EL PASO COUNTY PUBLIC HEALTH

A COMPONENT UNIT OF EL PASO COUNTY, COLORADO

El Paso County, CO Public Health

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended December 31, 2025

El Paso County Public Health, Colorado

A Component Unit of El Paso County, Colorado

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2025

Prepared by:

El Paso County Financial Services, Finance Division

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I. INTRODUCTORY SECTION

II. FINANCIAL SECTION

III. STATISTICAL SECTION

An El Paso County Public Health staff member shares information at the District 3 Back to School event

I. INTRODUCTORY SECTION

El Paso County Public Health staff at back-to-school resource fair

June 19, 2026

Transmittal Letter

To the Board of Health and Citizens of El Paso County, Colorado:

State law requires each local government publish within six months of the close of every fiscal year a complete set of audited financial statements annually. Publishing of this report is to fulfill the requirement for the fiscal year ended December 31, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RubinBrown LLP, our external independent auditor, issued an unmodified ("clean") opinion on El Paso County Public Health's (EPCPH) financial statements for the year ended December 31, 2025. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

El Paso County Public Health (EPCPH) is located in Colorado Springs, Colorado and serves over 750,000 residents of El Paso County. El Paso County covers 2,130 square miles and includes the cities and towns of Colorado Springs, Manitou Springs, Calhan, Fountain, Green Mountain Falls, Monument, Palmer Lake, and Ramah. The five military bases, multiple colleges, and mixture of rural and urban areas across its plains and mountainous areas make the county unique. EPCPH has 167 authorized full-time equivalents (FTE), in addition to several part-time and contracted employees.

EPCPH is governed by a nine-member Board of Health, whose members are appointed by the El Paso County Board of County Commissioners for five-year terms. The Board of Health governs the agency by establishing policy, overseeing financial matters, and appointing the public health director.

Budget planning for fiscal year 2025 included the following processes: provided monthly financial summary information to the El Paso County Board of Health's governing body; presented annual audit and financial statements to the Board; performed thorough departmental budget reviews and examined projected needs for EPCPH; presented the preliminary balanced budget to the Board of Health as well as the Board of County Commissioners, which included current financial position, estimated revenues and expenditures; and adopted the original budget via resolution by the Board in December 2025.

Mission

EPCPH's mission is to promote and protect public health and environmental quality across El Paso County through people, prevention, and partnerships.

Local economy

There are several major industries located within, or in close proximity to, El Paso County's boundaries. These include five military installations and their supporting operations, semiconductor companies, automobile dealers, and large retailers, as well as several financial institutions, faith-based organizations, insurance companies, and nonprofit, charitable, and cultural organizations. El Paso County is also home to numerous athletic organizations, including the U.S. Olympic and Paralympic Committee, Team USA, which is based in Colorado Springs.

El Paso County Public Health 2025 strategic framework and priorities

The past year was one of transformation and progress for EPCPH. Amid significant leadership transitions and funding challenges, the agency demonstrated resilience, adaptability, and an unwavering commitment to our mission. To successfully evolve and adapt to changes, EPCPH undertook a comprehensive review of agency operations, resulting in enhanced efficiencies and sustainable practices that will serve us well in the future. Through careful evaluation of funding models and staffing structures, we better aligned resources with priorities using a fiscally conservative approach, strategically managing vacancies and attrition to preserve core services.

EPCPH also sharpened its focus on essential mandates and priorities, fostering greater clarity and cohesion across the agency. At the close of 2025, these efforts culminated in a balanced budget and a clear roadmap for continued success.

Key 2025 highlights and initiatives

2025 was characterized by a model of efficiency, optimization, and strong strategic alignment to strengthen the agency's focus on key priority areas.

In 2025, EPCPH launched a Public Health Billing Roundtable, bringing together medical billing representatives from multiple Local Public Health Agencies (LPHAs) across Colorado. By creating this forum, El Paso County is fostering stronger community partnerships while supporting local agencies in maximizing billing efficiency and recouping costs for services, helping to sustain vital public health programs across the state. The Roundtable meets quarterly and has grown in membership from seven counties to 25 counties across the state, as well as a representative from the Colorado Association of Local Public Health Officials.

In May and June 2025, EPCPH successfully investigated and mitigated four confirmed measles cases—the first cases in El Paso County residents in more than 20 years—representing a significant public health achievement. EPCPH's complex investigations involved more than 400 contacts across multiple settings. Through activation of EPCPH's Incident Command Structure, EPCPH quickly acted to provide MMRV vaccine clinics, in addition to designing and implementing off-site measles titer clinics to test for immunity to measles. This new approach—which included developing new response protocols, establishing clinic workflows, and negotiating reduced laboratory pricing—allowed for people who are immune to measles (but may not have a record of immunity) to return to their normal activities as soon as possible. This innovative strategy has since been shared with local public health agencies statewide to strengthen overall outbreak readiness.

EPCPH also pursued a mammogram quality improvement initiative to help improve mammogram referrals and completion rates in response to 2024 data which showed only 43 percent of 128 eligible women completed screening. Mammograms are proven to reduce breast cancer deaths, and are an important preventive screening tool.

EPCPH launched an Infant Safe Sleep campaign in response to 2024 Child Fatality Review Team data showing that sleep-related infant deaths were the leading cause of death among cases reviewed. The Safe Sleep campaign emphasized a safe sleep environment, with an overarching goal of educating parents, caregivers, and communities about safe sleep practices to help reduce the risk of sleep-related infant deaths.

Funding, development and long-term planning

Throughout 2025, EPCPH remained committed to the delivery of high-quality core public health services through a fiscally responsible approach. By exercising conservative budget management, EPCPH effectively navigated numerous disruptions to historic funding streams, including a $1.7 million reduction in categorical grant funding and a $248,000 decrease in state local public health agency funding. Despite these challenges, EPCPH was proactive in anticipating funding changes and deliberate in taking steps to evaluate revenues across all programs; restructure and realign positions to achieve appropriate staffing levels; and review operational processes and expenses to identify efficiencies. Additionally, EPCPH established a local public health roundtable to explore medical billing opportunities, updated fee schedules, provided staff education on budgetary issues, and engaged the Board of Health through additional work sessions focused on fiscal challenges.

These efforts yielded both immediate and long-term benefits. For example, a review of operational expenses resulted in a 50 percent reduction in monthly internet costs and a 21 percent reduction in monthly mobile phone charges. Additionally, revenues from fees, licenses, and permits are projected to increase by $509,000 in 2026 compared to 2025.

As EPCPH moves into 2026, the agency remains committed to providing the highest level of service to the community while continuing to effectively navigate funding constraints. While 2025 goals focused on implementing new plans and streamlining operations in response to the end of pandemic-era funding, the focus in 2026 is on sustaining core services amid broader economic challenges.

Planned actions for 2026 include listing for sale an underutilized satellite location, diversification of funding sources, proactive planning for further budget reductions, and the development of contingency and sustainability plans as the agency approaches the end of two major federal infrastructure grants in 2027. While the financial future continues to evolve, EPCPH is steadfast in its commitment to deliver essential public health services while pursuing fiscally responsible approaches to best serve our community.

Awards and Acknowledgements

EPCPH received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for its fiscal years 2018, 2019, 2020, 2021, 2022, 2023, and 2024.

The Government Finance Officers Association (GFOA) awards Certificates of Achievement for Excellence in Financial Reporting for Annual Comprehensive Financial Reports which are easily readable and efficiently organized to satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current Annual Comprehensive Financial Report will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

We are proud of the progress we've made in 2025, which would not have been possible without our outstanding Board of Health, Board of County Commissioners, EPCPH Leadership and Management team, EPCPH Budget team, and County Budget and Finance team, whose contributions to prudent and transparent fiscal management has earned EPCPH national accolades. This support ensures our Public Health team has the resources needed to help protect and improve the health of El Paso County communities. On behalf of the entire agency, I extend our gratitude to these entities and our partners for their dedication and for being an integral part of our Public Health team.

