	(316,547,056)	9,574	(19,824,289)	1,377,248	(334,984,523)
Total capital assets, being depreciated, net	207,448,059	15,365	(8,668,204)	(22,195)	198,773,025
Governmental activities capital assets, net	$235,854,975	$419,455	$16,302,353	($5,157,429)	$247,419,354
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$19,770	$760			$20,530
Construction in progress	1,738,500		$14,156	($1,752,656)	0
Total capital assets, not being depreciated	1,758,270	760	14,156	(1,752,656)	20,530
Capital assets, being depreciated:					
Equipment	174,604		30,478		205,082
Vehicles	42,734				42,734
Infrastructure	19,356,497	175,000	1,864,864		21,396,361
Total capital assets, being depreciated	19,573,835	175,000	1,895,342		21,644,177

Note 3. Detailed notes on all funds (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Less accumulated depreciation for:					
Equipment	(31,458)		(21,725)		(53,183)
Vehicles	(33,076)		(2,576)		(35,652)
Infrastructure	(6,369,750)		(542,369)		(6,912,119)
Total accumulated depreciation	(6,434,284)		(566,670)		(7,000,954)
Total capital assets, being depreciated, net	13,139,551	175,760	1,328,672		14,643,223
Business-type activities capital assets, net	$14,897,821	$175,760	$1,342,828	($1,752,656)	$14,663,753

Depreciation expenses charged to functions/programs of the primary government are as follows:

Governmental activities:	
General Government	$5,712,643
Administration of Justice	211,528
Public Safety	6,646,826
Health and Welfare	265,113
Community Service	200,431
Resource Development	847
Culture and Recreation	2,132,189
Public Works	4,654,712
Total depreciation expense Governmental activities	$19,824,289
Business-type activities:	
Equipment	$21,725
Vehicles	2,576
Infrastructure	542,369
Total depreciation expense Business-type activities	$566,670

Prior Period adjustments for governmental and business-type activities were to correct errors in posting of assets.

Construction Commitments

The County has several active projects as of September 30, 2021. The projects include Fabens Airport Facility Renovations, Courthouse Walkways and Sidewalk, Building Central Access and Security Controls, Celeste Drainage, Tornillo Detention Pond, Bailey Detention Pond, Fabens Dam Upgrade, Upsala, John Hayes Street Extension Project, O.T Smith Hike and Bike Trail, Tornillo Sidewalk, Bus Shelter, Tornillo Shared Use Path, Sportspark Improvements-Canopies, Canutillo roads and sidewalks project, Courthouse Surveillance System-Phase 1, Jail Annex Security System, Medical Examiners HVAC Renovations, Downtown Remodeling Project, Casa Ronquillo Renovations, Bob Hope Extension Project, Tom Mays Extension Project, Ascencion Street Improvement Project, Rojas Drive Improvement and Pelicano Drive Improvement.

Note 3. Detailed notes on all funds (Continued)

C. Capital Assets (Continued)

The County's year-end commitments are as follows:

Project	Spent-to-date	Remaining Commitment
Governmental Activities		
Fabens Airport Facility Renovations	$841,931	$1,433,777
Courthouse Walkways and Sidewalk	1,110,368	34,207
Building Central Access and Security Control	300,751	147,459
Celeste Drainage	544,900	1,455,100
Tornillo Detention Pond	1,554,358	104,202
Bailey Detention Pond	698,543	654,506
Fabens Dam Upgrade	101,313	1,218,687
Upsala	22,485	317,515
John Hayes Street Extension Project	1,799,720	3,391,329
O.T Smith Hike and Bike Trail	334,191	511
Tornillo Sidewalk	480,802	69,576
Bus Shelter	735,283	30,727
Tornillo Shared Used Path	2,066,988	226,229
Sportspark Improvements - Canopies	109,278	174,070
Canutillo Roads and Sidewalks Project	42,589	141,476
Courthouse Surveillance System	158,502	254,721
Jailo Annex Security System	258,460	291,504
Medical Examiners HVAC Renovations	1,046,085	644,981
Downtown Remodeling Project	632,641	9,570,294
Casa Ronquillo Renovations	733,811	240,778
Bob Hope Extension Project	1,832,598	0
Tom Mays Extension Project	3,000,000	43,178
Ascencion Street Improvement Project	180,148	0
Rojas Drive Improvement	2,500,000	0
Pelicano Drive Improvement	4,600,000	3,066,651
Total	$25,685,745	$23,511,478

Information Technology Commitments

Project	Spent-to-date	Remaining Commitment
ITD Infrastructure and Forest Migration Project	$3,036,406	$528,858
Total IT Commitments	$3,036,406	$528,858

Component units

Capital asset activity for the UMC for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Transfer Disposals/ Retirements	Ending Balances
Capital assets, not being depreciated:				
Land	$25,522,000	$2,301,000		$27,823,000
Construction in progress	7,789,000	6,312,000	($6,197,000)	7,904,000
Total capital assets, not being depreciated	33,311,000	8,613,000	(6,197,000)	35,727,000
Capital assets, being depreciated:				
Buildings and improvements	519,982,000	408,000	6,079,000	526,469,000
Movable and fixed equipment	358,110,000	31,448,000	(2,916,000)	386,642,000
Total capital assets, being depreciated	878,092,000	31,856,000	3,163,000	913,111,000

Note 3. Detailed notes on all funds (Continued)

C. Capital Assets (Continued)

Less accumulated depreciation for:				
Buildings, improvements and equipment	(477,215,000)	(37,153,000)	259,000	(514,109,000)
Total accumulated depreciation	(477,215,000)	(37,153,000)	259,000	(514,109,000)
Total capital assets, being depreciated, net	400,877,000	(5,297,000)	$3,422,000	399,002,000
UMC capital assets, net	$434,188,000	$3,316,000	($2,775,000)	$434,729,000

The UMC construction in progress at September 30, 2021, primarily represents the costs incurred to fund approximately $150 million of capital improvements, including outpatient medical clinics, renovate existing hospital inpatient floors, and purchase equipment for the main campus. These projects will be constructed through 2022 and will be paid for using the unexpended proceeds of the 2013 Combination Tax and Revenue Certificates of Obligation bonds.

Capital asset activity for the ESD1 for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Transfer Disposals/ Retirements	Ending Balances
Capital assets, not being depreciated:				
Land	$1,010,836			$1,010,836
Total capital assets, not being depreciated	1,010,836			1,010,836
Capital assets, being depreciated:				
Buildings and improvements	9,232,760	$116,611		9,349,371
Heavy Trucks	4,075,551	23,724		4,099,275
Equipment	1,963,530	65,165		2,028,695
Total capital assets, being depreciated	15,271,841	205,500		15,477,341
Less accumulated depreciation for:				
Buildings and improvements	(842,586)	(234,641)		(1,077,227)
Heavy Trucks	(3,079,237)	(225,619)		(3,304,856)
Equipment	(1,263,196)	(153,927)		(1,417,123)
Total accumulated depreciation	(5,185,019)	(614,187)		(5,799,206)
Total capital assets, being depreciated, net	10,086,822	(408,687)		9,678,135
ESD1 capital assets, net	$11,097,658	($408,687)		$10,688,971

Total provision for depreciation of $614,187 was charged to public safety of ESD1. Capital assets pledged as security for long-term debt had a net book value of $4,953,268 as of September 30, 2021.

Capital asset activity for the ESD2 for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Transfer Disposals/ Retirements	Ending Balances
Capital assets, not being depreciated:				
Land	$1,401,906			$1,401,906
Construction in progress		$2,258,506		$2,258,506
Total capital assets, not being depreciated	1,401,906	2,258,506		3,660,412

Note 3. Detailed notes on all funds (Continued)

C. Capital Assets (Continued)

Capital assets, being depreciated:				
Buildings and improvements	15,483,156	1,560,626		17,043,782
Transportation equipment	19,154,738	1,834,182		20,988,920
Other equipment	6,210,192	1,789,975		8,000,167
Total capital assets, being depreciated	40,848,086	5,184,783		46,032,869
Less accumulated depreciation for:				
Buildings and improvements	(5,060,236)	(404,212)		(5,464,448)
Transportation Equipment	(16,875,950)	(616,393)		(17,492,343)
Other equipment	(3,977,910)	(406,013)		(4,383,923)
Total accumulated depreciation	(25,914,096)	(1,426,618)		(27,340,714)
Total capital assets, being depreciated, net	14,933,990	3,758,165		18,692,155
ESD2 capital assets, net	$16,335,896	$6,016,671		$22,352,567

Total provision for depreciation of $1,426,618 was charged to public safety of ESD2. Capital assets pledged as security for long-term debt had a cost of $13,729,505 as of September 30, 2021.

D. Interfund Receivables, Payables, and Transfers

The interfund and intrafund receivables and payables represent amounts that cover cash shortages that are within the pooled cash account. The intrafund balances have been eliminated for financial statement reporting. These balances will be eliminated in the subsequent period. The interfund transfers mainly represent amounts which are used to leverage County funds in securing federal and state grant funds and amounts which management has identified as excess in the corresponding funds.

The composition of interfund/intrafund balances as of September 30, 2021, is as follows:

	Due From	Due To
General Fund		
Jury Fund	40,000	$40,000
Health Fund		287,248
Workers Comp	150,000	
	190,000	327,248
Internal Service Funds		
Health Fund	942,667	
Workers Comp		150,000
	942,667	150,000
Major Special Revenue-Grants		
34th Judicial District Prosecution Initiative		172,653
65th District Family Drug Court		32,117
384th District Drug Court		23,290
409th District Drug Court		24,258
5311 Cares Act Funds		156,630
5339 Bus Shelter Facility Program		82,316
Access and Visitation		7,683
Adult Drug Court Discretionary		23,631
Bullet Proof Vests		6,114
Byrne Justice Assistance Grant		5,814
County Attorney Victim Resource Program		11,146
Casa Ronquillo Project		13,093
Continuum of Care Program		31,734
Coordinated response El Paso United Family Resiliency		509,898
Coronavirus Emergency Supplemental Funding		201,236
Coronavirus State and Local Fiscal Recovery Funds	1,896,716	655,419
COPS Hiring COPS in Schools		218,845
County Essential Services Program		10,277

Note 3 . Detailed notes on all funds (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

	Due From	Due To
DA Border Prosecution		222,348
DA El Paso Coordinated Response		21,425
Domestic Violence Unit		11,254
Elections Chapter 19		4,349
Federal emergency Rental Assistance	3,019,402	
Homeland Security Communication Response		185,570
Homeland Security Sustaining Special Response Team		21,754
Innovations in Reentry Initiative		18,406
John Hayes Roadway Project		270,361
ONDCP Multiple Initiatives		1,074,397
Operation Stonegarden		551,076
Organized Crime Drug Enforcement Task Force		25,530
Project Border Star		85,051
Project Hope		36,917
Protective Order Court		26,062
Public Defender 48 hour Bond Project		67,240
Public Defender Mental Health Advocacy Unit		2,045
Rural Transit Assistance Program		19,640
Sheriff Crime Victim Services		2,684
Sheriff's Step		12,005
Sheriff's Training Academy		7,514
Substance abuse and Mental Health Services		162,810
Southwest Border Rural Law Enforcement		19,548
Texas Veterans Commission General Assistance		42,017
Texas Volkswagen Environmental Sweeper		306,910
TXDOT Commercial Motor Vehicle		7,164
Veterans Court		37,882
Victim Restoration Initiative		17,009
Victim Witness Services		71,185
Victim of Crime Act		44,318
Ysleta, Socorro, San Eli Circular Route		10,912
Subtotal	4,916,118	5,571,537
Grand Total	$6,048,785	$6,048,785

The following are the transfers in and out as of September 30, 2021:

	Transfers Out Actual	Transfers In Actual
General Fund		
1st Chance Program		$56,840
Access and Visitation	$3,727	
County Attorney Victim Services	13,899	
Capital Improvement	7,700,000	
Child Protective Services	902,788	
Court Reporter		$412,296
DIMS Project	408,218	
Domestic Violence Unit	66,684	
EL Paso County Mobility Project	123,502	
Excess Grant Match	70,114	224,079
Excess Sales Tax Transfer	5,195,948	
General & Administrative		222,000
Texas Volkswagen Environmental Sweeper		306,910
Health and Life	2,787,248	
Justice Court Manager		71,304
Protective Order – Match	83,775	
Public Defender 48 Hour Grant Match	108,520	
Public Defender Expansion	933,187	
El Paso County Mobility Projects	49,032	
Road and Bridge	4,241,631	
Rural Transit	59,729	
Sheriff Crime Victim	44,632	
Sheriff Victims of Crime	35,926	
Veterans Assistance	38,023	
Victim Witness Services	85,010	
Subtotal	22,951,593	1,293,429

Note 3 . Detailed notes on all funds (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

	Transfers Out Actual	Transfers In Actual
Major Special Revenue-Grants		
Access and Visitation		3,727
Adult Drug Court Discretionary		38,023
Bullet Proof Vests		6,888
County Attorney Victim Resource Program		13,898
Child Protective Services	137,116	902,788
COPS in Schools		63,226
DIMS Project		408,218
Domestic Violence Unit		66,684
O.T. Smith Share Path		64,317
Protective Order Court		83,775
Public Defender 48 Hour Bond Project		108,520
Public Defender Mental Health Advocacy Unit	86,962	933,187
Routine Airport Maintenance Program		49,032
Sheriff Crime Victim Services		44,632
Texas Volkswagen Environmental Sweeper	306,910	
Tornillo North Sidewalks		28,486
Tornillo South Sidewalks		30,699
Van Pool Program		59,729
Victims of Crime Act		35,926
Victim Witness Services		85,010
Subtotal	530,988	3,026,765
Non Major Special Revenue		
Road & Bridge		4,241,631
County Tourist Promotion	5,999	604,375
County Historical Commission		5,999
Coliseum Tourist Promotion	604,375	
Courthouse Security	222,000	
Court reporter Service	412,296	
DA Drug Forfeitures	93,807	93,807
Juvenile Case Manager	71,304	
1st Chance Program	56,840	
Subtotal	1,466,621	4,945,812
Non major Capital Projects		
County Capital Improvements		7,700,000
Courthouse Improvements Lower Level		59,791
Subtotal		7,759,791
Non major Debt Service		
Certificates of Obligation Series 2012	44,729	
General Obligation Refunding, Series 2017		5,240,677
Subtotal	44,729	5,240,677
Total Non major Other Governmental Funds	1,511,350	17,946,280
Internal Service Fund		
Health and Life Fund	59,791	2,787,248
	59,791	2,787,248
Grand total	$25,053,722	$25,053,722

E. Leases

Operating Leases

The County has various lease commitments for office space, equipment and data processing software. These leases are considered to be operating leases, which are renewable on an annual basis. Lease expenditures for the year ending September 30, 2021, amounted to $1,010,637.

Note 3 . Detailed notes on all funds (Continued)

E. Leases (Continued)

Capital Leases

The County leases equipment through capital leasing arrangements in the governmental fund types. Payments during fiscal year ended September 30, 2021, amounted to $98,098. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	$524,215
Less: accumulated depreciation	149,455
Total	$374,760

The future minimum lease payments as of September 30, 2021, for the County are as follows:

Year ending September 30	Principal	Interest	Total
2022	$79,202	$18,585	$97,787
2023	71,306	15,338	86,644
2024	72,837	12,400	85,237
2025	72,701	9,421	82,122
2026	26,412	3,113	29,525
Total	$322,458	$58,857	$381,315
Less amount due within one year	79,202		
Amount due after one year	$243,256		

UMC and EPCH entered into capital lease agreements for medical equipment. The lease obligations are secured by the equipment. As of September 30, 2021, aggregate annual payments of capital leases, including interest ranging from 3.5% to 5.5% are as follows:

Year ending September 30	Principal	Interest	Total
2022	$2,562,000	$185,000	$2,747,000
2023	2,301,000	128,000	2,429,000
2024	2,079,000	71,000	2,150,000
2025	1,676,000	35,000	1,711,000
2026	510,000	8,000	518,000
Total	$9,128,000	$427,000	$9,555,000

The annual capital lease payments as of September 30, 2021, for ESD1 are as follows:

Year ending September 30	Principal	Interest	Total
2022	$49,925	$2,339	$52,264
Total	$49,925	$2,339	$52,264

The capital lease obligation of ESD1, originated in November 2008, in the amount of $850,000 with annual interest at 4.685 % and annual payments of $108,508 for the first five years and $56,150 thereafter, maturing in March 2023. The lease is secured by the following vehicles: Pierce Brush truck, Pierce Quint truck, and Chevy Tahoe.

Note 3 . Detailed notes on all funds (Continued)

E. Leases (Continued)

The annual capital lease payments as of September 30, 2021 for ESD2 are as follows:

Year ending September 30	Principal	Interest	Total
2022	91,225	2,536	93,761
Total	$91,225	$2,536	$93,761

ESD2 entered into a $810,368 lease agreement with Sun Trust to finance vehicles and equipment. Interest is at 2.78% per annum, payable in annual installments, which are specified in the contract. The lease matures in January 2022 and is secured by equipment and vehicles.

