



2020 POPULAR ANNUAL FINANCIAL REPORTING

County of El Paso, Texas

PREPARED BY:

The Budget & Fiscal Policy Department



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OUR COUNTY

About El Paso County

El Paso County was created from Bexar District in 1849, organized in 1850, and incorporated in 1871. Parts of El Paso County were taken to form Culberson County in 1911 and Hudspeth County in 1915. El Paso County is one of the 254 counties in the state of Texas. The County was named in the early days for being a well-known pass (“paso”) through the Rocky Mountains. It is the most western county in Texas and is about equidistant from Houston, Texas, Los Angeles, California, and Denver, Colorado. Also, bordered on the east side by Hudspeth County, El Paso County is just to the north of the International Boundary between the United States of America and the Republic of Mexico, and touches Doña Ana County in New Mexico. The County is a strategic crossroads for continental north-south and east-west traffic and spans a geographic area of about 1,013 square miles.

El Paso was among the best places to live in the United States in 2020-2021. According to US News and World Report, “El Paso attracts a wide variety of residents with its array of recreational and cultural offerings.” In 2013, Livability called “El Paso’s amenities, natural beauty, safety rankings and a list of new projects now under construction make it one of the Southwest’s hottest cities.” El Paso County has evolved into an urban cultural renaissance with a creative class of young talent that sees the value of living on the border that offers a variety of lifestyles, cultural diversity with an assortment of outdoor sports, festivals, recreation, and entertainment venues.

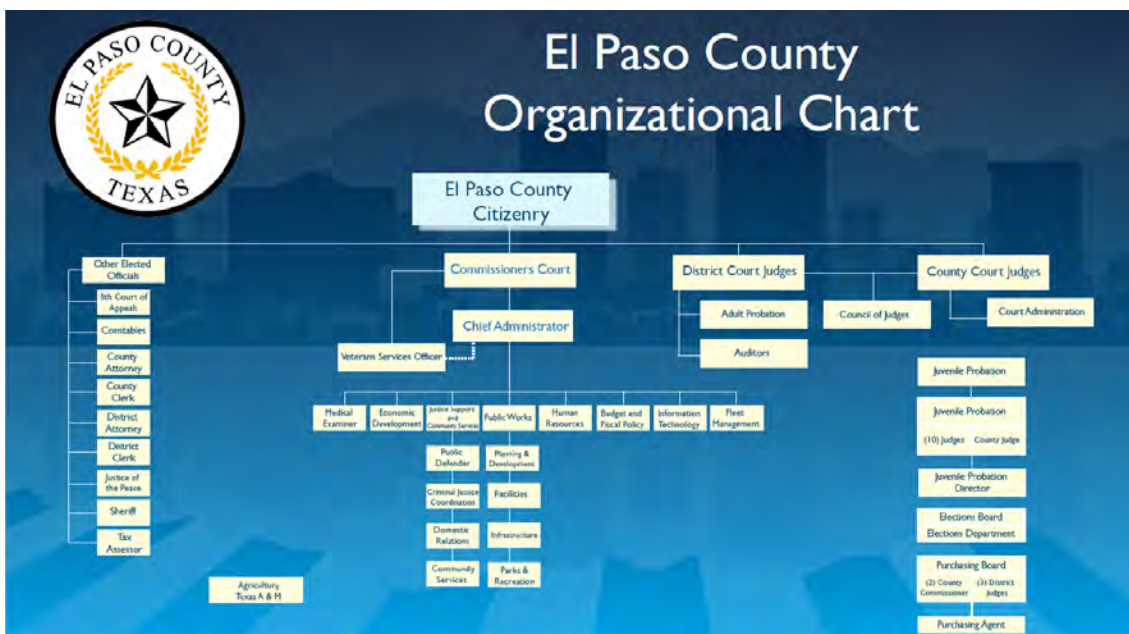
About the Popular Annual Financial Report (PAFR)

This report was created and published to increase public awareness and provide a simplified overview of the County of El Paso’s financial position.