Respectfully Submitted,

Nikki S. Simmons, CPA
Chief Financial Officer

DeAnn Ryberg, MPH, BSN, RN
Public Health Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

El Paso County Public Health
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

EL PASO COUNTY PUBLIC HEALTH
BOARD OF HEALTH MEMBERS

Hunter Barnett
President
2025 - Present

Cortney Salt
Vice President
2025 - Present

Commissioner Carrie Geitner
2025 - Present

Commissioner Lauren Nelson
2025 - Present

Mayor Todd Dixon
2025 - Present

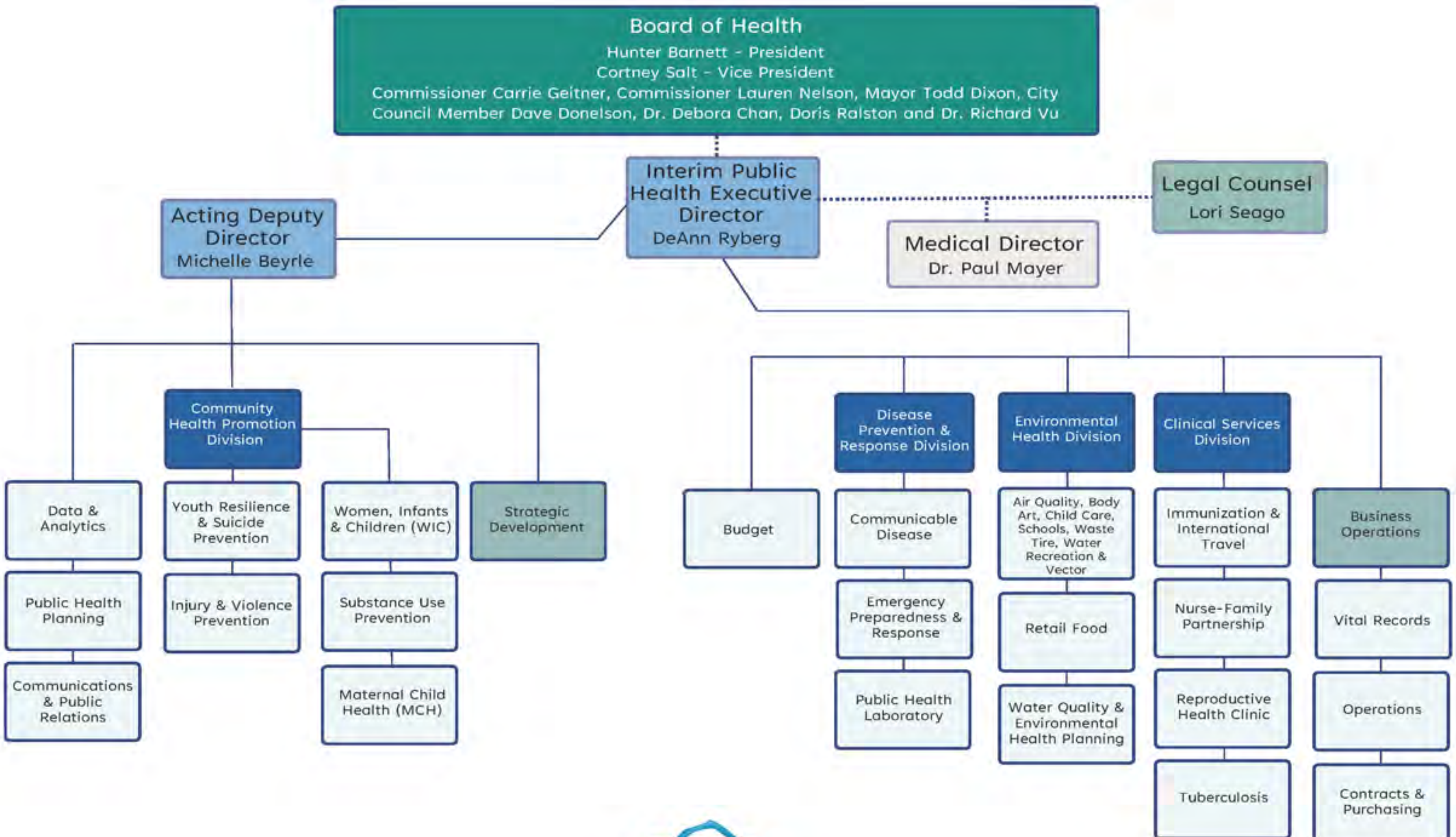
Dr. Debora Chan
2023 - Present

City Councilmember Dave Donelson
2021 - Present

Doris Ralston
2017 - Present

Dr. Richard Vu
2021 - Present

As of 12/31/25



El Paso County, CO
Public Health
Prevent • Promote • Protect

II. FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Health
El Paso County Public Health
Colorado Springs, Colorado

Report On The Audit Of The Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of El Paso County Public Health (the Department) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Department, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis Of A Matter

As discussed in Note A.18, the Department adopted the provisions of Governmental Accounting Standards Board Statement No. 102, *Certain Risk Disclosures.* Our opinion was not modified with respect to this matter.

Responsibilities Of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 26, budgetary comparison schedules on page 62 and 63, schedule of the Department's proportionate share of the net pension liability and schedule of the Department's pension contributions and related ratios on pages 64 and 65, the schedule of the Department's proportionate share of the collective total other postemployment benefits liability on page 66, and the notes to the required supplementary information on page 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2026 on our consideration of the Department'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 the effectiveness of the Department's 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 Department's internal control over financial reporting and compliance.

RubinBrown LLP

June 19, 2026

El Paso County Public Health's (EPCPH, or the "Department") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of EPCPH's financial activity, (c) identify changes in EPCPH's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify fund issues or concerns.

The discussion and analysis of EPCPH's financial performance provides an overview of EPCPH's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with EPCPH's financial statements, which begin on page 29, as well as the transmittal letter.

Financial Highlights

- EPCPH's total net position increased by $1.0 million, or 7.5%, over the prior year. The increase was primarily attributable to a decrease in long-term liabilities related to net pension liability activity. In addition, deferred outflows of resources and deferred inflows of resources related to pensions shifted in 2025 due to strong investment returns within the retirement plan and increased employer contributions.

- At the close of the fiscal year, the Department's General Fund ending balance remained relatively stable increasing by 4.0% or $0.3 million over 2024. The General Fund ending balance totaled $7.6 million at year-end.

- Revenues remained relatively consistent from 2024 to 2025, increasing by $0.5 million, or 1.3% while expenditures decreased slightly by $0.6 million or 1.6%.

- At year-end, the Department's capital assets totaled $4.4 million. Capital assets of $1.9 million were transferred out of Construction in progress to reflect the completion of the Public Health South Phase II Renovation project.

- EPCPH experienced a $0.5 million, or 83.1% decrease in accounts payable from 2024 to 2025, primarily due to the implementation of a new purchasing card system known as PaymentNet. The new system significantly accelerated payment processing times and improved operational efficiency within the accounts payable function. As a result, the accounts payable team was able to virtually eliminate overtime during the January 2026 closeout of 2025 payables, a milestone not achieved in prior years.

Background Information

El Paso County Public Health was established pursuant to Title 25, Article 1 of the Colorado Revised Statutes. A nine-member Board of Health appointed by the El Paso County Board of County Commissioners governs EPCPH. EPCPH is considered a component unit of El Paso County, Colorado and accordingly, EPCPH's financial data is included in El Paso County's (the "County") combined financial statements.

Using this Annual Report

- Management's Discussion and Analysis
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required Supplementary Information

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of EPCPH as a whole and present a longer-term view of EPCPH's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report EPCPH's operations in more detail than the government-wide financial statements by providing information about EPCPH's most significant funds. Other supplementary information is included in addition to the basic financial statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of Department finances. They consist of two statements:

The Statement of Net Position presents information on all of EPCPH's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of EPCPH is improving or deteriorating, respectively.

The Statement of Activities presents information to explain the change in net position that occurred during the fiscal year. All of the current year's revenues and expenses are accounted for, regardless of when cash is received or paid, on a full accrual basis.

Both of the government-wide financial statements distinguish between the governmental and business-type activities based on the nature of their funding. Governmental activities are principally funded by taxes and intergovernmental revenues, while business-type activities are funded by fees and charges paid by users. EPCPH has only governmental activities and they consist principally of those related to its public health services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to control resources for specific activities or objectives. EPCPH uses fund accounting to ensure and demonstrate compliance with finance-related legal and contractual provisions. There are three types of funds: governmental, proprietary, and fiduciary. EPCPH maintains only one governmental type fund - the General Fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions as governmental activities reported in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on the current resources of EPCPH's operations and the services it provides. The information they provide may be useful in evaluating EPCPH's available resources for spending in the near future. Because the information does not encompass the long-term focus of the government-wide statements, a reconciliation is included with the fund financial statements to explain the relationship (or differences) between them.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information (RSI) by providing budgetary comparison schedules to demonstrate budgetary compliance.

Government-Wide Financial Analysis

Government-Wide Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. EPCPH's net position increased by $1.0 million, or 7.5%.

EPCPH experienced a 2.5% decrease in government-wide total assets from 2024 to 2025 representing a decline of $0.4 million. A significant factor in this reduction was a 30.0% decrease in General Fund grants and contracts receivable totaling $1.0 million. This decline reflects both lower federal grant activity and collection of prior-year receivables, as well as a return to more typical funding levels following pandemic-related increases. However, this was offset by an increase of $0.8 million in Cash & Investments, as capital outlay expenditures in 2025 decreased significantly following completion of the Public Health South Phase II Renovation project. EPCPH experienced a 53.6% decrease in total deferred outflows of resources from 2024 to 2025 representing a decline of $4.0 million, with Deferred Outflows related to OPEB dropping $1.0 million and Deferred Outflows related to Pension making up the remaining $3.0 million. In 2025, deferred outflows of resources decreased significantly due to the continued recognition of prior-year deferred amounts. Strong investment returns in the current year limited the addition of new deferred outflows. The retirement plan as a whole realized $75.6 million in net investment income in 2025 and employer contributions increased 0.6%, contributing to the overall strength of the plan.