F. Long-term Debt

Changes in long-term obligations

The County issues general obligation bonds and certificates of obligation as well as revenue bonds to provide the resources for the acquisition and construction of capital assets. These bonds and certificates of obligation have been issued for both governmental and business-type activities. The ending balance of the general obligation bonds and certificates of obligation outstanding was $129,175,000 for governmental activities. The County's outstanding direct borrowings and direct placements consisted of Certificates of Obligation Series 2016C, 2016D, and 2021, and State Infrastructure Bank Loans 2017 and 2020 with a total ending balance of $13,737,290 for governmental activities. These debt instruments are secured by a pledge of ad valorem taxes. In the event of default, the obligations will accrue interest on the defaulted obligation until payment is made.

The County's outstanding direct placements of revenue bonds and certificate of obligation are $2,630,000 for business type activities. The revenue bonds and certificate of obligation are secured by a pledge of revenue from the water system. The certificate of obligation is also secured by a pledge of ad valorem taxes until revenues from the water system are sufficient to cover the debt service payments. In the event of default, the obligations will accrue interest on the defaulted obligation until payment is made.

The general obligation bonds and certificates of obligation are direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the County in an amount sufficient to provide payment of principal and interest. All general obligation bonds and certificates of obligation have principal maturities on February 15th. Interest is payable semi-annually on February 15th and August 15th, except for the Taxable Certificates of Obligation Series 2016C and Certificates of Obligation Series 2016D which have principal payments on September 15th and interest payments on March 15th and September 15th and for the Taxable Certificates of Obligation Series 2021, which is interest free.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

The SIB loans 2017 and 2020 are obligations whereby the County borrowed funds from the State Infrastructure Bank to be repaid from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the County in an amount sufficient to provide payment of principal and interest. The County had established a policy to repay the loans from the M&O portion of the ad valorem tax rate, this policy was changed beginning in fiscal year 2021 to pay this debt from the I&S portion of ad valorem taxes. The loans have principal maturities on August 15th. Interest is payable semi-annually on February 15th and August 15th.

The general obligation bonds, certificates of obligation, and loans currently outstanding for governmental activities are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount
Certificates of Obligation, Series 2001	4.00 – 5.50%	2001	2022	$2,390,000
General Obligation Refunding, Series 2011	2.125 – 5.25%	2011	2022	125,000
General Obligation Refunding, Series 2015	5.00%	2015	2026	15,230,000
General Obligation Taxable Refunding, Series 2015A	0.650 – 3.671%	2015	2026	5,685,000
General Obligation Refunding, Series 2016A	1.125 – 5.00%	2016	2032	31,310,000
General Obligation Taxable Refunding, Series 2016B	0.95 – 3.666%	2016	2032	25,040,000
Taxable Certificates of Obligation, Series 2016C	2.95%	2016	2022	295,000
Certificates of Obligation, Series 2016D	3.28%	2016	2032	3,500,000
General Obligation Refunding, Series 2017	5.00%	2017	2032	49,395,000
Taxable Certificates of Obligation, Series 2021	0.00%	2021	2051	1,605,000
SIB Loan S2017	1.85%	2017	2032	3,737,290
SIB Loan S2020	1.02%	2020	2040	4,600,000
				$142,912,290

The County's debt service requirements on long-term debt as of September 30, 2021, are as follows:

Year Ending September 30	Bonds and Certificates of Obligation		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	13,140,000	5,612,486	879,109	192,642
2023	9,720,000	5,121,195	892,085	178,215
2024	10,605,000	4,672,816	910,190	187,274
2025	11,075,000	4,193,795	928,425	186,536
2026	11,550,000	3,689,912	951,794	167,671
2027-2031	59,415,000	10,482,844	5,049,334	536,611
2032-2036	13,670,000	324,575	2,287,891	111,604
2037-2041	-	-	1,308,462	26,743
2042-2046	-	-	265,000	-
2047-2051	-	-	265,000	-
	$129,175,000	$34,097,623	$13,737,290	$1,587,296

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

Revenue Bonds and a Certificate of Obligation

The County also issued bonds and a certificate of obligation where the County pledged income derived from the acquired or constructed assets to pay debt service. The revenue bonds and certificate of obligation have principal maturities on February 15th. Interest is payable semi-annually on February 15th and August 15th. The revenue bonds and certificate of obligation outstanding for business type activities are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount
El Paso County Water System				
$1,050,000 East Montana Waterworks System Revenue Bonds, Series 1997-A	4.875%	1997	2037	$680,000
$272,000 Mayfair/Nuway Water System Revenue Bonds, Series 2012	2.25%	2012	2052	238,000
$500,000 Colonia Revolućion Water System Revenue Bonds, Series 2013	2.25%	2013	2053	440,000
El Paso County Sewer System				
$1,334,000 Desert Acceptance Taxable Certificate of Obligation, Series 2017	2.75%	2018	2057	1,272,000
Total				$2,630,000

Direct placement revenue bonds and certificate of obligation debt service requirements to maturity for business-type activities are as follows:

	Business Type Activities	
Year Ending	Direct Placements	
September 30	Principal	Interest
2022	66,000	82,925
2023	67,000	80,532
2024	69,000	78,101
2025	69,000	75,647
2026	70,000	73,178
2027-2031	417,000	322,951
2032-2036	515,000	239,380
2037-2041	340,000	153,328
2042-2046	312,000	112,625
2047-2051	355,000	70,044
2052-2056	296,000	25,800
2057	54,000	743
	$2,630,000	$1,315,254

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

Current year

On May 15, 2021, the County issued $1,605,000 in Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2021 as a private placement with the Texas Water Development Board for the purpose of paying all or a portion of County's contractual obligations incurred in connection with: (i) design, construction and installation of flood control, storm water and drainage improvements within the County; and (ii) paying legal, fiscal and engineering fees in connection with such projects. The Certificates will not bear interest nor contain any interest payments, have a final maturity of February 15, 2051 and a first principal payment date of February 15, 2022.

On May 18, 2020, Commissioners Court passed Resolution number 2020-0391 authorizing the application for a SIB Loan in the amount of up to $4,600,000. The Texas Transportation Commission, in Minute Order Number 115823 dated August 27, 2020, and Minute Order Number 115827 dated September 24, 2020, granted preliminary and final approval of the application from the County to borrow up to $4,600,000 from the SIB, and authorized the executive director of the Department or his designee to enter into a financial assistance agreement with the County to finance the County's actual costs of construction necessary for the project. The County is developing an off-system project in El Paso County, Texas, to widen Pellicano Drive from two to six lanes, divided with bike lanes, pedestrian walkways, landscaping and connection to Loop 375. The SIB Loan shall not bear interest from the deposit date until the third anniversary of the deposit date. From the third anniversary of the deposit date, the SIB Loan shall bear interest at the rate of 1.02% per annum. The SIB Loan is to be repaid over a period of no more than twenty years, with a final maturity of August 15, 2040. The Funds were received on January 15, 2021.

Prior Years

On November 15, 2017, the County entered into a State Infrastructure Bank Loan agreement (SIB Loan) with the Texas Department of Transportation (TXDOT) for a loan in the amount of $4,920,000 at a 1.85% interest rate to finance the construction, improvement, operation, or repair of the I-10 Ramp Improvements between Airway and Viscount Boulevards located in El Paso County, Texas. The loan is for 15 years with payments beginning in 2018.

On December 21, 2017, the County issued $50,255,000 General Obligation Refunding Bonds, Series 2017 to advance refund $53,880,000 of the Certificates of Obligation, Series 2012 maturing on or after February 15, 2022, with a call date of February 15, 2021. This refunding resulted in a present value savings of 10.42 percent on the refunded bonds and a present value savings of 11.18 percent on the refunding bonds, and a net present value savings of $5,616,795. The bonds were issued at a premium of $9,878,817. The refunding reduced future debt service costs by $6,931,337 and resulted in an economic gain of $5,615,627. The liability associated with the defeased portion of the certificates of obligation was removed from the related payable. The defeased debt was redeemed in full in February 2021.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

On April 10, 2018, the County issued $1,334,000 Taxable Certificates of Obligation, Series 2017 to the U. S. Department of Agriculture – Rural Utilities System, for the purpose of constructing a sewer system in the Desert Acceptance subdivision of the County. The certificate of obligation is payable from a pledge of sewer system revenues and ad valorem taxes with a final maturity in February 2057.

On April 14, 2016, the County issued General Obligation Refunding bonds, Series 2016A in the par amount of $48,805,000 to refund a portion of the Certificates of Obligation, Series 2007 maturing on February 15, 2017 through 2032, for a total par amount of $33,690,000 and General Obligation Refunding bonds, Series 2007 maturing on February 15, 2017 through 2032, for a par amount of $18,360,000. This refunding resulted in a present value savings of 8.88 percent on the refunded bonds and a present value savings of 9.47 percent on the refunding bonds, and a net present value savings of $4,623,892. The bonds were issued at a premium of $7,645,207. The refunding reduced future debt service costs by $5,459,394 and resulted in an economic gain of $4,621,642. The defeased debt was redeemed in full in February 2018.

On April 14, 2016, the County issued General Obligation Refunding bonds, Taxable Series 2016B in the par amount of $40,735,000 to refund a portion of the Certificates of Obligation, Series 2007 maturing on February 15, 2017 through 2032, for a total par amount of $22,605,000, General Obligation Refunding bonds, Series 2007 maturing on February 15, 2017 through 2032, for a par amount of $12,305,000, Certificates of Obligation, Series 2001 maturing on February 15, 2019 through 2022, for a total par amount of $1,060,000, Certificates of Obligation, Series 2012 maturing on February 15, 2017 through 2032, for a par amount of $1,305,000, and General Obligation Refunding Bonds, Series 2011 maturing on February 15, 2017 through 2022, for a par amount of $125,000. This refunding resulted in a present value savings of 5.15 percent on the refunded bonds and a present value savings of 4.73 percent on the refunding bonds, and a net present value savings of $1,926,280. The refunding reduced future debt service costs by $2,337,440 and resulted in an economic gain of $1,924,117. The liability associated with the defeased portion of the debt was removed from the related payables. As of September 30, 2021, $295,000 of the defeased debt remain outstanding with an estimated escrow balance of $301,933.

On July 21, 2016, the County issued Taxable Certificates of Obligation, Series 2016C in the par amount of $2,700,000 for paying all or a portion of the issuer's contractual obligations incurred for (i) constructing improving, renovating and equipping the County Airport in Fabens Texas, with any surplus proceeds to be used for (ii) constructing roof and other infrastructure improvements, renovations, and equipment repairs/replacement to existing County facilities, including the County courthouse, sheriff's facilities, parks facilities, administrative service buildings, juvenile probation facilities and public works facilities, (iii) information technology equipment, software and related infrastructure, implementation and planning needs, (iv) constructing improving, renovating, equipping County parks and recreational facilities, (v) constructing improving, renovating, equipping transit related infrastructure and acquiring right-of-way therefor, (vi) constructing, reconstructing and improving streets, roads, sidewalks and alleys, including bridges and intersections, street overlay, landscaping, lighting, signalization, traffic safety and operational improvements, culverts and related storm drainage and utility relocation, and the acquisition of land and interests in land as necessary therefor; and (vii) paying

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

legal, fiscal and engineering fees in connection with those projects.

On July 21, 2016, the County issued Tax-exempt Certificates of Obligation, Series 2016D in the amount of $3,500,000 for paying all or a portion of the issuer's contractual Obligations incurred for (i) constructing roof and other infrastructure improvements, renovations and equipment repairs/replacement to existing County facilities, including the County courthouse, sheriff's facilities, parks facilities, administrative services buildings, juvenile probation facilities and public works facilities; (ii) information technology equipment, software and related infrastructure, implementation and planning needs; (iii) constructing improving, renovating and equipping County parks and recreational facilities; (iv) constructing improving, renovating, equipping transit related infrastructure and acquiring rights-of-way therefor; (v) constructing reconstructing and improving streets, roads, sidewalks and alleys, including bridges and intersections, street overlay, landscaping, lighting signalization, traffic safety and operational improvements, culverts and related storm drainage and utility relocation, and the acquisition of land and interest in land as necessary therefor; and (vi) paying legal, fiscal and engineering fees in connection with those projects.

On February 17, 2015, the County issued General Obligation Refunding bonds, Series 2015 in the par amount of $15,230,000 to refund a portion of the Certificates of Obligation, Series 2012 bonds maturing on February 15, 2024, 2025, and 2026, for a total par amount of $17,290,000. This refunding resulted in a present value savings of 15.11 percent on the refunded bonds and a present value savings of 17.15 percent on the refunding bonds, with a net present value savings of $2,612,295. The bonds were issued at a premium of $3,852,777. The refunding reduced future debt service costs by $3,107,231 and resulted in an economic gain of $2,607,697. The defeased debt was redeemed in full in February 2017.

On June 25, 2015, the County issued General Obligation Refunding Bonds, Taxable Series 2015A in the par amount of $8,695,000 to refund a portion of Taxable Certificates of Obligation, Series 2007A maturing on February 15, 2019 through 2032, for a total par amount of $7,405,000. This refunding resulted in a present value savings of 11.38 percent on the refunded bonds and a present value savings of 9.69 percent on the refunding bonds and a net present value savings of $842,740. The bonds were issued at par. The refunding reduced future debt service costs by 1,938,518 and resulted in an economic gain of $840,166. The defeased debt was redeemed in full in February 2018.

On July 18, 2012, the County issued $98,955,000 El Paso County, Texas Certificates of Obligation, Series 2012. Proceeds of the Certificates will be for construction of the Tornillo-Guadalupe Land Port of Entry Bridge, road and related facilities, for constructing, acquiring, improving, renovating and equipping the County's Eastside jail annex, courthouse annexes in the northwest and east sections of the County, and certain buildings located in central El Paso to be used for County purposes, acquiring vehicles for County Sheriff, law enforcement, corrections, and other County departments, constructing roof and other improvements and repairs to County facilities, acquiring software, hardware and other necessary components for the County's

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

information and technology systems, acquiring furniture, fixtures and equipment for the County Sheriff, law enforcement and corrections, facilities management, and other County departments, acquiring equipment, hardware, and software for a radio communication system for Countywide law enforcement communication integration with other law enforcement agencies, emergency service providers and 911 and improving the County's wireless communication systems, and for constructing, acquiring, improving, and equipping additional County administrative and departmental office space and parking facilities in downtown or central El Paso. The defeased debt was redeemed in full in February 2021.

On December 15, 2011, the County issued $11,315,000 El Paso County, Texas General Obligation Refunding Bonds, Series 2011. Proceeds from the sale of the Bonds will be used for the purpose of refunding a portion of the County's outstanding obligations and paying the costs of issuance of the Bonds. This refunding issue refunded $5,360,000 of Certificates of Obligation, Series 2001 and $6,415,000 of Certificates of Obligation, Series 2002 and was done to take advantage of favorable interest rates. The refunding resulted in a present value savings to the County of $1,024,575.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$133,890,000		($7,105,000)	$126,785,000	$10,750,000
Certificates of obligation	8,095,000		(5,705,000)	2,390,000	2,390,000
Bond Premium	16,289,091		(1,957,545)	14,331,546	1,566,404
Direct borrowings and direct placements:					
Certificates of Obligation					
2016 C & D	4,085,000		(290,000)	3,795,000	295,000
2021 TWDB		$1,605,000		1,605,000	54,000
State Infrastructure Bank loan 2017	4,041,146		(303,856)	3,737,290	309,478
State Infrastructure Bank loan 2020		4,600,000		4,600,000	220,631
Total bonds payable & direct borrowings	166,400,237	6,205,000	(15,361,401)	157,243,836	15,585,513
Capital leases	112,609	307,947	(98,098)	322,458	79,202
Claims and judgments	4,464,418	1,100,236	(1,883,376)	3,681,278	3,681,278
Contingent liabilities	3,093,750	2,960,000	(3,093,750)	2,960,000	50,000
Compensated absences	36,103,511	34,725,434	(36,103,511)	34,725,434	18,332,989
Net Pension Liability	108,640,566	78,684,372	(34,511,648)	152,813,290	
Total OPEB Liability	48,876,512	10,929,439	(1,013,679)	58,792,272	
Governmental activity Long-term liabilities	$367,691,603	$134,912,428	($92,065,463)	$410,538,568	$37,728,982

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

Business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct placements:					
Certificate of obligation	$1,293,000		($21,000)	$1,272,000	$22,000
Revenue bonds	1,402,000		(44,000)	1,358,000	44,000
Total bonds payable	2,695,000		(65,000)	2,630,000	66,000
Net Pension Liability	62,950	118,555	(24,173)	157,332	
Total OPEB Liability	30,227	35,845	(1,094)	64,978	
Business-type activity Long-term liabilities	$2,788,177	$154,400	($90,267)	$2,852,310	$66,000

No-commitment debt

In the case of the long-term liabilities other than debt, the general fund or corresponding special revenue funds typically have been used to liquidate such obligations in prior years.