The information in this report is drawn from various budget books and documents for the fiscal year ending September 30, 2020. The information outlines the County’s financial position and operating activities for the year in summary. For more information about the books and documents this information was based on, please visit <http://epcounty.com/budget/> and <http://epcounty.com/auditor/publications/acfr.htm> for more detailed information.

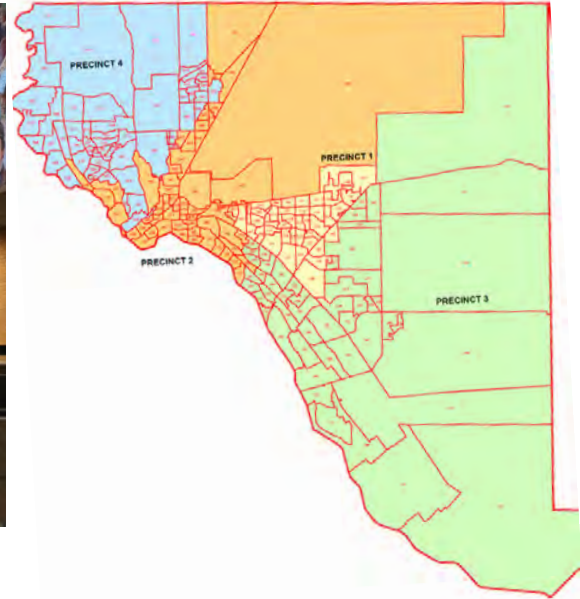
Government

Each County in Texas has a governing body called Commissioners Court. The court is comprised of five members, a County Judge and four County Commissioners. The Commissioners Court serves as the executive branch of County government.



OUR COUNTY

EL PASO COUNTY COMMISSIONERS COURT



MEMBERS OF THE COURT - LEFT TO RIGHT:
 Vincent Perez, Commissioner Pct.3; Carlos Leon, Commissioner Pct. 1; Ricardo Samaniego, County Judge;
 David Stout, Commissioner Pct. 2; Carl L. Robinson, Commissioner Pct. 4
 For more information visit: www.epcounty.com

COUNTY AWARDS



Government Finance Officers Association

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**County of El Paso
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For its Comprehensive Annual
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 For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill
 Executive Director/CEO



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*Distinguished
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Presented to

**County of El Paso
 Texas**

For the Fiscal Year Beginning

October 1, 2019

Christopher P. Morill
 Executive Director/CEO

OUR COUNTY

Message from the Budget Director

We are pleased to present the El Paso County Popular Annual Financial Report (PAFR) for the fiscal year ending September 30, 2020. The 2020 budget adopted by the County totaled \$464,425,060. Mid-year we had to react to the unforeseen pandemic event. In a proactive fashion, El Paso County took swift and immediate action to adjust its budget and modify operations with the implementation of its continuity of operations plan.

This resulting publication provides a snapshot of our fiscal results and illustrates that we not only sustained but grew our overall financial position in spite of this worldwide emergency. The actions taken by the Commissioners Court and departments were focused on strong budgetary and financial controls while simultaneously ensuring that this budget addressed the immediate needs of our community.

The County is committed to continuously monitoring its financial condition and needs for Fiscal Year 2021 and thereafter with the goal of ensuring alignment with its annually adopted Strategic Plan.



Message from the County Auditor

This PAFR conveys the information presented in the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2020, in a less technical format and provides a summary of selected financial and demographic information. The PAFR also represents the County's commitment to financial transparency and our ongoing efforts to increase public confidence and engagement.

The financial information presented in this report is taken from the ACFR, which is prepared by the County Auditor's Office, in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by an independent firm of certified public accountants. The ACFR contains additional detailed and extensive information, such as notes, statistical information, investments, and debt service obligations. It may be viewed at <http://epcounty.com/auditor/publications/acfr.htm>.

We invite you to visit our website <http://epcounty.com/auditor/> for the complete set of County financial reports and to share your comments, questions, and concerns with us.