EPCPH saw a $3.5 million, or 12.2%, decrease in total liabilities. Current liabilities decreased by $0.8 million or 19.6%. Unearned revenue, under current liabilities, increased 66.2% or $0.5 million for 2025. Approximately $0.4 million of the increase is attributable to higher Environmental Health service charges and process improvements that contributed to increased revenue. The remaining portion of the increase is attributed to a new grant received in 2025 for Suicide Prevention. The increase in Unearned Revenue was offset by a decrease in Accounts Payable of $0.5 million or 83.1%. In 2025, EPCPH implemented a new purchasing card ("P-card") processing system known as PaymentNet. The implementation of Payment Net enhanced operational efficiencies within the accounts payable process by accelerating transaction processing and vendor payments. These improvements contributed to a decrease in year-end accounts payable balances compared to the prior year. Likewise, the Due to El Paso County balance decreased by $0.5 million or 72.9% also due to implementation of the new P-card processing system. Since payments are now processed a lot quicker, EPCPH was also able to reimburse El Paso County for those payments expediently reducing the due to balance. The final substantial change in current liabilities was a $0.2 million decrease or 15.2% decrease in noncurrent liabilities due within one year. This decrease reflects the decrease in compensated absences due within one year from 2024 to 2025 of $0.2 million or 20.0%. The decrease in compensated absences resulted from the departure of several long-tenured employees in 2025, whose accrued leave balances were paid out, as well as an overall reduction of 28 employees. A decrease in Subscription-Based Information Technology Arrangements (SBITA) also contributed to this, as the Department's one SBITA was fully amortized in 2025. Long-term liabilities decreased 11.0% by $2.8 million, with the net pension liability making up the majority of this at $2.7 million, a 14.2% reduction. Once again, the decrease in the net pension liability was primarily driven by strong investment returns in 2025 in addition to $46.3 million in contributions to the retirement plan, of which Public Health is a participant. Deferred inflows of resources decreased by $1.8 million (31.3%). Deferred Inflows related to OPEB decreased 22.3% ($0.6 million). This change was influenced by actuarial factors, including an increase in the discount rate from 3.8% to 4.06%, which reduced the OPEB liability. Deferred Inflows related to Pension dropped $1.2 million, or 40.0%, as prior-year favorable differences, including investment gains, were recognized in the current year, while fewer new deferred inflows were generated. Employer contributions to the Retirement Plan increased by 0.6% in 2025.

The net position of El Paso County Public Health is summarized as follows:

El Paso County Public Health Net Position

Governmental Activities

	2025	2024	Variance
ASSETS			
Current and other assets	$ 9,401,719	$ 9,619,311	(2.26)%
Capital assets - net	4,438,988	4,572,489	(2.92)%
Total Assets	13,840,707	14,191,800	(2.47)%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	1,724,778	4,750,941	(63.70)%
Deferred outflows related to OPEB	1,769,219	2,779,524	(36.35)%
Total Deferred Outflows of Resources	3,493,997	7,530,465	(53.60)%
LIABILITIES			
Current liabilities	3,107,332	3,866,997	(19.64)%
Long-term liabilities	22,506,020	25,292,288	(11.02)%
Total Liabilities	25,613,352	29,159,285	(12.16)%
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	1,778,096	2,967,711	(40.09)%
Deferred inflows related to OPEB	2,251,834	2,898,509	(22.31)%
Deferred inflows related to leases	6,484	12,968	(50.00)%
Total Deferred Inflows of Resources	4,036,414	5,879,188	(31.34)%
NET POSITION			
Net investment in capital assets	4,331,143	4,518,571	(4.15)%
Restricted for: TABOR	550,329	500,523	9.95%
Unrestricted	(17,196,534)	(18,335,302)	(6.21)%
Total Net Position (Deficit)	$ (12,315,062)	$ (13,316,208)	(7.52)%

For detailed information, please see the Statement of Net Position on page 29.

A portion of EPCPH's net position reflects its net investment in capital assets and includes leasehold improvements, vehicles, furniture and fixtures, general equipment, buildings, right-to-use lease and subscription assets, and land. This amount is $4.3 million and is reported net of any outstanding debt. These capital assets, reported net of related debt, are used to provide services to El Paso County's citizens and therefore are not available for future spending. The resources required to repay the associated debt must be provided from other funding sources. Net investment in capital assets decreased minimally by 4.1%, or $0.2 million, in 2025 mainly due to accumulated depreciation. Construction of the Public Health South Building was completed in 2025, resulting in the reclassification of the project from construction in progress to depreciable capital assets.

EPCPH's restricted net position was $0.6 million at the end of the year. This restricted net position is the TABOR requirement to maintain an emergency reserve equal to 3% of fiscal year spending excluding debt service, which can be used for any emergency except those caused by economic conditions, revenue shortfalls, and salary or fringe benefits increases.

The Department's total unrestricted net position at year end was a negative $17.2 million. Unrestricted net position represents resources that are not externally restricted and may be used to support operations, capital projects, or other County priorities. OPEB liabilities of $6.0 million, along with net pension liabilities of $16.5 million, continued to be the most significant factors associated with the reported deficits.

The following table shows the changes in net position and compares revenues and expenditures for governmental activities for 2025 and 2024. Total revenues increased by $0.5 million, or 1.3%. A $0.3 million drop in Operating grants & contributions was offset by a $0.8 million increase in Charges for services. As mentioned above, grant funding experienced a decline in 2025 due to shifting federal priorities and a return to steady-state funding following pandemic-related increases while EPCPH focused on increasing fees and revenue generation in 2025. Expenses likewise increased by $0.5 million, or 1.3%. EPCPH implemented a 2% cost-of-living adjustment and an ongoing pay-for-performance salary increase for eligible employees resulting in a slight increase in expenditures for 2025.

Governmental activities increased EPCPH's net position by $1.0 million.

Changes in El Paso County Public Health Net Position

Governmental Activities

	2025	2024	Variance
REVENUES			
Program revenues			
Charges for services	$ 11,706,496	$ 10,859,249	7.80%
Operating grants and contributions	27,857,505	28,113,933	(0.91)%
General revenues	243,129	335,214	(27.47)%
Total Revenues	39,807,130	39,308,396	1.27%
EXPENSES			
Health and welfare	38,805,984	38,313,661	1.28%
Total Expenses	38,805,984	38,313,661	1.28%
Change in net position	1,001,146	994,735	0.64%
Beginning Net Position	(13,316,208)	(14,310,943)	(6.95)%
Ending Net Position	$ (12,315,062)	$ (13,316,208)	(7.52)%

Financial Analysis of El Paso County Public Health's Individual Funds

General Fund:

The General Fund is the only operating fund of EPCPH. At December 31, 2025, unassigned fund balance of the General Fund was $7.0 million, and the total fund balance was $7.6 million, a minimal increase of $0.3 million or 4.2% over 2024.

2025 ended with revenues exceeding expenditures in the General Fund by $0.2 million. As mentioned above, due to the decrease in grant revenue received in 2025, EPCPH focused heavily on increasing charges for services. Revenues were up by $0.5 million, or 1.3% in 2025.