No-commitment debt is debt issued by the component unit or debt issued in the County's name on behalf of another entity, for which the County is not responsible for the repayment of the debt.

The following is a summary of the long-term debt at September 30, 2021, for the UMC component unit:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term debt					
Bonds payable	$326,350,000		($8,020,000)	$318,330,000	$8,410,000
Bond premium and discount	31,911,000		(1,771,000)	30,140,000	1,771,000
Capital lease obligations	6,090,000	$3,544,000	(506,000)	9,128,000	2,562,000
Total long-term debt	$364,351,000	$3,544,000	($10,297,000)	$357,598,000	$12,743,000

In April 2017, UMC refunded $107.8 Million of the then outstanding $110.0 million Series 2008A General Obligation Bonds with $106.8 million of Series 2017 General Obligation Refunding Bonds. Interest rates on the 2017 refunding bonds range from 4% to 5%. The 2017 bonds are secured by ad valorem tax. The maturity schedule of the 2017 bonds was consistently maintained with the 2008A bonds. As a result of the refunding UMC decreased its total debt service requirements by $8.3 million ($6.1 million present value) and incurred an accounting loss of approximately $6.5 million. The accounting loss on the debt refunding is being amortized into interest expense using a straight-line method over the term of the bond issuance, which matures in 2038. The balance of the deferred loss on the refunding is $5.2 million at September 30, 2021, and is included as a deferred outflow of resources on the component unit balance sheet. Any 2017 Bonds maturing after August 15, 2028, are subject to optional early redemption at par by UMC on or after August 15, 2027.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

In May 2013, the UMC issued $134.3 million in Series 2013 Combination Tax and Revenue Certificates of Obligation. Proceeds of the bond funds, approximating $150 million, finance the renovation and improvements of the hospital annex, construct and equip new clinics in the East, Northeast, Central and West areas of the County including an emergency facility in the Northeast, renovate existing hospital inpatient floors and the acquisition of certain medical equipment and machinery for the main hospital campus. Interest rates for the Series 2013 bonds range from 3% to 5%. The Series 2013 Bonds are direct obligations of UMC and are payable from ad valorem tax.

In May 2013, UMC refunded $115.9 million of the $120 million Series 2005 Combination Tax and Revenue Bonds with $110.4 million of Series 2013 General Obligation Refunding Bonds. Interest rates range from 3% to 5%. The bonds are secured by an ad valorem tax. The maturity schedule of the 2013 refunding bonds was consistently maintained with the Series 2005 bonds. This refunding decreased UMC's total debt service requirement by $13.3 million and resulted in an accounting loss of $10.6 million, which is being amortized using the straight-line method into interest expense over the life of the bonds, which mature in 2035. The balance on the deferred loss is $6.6 million at September 30, 2021. Any 2013 bonds maturing after August 24, 2024 are subject to early redemption at par on or after August 15, 2023.

Debt service requirements to maturity for the long-term debt obligations of the UMC are summarized as follows:

	Principal	Interest	Total
Year ending September 30			
2022	8,410,000	15,216,000	23,626,000
2023	8,805,000	14,817,000	23,622,000
2024	9,250,000	14,377,000	23,627,000
2025	9,715,000	13,914,000	23,629,000
2026	10,195,000	13,428,000	23,623,000
2027-2031	58,955,000	59,180,000	118,135,000
2032-2036	74,260,000	43,869,000	118,129,000
2037-2041	93,990,000	25,459,000	119,449,000
2042-2043	44,750,000	3,384,000	48,134,000
	$318,330,000	$203,644,000	$521,974,000

The long-term debt of the component unit is the obligation of the component unit and is fully covered by the property tax levy assessed by the UMC. Those bonds are considered no-commitment debt since the County is not obligated in any way to pay any part of the principal or interest.

During 2021, UMC-Children's obtained an $800 thousand note payable that is uncollateralized and due in full immediately upon the lenders demand. As of September 30, 2021, the outstanding balance of the note payable was $800 thousand. If no demand is made, the note is due in monthly payments of $14 thousand for 60 months, including interest at 2.95%, commencing October 10, 2021 through September 10, 2026. Proceeds from the loan are to be used for various construction and renovation projects on El Paso Children's campus.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

The following is a summary of the long-term liabilities at September 30, 2021, for the ESD1 component unit:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term debt					
Notes payable	$9,119,637		($756,486)	$8,363,151	$755,302
Capital leases	153,817		(103,892)	49,925	49,925
Net pension (asset) liability	7,960	$26,497		34,457	
Total long-term debt	$9,281,414	$26,497	($860,378)	$8,447,533	$805,227

ESD1 entered into a $4,597,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition and construction of a fire station. Interest is at 3.25% per annum, payable in semi-annual installments, which are specified in the contract. The note matures in February 2029 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $2,518,000.

ESD1 entered into a $3,000,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition and construction of a fire station. Interest is at 3.95% per annum, payable in semi-annual installments, which are specified in the contract. The note matures in February 2037 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $2,820,442.

ESD1 entered into a $1,200,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition of real property. Interest is at 2.89% per annum, payable in semi-annual installments, which are specified in the contract. The note matures in August 2037 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $1,099,907.

ESD1 entered into a $1,000,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition of real property. Interest is at 3.75% per annum, payable in semi-annual installments, which are specified in the contract. The note matures in August 2037 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $868,939.

ESD1 entered into a $733,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition of 65 air regulators. Interest is at 1.79% per annum, payable in annual installments, which are specified in the contract. The note matures in August 2025 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $607,094.

ESD1 entered into a $283,532 note agreement with TIB-the Independent Bankers Bank to finance the acquisition of a brush truck. Interest is at 2.19% per annum, payable in annual installments which are specified in the contract. The note matures in February 2027 and is secured by ad valorem taxes levied and assessed on the proceeds of taxable property in the District. The remaining principal is $246,153.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

ESD1 entered into a $500,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition of a heavy rescue truck. Interest is at 2.45% per annum, payable in semi-annual installments, which are specified in the contract. The note matures in August 2024 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $164,616.

ESD1 entered into a $356,000 note agreement with TIB –The Independent Bankers Bank to finance the acquisition and construction of a pumper truck. Interest is at 2.07% per annum, payable in semi-annual installments, which are specified in the contract. The note matures in February 2023 and is secured by heavy equipment and ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $38,000.

Debt service requirements to maturity for the long-term liability obligations of the ESD1 are summarized as follows:

	Principal	Interest	Total
Year ending September 30			
2022	755,302	255,041	1,010,343
2023	738,428	234,992	973,420
2024	750,842	215,152	965,994
2025	787,892	194,737	982,629
2026-2030	2,912,585	669,608	3,582,193
2031-2035	1,661,069	311,711	1,972,780
2036-2037	757,033	32,960	789,993
	$8,363,151	$1,914,201	$10,277,352

The following is a summary of the long-term debt at September 30, 2021, for the ESD2 component unit:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term debt					
Notes payable	$9,512,097		($1,182,952)	$8,329,145	$1,777,793
Capital leases	179,981		(88,756)	91,225	91,225
Net pension liability (asset)	(60,285)		57,258	(3,027)	
Total long-term debt	$9,631,793		($1,214,450)	$8,417,343	$1,869,018

ESD2 entered into a $3,366,000 note agreement with Independent Bankers Bank N. A. to finance vehicles. Interest is at 1.590% per annum, payable in annual installments, which are specified in the contract. The note matures in August 2027 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $3,366,000.

ESD2 entered into a $1,635,784 note agreement with Southside Bank to finance Socorro Fire Station property and to renovate the station. Interest is at 5.755% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2029 and is secured by ad valorem taxes levied and equipment. The remaining principal is $849,121.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

ESD2 entered into a $996,478 note agreement with Southside Bank to purchase radio equipment. Interest is at 2.87% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2027 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $617,160.

ESD2 entered into a $1,585,600 note agreement with Southside Bank to finance San Elizario Fire Station. Interest is at 5.731% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2025 and is secured by ad valorem taxes levied and assessed on taxable property within the District. The remaining principal is $552,509.

ESD2 entered into a $1,283,473 note agreement with Southside Bank to refinance real estate and for improvements and repairs. Interest is at 5.793% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2028 and is secured by ad valorem taxes levied and assessed on taxable property within the District and real estate. The remaining principal is $597,201.

ESD2 entered into a $1,318,751 note agreement with Southside Bank to refinance fire stations. Interest is at 5.593% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2024 and is secured by ad valorem taxes levied and assessed on taxable property within the District and real estate. The remaining principal is $340,425.

ESD2 entered into a $1,257,481 note agreement with Southside Bank to refinance real estate and for improvements and repairs. Interest is at 5.593% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2024 and is secured by ad valorem taxes levied and assessed on taxable property within the District and real estate. The remaining principal is $324,609.

ESD2 entered into a $1,507,216 note agreement with Southside Bank to finance vehicles and heavy equipment. Interest is at 5.555% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2023 and is secured by ad valorem taxes, vehicles and equipment. The remaining principal is $265,885.

ESD2 entered into a $868,567 note agreement with Southside Bank to refinance two buildings. Interest is at 5.793% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2028 and is secured by ad valorem taxes levied and real estate. The remaining principal is $395,121.

ESD2 entered into a $1,360,000 note agreement with Trust Bank, formerly known as Branch Banking and Trust, to finance vehicles and construction. Interest is at 2.330% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2022 and is secured by real estate. The remaining principal is $151,160.

ESD2 entered into a $721,989 note agreement with Southside Bank to refinance vehicles and equipment. Interest is at 5.555% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2023 and is secured by ad valorem taxes levied and vehicles. The remaining principal is $129,137.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

ESD2 entered into a $375,000 note agreement with Southside Bank to finance a vehicle and equipment. Interest is at 5.382% per annum, payable in annual installments, which are specified in the contract. The note matures in April 2028 and is secured by ad valorem taxes levied and a vehicle. The remaining principal is $173,411.

ESD2 entered into a $350,000 note agreement with Southside Bank to finance vehicles and equipment. Interest is at 5.597% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2028 and is secured by ad valorem taxes levied and a vehicle. The remaining principal is $162,077.

ESD2 entered into a $480,479 note agreement with Southside Bank to refinance the Tornillo Fire Station. Interest is at 5.593% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2024 and is secured by ad valorem taxes levied and real estate. The remaining principal is $124,033.

ESD2 entered into a $957,000 note agreement with Trust Bank, formerly known as Branch Banking and Trust, to refinance vehicles. Interest is at 2.25% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2022 and is secured by vehicles. The remaining principal is $75,706.

ESD2 entered into a $331,500 note agreement with Trust Bank, formerly known as Branch Banking and Trust, to finance radio equipment. Interest is at 2.23% per annum, payable in annual installments, which are specified in the contract. The note matures in February 2023 and is secured by equipment. The remaining principal is $70,549.

ESD2 entered into a $300,000 note agreement with Southside Bank to finance the construction of a radio tower. Interest is at 5.392% per annum, payable in annual installments, which are specified in the contract. The note matures in April 2023 and is secured by ad valorem taxes levied and equipment. The remaining principal is $53,655.

ESD2 entered into a $250,000 note agreement with Southside Bank to finance a vehicle. Interest is at 5.589% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2023 and is secured by ad valorem taxes levied and the vehicle. The remaining principal is $44,788.

ESD2 entered into a $206,405 note agreement with Southside Bank to finance vehicles. Interest is at 5.797% per annum, payable in annual installments, which are specified in the contract. The note matures in March 2023 and is secured by ad valorem taxes levied and vehicles. The remaining principal is $36,598.

Note 3. Detailed notes on all funds (Continued)

F. Long-term Debt (Continued)

Debt service requirements to maturity for the long-term debt obligations of the ESD2 are summarized as follows:

	Principal	Interest	Total
Year ending September 30			
2022	$1,777,793	$307,518	$2,085,311
2023	1,610,479	238,782	1,849,261
2024	1,352,622	174,354	1,526,976
2025	1,110,873	123,127	1,234,000
2026	989,711	85,820	1,075,531
2027-2029	1,487,667	90,396	1,578,063
	$8,329,145	$1,019,997	$9,349,142

G. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by the granting agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, or expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government. Presently, an amount of $2,960,000 for probable losses has been accrued as a contingency and is reported at the government-wide financial statements. Of this amount, $50,000 is reported due within one year and $2,910,000 due in more than one year.

Rebatable arbitrage is evaluated and estimated on an annual basis. At September 30, 2021, there were no liabilities recorded, as there were no amounts due within one year. The County estimated a possible additional liability of $0 as of September 30, 2021, assuming the County uses the bond funds within the specified period.

By letter dated October 23, 2020, the Internal Revenue Service (IRS) examination team issued a Notice of Proposed Issue (IRS Form 5701-B) (the "Notice") relating to the El Paso County, Texas Certificates of Obligation, Series 2012 (the "Series 2012 Certificates"). The Notice contains a preliminary determination that the Series 2012 Certificates are taxable retroactively to the date of issuance due to alleged noncompliance with the requirements of Section 149(g) of the Internal Revenue Code, which prescribes certain expectations for the timely expenditure of proceeds from the Series 2012 Certificates.

On or about July 20, 2021, the IRS examination team issued proposed Adverse Determinations with respect to the (1) Series 2012 Certificates, (2) $15,230,000 General Obligation Refunding Bonds, Series 2015, and (3) $50,255,000 General Obligation Refunding Bonds, Series 2017 (collectively, the "Proposed Adverse Determinations"). On September 7, 2021, the County filed an administrative protest with the IRS Independent Office of Appeals with respect to the Proposed Adverse Determinations. The County believes that the Proposed Adverse Determinations are wrong and will vigorously defend its tax reporting position.

Note 3. Detailed notes on all funds (Continued)

G. Contingent Liabilities (Continued)

In the normal course of business, the UMC is from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the UMC's self-insurance program or by commercial insurance. The UMC evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

ESD1 had no contingent liabilities.

ESD2 had no contingent liabilities.

H. Deferred Compensation

The County offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. Contributions to the plan are administered by Nationwide Retirement Solutions, VOYA, and VALIC, as third party administrators. In accordance with the provisions of the IRC Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plan participants and beneficiaries. The County provides neither administrative services nor investment advice to the plans. Therefore, in accordance with GASB 32, no fiduciary relationship exists between the County and the deferred compensation pension plans. At September 30, 2021, the plan assets were valued at $45,868,618.

UMC for the El Paso Children's Hospital (EPCH) sponsors a 401(k) defined contribution plan covering substantially all employees. The Plan document includes required matching contributions subject to formulas outlined in the plan document, and also allows EPCH to make additional discretionary contributions. Retirement expense for the 401(k) defined contribution plan was approximately $1,500,000 for 2021.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations

Texas County and District Retirement System (TCDRS)

Plan Description - TCDRS is a statewide, agent multiple employer, public employee retirement system. The system provides retirement, disability, and survivor benefits. The system is administered by a Board of Trustees appointed by TCDRS. Each participating employer in TCDRS has a separate plan. Benefit provisions are contained in a plan document and were established and can be amended by the governing body of the County, UMC, ESD1, and ESD2 for their separate plans within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with eight or more years of service, for the County and ESD2, with 20 years of service regardless of age; for UMC, with 30 years of service regardless of age; for UMC, ESD1, and ESD2, when the sum of their age and years of service equals 75 or more. Members of the County, UMC, and ESD2 plans are vested after eight years of service, ESD1 after 10 years of service. ESD1 started with TCDRS on October 1, 2018, and uses the terms established under the TCDRS Act, these terms may be amended on January 1st of each year in conformity with the TCDRS Act. Members must leave their accumulated contributions in the plans to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Benefit amounts under each plan are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the respective governing bodies within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the commitment of the respective entities to contribute to the plan. By law, the employee accounts earn 7 percent interest on beginning of the year balances annually. At retirement, death, or disability, the account is matched at an employer set percentage and is then converted to an annuity. The match for the County is 250 percent, ESD1 is 210 percent, ESD2 is 250 percent, and UMC is 200 percent.

TCDRS in the aggregate issues an Annual Comprehensive Financial Report (Annual Report) on a calendar year basis. The Annual Report is available upon written request from the TCDRS Board of Trustees at: Barton Oaks Plaza IV Ste. 500, 901 S. MoPac Expy., Austin, Texas 78746 or from the website www.tcdrs.org.