OUR COUNTY

Mission

Delivering sound and exceptional public services to the people of El Paso County through judicious, efficient, and responsive government, and conscientious development of ideas that produce compassionate solutions to our community's obligations, challenges, and ever changing demands.

Vision

Our unique heritage, diverse economy, and unified regional leadership provide an extraordinary quality of life for all.

Core Values

EPIC

- **Excellence** - As responsible stewards of public funds, we are committed to being the best and delivering exceptional services to the community, collaborating with our partners and empowering stakeholders to achieve common goals in a fiscally responsible manner.
- **Professionalism** - We demonstrate high levels of knowledge and competence in our work, keeping our commitments, holding ourselves and each other accountable for results, and providing for the wellbeing and safety of our employees
- **Integrity** - We strive to earn the public's trust, conducting ourselves with the highest degree of fairness, honesty, transparency, and respect.
- **Creativity** - Embracing high-quality, innovative solutions and diverse approaches to meeting the needs of our community.



AT A GLANCE



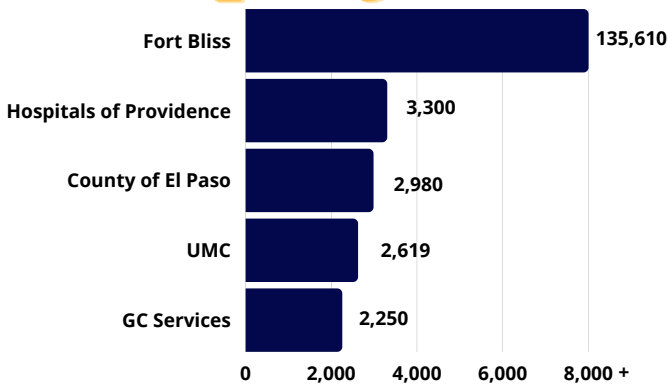
**9TH
LARGEST
COUNTY IN
TEXAS**



POPULATION
839,238

**11TH
BEST U.S. CITY TO
LIVE IN**

Top 5 Employers



MAJOR INDUSTRIES



Military



Health Care & Social Assistance



Educational Services



Retail Trade

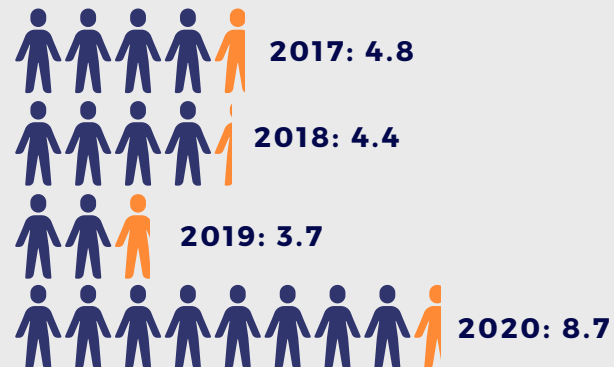
\$21,683 PER CAPITA INCOME

3,851 NEW JOBS

\$46,871 MEDIAN HOUSEHOLD INCOME


8.7 UNEMPLOYMENT RATE

Unemployment 4 Year Overview



RESOURCES:

- El Paso County, 2020 CAFR
- U.S. Bureau of Labor Statistics
- U.S. Census Bureau 2019 estimates