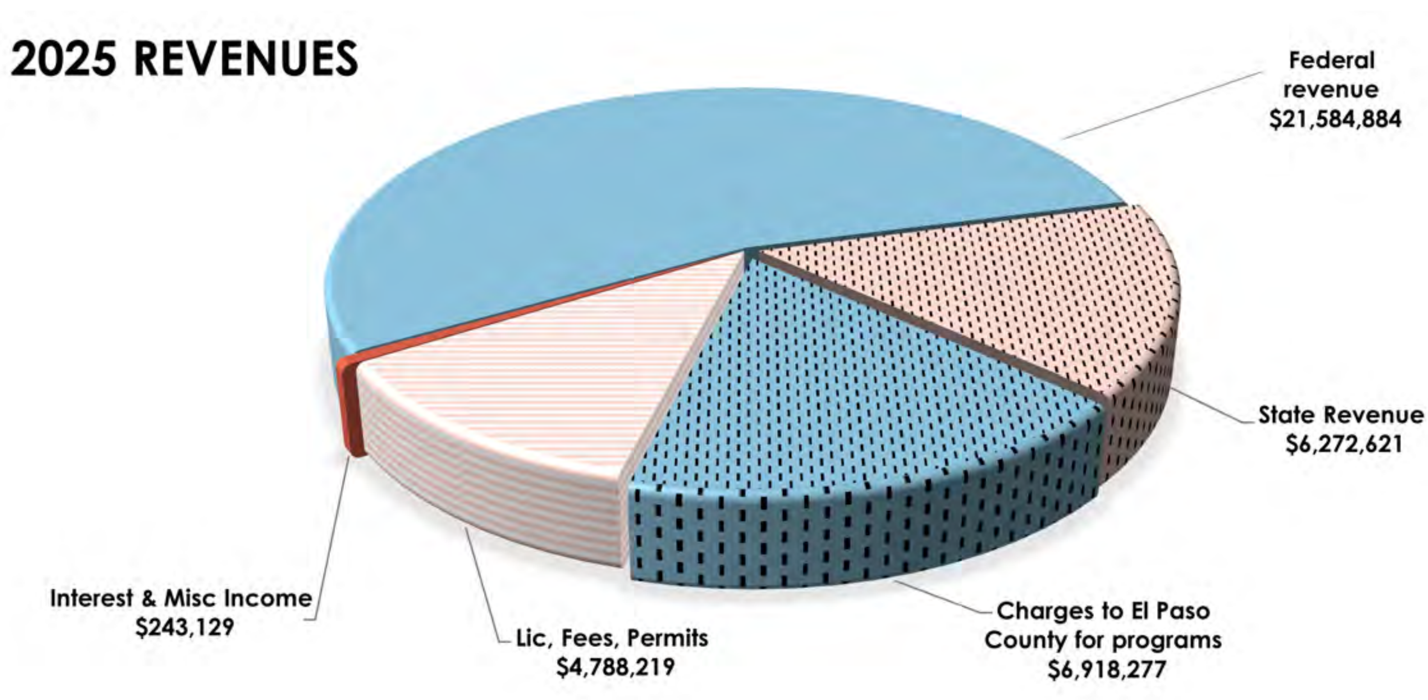
Capital outlay expenses were down by $0.7 million as the Public Health South Phase II Renovation project was completed impacting the overall decrease in total expenditures of 1.6% or $0.6 million.

Our total unassigned fund balance of $7.0 million is 25% of our annual collected revenue. EPCPH's minimum range per policy is 18% - 21% of annual collected revenue and is intended to cover unforeseeable fluctuations in income and/or expenditures.

Operating grants and contributions are 70% of EPCPH's revenue. This revenue is made up of federal and state grants, with federal grants at 54% of the total. Charges to El Paso County for programs comprise 17% of revenue, with Licenses, fees, and permits at 12%.

General Fund Revenues

	2025		2024	
Federal revenue	$ 21,584,884	54.22%	$ 22,241,223	56.58%
State Revenue	6,272,621	15.76%	5,872,710	14.94%
Charges to El Paso County for programs	6,918,277	17.38%	6,639,673	16.89%
Lic, Fees, Permits	4,788,219	12.03%	4,219,576	10.74%
Interest & Misc Income	243,129	0.61%	335,214	0.85%
	$ 39,807,130		$ 39,308,396	

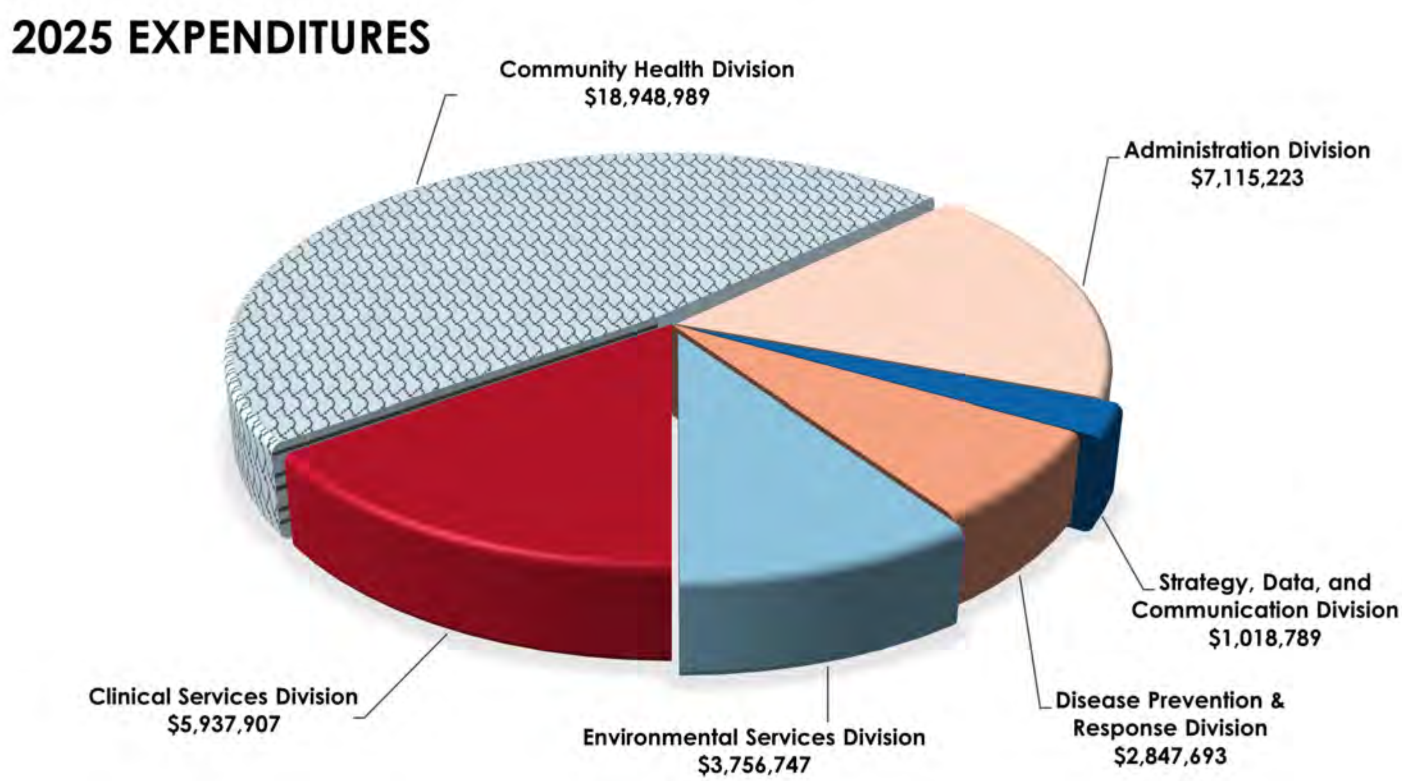


Federal revenues decreased $0.7 million or 3.0% from 2024 to 2025 while EPCPH obtained additional state grant support in 2025 of $0.4 million or 6.8%. In order to compensate for the changing federal grant environment, EPCPH worked heavily to increase Charges for programs and Licenses, Fees, and Permits. They were successful with the following increases respectively: $0.3 million or 4.2% and $0.6 million or 13.5%.

The majority of EPCPH's expenses are allocated to the Community Health Division, which houses some of the Department's largest grants such as WIC (Special Supplemental Nutrition Program for Women, Infants, and Children) and TEPP (Tobacco Education and Prevention). In response to changing grant revenue levels during 2025, EPCPH implemented cost control measures within the Administration Division. Administration Division expenses decreased by $2.5 million, or 26.3%, primarily reflecting lower staffing levels and the expiration of ARPA-funded programs. In 2025 EPCPH moved aggressively to reduce Full-Time Equivalents (FTE) as Public Health funding across federal sources decreased. More than seven positions were eliminated from Administration. In addition, the highest paid position was vacant for 11 months. As ARPA funding ended in 2024, personnel who were funded under this grant moved out of the Administration Division and back to their home divisions, and Administration expenses further decreased as a new division was created in 2025 and funds were moved from Administration into the new division, Strategy, Data, and Communications.

General Fund Expenditures

	2025		2024	
Disease Prevention & Response Division	$ 2,847,693	7.19%	$ 2,329,654	5.79%
Environmental Services Division	3,756,747	9.48%	3,491,833	8.67%
Clinical Services Division	5,937,907	14.99%	5,430,895	13.49%
Community Health Division	18,948,989	47.82%	18,617,712	46.25%
Administration Division	7,115,223	17.96%	9,656,700	23.99%
Strategy, Data, and Communication Division	1,018,789	2.57%	729,566	1.81%
	$ 39,625,348		$ 40,256,360	



El Paso County Public Health 2025 Budgetary Highlights

Over the course of the year, the Board of Public Health revised the Public Health expenditure budget with seven resolutions for a net increase of $1,578,420.

- Differences between the General Fund original budget and the final amended budget include Resolution 2025-02 which adopted revenues and expenditures in the amount of $112,404 for a new grant from the Colorado Springs Health Foundation to expand Youth Suicide Prevention efforts and Resolution 2025-03 which adopted revenues and expenditures in the amount of $305,471 for funding for the Epidemiology and Laboratory Capacity 2.3 contract from the Centers for Disease Control and Prevention. The cumulative effect of these resolutions was $417,875 with no change to net impact/fund balance.