For the County, all full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership. The UMC's plan covers substantially all employees other than those employed by El Paso Children's Hospital (EPCH). ESD1 and ESD2's plan covers all regular full-time and part-time non-temporary employees. Employees covered by the respective plans at December 31, 2019 and 2020, are:

	County		UMC		ESD1		ESD2	
	2019	2020	2019	2020	2019	2020	2019	2020
Inactive employees or beneficiaries currently receiving benefits	1,498	1,587	752	810	0	1	0	0
Inactive employees entitled to but not yet receiving benefits	1,659	1,689	3,216	3,477	1	1	9	13
Active employees	3,009	2,961	2,904	3,025	10	12	29	30
	6,166	6,237	6,872	7,312	11	14	38	43

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Funding Policy - The County, UMC and ESD2 have elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The respective plans are funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the elected rate of 17.90% for the months of the accounting year in 2020. Beginning in January 2021, the County contributed using an actuarially determined rate of 18.01%. The UMC employer contribution rate for the fiscal years 2021, and 2020 was 7.7% and 7.7%, respectively. ESD1 and ESD2 contribution rates are based on the TCDRS funding policy adopted the TCDRS board of trustees and must conform to the TCDRS Act.

The County's contributions to TCDRS for the year ended September 30, 2021 were $33,867,623 and equal to the required contributions. UMC contributed approximately $15.7 million or 7.7 percent in fiscal year 2021 to the Plan. ESD1 and ESD2 must contribute amounts equal to the required contributions each year.

The contribution rates payable by the employee members for calendar year 2020 were: County, 7%; UMC, 5%; ESD1, 7%, and ESD2, 7%.

Net Pension Liability – The TCDRS Net Pension Liability (NPL) for the County, UMC, ESD1, and ESD2 , was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2020, actuarial valuation was determined using actuarial assumptions applied to all periods included in the measurement, which can be found in the required supplemental data as a note to the respective employer contribution schedules.

All actuarial assumptions that determined the total pension liability as of December 31, 2020, were based on the results of an actuarial experience study for the period January 1, 2013 to December 31, 2016, except when required to be different by GASB 68.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the actuarial assumptions for inflation of 2.5% and investment rate of return of 7.5%. annual salary increase rates assumed for individual members vary by length of service and entry-age group. The annual rates consist of a general wage inflation component of 3.0% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. Other assumptions include employer specific economic assumptions related to growth in membership of 0.0% and payroll funding growth of 3.0% for funding calculations. The payroll growth assumption is for the aggregate covered payroll of the employer.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

The source of the mortality assumptions is as follows;

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in investment return, wage growth, and maximum payroll growth assumptions. The assumptions are reviewed annually for continued compliance with relevant actuarial standards of practice.

The long-term expected rate of return - on TCDRS assets are determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10 year time horizon.

Note that valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. The actuary relies on the expertise of Cliffwater in this assessment.

The TCDRS target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for the County, UMC, ESD1 and ESD2:

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

County, UMC, ESD1 and ESD2:

Asset Class	Benchmark	Target Allocation [1]	Geometric Real Rate of Return (Expected Minus Inflation) [2]
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	4.25%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index[3]	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index[4]	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index[5]	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U. S. Treasury	2.00%	-0.70%
		100.00%	

[1] Target asset allocation adopted at the March 2021 TCDRS Board meeting.
[2] Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2021 capital market assumptions.
[3] Includes Vintage years 2005-present of Quarter Pooled Horizon IRRs
[4] Includes Vintage years 2007-present of Quarter Pooled Horizon IRRs
[5] Includes vintage years 2006-present of Quarter pooled Horizon IRRs.

Discount Rate - The discount rate used to measure the total pension liability was 7.6%. There was a decrease of 0.50 percentage points in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rate equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the total pension liability, plan fiduciary net position and the net pension liability for the year ended December 31, 2020, for the County are:

Changes in Net Pension Liability / (Asset)	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
Balance as of December 31, 2019	$1,109,981,112	$1,001,833,244	$108,147,868
Changes for the Year:			
Service Cost	27,686,056		27,686,056
Interest on total pension liability [1]	90,249,559		90,249,559
Effects of plan changes[2]			
Effect of economic/demographic gains or losses	934,290		934,290
Effects of assumptions changes or inputs	75,875,317		75,875,317
Refund of contributions	(1,637,264)	(1,637,264)	
Benefit payments	(46,245,120)	(46,245,120)	
Administrative expenses		(807,899)	807,899
Member contributions		13,334,118	(13,334,118)
Net investment income		103,495,093	(103,495,093)
Employer contributions		34,063,304	(34,063,304)
Other [3]		78,601	(78,601)
Balances as of December 31, 2020	$1,256,843,950	$1,104,114,077	$152,729,873

[1] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[2] No plan changes valued.
[3] Relates to allocation of system-wide items.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Changes in the total pension liability, plan fiduciary net position and the net pension liability for the year ended September 30, 2021 for the UMC are:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2020	$489,194,000	$451,060,000	$38,134,000
Changes for the year:			
Service cost	14,928,000		14,928,000
Interest on total pension liability[1]	40,166,000		40,166,000
Effect of plan changes[2]			
Effect of economic/demographic gains or losses	3,480,000		3,480,000
Effect of assumption changes or inputs	36,232,000		36,232,000
Refund of contributions	(998,000)	(998,000)	
Benefit payments	(15,824,000)	(15,824,000)	
Administrative expenses		(370,000)	370,000
Member contributions		9,787,000	(9,787,000)
Net investment income		46,615,000	(46,615,000)
Employer Contributions		15,345,000	(15,345,000)
Other changes[3]		285,000	(285,000)
Net changes	77,984,000	54,840,000	23,144,000
Balances at September 30, 2021	$567,178,000	$505,900,000	$61,278,000

[1] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[2] No plan changes valued.
[3] Relates to allocation of system-wide items.

Changes in the total pension liability, plan fiduciary net position and the net pension liability for the year ended December 31, 2020, for ESD1 are:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	$38,963	$31,003	$7,960
Changes for the year:			
Service cost	35,394		35,394
Interest on total pension liability[1]	5,953		5,953
Effect of plan changes[2]	20,191		20,191
Effect of economic/demographic gains or losses	3,877		3,877
Effect of assumption changes or inputs	8,084		8,084
Refund of contributions	(915)	(915)	
Benefit payments	(843)	(843)	
Administrative expenses		(56)	56
Member contributions		20,092	(20,092)
Net investment income		3,286	(3,286)
Employer Contributions		22,470	(22,470)
Other changes[3]		1,210	(1,210)
Balances at December 31, 2020	$110,704	$76,247	$34,457

[1] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[2] No plan changes valued.
[3] Relates to allocation of system-wide items.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Changes in the total pension liability, plan fiduciary net position and the net pension liability for the year ended December 31, 2020, for ESD2 are:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	$866,310	$926,595	($60,285)
Changes for the year:			
Service cost	$178,402		$178,402
Interest on total pension liability[1]	83,665		83,665
Effect of economic/demographic gains or losses	(1,242)		(1,242)
Effect of assumption changes or inputs	102,979		102,979
Refund of contributions	(24,084)	(24,084)	
Administrative expenses		(885)	885
Member contributions		86,291	(86.291)
Net investment income		96,095	(96,095)
Employer Contributions		119,575	(119,575)
Other changes[2]		5,470	(5,470)
Balances at December 31, 2020	$1,206,030	$1,209,057	($3,027)

[1] Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
[2] Relates to allocation of system-wide items.

Sensitivity Analysis - The following present the net pension liability, calculated using the discount rate of 7.60%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
County:			
Total pension liability	$1,432,326,692	$1,256,843,951	$1,110,628,446
Fiduciary net position	1,104,114,077	1,104,114,077	1,104,114,077
Net pension liability/ (asset)	$328,212,615	$152,729,873	$6,514,369
UMC:			
Net pension liability/ (asset)	$146,389,000	$61,278,000	($8,612,000)
ESD1:			
Total pension liability	$129,873	$110,704	$94,964
Fiduciary net position	76,247	76,247	76,247
Net pension liability/ (asset)	$53,626	$34,457	$18,717
ESD2:			
Total pension liability	$1,456,140	$1,206,030	$1007,027
Fiduciary net position	1,209,057	1,209,057	1,209,057
Net pension liability/ (asset)	$247,083	($3,027)	($202,030)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions - Pension expense recognized by the County in the reporting period for TCDRS amounted to $29,634,241. As of September 30, 2021, the County had deferred inflows and outflows of resources related to pensions as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$4,313,423	$4,524,165
Changes in assumptions	235,168	60,700,254
Net difference between projected and actual earnings	35,982,224	
Changes in proportionate share	75,696	75,696
Contributions made subsequent to measurement date		24,167,652
	$40,606,511	$89,467,767

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2021	$3,098,427
2022	12,965,270
2023	(2,253,052)
2024	10,882,959
2025	
Thereafter	
	$24,693,604

The $24,167,652 reported as deferred outflows of resources related to pensions resulted from County contributions subsequent to the measurement date and will be recognized as a deduction of the net pension liability in the year ended September 30, 2022.

At September 30, 2021, the County reported a payable of $3,450,262 to TCDRS for the outstanding amount of contributions to the pension plan for the year then ended.

For the year ended September 30, 2021, the UMC recognized pension expense of approximately $15.7 million. At September 30, 2021, the UMC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$4,082,000	
Changes in assumptions	27,174,000	
Net difference between projected and actual earnings on pension plan investments		$15,653,000
Contributions made subsequent to measurement date	11,935,000	
	$43,191,000	$15,653,000

At September 30, 2021, the UMC reported approximately $11.9 million as deferred outflows of resources related to pensions resulting from UMC contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ending September 30:	
2022	$5,822,000
2023	10,083,000
2024	1,648,000
2025	(1,950,000)
	$15,603,000

For the year ended September 30, 2021, the ESD1 reported pension expense of $38,061. At September 30, 2021, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$299	$5,781
Changes in assumptions		7,187
Net difference between projected and actual earnings		$1,118
Contributions made subsequent to measurement date		90,124
	$299	$104,210

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ending December 31:	
2021	$92,071
2022	1,948
2023	1,919
2024	1,804
2025	1,625
Thereafter	4,544
	$103,911

For the year ended September 30, 2021, the ESD2 reported pension expense of $101,244. At September 30, 2021, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$16,991	$35,355
Changes in assumptions	4,176	90,585
Net difference between projected and actual earnings	19,490	
Contributions made subsequent to measurement date		90,456
	$40,657	$216,396

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ending December 31:	
2021	$101,711
2022	13,760
2023	3,511
2024	12,368
2025	15,103
Thereafter	29,286
	$175,739

Texas Emergency Services Retirement System (TESRS)

Plan Description - ESD1 and ESD2 offer a retirement plan to eligible members through the TESRS. TESRS administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. TESRS is an agency of the State of Texas and its financial records comply with state statutes and regulations. The nine member Board of Trustees, appointed by the Governor, establishes policy for the administration of the TESRS.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

The TESRS was created as a standalone agency by the 83rd Legislature via the passage of SB 220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the agency is new, the System has been in existence since 1977. TESRS, which is under the authority of Title 8, Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Annual Comprehensive Financial Report. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at www.tesrs.org. The separately issued actuarial valuations which may be of interest are also available at the same link.

Benefits Provided – Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this benefit is increased at a rate of 6.2% compounded annually. There is no provision for automatic post-retirement benefit increases.

On and off-duty benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse or dependent children.

Funding Policy – Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (the minimum contribution is $36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

The board rule defining contributions was amended effective July 27, 2014, to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percentage of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2020, actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule, and there is no maximum contribution rate.

For the fiscal year ending September 30, 2021, ESD1 contributed $13,852 to TESRS. For the fiscal year ending September 30, 2020, as well as each of the five previous years, total contributions to TESRS by ESD1 were $10,000 per year.

The County makes semi-annual contributions to the TESRS on behalf of both Emergency Services Districts. The County's total contribution to TESRS for FY2021 was $102,636.

The State made contributions to the TESRS on behalf of ESD1 in the amount of $16,484 and ESD2 in the amount of $24,817.

The pension expense for ESD1 and ESD2 are based on their proportionate share of the collective pension expense based on TESRS' fiscal year ended August 31, 2021, as shown in the following table:

	ESD1 Pension Expense	ESD2 Pension Expense	Total Pension Expense TESRS
Service Cost	$13,961	$21,010	$34,971
Interest	99,755	150,133	249,888
Projected earnings on pension plan investments	(82,980)	(124,886)	(207,866)
Amortization of differences between projected and actual earnings on plan investments	(25,825)	(38,866)	(64,691)
Amortization of changes of assumptions	(239)	(359)	(598)
Amortization of differences between expected and actual experience	(6,968)	(10,487)	(17,455)
Amortization of changes in proportionate share	(9,355)	(5,717)	(15,072)
Pension plan administrative expense	2,408	3,624	6,032
	($9,243)	($5,548)	($14,791)

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Actuarial Assumptions - The total pension liability in the August 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the expected future net real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These components 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 (currently 4.6%) and by adding expected inflation (3.00%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation	Target	Long-term Expected Net Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small/mid cap domestic	10%	5.94%
Developed international	15%	6.15%
Emerging markets	5%	7.25%
Global Infrastucture	5%	6.41%
Real estate	10%	4.48%
Multi asset income	5%	3.84%
Fixed income	30%	1.99%
Cash	0%	
Total	100%	
Weighted average		4.60%

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of the current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Sensitivity Analysis - The following presents the County's net pension liability of the TESRS, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability/ (asset)	6.50%	7.50%	8.50%
ESD1	$314,110	$96,106	($49,425)
ESD2	472,740	144,641	(74,386)
Total	$786,850	$240,747	($123,811)

The net pension liability was measured as of August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 and rolled forward to August 31, 2021. The County's proportion of the net pension liability was based on the County's contributions to the pension plan relative to the contributions of all employers to the plan for the period of September 1, 2020 through August 31, 2021.

At August 31, 2021, the County's proportion of the collective net pension liability was 0.897% for ESD1, which was an increase of 0.189% from its proportion as of August 31, 2020. At August 31, 2021, the County's proportion of the collective net pension liability was 1.350% for ESD2 which was a decrease of 0.146% from its proportion as of August 31, 2020.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions - for the year ended September 30, 2021, the County recognized pension expense of $41,301 and revenue of $41,301 for support provided by the State, which represented $16,484 for ESD1 and $24,817 for ESD2.

As of September 30, 2021, the County reported its proportionate share of the TESRS deferred outflows and inflows of resources related to pensions for both Emergency Services Districts from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$9,524
Changes in assumptions		328
Net difference between projected and actual earnings		225,439
Changes in proportionate share	$25,835	34,256
Contributions made subsequent to measurement date	9,114	
	$34,949	$269,547

The $9,114 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022.

At September 30, 2021, the County reported a payable of $70,416 to TESRS for its outstanding portion of the contribution to TESRS on behalf of ESD1 and ESD2.

Note 3. Detailed notes on all funds (Continued)

I. Pension Obligations (Continued)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ending September 30:	
2022	($70,879)
2023	(40,297)
2024	(73,896)
2025	(58,640)
2026	0
Thereafter	0
Total	($243,712)

J. Other Post-employment Health Care Benefits

Plan Description. The County provides for all full-time employees of the County, post-retirement medical and prescription drug benefits (OPEB) for retirees as they reach normal retirement age. Dependent family members are included in the plan, if at the time of the employee's retirement they were covered by the County's health plan. The Plan is a single-employer, self-funded benefit plan administered by a third party administrator and the County purchases stop loss insurance for claims that exceed a determined threshold. The Plan does not issue a stand-alone financial report, as there are no assets legally segregated for the sole purpose of paying benefits under the Plan. As such, a separate, audited GAAP-basis postemployment benefit plan report is not available.

The County's defined benefit OPEB plan is the same plan that provides health and dental benefits to all regular full time employees and their dependents. The plan is a single employer defined benefit OPEB plan administered by Aetna on behalf of the County. Texas Local Government Code §172 allows the County to establish a risk pool board to provide uniform group health benefits to the employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided. The Plan offers two plans to employees, retirees under 65, and their dependents in the High Deductible Health Plan (CDHP) and Core medical plan. The County also offers health care benefits to retirees over 65 through the Aetna Medicare Advantage Plan. The Plan has separate rate schedules, determined annually, for active employees, retirees, and retirees over 65 for the employee, retiree, and their respective dependents. Retirees in the CDHP and Core plans pay approximately 37.54 percent of the total premium cost for insurance coverage. For retirees over 65 in the Aetna Medicare Advantage Plan, the retiree pays half and the County pays half of the monthly premium.

Employees covered by benefit terms. As of December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	83
Active plan members	2,458
Total plan members	2,541

Note 3. Detailed notes on all funds (Continued)

J. Other Post-employment Health Care Benefits (Continued)

Total OPEB Liability

The County's total OPEB Liability reported at September 30, 2021 was $58,857,250 with a measurement date of December 31, 2020. The actuarial valuation was performed as of December 31, 2019. Update procedures were used to rollforward the total OPEB liability to the measurement date of December 31, 2020.