COUNTYWIDE FINANCIAL INFORMATION

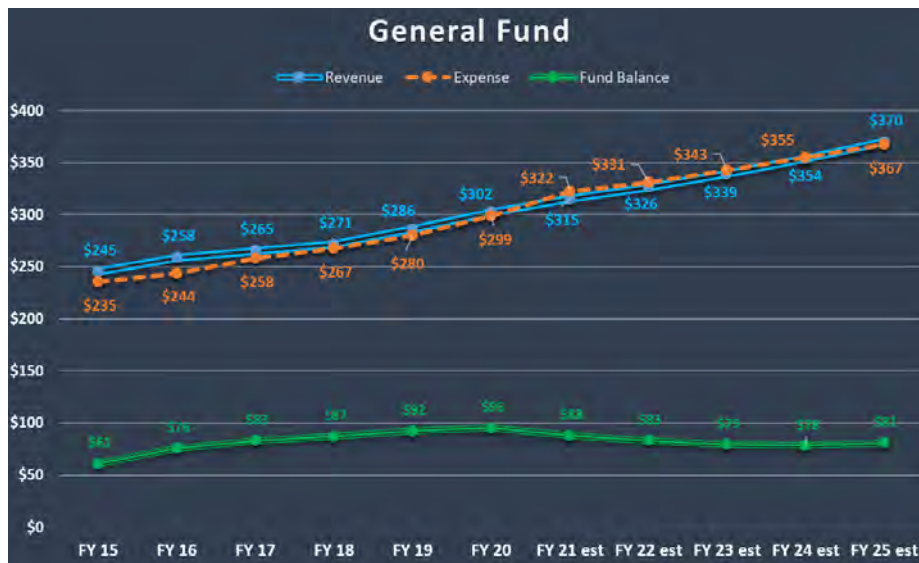
FINANCIAL OUTLOOK

NET POSITION

El Paso County's statement of net position reflects the financial condition of the County. Over time this is an indicator of financial health. In 2020, the County's net position decreased from \$70.8 million to \$70.1 million, largely due to increased expenses in health and welfare as well as community services as a result of the impact of COVID-19 on El Paso County Residents. The information derived from the Statement of Net Position is from the ACFR for 2020. The ACFR is available at <http://epcounty.com/auditor/publications/acfr.htm> This document goes into more detail about the effects GASB Pronouncements have on Net Position.

El Paso County Net Position			
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 191,816,388.00	\$ 2,413,290.00	\$ 194,229,678.00
Other Assets	\$ 43,743,481.00	\$ 479,640.00	\$ 44,223,121.00
Capital Assets	\$ 235,854,975.00	\$ 14,897,821.00	\$ 250,752,796.00
Total Assets	\$ 471,414,844.00	\$ 17,790,751.00	\$ 489,205,595.00
Deferred Outflows of Resources			
	\$ 46,737,352.00	\$ 73,854.00	\$ 46,811,206.00
Liabilities			
Current Liabilities	\$ 51,064,336.00	\$ 661,633.00	\$ 51,725,969.00
Noncurrent liabilities	\$ 367,691,603.00	\$ 2,788,177.00	\$ 370,479,780.00
Total Liabilities	\$ 418,755,939.00	\$ 3,449,810.00	\$ 422,205,749.00
Deferred Inflows of Resources			
	\$ 43,616,820.00	\$ 94,782.00	\$ 43,711,602.00
Net Position			
Net Investment in Capital	\$ 92,586,019.00	\$ 12,202,821.00	\$ 104,788,840.00
Restricted	\$ 45,492,659.00	\$ 912,125.00	\$ 46,404,784.00
Unrestricted	\$ (82,299,241.00)	\$ 1,205,067.00	\$ (81,094,174.00)
Total Net Position	\$ 55,779,437.00	\$ 14,320,013.00	\$ 70,099,450.00