- EPCPH received notice of changes to historical funding streams which resulted in evaluation of staffing needs and strategic analysis of priorities and alignment of services. Throughout 2025, we reduced our personnel by 28 FTE (Full-time Equivalents) which resulted in a budget variance of approximately $986,000 under the authorized personnel budget. Additionally, EPCPH evaluated savings available through discretionary operating expenditures which resulted in a variance of approximately $768,000 under the authorized operating budget.

- Though our revenue also came in under budget by approximately $500,000, the overall result of 2025 operations was a variance in net position/fund balance from a use of fund balance in the amount of $970,014 to an increase to fund balance of approximately $313,000.

The table below shows the condensed revenues and expenditures, budget and actual for the General Fund for 2025:

El Paso County Public Health Budgetary Variances

	2025 Original Budget	2025 Final Budget	Variance	%
Revenues and Appropriated Fund Balance	$ 27,283,961	$ 27,701,836	$ 417,875	1.53%
Expenditures	28,253,975	28,671,850	(417,875)	(1.48)%
Net Change in Fund Balance	$ (970,014)	$ (970,014)	$ -	

	2025 Final Budget	2025 Actual	Variance	%
Revenues and Appropriated Fund Balance	$ 27,701,836	$ 27,183,830	$ (518,006)	(1.87)%
Expenditures	28,671,850	26,870,841	1,801,009	6.28%
Net Change in Fund Balance	$ (970,014)	$ 312,989	$ 1,283,003	

Capital Assets

At the end of 2025, EPCPH had invested $4.4 million in capital assets, including land, buildings, equipment, etc. The following table presents capital balances related to governmental activities:

El Paso County Public Health Capital Assets

Governmental Activities			
	2025	**2024**	**Variance**
Land	$ 642,328	$ 642,328	
Buildings	3,197,329	1,614,712	98.01%
Leasehold improvements	115,886	121,370	(4.52)%
Vehicles	28,160	38,908	(27.62)%
General equipment	254,650	180,987	40.70%
Furniture and fixtures	100,598	65,729	53.05%
Construction in progress	-	1,872,800	(100.00)%
Right-to-use leased equipment	100,037	-	
Right-to-use subscriptions	-	35,655	(100.00)%
Total	$ 4,438,988	$ 4,572,489	(2.92)%

- The Public Health South Phase II Renovation project was completed in 2025 resulting in $1.9 million in capital assets being transferred out of Construction in progress.

- EPCPH experienced a decrease of $0.1 million or 2.9% in Capital Assets for 2025 mainly due to typically recorded depreciation/amortization.

For more information on capital assets, see Notes A7 and B2. Additional information on right-to-use leased equipment and right-to-use subscriptions can be found in Note A16 and Note A17 respectively.

Summary

Future revenues and expenditures will depend on the economic climate of El Paso County, the State of Colorado, and funding at the federal level. Anticipated budget and program cuts at the state and federal level will affect the level of services that EPCPH will provide in future years. Programs will be evaluated to assure that adequate funding is available to sustain the level of services required and to meet the goal of EPCPH to become fiscally self-sufficient.

If you have questions about this report or need additional financial information, contact Financial Services Division, El Paso County, 200 S. Cascade Ave., Suite 30, Colorado Springs, Colorado 80903.

BASIC FINANCIAL STATEMENTS

El Paso County, CO
Public Health

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EL PASO COUNTY PUBLIC HEALTH
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 6,839,117
Grants and contracts receivable	2,440,707
Accounts receivable	2,385
Lease receivable	8,498
Due from El Paso County	135
Inventories	58,780
Prepaid expenses	52,097
Capital assets, not depreciated	642,328
Capital assets, net of accumulated depreciation	3,796,660
Total Assets	13,840,707
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	1,724,778
Deferred outflows related to OPEB	1,769,219
Total Deferred Outflows of Resources	3,493,997
LIABILITIES	
Accounts payable	96,250
Due to El Paso County	190,868
Accrued liabilities	391,545
Unearned revenue	1,131,507
Noncurrent liabilities	
Due within one year	1,297,162
Due in more than one year	22,506,020
Total Liabilities	25,613,352
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	1,778,096
Deferred inflows related to OPEB	2,251,834
Deferred inflows related to leases	6,484
Total Deferred Inflows of Resources	4,036,414
NET POSITION	
Net investment in capital assets	4,331,143
Restricted for:	
TABOR	550,329
Unrestricted	(17,196,534)
Total Net Position (deficit)	$ (12,315,062)

The accompanying notes are an integral part of this statement.

EL PASO COUNTY PUBLIC HEALTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			**Net (Expense) Revenue and Changes in Net Position**
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Health and welfare	$ 38,801,543	$ 11,706,496	$ 27,857,505	$ -	762,458
Interest on long term debt	4,441	-	-	-	(4,441)
Total governmental activities	$ 38,805,984	$ 11,706,496	$ 27,857,505	$ -	$ 758,017
	General revenues:				
	Interest income				216,949
	Miscellaneous				26,180
	Total general revenues				243,129
	Change in net position				1,001,146
	Net position - January 1				(13,316,208)
	Net position - December 31				$ (12,315,062)

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EL PASO COUNTY PUBLIC HEALTH
GOVERNMENTAL FUND
BALANCE SHEET
DECEMBER 31, 2025

	General Fund
ASSETS	
Cash and investments	$ 6,839,117
Grants and contracts receivable	2,440,707
Accounts receivable	2,385
Lease receivable	8,498
Due from El Paso County	135
Inventories	58,780
Prepaid expenses	52,097
Total Assets	9,401,719
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	96,250
Due to El Paso County	190,868
Accrued liabilities	391,545
Unearned revenue	1,131,507
Total Liabilities	1,810,170
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases	6,484
FUND BALANCES	
Nonspendable	110,878
Restricted	550,329
Unassigned	6,923,858
Total Fund Balances	7,585,065
Total Liabilities, Deferred Inflows Related to Leases, and Fund Balances	$ 9,401,719

The accompanying notes are an integral part of this statement.

EL PASO COUNTY PUBLIC HEALTH
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

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

Fund Balance - Governmental Fund		$ 7,585,065
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund. The cost of the assets is $5,814,714 and the accumulated depreciation is $1,475,763. The cost of the right-to-use assets is $229,011 and the accumulated amortization is $128,974.		4,438,988
Deferred outflows of resources, deferred inflows of resources, and liabilities associated with pension:		
Deferred outflows related to pension	$ 1,724,778	
Net pension liability	(16,497,344)	
Deferred inflows related to pension	(1,778,096)	(16,550,662)
Deferred outflows of resources, deferred inflows of resources, and liabilities associated with OPEB:		
Deferred outflows related to OPEB	$ 1,769,219	
Total OPEB liability	(5,950,488)	
Deferred inflows related to OPEB	(2,251,834)	(6,433,103)
Some liabilities are not due and payble in the curent period and, therefore, are not reported in the funds and include:		
Compensated absences		(1,247,505)
Lease liability		(101,845)
SBITA liability		(6,000)
Net Position - Governmental Activities		$ (12,315,062)

The accompanying notes are an integral part of this statement.

EL PASO COUNTY PUBLIC HEALTH
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
REVENUES	
Charges to El Paso County for programs	$ 6,918,277
Intergovernmental and other grants	27,857,505
Licenses, fees, and permits	4,788,219
Interest income	216,949
Miscellaneous	26,180
Total Revenues	39,807,130
EXPENDITURES	
Current	
Health and welfare	39,404,395
Capital outlay	160,651
Debt Service	
Principal	55,861
Interest	4,441
Total Expenditures	39,625,348
Excess (deficiency) of revenues over (under) expenditures	181,782
OTHER FINANCING SOURCES (USES)	
Issuance of Leases	122,050
Total other financing sources (uses)	122,050
Net Change in Fund Balance	303,832
Fund balance - January 1	7,281,233
Fund balance - December 31	$ 7,585,065

The accompanying notes are an integral part of this statement.

EL PASO COUNTY PUBLIC HEALTH
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Governmental Fund	$ 303,832
Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the costs of those assets are allocated over estimated useful lives and reported as depreciation and amortization expense. The details of this difference are as follows:	
Capital outlay	160,651
Depreciation/amortization expense	(281,890)
The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts, except issuance costs, are deferred and amortized in the statement of activities. The details of these differences are as follows:	
Debt issued or incurred:	
Payment of lease principal	20,205
Lease financing	(122,050)
Payment of SBITA principal	35,656
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in governmental funds.	
Pension expense related amounts	900,162
OPEB expense related amounts	(238,560)
Compensated absences	223,140
Change in Net Position - Governmental Activities	$ 1,001,146

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

El Paso County, CO
Public Health

NOTE A - Summary of Significant Accounting Policies

1. Reporting Entity

El Paso County Public Health (the "Department") is a political subdivision of the State of Colorado established pursuant to Title 25, Article 1 of the Colorado Revised Statutes. The Department, governed by a nine-member Board of Health appointed by the El Paso County Board of County Commissioners, was established to appoint a Public Health Director, determine public health policies, and to promote and protect public health and environmental quality in the community through people, prevention and partnerships.