Actuarial Methods and Assumptions – the total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	2.00% as of December 31, 2020
Inflation	2.50%
Salary Increases	0.50% to 5.00%, not including wage inflation of 3.25%
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2016, as conducted by the Texas County and District Retirement System (TCDRS).
Mortality	For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years. Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 15 years.
Participation Rates	27% for those retiring between the ages 50 and 64; 45% for those retiring after age 65 or through disability
Assumption, Method, and Plan Changes	1. The discount rate decreased from 2.75% as of December 31, 2019 to 2.00% as of December31, 2020. This change increased the total OPEB liability.

Discount Rate

The municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The Discount rate was 2.75% as of the prior measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability – Beginning	$48,906,739
Service cost	2,936,264
Interest on total OPEB liability	1,371,683
Changes of benefit terms	
Difference between expected and actual experience of the total OPEB liability	116,368
Changes of assumptions or other inputs	6,517,202
Benefit payments	(991,006)
Net change in total OPEB liability	9,950,511
Total OPEB Liability- Ending	$58,857,250

Note 3. Detailed notes on all funds (Continued)

J. Other Post-employment Health Care Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the Plan's total OPEB liability, calculated using a discount rate of 2.00%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Total OPEB liability	$69,475,458	$58,857,250	$50,399,976

Sensitivity of the total OPEB liability to changes in the in the healthcare cost trend rates. The following presents the Plan's total OPEB liability, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate one percent lower or one percent higher:

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB liability	$48,100,784	$58,857,250	$73,157,999

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized OPEB expense of $3,623,775. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$104,858	$8,622,221
Changes in assumptions	15,966,233	1,931,200
Changes in proportionate share	29,591	29,591
Contributions made subsequent to measurement date	931,408	
Total	$17,032,090	$10,583,012

The $931,408 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year ending September 30	Net Deferred Outflows/(Inflows)
2022	$640,601
2023	640,601
2024	640,601
2025	640,601
2026	640,601
Thereafter	2,314,665
Total	$5,517,670

Note 3. Detailed notes on all funds (Continued)

J. Other Post-employment Health Care Benefits (Continued)

Plan description and benefits provided – Component Unit. In January 2017, UMC began to provide certain medical benefits to eligible retirees. Effective May 1, 2018, plan eligibility for employees who retire from UMC, the Health Plan or the Foundation was changed from 20 years of service to age 60 and 20 years of service. Eligible employees are able to elect medical coverage for themselves (and spouses and dependents, as applicable). Benefits will end when the retiree reaches age 65 or starts receiving Medicare benefits, whichever occurs first. UMC funds these other postemployment benefits on a pay-as-you-go basis, meaning UMC will pay benefits as they come due. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

At June 30, 2021, the following UMC employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	28
Active plan members	2,972
Total plan members	3,000

Total OPEB Liability – Component Unit

UMC's total OPEB liability of $1.9 million was measured as of June 30, 2021, and was determined by an actuarial valuation as of May 1, 2020. No significant differences existed between the actuarial valuation and the measurement date, which would have required a roll-forward to the measurement date.

Actuarial Methods and Assumptions – Component Unit – UMC's total OPEB liability in the actuarial valuation report was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement, unless otherwise specified:

Rate of Salary Increases	2.00%
Discount Rate	2.00% including inflation (2.60% in prior year).
Health Care Trend Rates	7.50% decreasing to 4.50% in 2030 (2029 in prior year).

Discount Rate – Component Unit

The discount rate used to measure UMC's total OPEB liability at June 30, 2021, was 2.00%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

For the June 30, 2021 measurement date, mortality rates are from the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted General Mortality Tables using Scale after Mortality MP-2019 Full Generational Improvement.

Note 3. Detailed notes on all funds (Continued)

J. Other Post-employment Health Care Benefits (Continued)

Changes in the Total OPEB Liability – Component Unit

	Total OPEB Liability
UMC Total OPEB Liability – October 1, 2020	$1,688,000
Service cost	95,000
Interest	47,000
Changes in benefit terms	
Difference between actual and expected	(76,000)
Changes of assumptions and inputs	100,000
Benefit payments	23,000
Total OPEB Liability- September 30, 2021	$1,877,000

Sensitivity of the UMC's total OPEB liability to changes in the discount rate – Component Unit. The total OPEB liability has been calculated using a discount rate of 2.00%. The following table presents what UMC's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Total OPEB liability	$2056,000	$1,877,000	$1,716,000

Sensitivity of the total OPEB liability to changes in the in the healthcare cost trend rates – Component Unit. The following presents UMC's total OPEB liability, calculated using the assumed trend rates as well as what UMC's total OPEB liability would be if it were calculated using a trend rate one percent lower or one percent higher:

	1% Decrease 6.50%	Current Healthcare Cost Trend Rate 7.50%	Increase 8.50%
Total OPEB liability	$1,654,000	$1,877,000	$2,147,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, UMC recognized OPEB expense of $128,000. At September 30, 2021, UMC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$89,000	$174,000
Changes in assumptions	255,000	328,000
Total	$344,000	$502,000

Note 3. Detailed notes on all funds (Continued)

J. Other Post-employment Health Care Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2021, related to OPEB, will be recognized in OPEB expense as follows:

Year ending September 30	Net Deferred Outflow/(inflows)
2022	($14,000)
2023	(14,000)
2024	(14,000)
2025	(14,000)
2026	(14,000)
Thereafter	(88,000)
Total	($158,000)

K. Property Taxes

Levy and Collection. Property is appraised and a lien on such appraised property becomes enforceable as of January 1, subject to certain established procedures relating to rendition, appraisal, appraisal review, and judicial review. Property taxes are levied on October 1 of the assessment year, or as soon thereafter as practicable. Taxes are due and payable when levied. Taxes become delinquent on February 1 of the following year and are then subject to interest and penalty charges. The City of El Paso, under an inter-local governmental agreement, bills and collects property taxes for the County and certain other local governmental entities.

Tax Rate. The County's total tax rate for fiscal year 2021 was $0.488997 per $100 of assessed valuation; $0.450290 was allocated for maintenance and operations, of which, one cent is allocated to the County's Capital Improvement Plan, and $0.038707 was allocated to the debt service funds. State law permits the County to levy property taxes up to $0.80 per $100 of assessed valuation for the general fund and up to $0.15 per $100 assessed valuation for the road and bridge fund.

Legislation Affecting Property Tax Policies and Procedures. In 1979, the State Legislature adopted a comprehensive property tax code which established a County-wide appraisal District in each County within the State of Texas. The Central Appraisal District (CAD), created in the County of El Paso, is responsible for the appraisal of taxable property and the equalization of appraised values of property for the taxing entities within the appraisal District. The CAD is governed by a board of directors appointed by the governing bodies of certain taxing entities within the appraisal District.

The property tax code:

(1) requires that all taxing entities assess taxable property at 100% of appraised value;

(2) includes procedures for valuation of certain eligible farm, ranch and timberlands on a "production capacity" basis which was mandated by a 1978 amendment to the State constitution;

(3) requires that the value of real property within the Appraisal District be reviewed at least once every three years;

(4) requires a taxing entity, other than a school or water District, to calculate two tax rates—the no-new-revenue tax rate and the voter-approval tax rate; and

Note 3. Detailed notes on all funds (Continued)

K. Property Taxes (Continued)

(5) requires giving public notice and conducting a public hearing before adopting a tax rate that will exceed the voter-approval or the no-new-revenue tax rate, whichever is lower.

L. Tax Abatements

El Paso County enters into tax abatement agreements with local businesses under Texas Local Government Code, Chapter 381 - County Development and Growth. Texas Local Government Code, Chapter 381 - County Development and Growth allows counties to provide loans and grants in exchange for business location and commercial activity. All agreements are approved by Commissioners Court.

It is the policy of the County of El Paso to provide incentives to selected private businesses that make or will make a measurable difference in achieving economic growth and development, expanding and diversifying the tax base, and creating new quality jobs within the County of El Paso. The County requires that projects in the incentive agreements demonstrate the potential to generate revenues to the County, which outweigh costs associated with those incentives. The project must also fall under at least one of four categories (quality jobs, business type, capital intensive project, local homegrown business) or one of eight investment zones (Downtown El Paso, Mission Trail, County Airport in Fabens, Tornillo Port of Entry, Northwest, Northgate, Alameda, and Horizon City) within the County. Some agreements provide for a rebate of property, sales and use, hotel occupancy, or occupational taxes based on incremental taxes and others provide for a sharing of the taxes (percentage rebates) above certain amounts.

If a project is not completed as specified, or the terms of the agreement are not met, the County has the right to cancel or amend agreements, recapture any rebated or exempted taxes, and assess penalty payments for the amounts previously secured by County liens against the property and all previously waived fees and abated/rebated taxes shall become due to the County. For the fiscal year ended September 30, 2021, the County abated taxes totaling $957,865. Those projects that have a total estimated rebate, or other commitment, of $1,000,000 or more are detailed below.

EPT Development Montecillo – In January 2012, through a 20-year redevelopment agreement, the County agreed to rebate 50% of the County's portion of the ad valorem incremental tax value. The developer agreed to construct a smart code development, mixed development, apartments, and retail establishments. The maximum rebate amount is $6,891,697. No payments were issued for Ad valorem taxes during fiscal year 2021.

The Fountains at Farah, L.P. – In February 2009, the County entered into an agreement under which this developer would construct an upscale shopping center and the County would reimburse 100% of the ad valorem real property tax revenue increment based upon the increased value of the property over the base property tax valuation. The County also agreed to reimburse 100% of the County's one-half percent of Sales and Use Tax revenue. The maximum rebate amount is Net Present Value (NPV) adjusted $3,900,000. Ad valorem taxes of $379,900 and $504,538 sales and use taxes were reimbursed to The Fountains at Farah during fiscal year 2021.

Note 3. Detailed notes on all funds (Continued)

L. Tax Abatements (Continued)

EPT Loop 375 Pellicano, LLC – In April 2020, the County entered into an agreement to rebate 75% of the County's portion of the incremental ad valorem property tax revenue for 15 consecutive years. The developer has agreed that it and its affiliate will develop, construct, and operate the development at its sole cost, and will commence construction and or improvements of the development, subject to the developer's ability to tie into basic utilities. The agreement sets forth the minimum expenditures of $86,000,000 and a maximum total rebate amount of $2,585,039. No payments were issued in fiscal year 2021.

Hunt Metro 31 – In the agreement entered into in December 2014, the County agrees to rebate 100% of the County's portion of the incremental ad valorem property tax revenue generated by the development above the base value. The term for the agreement is 10 years or when the maximum payout is reached. Hunt Metro has agreed to develop, construct, and maintain a new 30.802 acre "Smart Code," transit-oriented development. The maximum payout is $5,000,000. No payments were issued in fiscal year 2021.

WestStar Tower – Under the agreement entered into in May 2018, the County agrees to rebate 75% of the County's portion of the ad valorem real and personal property tax revenue for 15 consecutive years. WestStar has agreed to redevelop the property into a new multi-level, multi-tenant building. The building will serve as corporate headquarters for Hunt Companies and WestStar Bank. WestStar Tower will offer on-site parking, with approximately 725 parking spaces available to the public. Additionally, the ground-level floor will be comprised of retail space along with park-like green space also available to the public. The maximum payout is $2,934,722. No payments were issued in fiscal year 2021. Payments are expected to begin in fiscal year 2023.

Mills Plaza Properties II LP – In December 2018, the County agreed to rebate 75% of the County's portion of the ad valorem property tax revenue on the incremental tax value and 25% of the Local Hotel Occupancy tax for 18 years. The developer agreed to renovate a historic property and keep the historical character. Once completed, the building will be transformed into a 4.5-star hotel and create and sustain a total of 76 full-time positions. The maximum rebate amount is $1,300,000. No payments were issued in fiscal year 2021.

Marmaxx (aka The TJX Companies, Inc.) – Under the agreement entered in October 2020, the County agreed to rebate 50%-90% of the value of the County's portion of the ad valorem real property tax revenue for 15 consecutive years. The Company agreed to develop unimproved property to encourage increased economic development in the County, to improve real property for the construction of a warehouse distribution center. To employ, in year one, 250 employees and by year five, 950 employees. The agreement also includes $700,000 in grant payments. The maximum rebate amount is $5,374,263. No payments were issued in fiscal year 2021.

Tax Abatement Agreements of Other Governments that Reduce El Paso County Tax Revenue - The County established a quantitative threshold of $500,000 total estimated rebate or other commitment attributed to agreements of other governmental entities that will reduce the County's tax revenue to determine which foregone tax revenues to disclose individually. There were no such tax abatement agreements in fiscal year 2021.

Note 3. Detailed notes on all funds (Continued)

M. Federal and State Grants

Federal and State grants available for expenditure for general governmental operating purposes are accounted for in the special revenue fund. The accounting periods of most grants are different from the County's accounting period. Because of those differences in accounting periods, columns reflecting those grants' actual expenditures and revenues have been added to the appropriate schedule of revenues and expenditures.

N. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of property; errors and omissions; and natural disasters. The County has purchased commercial insurance to cover any claims up to a certain limit with deductibles ranging from $25,000 to $500,000 in both liability and property and has elected to self-insure against any risk over the covered amounts. The County has not experienced any claims exceeding the commercial insurance coverage in the past several years.

The County retains the risk of loss relating to workers compensation and unemployment liability. Contributions to cover any claims for unemployment are made to a third party administrator with the liability funded on a pay-as-you-go basis. Contribution adjustments are made throughout the year in order to maintain the reserves necessary to meet future claims determined on historical trends. Claims for workers compensation are processed through a third party administrator and also funded on a pay-as-you-go-basis. The estimated potential claims, which are reported in the accompanying financial statements, totaled $3,681,278. This estimate includes amounts for non-incremental claim adjustment expenses related to specific claims. Changes in the balances of claims liabilities during the past year are as follows:

	Year Ended September 30, 2021	Year Ended September 30, 2020
Unpaid claims, beginning of fiscal year	$4,464,418	$3,735,195
Incurred claims (including incurred but not reported)	1,100,236	2,702,763
Claim payments	(1,883,376)	(1,973,540)
Unpaid claims, end of fiscal year	$3,681,278	$4,464,418

The risk financing for the health benefits fund is accounted for as an internal service fund. Contributions to the fund are made as charges to the departments for all full time regular employees. Contributions are also made to the fund by employees for family coverage, and retirees and their families eligible for participation in the health and life plan. Health premium rates are assessed on an annual basis and adjustments are made accordingly on January 1. Rate increases are made due to increases in the cost of medical care. The Risk Pool Board has made a commitment to assess and recommend to Commissioners Court any increase necessary to keep pace with health care costs.

For fiscal year 2021, the County purchased stop loss insurance to cover individual health claims that exceed $300,000. During the fiscal year, two claims were filed with the stop loss insurance carrier. Also at year-end, the County had outstanding health claims in the amount of $983,673, which will be liquidated within sixty days.

Note 3. Detailed notes on all funds (Continued)

O. Assigned for other purposes

Encumbrances outstanding at year-end are reported as assigned for other purposes as part of the fund balance classifications. As of September 30, 2021, encumbrances amounted to $13,901,693, of which $7,201,632 relates to the general fund, $892,693 to the major capital projects 2012, and $5,807,368 to the other governmental funds.

P. Payroll and Workers Compensation Receivable/Payable

The County utilizes the payroll fund to account for those liabilities relating to payroll. The payroll fund maintains a $30,000 cash imprest balance to cover unforeseen payroll liabilities or adjustments necessary during the normal course of operations and to protect against the possibility of an overdraft because of such adjustments. The County utilizes a self-funded workers compensation fund to account for employer contributions and related workers compensation claims. As a means of ensuring adequate funds remain in this account, the County authorized maintaining a $150,000 imprest amount to ensure funds are available at all times to meet workers compensation claims during times should claims exceed contributions while the County, which is responsible to pay for such claims, provides additional funding. These amounts represent an inter-fund loan which at year-end is reversed and reported in the general fund.

Q. Federal Commodities

For fiscal year ended September 30, 2021, the County received federal commodities in the amount of $4,252 for the Juvenile Probation Department.

R. Prior Period Adjustments

Prior period adjustments were necessary for the governmental activities, general fund, other governmental funds (special revenue fund) and business-type activities. The following is a summary of the adjustments and the effect on net position/fund balance.

	General Fund	Other Governmental Funds	Governmental Activities	Business-type Activities
Beginning net position/fund balance	$95,799,993	$27,255,983	55,779,437	$14,320,013
Prior period adjustments:				
Business-type activities-Enterprise-captial asset adjustment				175,760
Governmental activities - Capital Asset adjustment			419,455	
General Fund - Revenue adjustment	(5,033)		(5,033)	
General fund - Sale of forfeited property	(71,900)		(71,900)	
Special Revenue - County Tourist Promotion		(7,481)	(7,481)	
Special Revenue - LEOSE		26,552	26,552	
Special Revenue - Elections Contract Services		(11,612)	(11,612)	
Total prior period adjustments	(76,933)	7,459	349,981	175,760
Restated net position/fund balance	$95,723,060	$27,263,442	$56,129,418	$14,495,773

S. Joint Ventures

Certain counties in the State of Texas, including the County of El Paso, were statutorily authorized to impose an additional motor vehicle registration fee to be used for long-term transportation projects with the requirement that the revenues derived from this fee be remitted to a regional mobility authority located in the County to fund long-term transportation projects in the County. The County and the Camino Real Regional Mobility Authority entered into an inter-local agreement which requires a specific project agreement between these parties before the pledge of expenditures or revenues from the Special Vehicle Registration Fee.