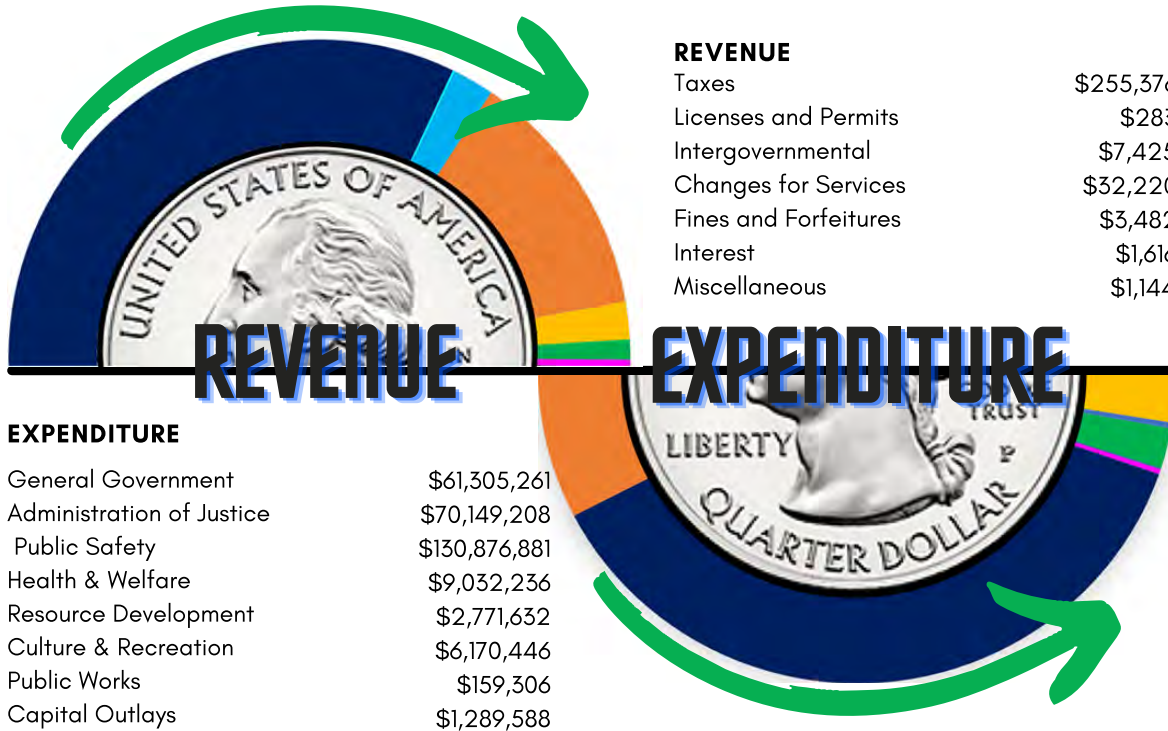
FUND BALANCE



The County Commissioners Court annually approves financial policies. These stipulate the County must maintain a minimum fund balance of 10 to 15 percent of the total general fund adopted operating budget. A healthy fund balance avoids borrowing to meet short-term operating needs and withstands any unforeseen emergency. In fiscal year 2020, the fund balance grew 3.4% from \$92 million to \$95 million for a total of 14.5% fund balance. Due to the pandemic, the County took proactive measures to anticipate revenue loss and established a shelter in place order. Therefore, applicable budgets were reduced by 5% in an effort to reduce spending.

REVENUE AND EXPENDITURES

WHERE IT COMES FROM AND WHERE IT GOES



GENERAL FUND EXPENDITURES

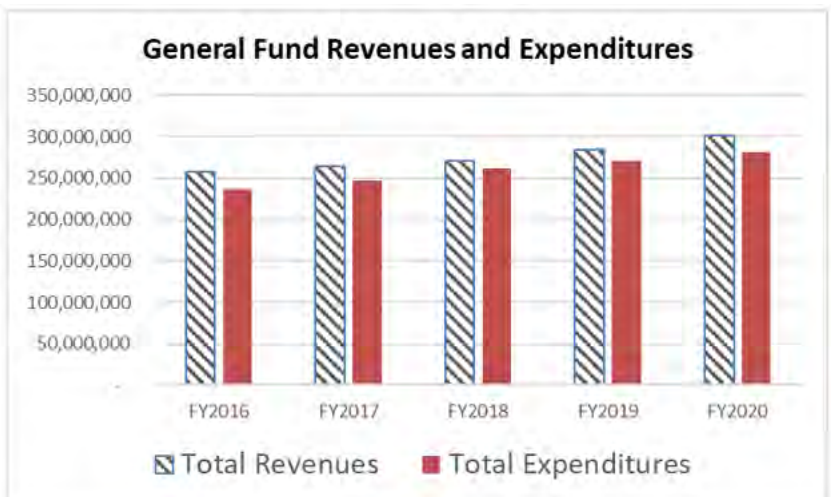
Expenditures grew by 3.83% for a total increase of \$10,383,986. The significance of the fiscal year increases is mainly attributable to the County’s response to COVID-19. Increases were offset by the Commissioners Court and County departments’ commitment to cost containment/reduction policies, such as budget reductions, monitoring staffing vacancies, instituting reorganization, and restructuring of departments.