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

The Department is a component unit of El Paso County, Colorado. As defined by GASB Statement No. 61, component units are legally separate entities that are included in the primary government's reporting entity because of the significance of their operating or financial relationships with the primary government. As a component unit of El Paso County, Colorado, The Department is appropriated significant funds from the County for operations. The Department is reported in the County's Annual Comprehensive Financial Report as a discretely presented component unit.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Department. Governmental activities normally are supported by charges for services and intergovernmental revenues. The Department does not report business-type activities, which rely to a significant extent on fees and charges for support. The Department's net position is reported in three parts - net investment in capital assets; restricted for emergency reserve (TABOR); and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The Department uses one fund (the "General Fund") to account for all financial resources. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Of the three categories of funds (governmental, proprietary and fiduciary), the Department uses only the governmental fund.

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A - Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

"Measurable" means that the amount of the transaction can be determined and "available" means collected within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Under modified accrual accounting, expenditures generally are recognized when the related liability is incurred. However, certain liabilities, such as compensated absences, are recorded only when payment is due.

4. Cash and Investments

For reporting purposes, the Department's cash and investments consist of cash on hand, demand deposits, and securities held in a local government investment pool.

ColoTrust is a statutory trust organized and existing under the laws of the State of Colorado and is intended solely for the use of Colorado local governments. ColoTrust is designed to provide local governments with a convenient method for investing in short-term investments carefully chosen to provide maximum safety and liquidity while still maximizing interest earnings. The investment pool is comprised of two funds: ColoTrust Prime and ColoTrust Plus+. ColoTrust Prime invests only in U.S. Treasury and government agencies. ColoTrust Plus+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. Both programs carry a 'AAAm' rating from S&P Global Ratings.

The Department's investment fund, ColoTrust Plus+, is stated at net asset value per share, which approximates fair value. As required by state statute, the El Paso County Treasurer serves as Treasurer of the Department and holds all cash and investments for the Department as Department resources.

5. Receivables and Payables

Receivables in the General Fund consist of 99% grants and contracts receivables, and less than one percent other receivables. Management believes these receivables are fully collectible.

Payables and accrued liabilities in the General Fund consist of 41% payables to vendors and 59% accrued salaries and benefits. There is no retention owed at the end of the fiscal year.

6. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out method. Inventories of the Department consist of vaccines and are considered expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The expenditure will be appropriately recognized using the consumption method in the benefiting period.

NOTE A - Summary of Significant Accounting Policies (continued)

7. Capital Assets

Capital assets, which consist of property and equipment, are recorded at cost in the government-wide financial statements. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the capital assets. The Department uses a capitalization threshold of $10,000 for financial statement purposes and depreciates capital assets using straight-line method over the following estimated useful lives:

Asset	Years
Leasehold improvements	4
Vehicles	4 - 8
Furniture and fixtures	5
General equipment	5 - 15
Intangibles	5 - 14
Right-to-use lease assets & SBITAs	2 - 15
Building	40

8. Deferred Outflows/Inflows of Resources

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

The Department has four items that qualify for reporting as Deferred Outflows of Resources. Deferred outflows related to pension and OPEB have been recorded as of December 31, 2025, which consist of four components: 1) contributions subsequent to measurement date; 2) change in proportionate share of the net liability; 3) changes of assumptions or other inputs; and 4) difference between expected and actual experience. See Note C for additional information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for Deferred Inflows of Resources. This separate financial statement element, Deferred Inflow of Resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Department has four items that qualify for reporting as Deferred Inflows of Resources. Deferred inflows related to pension and OPEB have been recorded as of December 31, 2025, which consist of three components: 1) change in proportionate share of the net liability; 2) changes of assumptions or other inputs; and 3) difference between expected and actual experience. See Note C for additional information.

Deferred inflows related to leases have been recorded as of December 31, 2025, which is measured initially at the value of the lease receivable plus any payments at or before the commencement of the lease term that relate to future periods.

9. Unearned Revenue

Unearned Revenues include revenues that have been collected or recognized as a receivable but corresponding eligibility criteria have not been met.

NOTE A - Summary of Significant Accounting Policies (continued)

10. Compensated Absences

It is the Department's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation or retirement from service. These liabilities are being reported on the government-wide financial statements and the expenditures are reported in the fund financial statements only when payment is due.

11. Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. As of December 31, 2025, fund balances of the governmental funds are classified as follows:

- Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

- Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- Committed - amounts that can be used for specific purposes determined by a formal action of the El Paso County Board of Health, the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through resolutions approved by the El Paso County Board of Health.

- Assigned - amounts that do not meet the criteria to be classified as restricted or committed but which are intended to be used for specific purposes. El Paso County Public Health has delegated the authority to the Public Health Director and Budget Officer to designate funds and amounts to be used for specific purposes.

- Unassigned - amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes with the General Fund.

12. Pensions

The Department participates in the El Paso County Retirement Plan (the "Plan"), a cost-sharing, multiple-employer defined benefit pension plan covering all full-time and job-share employees of El Paso County, El Paso County Public Health, Pikes Peak Library District, 4th Judicial District Attorney, and El Paso County Board of Retirement (also known as El Paso County Retirement Plan).

The Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the fiduciary net position of the Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms and statutes governing the Plan. Expenditures are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value.

NOTE A - Summary of Significant Accounting Policies (continued)

13. Postemployment Benefits Other Than Pensions (OPEB)

The Department participates in the El Paso County OPEB Plan (the "OPEB Plan"), a cost-sharing, multiple employer defined post-employment health care benefit plan that covers eligible employees and retirees of the Department and is administered by El Paso County. The plan also covers employees and retirees of El Paso County, District Attorney's office, and El Paso County Retirement Plan.

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

14. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

15. Concentrations

Excluding noncash federal vouchers and supplies, the Department received approximately 25% and 56% of its revenue from El Paso County and intergovernmental grants, respectively, for the year ended December 31, 2025.

16. Leases

For arrangements where the Department is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the Department's right to use an underlying asset for the lease term and lease liabilities represent the Department's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The RTU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

For arrangements in which the Department is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term, on both the fund which is expected to receive the lease payments, and on the government-wide statement in the amount of the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. Over the term of the lease agreement these present value amounts are amortized via the effective interest rate method such that the discount on the lease receivable is accreted through interest revenue. Any payments received should be allocated first to the accrued interest receivable and then to the lease receivable.

NOTE A - Summary of Significant Accounting Policies (continued)

The present value of deferred inflows related to the lease receivables are amortized into lease revenue.

Key estimates and judgements related to leases include how the Department determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The Department uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Department generally uses its estimated incremental borrowing rate, which represents a rate at which the Department could borrow funds for a term equivalent to the lease agreement.
- The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Department is reasonably certain to exercise.
- The Department monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

17. Subscription-Based Information Technology Arrangements (SBITA)

The Department has contracts providing the right-to-use a vendor's software, alone or in combination with tangible capital assets, for a specified period of time. For short-term SBITAs with a maximum subscription term of 12 months or less at commencement, the Department recognizes expenditures based on the provisions of the subscription agreement. For long-term SBITAs with a term exceeding 12 months at commencement, the Department recognizes a subscription liability and an intangible right-to-use subscription asset. SBITA assets are reported with capital assets, and SBITA liabilities are reported with long-term debt in the government-wide statement of net position. SBITA assets are amortized over the life of the agreement, and SBITA liabilities are reduced by the principal portion of the subscription payments made.

The Department uses its estimated incremental borrowing rate as the discount rate for the SBITA liability unless the rate is explicitly stated in the contract. The SBITA term includes the noncancellable period of the subscription plus periods covered by options that are determined to be reasonably certain to be exercised. SBITA payments included in the measurement of the SBITA liability are comprised of fixed and fixed in-substance payments, payments reasonably certain of being required, and the price of options reasonably certain to be exercised. The SBITA asset is measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the commencement of the subscription term, including incentives received, plus applicable capitalizable implementation costs. If amendments or other certain circumstances occur that are expected to significantly affect the amount of a SBITA, the present value is remeasured and corresponding adjustments made.

NOTE A - Summary of Significant Accounting Policies (continued)

18. New Accounting Standards Implemented

GASB Statement No. 102 - Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The Department did not have any concentrations or constraints requiring disclosure under GASB Statement No. 102 as of December 31, 2025.