Note 3. Detailed notes on all funds (Continued)

T. Related Party Transactions

The County is not aware of any material related party transactions as of the date of this report.

U. COVID-19 Pandemic, Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding

The World Health Organization declared the COVID-19 outbreak a public health emergency on January 30, 2020, relating to an outbreak, which was first, detected December 2019 in Wuhan, China. On March 11, 2020, it was announced that the novel coronavirus was officially a global pandemic which triggered financial market reactions and additional health and safety precautions. On March 13, 2020, the County along with the State of Texas and the United States declared an emergency in response to the COVID-19 virus pandemic. The County has implemented its emergency action plan to minimize the effects of the virus on operations by reducing staff at work to only essential personnel and having those who can work from home telework. Additionally, the County has initiated efforts to ensure the safety, health and welfare of the public and is expending funds and possibly emergency reserves as deemed necessary. Because this is an evolving situation, we continue to assess potential impacts that are yet to be determined. The County experienced financial losses in most revenue sources other than ad valorem and sales taxes during fiscal years 2020 and most of 2021 due to pandemic necessitating state and local responses for minimized or shutdown government and business operations and restrictions on U.S. Mexico border crossings. Economic impacts included increased unemployment locally and negative impacts to the funding status of pension and other postretirement plans due to the adverse effects of COVID-19 on financial markets nationwide.

CARES Act funding was received by the County of El Paso totaling $27,484,280 as the United States federal government's response to the pandemic to help prevent the spread and provide community and business assistance. As of September 30, 2021, the County had expended or committed to spend $21,811,742 with a remaining unexpended carryforward balance of $5,672,538, which must be expended by December 30, 2021.

ARPA, a $1.9 trillion economic stimulus bill passed in March 2021, included Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) with the objective of providing a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The County CSLFRF award was $163,012,143, to be received in two equal tranches. The first tranche of $81,506,071.50 was received in May 2021 with distribution of the second tranche of equal value scheduled for May 2022. The Department of the Treasury issued the Interim Final Rule governing the use of CSLFRF in May 2021 and in January 2022 adopted the Interim Final Rule with amendments as the Final Rule effective April 1, 2022. Funds must be encumbered by December 31, 2024, and spent by December 31, 2026. The County has budgeted projects for the full amount of the CSLFRF award. As of September 30, 2021, the County had expended or committed to spend $3,302,454 of the first tranche with a remaining unexpended carryforward balance of $159,709,689.

Note 3. Detailed notes on all funds (Continued)

U. COVID-19 Pandemic, CARES Act Funding (Continued)

UMC –Component Unit's patient volumes and related revenues were significantly affected by COVID-1 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitation on certain businesses, as well as suspended elective procedures by health care facilities. Beginning in mid-March 2020, UMC and El Paso Children's Hospital deferred all non essential medical and surgical procedures and suspended elective procedures, which resumed prior to the end of fiscal year 2020.

The extent of the COVID-19 pandemic's adverse effect on UMC's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond UMC's control and ability to forecast. Because of these and other uncertainties, UMC cannot estimate the length or severity of the effect of the pandemic.

During the years ended September 30, 2021 and 2020, UMC received approximately $308 thousand and $62.9 million, respectively, of distributions from the CARES Act Provider Relief Fund (the Provider Relief Fund). These distributions from the Provider Relief fund are not subject to repayment, provided UMC is able to attest and comply with the terms and conditions of the funding including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the U.S. Department of Health and Human Services.

UMC is accounting for such distributions as conditional contributions. Payments are recognized as other non-operating revenue once the applicable terms and conditions required to retain the funds have been met. Based on analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on UMC's operating revenues and expenses, UMC recognized $63.3 million and $0 of Provider Relief Fund Revenue for the years ended September 30, 2021 and 2020, respectively. At September 30, 2020, the unrecognized amount of Provider Relief Fund distributions are recorded as Provider Relief Funds received in advance in the accompanying balance sheets.

The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If UMC is unable to attest to or comply with current or future terms and conditions, UMC's ability to retain some or all of the distributions received may be affected. Provider Relief Funds are subject to government oversight, including potential audits.

During the year ended September 30, 2020 UMC requested and received approximately $30.1 million of accelerated Medicare payments as provided for in the CARES Act, which allows eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months for other health care providers. These amounts are being recaptured by CMS according to payback provisions.

Note 3. Detailed notes on all funds (Continued)

U. COVID-19 Pandemic, CARES Act Funding (Continued)

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25 percent of the remittance advice payment followed by a six-month payback period at 50 percent of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withholding amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29th month at a rate of 4 percent. UMC's outstanding balance related to accelerated Medicare payments was $23.2 million at September 30, 2021.

ESD1 has had no immediate impact to the organization's operations from COVID-19. Future potential impacts may include disruptions or restrictions on ESD1's employees' ability to work. ESD1's operating functions may be changed and may increase operating costs, however future effects of these issues are unknown.

V. Subsequent Events

In January 2022, the County received notice from the U. S. Department of the Treasury that a certain percentage of Emergency Rental Assistance funds previously awarded to the County were not disbursed by the specific milestones required. The County's appeal of the notice has been denied. The potential liability is up to a maximum of $881,000.

In October 2021, UMC, received approximately $17 million of funding from the County of El Paso as part of the Coronavirus State and Local Fiscal Recovery Funds as established by the American Rescue Plan Act. These funds are to be used for qualifying expenses incurred by UMC through 2025 in response to the COVID-19 pandemic. Because certain eligibility criteria have not been met as of September 30, 2021, this funding is not included in the balance sheet or the statements of revenues, expenses and changes in net position at September 30, 2021.

During 2021 ESD1 held an election to approve the adoption of a local sales and use tax at a rate not to exceed 1.5 percent pursuant to *Texas Health and Safety Code 775*.0752. The election authorized the adoption of the rate, which became effective on October 1, 2021.

On December 14, 2021 ESD1 closed on the purchase of land with a value of $4,209,110. The land is to be used as a site for a future headquarter facility. The property is subject to use restriction, to be used exclusively for a fire department headquarters, including related administrative offices, fire suppression training, equipment maintenance, repair, and storage facilities and a fire station. ESD1 has an obligation to commence construction on the property no later than the last day of the 24^{th} month following December 14, 2021, date of the warranty deed.

ESD2 had no subsequent events subject to disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
County of El Paso
Year Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	$27,686,056	$26,762,406	$26,016,740	$29,740,838	$28,653,627	$29,545,850	$29,172,832	N/A	N/A	N/A
Interest on total pension liability	90,249,559	84,587,944	79,234,099	81,728,395	75,075,334	73,345,362	70,530,931	N/A	N/A	N/A
Effect of plan changes	0	0	0	(85,764,813)	(3,296,494)	(95,847,633)	0	N/A	N/A	N/A
Effect of assumption changes or inputs	75,875,317	0	0	(705,508)	0	12,467,930	N/A	N/A	N/A	N/A
Effect of economic/ demographic (gains) or losses	934,290	3,923,964	2,718,998	(12,940,267)	377,139	(4,737,378)	3,927,389	N/A	N/A	N/A
Benefit payments/refunds of contributions	(47,882,384)	(44,780,947)	(40,538,957)	(37,771,572)	(34,261,083)	(30,298,225)	(26,161,836)	N/A	N/A	N/A
Net change in total pension liability	146,862,838	70,493,367	67,430,880	(25,712,926)	66,548,522	(15,524,094)	77,469,316	N/A	N/A	N/A
Total pension liability, beginning	1,109,981,112	1,039,487,745	972,056,865	997,769,791	931,221,269	946,745,363	869,276,047	N/A	N/A	N/A
Total pension liability, ending (a)	$1,256,843,950	$1,109,981,112	$1,039,487,745	$972,056,865	$997,769,791	$931,221,269	$946,745,363	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	$34,063,304	$30,543,142	$30,048,318	$27,848,674	$26,801,554	$24,826,415	$24,527,009	N/A	N/A	N/A
Member contributions	13,334,118	12,614,438	12,278,953	11,850,504	12,095,806	11,298,180	11,207,319	N/A	N/A	N/A
Investment income net of investment expenses	103,495,093	141,640,522	(16,329,345)	111,634,438	52,458,717	(9,496,448)	44,436,493	N/A	N/A	N/A
Benefit payments/refunds of contributions	(47,882,384)	(44,780,947)	(40,538,957)	(37,771,572)	(34,261,083)	(30,298,225)	(26,161,836)	N/A	N/A	N/A
Administrative expenses	(807,899)	(763,435)	(692,760)	(583,624)	(570,719)	(512,359)	(529,596)	N/A	N/A	N/A
Other	78,601	84,511	140,188	20,332	(684,796)	(660,025)	152,151	N/A	N/A	N/A
Net change in fiduciary net position	102,280,833	139,338,231	(15,093,603)	112,998,752	55,839,479	(4,842,462)	53,631,540	N/A	N/A	N/A
Fiduciary net position, beginning	1,001,833,244	862,495,013	877,588,616	764,589,864	708,750,384	713,592,846	659,961,306	N/A	N/A	N/A
Fiduciary net position, ending (b)	$1,104,114,077	$1,001,833,244	$862,495,013	$877,588,616	$764,589,864	$708,750,384	$713,592,846	N/A	N/A	N/A
Net pension liability / (asset), ending = (a)-(b)	$152,729,873	$108,147,868	$176,992,732	$94,468,249	$233,179,928	$222,470,885	$233,152,517	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	87.85%	90.26%	82.97%	90.28%	76.63%	76.11%	75.37%	N/A	N/A	N/A
Pensionable covered payroll	$190,297,852	$179,983,187	$175,413,477	$169,292,907	$179,136,023	$159,868,763	$159,778,176	N/A	N/A	N/A
Net pension liability as a % of covered payroll	80.26%	60.09%	100.90%	55.80%	135.46%	139.16%	145.92%			

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions
County of El Paso
Last 10 Fiscal Years

Fiscal Year	Actuarially Determined Contribution [1]	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll [2]	Actual Contribution as a % of Covered Payroll
2015	$24,656,583	$24,667,674	$(11,091)	$159,275,156	15.5%
2016	25,561,943	25,561,934	9	164,295,397	15.6%
2017	27,307,213	27,310,104	(2,892)	168,438,249	16.2%
2018	28,925,785	29,369,745	(443,960)	173,294,959	16.9%
2019	30,124,269	30,292,649	(168,380)	178,053,471	17.0%
2020	32,854,596	32,854,596	0	186,144,921	17.7%
2021	33,867,609	33,867,623	(14)	188,379,887	18.0%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. Procedures have been applied to actuarial amounts to roll forward to the fiscal year amounts as required by GASB 68.
(2) Payroll is calculated based on contributions as reported to TCDRS.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Valuation date:

Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	20.0 years (based on contribution rate calculated in 12/31/20 valuation)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.6% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.
Changes in assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule*	2015: calendar year, employer contributions reflect that a 2% flat COLA was adopted. 2016: calendar year, employer contributions reflect that a 1% flat COLA was adopted. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

County of El Paso
Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ending September 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability											
Service cost	$2,936,264	$2,469,886	$2,456,979	$2,112,805	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	1,371,683	1,726,965	1,523,556	1,520,389	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in Benefit Terms	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference between expected and actual experience	116,368	(10,555,070)	(223,615)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions or other inputs	6,517,202	10,155,008	(2,732,671)	3,202,720	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(991,006)	(408,074)	(613,214)	(1,155,480)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	9,950,511	3,388,715	411,035	5,680,434	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	48,906,739	45,518,024	45,106,989	39,426,555	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	$58,857,250	$48,906,739	$45,518,024	$45,106,989	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-payroll	$182,880,567	$180,971,392	$175,559,325	$170,180,386	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	32.18%	27.02%	25.93%	26.51%							

Notes to Schedule:

FYE20 – the participation assumption and health care trend rates were updated to better reflect the plan's anticipated experience.

Changes of assumptions reflect the effects of the changes in the discount rate each period.
The following are the discount rates used in each period:

FYE	Discount Rate
2021	2.00%
2020	2.75%
2019	3.71%
2018	3.31%
2017	3.81%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Note: No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement 75.

Schedule of Changes in Net Pension Liability and Related Ratios
El Paso County Hospital District – Component Unit
Year Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	$14,928,000	$13,225,000	$12,844,000	$12,690,000	$12,162,000	$11,531,000	$11,453,000	N/A	N/A	N/A
Interest on total pension liability	40,166,000	37,029,000	33,980,000	31,131,000	28,134,000	26,051,000	23,877,000	N/A	N/A	N/A
Effect of plan changes	0	0	4,884,000	0	0	(2,467,000)	0	N/A	N/A	N/A
Effect of assumption changes or inputs	36,232,000	0	0	1,902,000	0	4,304,000	0	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	3,480,000	2,927,000	35,000	1,746,000	865,000	(3,230,000)	(656,000)	N/A	N/A	N/A
Benefit payments/refunds of contributions	(16,822,000)	(15,528,000)	(13,463,000)	(11,486,000)	(10,307,000)	(9,474,000)	(8,088,000)	N/A	N/A	N/A
Net change in total pension liability	77,984,000	37,653,000	38,280,000	35,983,000	30,854,000	26,715,000	26,586,000	N/A	N/A	N/A
Total pension liability, beginning	489,194,000	451,541,000	413,261,000	377,278,000	346,424,000	319,709,000	293,123,000	N/A	N/A	N/A
Total pension liability, ending (a)	567,178,000	$489,194,000	$451,541,000	$413,261,000	$377,278,000	$346,424,000	$319,709,000	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	$15,345,000	$12,412,000	$10,530,000	$10,064,000	$8,981,000	$8,294,000	$8,342,000	N/A	N/A	N/A
Member contributions	9,787,000	8,501,000	7,800,000	7,683,000	7,060,000	6,490,000	6,339,000	N/A	N/A	N/A
Investment income net of investment expenses	46,615,000	62,874,000	(7,123,000)	48,385,000	22,427,000	(2,734,000)	18,629,000	N/A	N/A	N/A
Benefit payments/refunds of contributions	(16,822,000)	(15,528,000)	(13,463,000)	(11,486,000)	(10,307,000)	(9,474,000)	(8,088,000)	N/A	N/A	N/A
Administrative expenses	(370,000)	(344,000)	(308,000)	(256,000)	(244,000)	(217,000)	(221,000)	N/A	N/A	N/A
Other	285,000	248,000	184,000	96,000	651,000	149,000	132,000	N/A	N/A	N/A
Net change in fiduciary net position	54,840,000	68,163,000	(2,380,000)	54,486,000	28,568,000	2,508,000	25,133,000	N/A	N/A	N/A
Fiduciary net position, beginning	451,060,000	382,897,000	385,277,000	330,791,000	302,223,000	299,715,000	274,582,000	N/A	N/A	N/A
Fiduciary net position, ending (b)	505,900,000	$451,060,000	$382,897,000	$385,277,000	$330,791,000	$302,223,000	$299,715,000	N/A	N/A	N/A
Net pension liability / (asset), ending = (a)-(b)	61,278,000	$38,134,000	$68,644,000	$27,984,000	$46,487,000	$44,201,000	$19,994,000	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	89.20%	92.20%	84.80%	93.23%	87.68%	87.24%	93.75%	N/A	N/A	N/A
Pensionable covered payroll	$195,588,000	$170,028,000	$155,998,000	$153,652,000	$141,207,000	$129,797,000	$126,780,000	N/A	N/A	N/A
Net pension liability as a % of covered payroll	31.33%	22.43%	44.00%	18.21%	32.92%	34.05%	15.77%			

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions
El Paso County Hospital District – Component Unit

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll [1]	Actual Contribution as a % of Covered Payroll
2015	$8,186,000	$8,186,000	0	$127,109,000	6.4%
2016	9,163,000	9,163,000	0	143,894,000	6.4%
2017	9,798,000	9,798,000	0	150,570,000	6.5%
2018	10,420,000	10,420,000	0	155,455,000	6.7%
2019	11,936,000	11,936,000	0	166,322,000	7.2%
2020	14,061,000	14,061,000	0	182,179,000	7.7%
2021	15,708,000	15,708,000	0	205,557,000	7.6%

(1) Payroll is calculated based on contributions as reported to TCDRS.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here.