REVENUE

Actual revenues before transfers totaled \$301,550,694 an increase of 5.99 percent, or \$17,055,251, over fiscal year 2019. Overall revenue growth was offset by decreases totaling \$8,548,863 New property values to the tax rolls and an increase in sales and use tax resulted in a revenue increase of \$25.3 million. Another revenue increase of \$314,928 in intergovernmental services.

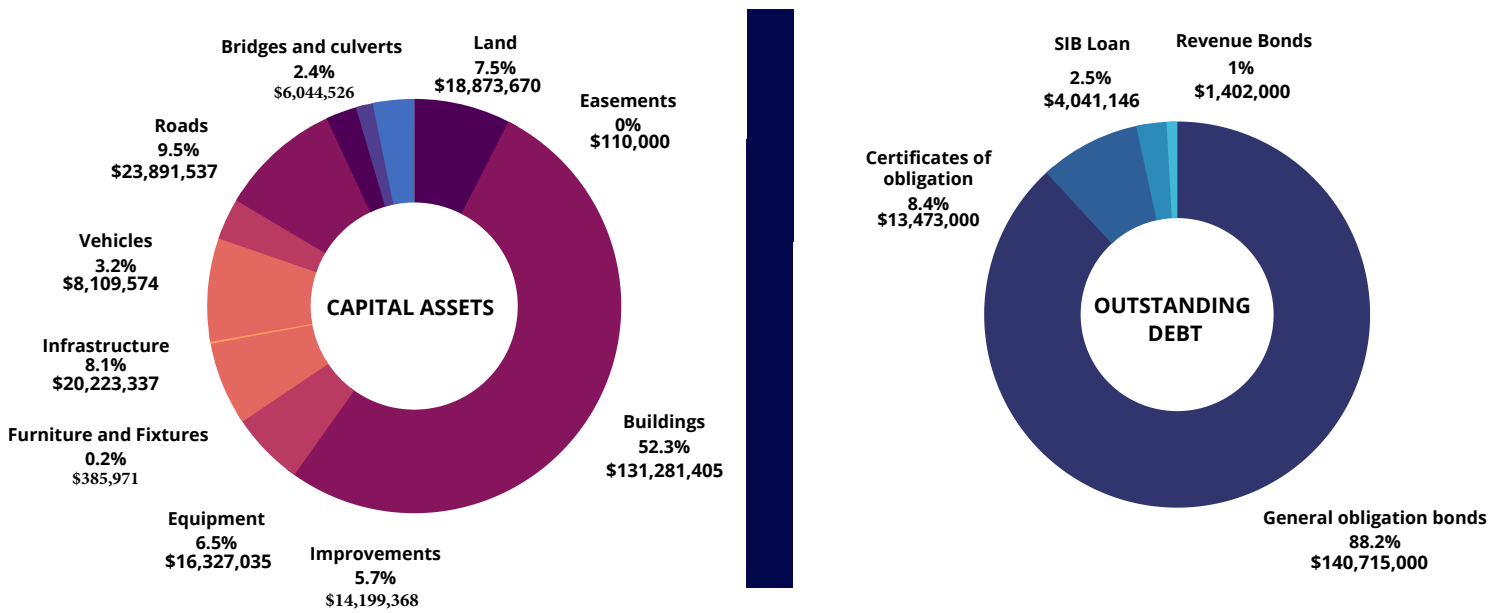
The County experienced a decrease in revenues in the following areas as a result of the pandemic.