Public Health team members attending the Colorado Epidemilolgy Conference

NOTE B - Detailed Notes on All Funds

1. Deposits and Investments

Cash and Investments	12/31/2025	Rating	Maturity Date
Petty Cash	$ 1,650	*	*
Cash Deposits	2,167,253	*	*
Local Government Investment Pool (ColoTrust)	4,670,214	AAAm	Demand
Total Cash and Investments	$ 6,839,117		

* Not applicable to cash deposits

Cash and investments as of December 31, 2025, are comprised of $2,167,253 in demand deposits at Wells Fargo Bank, $1,650 in petty cash, and $4,670,214 in investments at ColoTrust, held by the El Paso County Treasurer for the Department as required by Colorado state statute. All investment earnings were earned on the accounts held by the Treasurer.

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2025, the Department had bank deposits of $2,056,676. Of that balance, $250,000 was covered by federal depository insurance. The remainder, $1,806,676, was collateralized with securities held by the financial institution's agent and covered by eligible collateral as determined by the PDPA.

Investments

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

A. U.S. Treasury obligations
B. Federal agency and instrumentality securities
C. Time certificates of deposits (CDs)
D. Negotiable certificates of deposits
E. Corporate bonds
F. Municipal bonds - general obligations and revenue obligations
G. Commercial paper
H. Eligible banker's acceptance
I. Local Government Investment Pools (LGIP)
J. Repurchase agreements and reverse repurchase agreements
K. Deposits in state or nationally chartered depository institutions

NOTE B - Detailed Notes on All Funds (continued)

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Department's investment policy requires all securities to be in the name of the El Paso County Treasurer and securities must be deposited in a safekeeping account at an authorized depository institution or an eligible security dealer.

Concentration of credit risk is the risk of exposure to loss that can result from failing to diversify investments. The Department's investment policy directs the Treasurer to diversify securities held in the investment portfolio to minimize the risk of losses from an excessive concentration of securities from a single issuer, with similar maturities, or (excluding U.S. Treasury securities) in similar categories. The Department does not have any concentration of credit risk.

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

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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2025, none of the Department's investments were denominated in currencies other than the United States dollar.

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Department does not measure any investments at Level 1, 2, or 3, as all investments are measured at Net Asset Value (NAV) per share.

The ColoTrust is an LGIP that reports at the fair value per share of the pool's underlying portfolio. The pool is rated ‘AAAm’. Funds rated ‘AAAm’ demonstrate extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. ‘AAAm’ is the highest principal stability fund rating assigned by S&P Global Ratings. For pricing and redeeming shares, ColoTrust maintains a stable NAV of $1 per share using the fair value method. The government-investor does not "look through" the pool to report a pro-rata share of the pool's investments, receivables, and payables. ColoTrust investments of $4,670,214 are reported at fair value using NAV measurement, and the investments do not have any unfunded commitments, redemption restrictions, or redemptions notice periods.

NOTE B - Detailed Notes on All Funds (continued)

2. Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 642,328	$ -	$ -		$ 642,328
Construction in progress	1,872,800	-	(12,262)	(1,860,538)	-
Total capital assets, not being depreciated	2,515,128	-	(12,262)	(1,860,538)	$ 642,328
Capital assets, being depreciated:					
Buildings	1,819,396	38,601	-	1,645,991	3,503,988
Leasehold improvements	427,810	-	-		427,810
Vehicles	171,949	-	-		171,949
General equipment	334,901	-	-	132,436	467,337
Furniture and fixtures	451,091	-	-	82,111	533,202
Intangibles	68,100	-	-		68,100
Right-to-use leased equipment	-	122,050	-		122,050
Right-to-use SBITA	106,961	-	-		106,961
Total capital assets, being depreciated and amortized	3,380,208	160,651	-	1,860,538	5,401,397
Less accumulated depreciation for:					
Buildings	(204,683)	(101,976)	-		(306,659)
Leasehold improvements	(306,440)	(5,484)	-		(311,924)
Vehicles	(133,041)	(10,748)	-		(143,789)
General equipment	(153,914)	(57,011)	-	(1,762)	(212,687)
Furniture and fixtures	(385,362)	(49,004)	-	1,762	(432,604)
Intangibles	(68,100)	-	-		(68,100)
Right-to-use leased equipment	-	(22,013)	-		(22,013)
Right-to-use SBITA	(71,307)	(35,654)	-		(106,961)
Total accumulated depreciation and amortization	(1,322,847)	(281,890)	-	-	(1,604,737)
Total capital assets being depreciated and amortized, net	2,057,361	(121,239)	-	1,860,538	3,796,660
Governmental activities capital assets, net	$ 4,572,489	$ (121,239)	$ (12,262)	$ -	$ 4,438,988

Depreciation/amortization expense of $281,890 for the year ended December 31, 2025, was charged to health and welfare expenditures in governmental activities.

NOTE B - Detailed Notes on All Funds (continued)

3. Long-Term Obligations

The following is a summary of changes in long-term liabilities for the year ended December 31, 2025:

	Beginning Balance 1/1/2025	Additions	Reductions	Ending Balance 12/31/2025	Due Within One Year
Governmental activities:					
Compensated absences*	$ 1,470,644	$ 776,673	$ (999,812)	$ 1,247,505	$ 941,259
Net pension liability	19,234,054	-	(2,736,710)	16,497,344	-
Total OPEB liability	6,075,561	436,077	(561,150)	5,950,488	326,606
Lease liability	-	122,050	(20,205)	101,845	23,297
SBITA liability	41,656	-	(35,656)	6,000	6,000
Long-term liabilities	$ 26,821,915	$ 1,334,800	$ (4,353,533)	$ 23,803,182	$ 1,297,162

For governmental activities, compensated absences, net pension liabilities, net postemployment benefits other than pension (OPEB), and lease and SBITA liabilities are typically liquidated by the General Fund.

4. Fund Balance

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories. The composition of the Department's fund balance is as follows:

	General Fund
Nonspendable:	$ 110,878
Restricted:	
TABOR	550,329
Unassigned:	6,923,858
Total fund balance	$ 7,585,065

NOTE C - Other Information

1. Risk Management

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health claims of employees; and natural disasters. The Department carries commercial insurance, which covers healthcare facilities, medical professional liability, general liability, automobile liability, employers' liability, and D&O liability. Claims in excess of $250,000 are covered by the commercial insurance.

The Department is also covered by El Paso County's Self-Insurance Fund, a cost-sharing, multiple employer self-insured account that covers the accumulation and allocation of costs associated with insurance claims and administration costs. El Paso County established the Self-Insurance Fund to account for and finance its uninsured risks of loss. Under this program, the fund provides coverage up to a maximum of $100,000 for each property damage claim, $700,000 for each workers' compensation claim, $2,000,000 for each liability claim, and $300,000 for each health claim respectively. The limit of coverage on the liability claims is $10,000,000.

2. Contingencies

A. Litigation

There is no current pending litigation in which the Department is involved that is expected to result in material judgements against the Department. Nor are there any items involving amounts exceeding $5,000 individually or in the aggregate.

B. Grants

The Department has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the Department management believes such disallowances, if any, will be immaterial.

C. Tax, Spending and Debt Limitation (TABOR)

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

In November 2004, the voters of El Paso County approved issue 1B at the general election which exempts the Department from the revenue limitations of TABOR.

TABOR is complex and subject to judicial interpretation. The Department believes it is in compliance with the requirements of TABOR. However, the Department has made certain interpretations in TABOR's language in order to determine its compliance. The Department has calculated three percent of its fiscal year revenue (as defined by TABOR) to be reserved for use in declared emergencies.

NOTE C - Other Information (continued)

3. Retirement Plans

Voluntary Defined Contribution Plan

Together with El Paso County, the Department sponsors a voluntary defined contribution 457(b) plan, which is available to substantially all employees. El Paso County and the Department are not required to make any matching contributions.

El Paso County Retirement Plan

A. Plan Description and Provisions

The following brief description of the El Paso County Retirement Plan (the "Plan") is provided for informational purposes only. Participants should refer to the Plan document for more complete information. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the El Paso County Retirement Plan, 2880 International Cir., Suite N030, Colorado Springs, Colorado 80910, or by calling (719) 520-7490. The report may also be found at https://retirement.elpasoco.com.

General

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering all permanent, full-time, and job-share employees of the participating employers upon their date of employment. Employers, as defined in the Plan document, include El Paso County, El Paso County Public Health, Pikes Peak Library District, 4th Judicial District Attorney, and El Paso County Retirement Plan.

All employees hired after September 1, 1967, are required to participate. Employees hired from 1974 through 1981 who were aged 60 or older at their date of employment could elect to become a member as of January 1, 1982. The participants of the Plan consisted of the following as of December 31, 2025 (the most recent actuarial valuation date):

Inactive Plan members currently receiving benefits	2,155
Inactive Plan members entitled to but not yet receiving benefits	1,131
Active Plan members	3,140
Total	6,426

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

NOTE C - Other Information (continued)

Plan Amendments

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

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

Contributions

Contribution requirements are established and may be amended by the Board. Employer contribution rates were 12.0% and 11.4% for the years ended December 31, 2025 and 2024, respectively. Interest is credited on employee contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 20% and 19.4% of covered payroll for the years ended December 31, 2025, and 2024, respectively.