Valuation date:
Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll, closed
Remaining Amortization period	20.0 years
Asset valuation method	5-year smoothed non-asymptotic market
Inflation	2.50%
Salary increases	4.6% average over career including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	61 (average)
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

El Paso County Hospital District
Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ending September 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability											
Service cost	$95,000	$69,000	$62,000	$540,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	47,000	47,000	45,000	227,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of Benefit Terms	0	0	0	(5,272,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference between expected and actual experience	(76,000)	(118,000)	24,000	94,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions or other inputs	100,000	177,000	10,000	(440,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	23,000	33,000	61,000	(19,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	189,000	208,000	202,000	(4,870,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	1,688,000	1,480,000	1,278,000	6,148,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	1,877,000	$1,688,000	$1,480,000	$1,278,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	$166,615,000	$166,615,000	$142,625,000	$142,625,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	1.13%	1.01%	1.04%	0.90%							

Notes to Schedule:
Benefit changes. Effective May 1, 2018, plan eligibility was changed to age 60 and 20 years of service.
Changes of assumptions. Changes in per capita costs, contribution premiums, trends, retirement, turnover, disability, and discount rate.
This schedule is presented as of the measurement date for the fiscal year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Schedule of Changes in Net Pension Liability and Related Ratios
El Paso County Emergency Services District 1 – Component Unit

Year Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	$35,394	$20,091	$5,104	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	5,953	2,031	413	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	20,191	8,981	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	8,084	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	3,877	3,001	(409)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,758)	(249)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	71,741	33,855	5,108	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	38,963	5,108	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	110,704	38,963	5,108	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	22,470	11,070	2,317	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	20,092	13,241	2,771	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	3,286	845	57	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,758)	(249)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(56)	(24)	(4)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	1,210	828	151	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	45,244	25,711	5,292	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	31,003	5,292	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	76,247	31,003	5,292	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a)-(b)	34,457	$7,960	($184)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	68.87	79.57%	103.60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	$334,865	$264,822	$55,422	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	10.29%	3.01%	-0.33%							

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions
El Paso County Emergency Services District 1 – Component Unit

Year Ending December 31*	Actuarially Determined Contribution[1]	Actual Employer Contribution[1]	Contribution Deficiency (Excess)	Covered Payroll [2]	Actual Contribution as a % of Covered Payroll
2018	$2,317	$2,317	0	$55,422	4.2%
2019	11,070	11,070	0	264,822	4.2%
2020	22,470	22,470	0	334,865	6.7%

[1] TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

[2] Payroll is calculated based on contributions as reported to TCDRS.
* As reported by ESD1

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here.

El Paso County Emergency Services District 1 – Component Unit
Notes to Required Supplementary Information
Schedule of Employer Contributions

Valuation date:
Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution ratios:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.60% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement is 61
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumption were reflected. 2019: New inflation, mortality and other assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2020: Employer contributions reflect that the member rate was increased to 6% and current service matching rate was increased to 170%.

*Only changes that affect the benefit amount and are effective 2015 and thereafter are shown in the notes to the schedule

Schedule of Changes in Net Pension Liability and Related Ratios
El Paso County Emergency Services District 2 – Component Unit
Year Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	$178,402	$164,947	$161,666	$145,296	$127,824	$99,145	N/A	N/A	N/A	N/A
Interest on total pension liability	83,665	64,374	49,084	31,188	13,433	3,595	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	0	0	0	(9,664)	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	102,979	0	0	(6,560)	0	1,049	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(1,242)	7,190	(19,372)	40,311	(4,688)	9,046	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(24,084)	0	(11,554)	0	0	0	N/A	N/A	N/A	N/A
Net change in total pension liability	339,720	236,511	179,824	210,235	136,569	103,171	N/A	N/A	N/A	N/A
Total pension liability, beginning	866,310	629,799	449,975	239,740	103,171	0	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	1,206,030	866,310	629,799	449,975	239,740	103,171	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	119,575	110,261	102,461	98,641	86,150	62,894	N/A	N/A	N/A	N/A
Member contributions	86,291	79,570	73,941	69,676	54,427	39,735	N/A	N/A	N/A	N/A
Investment income net of investment expenses	96,095	102,924	(6,830)	39,961	7,762	(872)	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(24,084)	0	(11,554)	0	0	0	N/A	N/A	N/A	N/A
Administrative expenses	(885)	(705)	(504)	(309)	(84)	(38)	N/A	N/A	N/A	N/A
Other	5,470	6,628	4,957	2,253	5,255	(5)	N/A	N/A	N/A	N/A
Net change in fiduciary net position	282,462	298,678	162,471	210,222	153,510	101,714	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	926,595	627,917	465,446	255,224	101,714	0	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	1,209,057	926,595	627,917	465,446	255,224	$101,714	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a)-(b)	($3,027)	($60,285)	$1,882	($15,471)	($15,484)	$1,457	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	100.25%	106.96%	99.70%	103.44%	106.46%	98.59%	N/A	N/A	N/A	N/A
Pensionable covered payroll	$1,232,729	$1,136,718	$1,056,299	$995,368	$777,533	$567,640	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	-0.25%	-5.30%	0.18%	-1.55%	-1.99%	0.26%				

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions
El Paso County Emergency Services District 2 – Component Unit

Year Ending December 31*	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll [(2)]	Actual Contribution as a % of Covered Payroll
2015	$62,894	$62,894	0	$567,640	11.1%
2016	$86,150	$86,150	0	$777,533	11.1%
2017	$98,641	$98,641	0	$995,368	9.9%
2018	$102,461	$102,461	0	$1,056,299	9.7%
2019	$108,216	$110,261	($2,045)	$1,136,718	9.7%
2020	$115,383	$119,575	($4,192)	$1,232,729	9.7%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis.
GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported to TCDRS.
* As reported by ESD2

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here.

El Paso County Emergency Services District 2 – Component Unit
Notes to Required Supplementary Information
Schedule of Employer Contributions

Valuation date:
Actuarially determined contribution rates are calculated on a calendar basis as of December 31, two years prior to end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution ratios:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining Amortization Period	20.0 years (based on contribution rate calculated in 12/31/2020 valuation)
Asset valuation method	5-years smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.6% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.
Changes in Assumptions and methods reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedules of Employer Contributions*	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

* Only changes that affect the benefit amount and are effective 2015 and thereafter are shown in the notes to the schedule

Schedule of the County Component Unit Emergency Service Districts' Proportionate Share of Net Pension Liabilities of Cost Sharing Multiple-Employer Pension Plan Texas Emergency Services Retirement System (TESRS)

Year Ended September 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
County's Proportion of the net pension liability	2.247%	2.204%	2.250%	2.272%	2.228%	2.088%	1.903%	2.475%	N/A	N/A	N/A
County's proportionate share of the net pension liability	$240,747	$555,648	$637,775	$491,898	$534,757	$608,195	$507,959	$449,748	N/A	N/A	N/A
County's number of active members *	213	192	192	232	175	175	199	200	N/A	N/A	N/A
County's net pension liability per active member	$1,130	$2,894	$3,322	$2,120	$3,056	$3,476	$2,553	$2,249	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	93.1%	83.2%	80.8%	84.3%	81.4%	76.3%	76.9%	83.5%	N/A	N/A	N/A

* There is no compensation for active members, so the number of active members is used instead. The members are volunteer firefighters.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of the County Component Unit Emergency Service Districts' Contributions for Texas Emergency Services Retirement System (TESRS)

Last 10 Fiscal Years

Year Ending September 30	Contractually Required Contribution	Actual Employer Contribution	Actual Non-Employer (County) Contribution	Contribution Deficiency (Excess)	Active Members*	Contributions per Active Member
ESD1						
2015	$23,143	$10,000	$23,143	($10,000)	48	$482
2016	22,776	10,000	20,556	(7,780)	47	650
2017	37,085	10,000	37,085	(10,000)	47	1,002
2018	32,755	10,000	32,755	(10,000)	76	563
2019	34,348	10,000	34,424	(10,000)	45	987
2020	33,018	10,000	12,943	10,075	45	509
2021	43,056	13,852	35,460	(6,256)	66	747
ESD2						
2015	$66,996		$66,996		151	$444
2016	55,932		55,932		128	437
2017	59,004		59,004		128	461
2018	67,474		67,474		156	433
2019	58,810		64,670	(5,860)	147	440
2020	69,768		64,164	5,604	147	436
2021	64,824		58,062	6,762	147	395

* There is no compensation for active members, so the number of active members is used instead. The members are volunteer firefighters.

GASB 68, Paragraph 81, requires that the data in this schedule be presented as of the County's respective fiscal year as opposed to the time period covered by the measurement year ending August 31. In addition, per Paragraph 138, "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

FEDERAL AND STATE AWARD SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Judge and Members of Commissioners Court
County of El Paso, Texas

We have audited, in accordance with the 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 governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statements of the County of El Paso, Texas (County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 29, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clifton Riddick Pettit LLC

El Paso, Texas
April 29, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

County Judge and Members of Commissioners Court
County of El Paso, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the County of El Paso, Texas' (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas Uniform Grant Management Standards that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2021. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the discretely presented component units, which expended federal and state awards, which are not included in the County's schedule of expenditures of federal and state awards during the year ended September 30, 2021. Our audit, described below, did not include the operations of the discretely presented component units because the component units engaged other auditors to perform an audit of compliance.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Texas Uniform Grant Management Standards. Those standards, the Uniform Guidance and the State of Texas Uniform Grant Management Standards, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Uniform Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

Clu Riddock Patten LLC

El Paso, Texas
April 29, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Were significant deficiencies in internal control identified?	None reported
Were material weaknesses in internal control identified?	No
Was any noncompliance noted that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?	No

Federal and State Awards

Internal control over major federal and state award programs:	
Were significant deficiencies in internal control over major programs identified?	Federal - None reported State - None reported
Were material weaknesses in internal control over major programs identified?	Federal - No State - No
Type of auditor's report issued on compliance for the major federal and state programs:	Unmodified
Were there any audit findings disclosed that the auditor is required to report under Title 2 CFR 200.516 Audit findings paragraph (a) or the State of Texas UGMS?	Federal Programs - No State Programs - No

(Continued)

SUMMARY OF AUDITOR'S RESULTS

Major Federal Programs:

Crime Victims Assistance:
Assistance Listing 16.575: Victim Witness Services, Victim of Crimes Act, CA-Victim Resource Program, El Paso Coordinated Response-Victim Assistance Coordinators, El Paso Coordinated Response-El Paso United Family Resiliency Center, First Responder Mental Health, Victim Restoration Initiative;

Formula Grants for Rural Areas:
Assistance Listing 20.509: El Paso County, Texas, and Eastern New Mexico, Rural Transit Assistance Program; COVID-19-5311 Cares Act Fund; COVID-19-Intercity Bus Cares Act Funds; 5339 Bus Facilities Discretionary Program; 5339 Bus Replacement Program;

Coronavirus Relief Fund:
Assistance Listing 21.019: COVID-19 Coronavirus Relief Fund;

Emergency Rental Assistance:
Assistance Listing 21.023: COVID-19 Emergency Rental Assistance;

State and Local Fiscal Recovery Funds:
Assistance Listing 21.027: COVID-19 Coronavirus State and Local Fiscal Recovery Funds; and

Homeland Security Grant Program:
Assistance Listing 97.067: Homeland Security Community Response, Operation Stonegarden, Homeland Security Sustaining Special Response Team

Major State Programs:

Texas Volkswagen Environmental Mitigation Program:
582-20-12633-VW and 582-20-11122-VW;

Rural Transit Assistance:
RUR 2101(24);

(Continued)

SUMMARY OF AUDITOR'S RESULTS

	Public Defenders Indigent Defense: Public Defender Indigent Defense 212-20-071, Public Defender Mental Health Advocacy & Litigation 212-21-D03, Public Defender 48 Hour Bond Project 212-21-D04 and 212-20-D09; and **Texas Veterans Commission:** Veterans Treatment Court GT-VTC20-018 and GT-VTC21-018, Veterans General Assistance GT-FVA20-024 and GT-VS021-004
Dollar threshold used to distinguish between type A and type B programs:	Federal Programs - $1,366,354 State Programs - $300,000
Did auditee qualify as a low-risk auditee under 2 CFR 200.520 Criteria for a low-risk auditee and the State of Texas UGMS?	Federal Programs - Yes State Programs - Yes

FINANCIAL STATEMENT FINDINGS

There are no current year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no current year findings.

STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no current year findings.

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings.

STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings.

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number (AL)	Pass-Through Grantor's Number	Federal Expenditures 2020-2021	Federal Passed Through to Subrecipients 2020-2021	State Expenditures 2020-2021
Federal Expenditures					
***Texas Department of Agriculture**					
National School Lunch Program	10.555	TX-071215	$ 109,900		
Total Child Nutrition Cluster (AL 10.555)			$ 109,900		
***TDHS - Commodities Distribution**					
El Paso County Juvenile Probation (Non-Cash)	10.565	071-050-A4	$ 4,252		
Total Food Distribution Cluster (AL 10.565)			$ 4,252		
Total U.S. Department of Agriculture			**$ 114,152**	**$ -**	**$ -**
U. S. Department of Housing and Urban Development					
***Texas Department of Agriculture**					
Emergency Services Help for Colonias	14.228	7219123	$ 264,741		
El Conquistador Del Paseo and Lourdes States	14.228	7219055	$ 967,706		
***Texas Department of Housing and Community Affairs**					
Colonia Self Help Center	14.228	7218003	$ 74,333		
Total for AL 14.228			$ 1,306,780		
Community Development Block Grants					
***City of El Paso**					
Homebound Meals	14.218	20-1052-1069	$ 40,340		
Total CDBG-Entitlement Grants Cluster (AL 14.218)			$ 40,340		
Continuum of Care	14.267	TX0458L6T031902	$ 98,998		
Continuum of Care	14.267	TX0458L6T032003	$ 20,808		
Total for AL 14.267			$ 119,806		
Total U.S. Department of Housing and Urban Development			**$ 1,466,926**	**$ -**	**$ -**
U.S. Department of the Interior					
National Park Service					
Oñate Crossing at Old Ft. Bliss	15.954	P18AC00690	$ 380		
Oñate Crossing at Old Ft. Bliss	15.954	P20AC00293	$ 28,635		
Total U.S. Department of the Interior			**$ 29,015**	**$ -**	**$ -**
U. S. Department of Justice					
Bureau of Justice Assistance					
COVID-19-Coronavirus Emergency Supplemental	16.034	2020-VD-BX-1042	$ 61,784		
Adult Drug Court Discretionary	16.585	2018-VC-BX-0023	$ 93,258		
Office of Community Oriented Policing Services (COPS)					
COPS Community Policing Development	16.710	2017-CK-WX-0016	$ 21,384		
COPS Hiring Cops in School	16.710	2020-UL-WX-0041	$ 763,379		
Total for AL 16.710			$ 784,763		
Asset Forfeiture Money Laundering Section					
El Paso County Sheriff's Office-Asset Sharing Dpt of Justice	16.922	TX0710000	$ 250,685		
HIDTA-Asset Sharing Dpt of Justice	16.922	TX0710000	$ 52,795		
Total for AL 16.922			$ 303,480		
Office of Justice Programs					
Organized Crime Drug Enforcement Task Force	16.111	SWTXW-0912H	$ 11,979		
Organized Crime Drug Enforcement Task Force	16.111	SWTXW-0914H	$ 6,685		
Organized Crime Drug Enforcement Task Force	16.111	SWTXW-0916H	$ 18,859		
Organized Crime Drug Enforcement Task Force	16.111	SWTXW-0905H	$ 12,634		
Organized Crime Drug Enforcement Task Force	16.111	SWTXW-0858H	$ 2,584		
Total for AL 16.111			$ 52,741		
Bulletproof Vest	16.607	2018-BO-BX-18092097	$ 130		
Bulletproof Vest	16.607	2020-BO-BX-20022547	$ 6,435		
Total for AL 16.607			$ 6,565		
Edward Byrne Memorial JAG 2020	16.738	2020-DJ-BX-0638	$ 5,814		
Edward Byrne Memorial JAG 2017	16.738	2017-DJ-BX-0567	$ 5,358		
Edward Byrne Memorial JAG 2019	16.738	2019-DJ-BX-0508	$ 36,000		
SW Border Rural Law Enforcement	16.738	2019-DG-BX-0026	$ 79,825		
Total for AL 16.738			$ 126,997		
Innovations in Reentry Initiative	16.812	2020-CZ-BX-0040	$ 21,881		
Total for AL 16.812			$ 21,881		
***Texas Office of the Governor - Criminal Justice Division**					
COVID-19-Coronavirus Emergency Supplemental Funding	16.034	CV-41617-01	$ 612,280		
Victim Witness Services	16.575	VA-13625-20	$ 300,297		
Victim Witness Services	16.575	VA-13625-19	$ 3,932		
Victim of Crimes Act	16.575	VA-23931-08	$ 161,401		
CA-Victim Resource Program	16.575	VA-36121-02	$ 71,571		
El Paso Coordinated Response-Victim Assistance Coordinators	16.575	VA-39274-01	$ 25,287		
El Paso Coordinated Response-El Paso United Family Resiliency Center	16.575	VA-39290-01	$ 6,938	$ 2,095,082	
First Responder Mental Health	16.575	VA-40378-01	$ 41,688		
Victim Restoration Initiative	16.575	VA-30971-05	$ 119,644		
Total for AL 16.575			$ 730,758	$ 2,095,082	
Domestic Violence Unit	16.588	WF-13437-23	$ 63,829		
Domestic Violence Unit	16.588	WF-13437-24	$ 8,398		