- (\$5.6 million) Charges for services
- (\$1.4 million) Interest Earnings
- (\$1.0 million) Fines and Forfeitures
- (\$531,129) Other Financing Sources
- (\$464,660) Misc. Revenues
- (\$1,415) Licenses and Permits



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets for governmental and business type actives amounted to \$250,752,696 net of accumulated depreciation. There was a net decrease from the previous year of 0.96 percent. Ongoing projects funded by debt issued in previous years include Fabens Airport Facility Renovations, Courthouse/Parking Garage Elevator Renovations, Employee Fitness Center, Courthouse Walkways and Sidewalk, Central ID Access and Security Controls, El Paso Stormwater Improvement, John Hayes Street Extension, O.T Smith Hike and Bike Trail, Tornillo Sidewalk, Bus Shelter, Tornillo Shared Used Path, Tornillo Guadalupe POE Bridge, Medical Examiners HVAC Renovations, Courthouse Air Volume Improvements, ITD Infrastructure and Forest Migration Project, and Sheriff's I Leads to WebRMS Upgrade.



The County's outstanding debt at the end of the fiscal year was \$152,806,146. Debt decreased from the previous fiscal year by \$12.9 million or 7.79% due to the payment of principal on the debt. The County continues to have a solid financial position, a low debt burden, and an extensive tax base to receive a credit rating of Aa2. Due to a history of strong financial health, strong and stable reserves, and expenditure flexibility have positioned the County to address challenges posed by periodic economic downturn.



TAXES

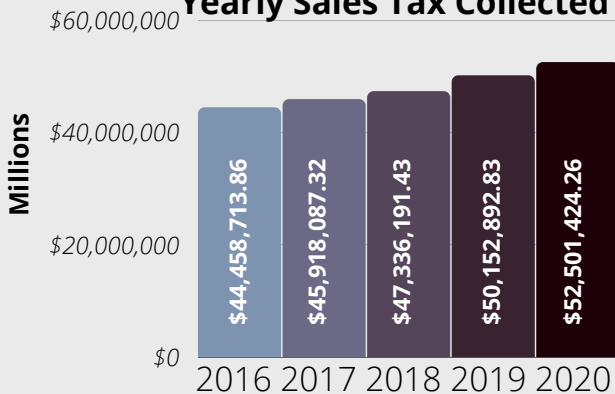
HISTORICAL TAX REVENUE

WHERE DOES THE TAX DOLLAR GO TO?



For the first time in five years, the County approved a tax increase with the adoption of the Rollback tax rate of \$0.488997 cents per \$100 in property valuation to meet our strategic budget and day-to-day operating needs. State legislative initiatives this year were aimed at limiting the ability of local governments to levy property taxes. To that end, a new law going into effect January 1, 2020, will impact the FY 2021 budget and thereafter have lowered the ceiling on tax increases not requiring voter approval from 8% down to 3.5%.

Yearly Sales Tax Collected



	M&O	I&S	Total Rate
2017	0.401487	0.051207	0.452694
2018	0.404746	0.047948	0.452694
2019	0.405971	0.041848	0.447819
2020	0.444645	0.044352	0.488997

HISTORICAL PROPERTY VALUE

Property Value at Market

	RESIDENTIAL	COMMERCIAL	ALL OTHER	TOTAL
2020	\$31,538,947,121	\$12,257,954,240	\$11,286,377,533	\$55,083,278,894
2019	\$28,643,998,787	\$11,212,092,440	\$12,830,101,229	\$52,686,192,456
2018	\$28,146,036,305	\$11,713,125,591	\$9,947,510,462	\$49,806,672,358
2017	\$27,923,885,841	\$13,948,905,507	\$7,569,203,449	\$49,441,994,797



HOME EXEMPTION COUNT AVERAGE HOME EXEMPTION

155,186 **\$5,501**



PROPERTY COUNT

417,913

RESOURCES:

- El Paso Central Appraisal District, 2020 Certified Totals
- El Paso County Tax Assessor Collector