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number (AL)	Pass-Through Grantor's Number	Federal Expenditures 2020-2021	Federal Passed Through to Subrecipients 2020-2021	State Expenditures 2020-2021
Protective Order Court	16.588	WF-24316-12	$ 13,117		
Protective Order Court	16.588	WF-24316-11	$ 145,463		
Total for AL 16.588			$ 230,807		
Techonology Upgrade	16.738	DJ-40462-01	$ 177,977		
Total U. S. Department of Justice			**$ 3,203,291**	**$ 2,095,082**	**$ -**
U. S. Department of Transportation					
Federal Transit Administration					
***Texas Department of Transportation**					
Van Pool	20.205	CSJ 0924-06-556	$ 342,121		
& Ysleta, Socorro, San Elizario Route	20.205	CSJ 0924-06-555	$ 209,262		
Tornillo Shared Use Path	20.205	CSJ 0924-06-560	$ 1,108,084		
John Hayes Road Way Project	20.205	CSJ 0924-06-564	$ 1,093,546		
Total Highway Planning and Construction Cluster (AL 20.205)			$ 2,753,013		
El Paso County, Texas and Eastern New Mexico	20.509	ICB2001(24)039-19	$ 130,653		
& Rural Transit Assistance Program	20.509	RPT 2101 (06) 045_20	$ 610,172		
& COVID-19-5311 Cares Act Fund	20.509	CAF 2001 (06) 072_20	$ 632,540		
& COVID-19-5311 Cares Act Fund	20.509	CAF 2101 (06) 072_20	$ 830,462		
COVID-19-Intercity Bus Cares Act Funds	20.509	ICB 2102 (06) 072_20	$ 392,596		
5339 Bus Facilities Discretionary Program	20.509	DIS1901(24)018_19	$ 168,000		
5339 Bus Replacement Program	20.509	DIS 2102 (06) 129_20	$ 10,098		
Total for AL 20.509			$ 2,774,521		
5339 Bus and Bus Facilities Program	20.526	BBF2002 (24) 045_18	$ 5,004		
5339 Bus Replacement and Bus Shelter Program	20.526	BBF 2001 (24) 069_20	$ 254,543		
5339 Bus Shelter Facility Program	20.526	DIS 2103 (06) 129_20	$ 223,998		
Total Federal Transit Cluster (AL 20.526)			$ 483,545		
National Highway Traffic Safety Administration					
***Texas Department of Transportation**					
Sheriff's STEP Single Year	20.600	2021-ELPASOCO-S-1YG-00022	$ 42,596		
TXDOT Commercial Motor Vehicle	20.600	2021-ELPASOCO-S-CMV-00008	$ 21,845		
Total Highway Safety Cluster (AL 20.600)			$ 64,441		
Total U.S. Department of Transportation			**$ 6,075,520**	**$ -**	**$ -**
U. S. Department of Treasury					
Asset Forfeiture Money Laundering Section					
El Paso County Sheriff's Office-Asset Sharing Dpt of Treasury	21.016	TX0710000	$ 39,319		
Total for AL 21.016			$ 39,319		
Office of the Inspector General					
COVID-19-Federal CARES Act Corona Virus Relief Fund	21.019	SLT0194	$ 11,955,503	$ 7,094,031	
Total for AL 21.019			$ 11,955,503	$ 7,094,031	
COVID-19-Federal Emergency Rental Assistance I	21.023	ERA0317	$ 29,894	$ 1,075,000	
Total for AL 21.023			$ 29,894	$ 1,075,000	
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1174	$ 703,226	$ 2,586,631	
Total for AL 21.027			$ 703,226	$ 2,586,631	
Total U.S. Department of Treasury			**$ 12,727,942**	**$ 10,755,662**	**$ -**
U.S. Environmental Protection Agency					
***North American Development Bank**					
Hillcrest Center Water Distribution System	66.202	TAA19-12/NADBC-19-143	$ 26,592		
Total U.S. Environmental Protection Agency			**$ 26,592**	**$ -**	**$ -**
U.S. Election Assistance Commission					
***Texas Secretary of State**					
COVID-19-Cares Act Help America Vote	90.404	TX20101CARES-071	$ 185,102		
Help America Vote Act Election	90.404	TX18101001-01-070	$ 24,089		
Total for AL 90.404			**$ 209,191**	**$ -**	**$ -**
U.S. Department of Health and Human Services					
Substance Abuse and Mental Health Services Administration	93.243	5H79TI081159-03	$ 385,653		
Substance Abuse and Mental Health Services Administration	93.243	5H79TI081159-04	$ 296		
Total for AL 93.243			$ 385,949		
***Texas Department of Aging and Disability Services**					
Social Services Block Grant-Home Delivered Meals	93.667	000173100	$ 1,952,869		
***Texas Department of Family and Protective Services**					
Promoting Safe and Stable Families -Child Protective	93.658	HHS000285100002	$ 248,518		
***Texas Juvenile Justice Department**					
Title IV-E	93.658	TJJD-E-2022-071	$ 18,029		
Total for AL 93.658			$ 266,547		
***Texas Attorney General**					
Access and Visitation Grant	93.597	21-C0007	$ 48,231		
Total U.S. Department of Health and Human Services			**$ 2,653,596**	**$ -**	**$ -**

County of El Paso
Schedule of Expenditures of Federal and State Awards
Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number (AL)	Pass-Through Grantor's Number	Federal Expenditures 2020-2021	Federal Passed Through to Subrecipients 2020-2021	State Expenditures 2020-2021
Executive Office of the President					
Office of National Drug Control Policy (ONDCP)					
34th Judicial Dist. Prosecution Initiative	95.001	G20SW0003A	$ 592,358		
34th Judicial Dist. Prosecution Initiative	95.001	G21SW0003A	$ 47,051		
Multiple Initiatives	95.001	G19SW0001A	$ 1,785,260		
Multiple Initiatives	95.001	G20SW0001A	$ 2,189,053		
Multiple Initiatives	95.001	G21SW0001A	$ 2,147		
Total for AL 95.001			$ 4,615,869		
Total Executive Office of the President			**$ 4,615,869**	**$ -**	**$ -**
U. S. Social Security Administration					
Social Security Incentive Payment	96.008	20200901	$ 7,000		
Total U.S. Social Security Administration			**$ 7,000**	**$ -**	**$ -**
U.S. Department of Homeland Security					
Federal Emergency Management Agency					
***United Way of El Paso**					
Emergency Food and Shelter National Board Program	97.024	803600-014 Phase 37	$ 62,540		
Emergency Food and Shelter National Board Program	97.024	803600-014 Phase 38	$ 38,821		
COVID-19-Emergency Food and Shelter National Board Cares Program	97.024	803600-014 Phase Cares	$ 52,765		
Total for AL 97.024			$ 154,126		
***Office of the Governor - Homeland Security Grants Division**					
Homeland Security Community Response	97.067	HS-29504-05	$ 20,856		
Homeland Security Community Response	97.067	HS-29504-06	$ 186,890		
El Paso- 2019 Operation Stonegarden	97.067	HS-30070-05	$ 629,313		
El Paso- 2020 Operation Stonegarden	97.067	HS-30070-06	$ 506,522		
El Paso- 2019 Operation Stonegarden-Constable PCT 6	97.067	HS-39207-02	$ 1,701		
El Paso- 2020 Operation Stonegarden-Constable PCT 6	97.067	HS-39207-03	$ 8,516		
El Paso- 2020 Operation Stonegarden-Constable PCT 1	97.067	HS-42333-01	$ 4,267		
Homeland Security Sustaining Special Response Team	97.067	HS-32213-03	$ 53,114		
Total for AL 97.067			$ 1,411,179		
Total U.S. Department of Homeland Security			**$ 1,565,305**	**$ -**	**$ -**
State Expenditures					
Texas Office of the Governor - Criminal Justice Division					
& 384th Drug Court Program	N/A	SF-16921-18			$ 153,110
& 384th Drug Court Program	N/A	SF-16921-19			$ 7,918
409th Juvenile Drug Court	N/A	SF-18028-16			$ 81,232
409th Juvenile Drug Court	N/A	SF-18028-17			$ 7,453
65th Family Drug Court Program	N/A	SF-23858-12			$ 1,102
65th Family Drug Court Program	N/A	SF-23858-11			$ 75,152
Project Hope	N/A	SF-25765-09			$ 95,989
Project Hope	N/A	SF-25765-10			$ 6,175
Sheriff's County- Essentials Program	N/A	CE-39268-01			$ 40,913
Resilient Invested Suceeding Empowering	N/A	DC-42189-01			$ 2,425
Texas Office of the Governor - Homeland Security Grants Division					
District Attorney's Region 1-Border Prosecution	N/A	BP-22837-10			$ 734,710
District Attorney's Region 1-Border Prosecution	N/A	BP-22837-11			$ 67,571
Local Border Security Program	N/A	BL-29953-07			$ 20,299
Local Border Security Program	N/A	BL-29953-06			$ 372,682
***Rio Grande Council of Governments**					
Sheriff's Training Academy	N/A	SF-14285-17			$ 83,888
Sheriff's Training Academy	N/A	SF-14285-18			$ 3,892
Total Office of the Governor			**$ -**	**$ -**	**$ 1,754,511**
Texas Department of Agriculture					
Home-Delivered Meal Grant Program	N/A	HDM-21-6220			$ 101,499
Total Texas Department of Agriculture			**$ -**	**$ -**	**$ 101,499**
Texas Commission on Environmental Quality					
Texas Volkswagen Environment	N/A	582-20-11122-VW			$ 94,799
Texas Volkswagen Environment Sweeper	N/A	582-20-12633-VW			$ 308,910
***Rio Grande Council of Governments**					
Municipal Solid Waste Program	N/A	2021-Programs			$ 6,517
Total Texas Commission on Environmental Quality					**$ 410,226**
Office of the Attorney General					
Sheriff's Crime Victim's Liaison	N/A	21-07134			$ 37,520
Sheriff's Crime Victim's Liaison	N/A	22-15002			$ 3,449
Sheriff's Crime Victim's Liaison	N/A	19-87007			$ 1,937
State Automated Victim Notification Service	N/A	22-18675			$ 2,512
State Automated Victim Notification Service	N/A	20-03176			$ 27,612
Total Office of the Attorney General			**$ -**	**$ -**	**$ 73,030**
Texas Department of Transportation					
Border Colonia Access Program	N/A	24-BCF5003			$ 42,589
Rural Transit Assistance Program	N/A	RUR 2101(24)			$ 224,157
Routine Airport Maintenance Program	N/A	M2124FABN			$ 49,033
Total Texas Department of Transportation			**$ -**	**$ -**	**$ 315,779**

County of El Paso
Schedule of Expenditures of Federal and State Awards
Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number (AL)	Pass-Through Grantor's Number	Federal Expenditures 2020-2021	Federal Passed Through to Subrecipients 2020-2021	State Expenditures 2020-2021
Texas Comptroller of Public Accounts					
Elections Chapter 19	N/A	TX Election CD Chapter 19- FY20			$ 67,282
Lateral Road Fund Distribution	N/A	94F0001072			$ 79,184
Sheriffs Continuing Education	N/A	TX Occup CD 1701.157			$ 43,766
Total Texas Comptroller of Public Accounts			**$ -**	**$ -**	**$ 190,232**
Texas Department of State Health Services					
Texas School Safety Center at TX State University-San Marcos					
Tobacco Enforcement Program	N/A	2020-0878			$ 87,500
Total Texas Department of State Health Services			**$ -**	**$ -**	**$ 87,500**
Texas Historical Commission					
Casa Ronquillo Project	N/A	TPTF 18-004-D-0			$ 54,000
Total Texas Historical Commission			**$ -**	**$ -**	**$ 54,000**
Texas Indigent Defense Commission					
Public Defender Indigent Defense	N/A	212-20-071			$ 753,308
Public Defender Mental Health Advocacy and Litigation	N/A	212-21-D03			$ 226,332
Public Defender 48 Hour Bond Project	N/A	212-21-D04			$ 253,873
Public Defender 48 Hour Bond Project	N/A	212-20-D09			$ 129
Total Texas Indigent Defense Commission			**$ -**	**$ -**	**$ 1,233,642**
Texas Juvenile Justice Department					
TJJD State Financial Assistance Fund	N/A	TJJD-A-2022-071			$ 256,699
TJJD State Financial Assistance Fund	N/A	TJJD-A-2021-071			$ 3,099,918
TJJD Special Needs Diversionary Program	N/A	TJJD-M-2022-071			$ 8,345
TJJD Special Needs Diversionary Program	N/A	TJJD-M-2021-071			$ 38,214
TJJD Juvenile Justice Alternative Education Program	N/A	TJJD-P-2020-071			$ 73,999
TJJD Regional Diversion Alternatives Program (Reimbursement)	N/A	TJJD-R-2022-071			$ 33,161
TJJD Regional Diversion Alternatives Program (Reimb/Allocations)	N/A	TJJD-R-2021-071			$ 548,885
TJJD Regional Diversion Alternatives Program (Reimbursement)	N/A	TJJD-R-2020-071			$ (13,293)
Total Texas Juvenile Justice Department			**$ -**	**$ -**	**$ 4,045,928**
Texas District Courts-Comptroller Judiciary					
DA Apportionment Salaries	N/A	Gov CD Chpt 46.004			$ 4,773
Total Texas District Courts-Comptroller Judiciary			**$ -**	**$ -**	**$ 4,773**
Texas Department of Criminal Justice					
Reimbursement of Offender Transportation	N/A	Gov CD Chpt 499.125			$ 154,474
Total Texas Department of Criminal Justice			**$ -**	**$ -**	**$ 154,474**
Texas Veterans Commission					
& Veterans Treatment Court	N/A	GT-VTC20-018			$ 219,467
& Veterans Treatment Court	N/A	GT-VTC21-018			$ 65,603
Veterans General Assistance	N/A	GT-FVA20-024			$ 154,029
Veterans General Assistance	N/A	GT-VSO21-004			$ 64,184
Total Texas Veterans Commission			**$ -**	**$ -**	**$ 503,283**
TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE			**$ 32,694,399**	**$ 12,850,744**	**$ 8,928,877**

Federal Funds Expended	$ 45,545,143
State Funds Expended	$ 8,928,877
Total Funds Expended	$ 54,474,020
Note:	
Special Revenues-Grants Total Expenditures	$ 59,364,044
Plus Funds received through General Fund	$ 914,782
Plus Funds received through Special Revenues	$ 237,623
Plus Funds received through Enterprise Accounts	$ 26,592
Plus Juvenile Probation Commodities	$ 4,252
Less Difference between Federal funds received and reported as expended	$ 38,470
Plus Net Change in Fund balance	$ 302,632
Less Non-Federal or State Funding Sources	$ (6,414,375)
TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE	$ 54,474,020

Revenues	
Special Revenues-Grants Total Revenues	$ 59,666,676
Plus Revenues through General Fund	$ 914,782
Plus Revenues through Special Revenues	$ 237,623
Plus Revenues through Enterprise Accounts	$ 26,592
Plus Juvenile Probation Commodities	$ 4,252
Less Difference between Federal funds received and reported as expended	$ 38,470
Less Non-Federal or State Funding Sources	$ (6,414,375)
Adjusted Balance	$ 54,474,020
	$ -

* Federal or State funds passed-through another government agency.
& Grants Required to use Program Income before Grant Funds.

1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of the County of El Paso, Texas (County) for the year ended September 30, 2021. The County's reporting entity is defined in Note 1 to the County's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal and state awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting which is the same basis as the County's Governmental Fund financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Uniform Grant Management Standards.

3. SINGLE AUDIT MAJOR PROGRAM DETERMINATION

The Uniform Guidance and the State of Texas Uniform Grant Management Standards prescribe a risk-based approach to determining which federal and state programs are major programs, respectively. The approach includes consideration of current and prior audit experience, oversight by federal or state agencies and pass-through entities, and the inherent risk of the program.

4. REPORTING ENTITY

The County, for purposes of the supplementary schedule of expenditures of federal and state awards, includes all the funds of the primary government as defined by the Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Nos. 14 and 34*. It does not include the operations of the discretely presented component units.

The discretely presented component units expended federal and state awards during the year ended September 30, 2021 which are not included in the schedule because the discretely presented component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance and the State of Texas Uniform Grant Management Standards.

5. INDIRECT COST RATE

The County did not elect to use the 10% de minimus indirect cost rate, but used the indirect cost rate assigned by the grantor.