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

A participant may elect to purchase up to 5 years of service credit for any reason. A participant may begin to purchase service credit after they have accrued 5 years of Credited Service in the Plan. However, for a non-vested participant, the amount of service credit purchased must be at least the amount required for that participant to become vested in the Plan immediately following the purchase.

Participants may elect to pay for purchases of service credit in a lump sum or an installment basis. Effective July 2016, service credit purchases may also be made by rollover contributions from an eligible retirement plan. Payments may be made on a monthly, quarterly or annual basis with interest due at the actuarial equivalent interest rate for periodic benefits. The period over which installment payments may be made cannot exceed a period equal to the total amount of credited service to be purchased. Purchased service is recognized when paid.

NOTE C - Other Information (continued)

Administrative Expenses

The Plan's administrative expenses are paid from the assets of the Plan accumulated from contributions and investment earnings.

Termination Benefits

Participants vest in accumulated contributions as follows:

(a) If hired before January 1, 2013, and credited with less than five years of service or hired on or after January 1, 2013, and credited with less than eight years of service: Refund of the participant's accumulated contributions.

(b) If hired before January 1, 2013, and credited with five or more years of service or hired on or after January 1, 2013, and credited with eight or more years of service:

(i) The participant may elect to receive a deferred retirement benefit which shall be equal to the participant's accrued benefit as of the date of termination and payable on the participant's normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month subsequent to the participant's attainment of age 55. The reduction shall be 3% for each year by which payments commence prior to the first of the month following the participant's normal retirement date.

(ii) In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

Retirement Benefits

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

If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service earned through December 31, 2012, and 2% times the final average monthly compensation, times years of credited service earned after December 31, 2012. If hired on or after January 1, 2010, the monthly benefit payable at normal retirement is equal to 2% times final average monthly compensation times years of credited service.

The normal retirement benefit will not be greater than 75% of the participant's final average monthly compensation if hired before January 1, 2013, and not greater than 60% of final average monthly compensation if hired on or after January 1, 2013. Final average compensation for those hired before January 1, 2022, is the highest monthly average of considered compensation during the 36 consecutive calendar months of credited service out of the last 120 calendar months of credited service. For those hired after January 1, 2022, the final average compensation is based on the last 60 months of full-time employment.

NOTE C - Other Information (continued)

A participant is eligible for an early retirement benefit at age 55, provided the member has completed five or eight years of credited service. If the participant is hired before January 1, 2013, five years is required. If hired on or after January 1, 2013, eight years is required. The monthly pension is based on the vested portion of the normal retirement benefit, reduced by 3.0% for each year the early retirement date precedes the normal retirement date.

For employees hired prior to January 1, 2022, a participant is eligible for special early retirement benefits if the sum of the participant's age and credited service equals 75 or more. Employees hired on or after January 1, 2016, must be a minimum age of 50 to be eligible under this provision. For employees hired on and after January 1, 2022, special early retirement shall be satisfied when the sum of member's age plus credited service equals 80 or more. An exception shall exist for employees who meet the definition of a Sworn Officer, in which case Special Early Retirement shall be satisfied when the sum of member's age plus credited service equals 75 or more.

The monthly benefit is equal to the normal retirement benefit and is not reduced for early commencement. The annuity for delayed retirement is computed by the normal retirement formula considering credited service and compensation to actual retirement.

Disability Benefits

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

Payment of Benefits

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

Death Benefits Prior to Retirement

Death benefits prior to retirement are as follows:

In the event that an active participant or vested participant dies prior to their normal retirement date, the participant's surviving beneficiary will be entitled to either two times the participant's accumulated contributions payable immediately or a monthly benefit equal to 60% of the monthly retirement benefit earned by the member prior to the date of death. Payment of the monthly benefit to the beneficiary will begin on the first of the month following the death or the date the member would have attained age 55, if later. If the participant met the rule of 75 while working and had not applied for retirement nor ceased employment as of date of death, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

NOTE C - Other Information (continued)

Death Benefits Between Normal and Delayed Retirement

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

Death Benefits after Retirement

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

Plan Termination

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

B. <u>Net Pension Liability</u>

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the valuation and rolled forward to the measurement date of December 31, 2025. Adjustments to roll forward the total pension liability include service cost, interest on total pension liability, and benefit payments. The net pension liability is the difference between the total pension liability and the fiduciary net position as of December 31, 2025.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2025:

Inflation	2.50%
Salary increases	Graded by service, from 3% to 9%
Investment rate of return	7%, net of investment expenses. This is based on an inflation rate of 2.50% and a real rate of return of 4.50%.

Mortality rates were based on the PubG-2010 Employee Mortality Table for General Employees. Mortality rates used for disabled members were based on the PubG-2010 Disabled Mortality Table for General Employees.

NOTE C - Other Information (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2025, are summarized in the following table (the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Equities	7.23%
Fixed Income	4.48%
Real Assets	5.35%
Diversifying Alternative Investments	4.39%

Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2025, was 7%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Department's proportionate share of the net pension liability, calculated using the discount rate of 7%, as well as what the Department's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Department's proportionate share of the net pension liability	$ 22,063,925	$ 16,497,344	$ 11,867,684

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the Department reported a liability of $16,497,344 for its proportionate share of the Plan's net pension liability. The Department's proportion of the net pension liability was based on its contributions to the Plan for the calendar year 2025 relative to the total contributions of participating employers to the Plan. The Department's proportion was 5.26%, which was an decrease of 0.35% from its proportion measured at prior year.

NOTE C - Other Information (continued)

For the year ended December 31, 2025, the Department's portion of the Plan's recognized pension expense totaled $586,537. The Department 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
Difference between projected and actual experience	$ 1,032,306	$ (13,275)
Difference between projected and actual assumptions	441,583	-
Net difference between projected and actual earnings on pension plan investments	-	(535,742)
Changes in proportion and differences between employer contributions and proportionate share of contributions	250,889	(1,229,079)
Total	$ 1,724,778	$ (1,778,096)

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Amount
2026	$ 850,634
2027	(50,999)
2028	(380,908)
2029	(472,045)
Total	$ (53,318)

4. Postemployment Benefits Other Than Pensions (OPEB)

A. Plan Description and Provisions

Employees of the Department are provided with OPEB through El Paso County's OPEB Plan, a cost-sharing multiple-employer defined benefit post-employment health care plan that covers eligible current and retired employees of the Department. The El Paso County Board of Commissioners (the "Board of Commissioners") has the authority to amend the contributions and terms of the plan at will. To enroll in the retiree medical plans, the employee must be enrolled in a medical plan at the time of retirement and satisfy the following age and service requirements:

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

NOTE C - Other Information (continued)

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

Benefits Provided

The Department provides medical benefits for retirees under age 65 which are the same as those provided for active employees. The medical plan is a self-funded EPO using the United Healthcare Choice Plus network and administered by UMR. The plan has a deductible of $0 for individuals and families. The maximum out-of-pocket is $3,000 for individuals and $7,000 for families. Coinsurance generally is 75%. Prescription benefits are managed by Express Scripts and have copays that vary from $6 for generic drugs up to $250 for non-preferred specialty drugs. For retirees aged 65 and over, medical benefits are the fully insured Humana Medicare Advantage Plan and the Humana Medicare Part D prescription plan administered by Retiree First.

Contributions

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

As of January 1, 2025, the number of active and inactive employees covered by the plan was as follows. The count of retirees does not include spouses. The count of active employees does not include those who waived their benefits or new employees who were not yet covered.

	The Plan	Public Health
Active Employees	2,029	117
Retirees	925	28
Total	2,954	145

B. <u>OPEB Liabilities, OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

At December 31, 2025, the Department reported a liability of $5,950,488 for its proportionate share of the collective total OPEB liability. The total OPEB liability was measured as of January 1, 2025, and the collective total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date. The proportionate share of the collective total OPEB liability has been calculated based on each component unit's projected payments as benefits come due over the long term as compared to the total projected payments of all entities that make benefit payments. At January 1, 2025, the Department's proportion was 4.13%, which is consistent with its proportionate measurement at year end.

For the year ended December 31, 2025, the Department recognized OPEB expense of $126,375. At December 31, 2025, the Department reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

NOTE C - Other Information (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 490,431	$ (906,593)
Changes in assumptions	575,498	(1,133,181)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	490,965	(212,060)
Department contributions subsequent to the measurement date	212,325	-
Total	$ 1,769,219	$ (2,251,834)

An amount of $212,325 reported as deferred outflows related to OPEB resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2026. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Amount
2026	(68,852)
2027	(287,574)
2028	(283,908)
2029	$ (54,606)
Total	$ (694,940)

Actuarial Assumptions

The actuarial assumptions used in the valuation represent a reasonable long-term expectation of future OPEB outcomes. The assumptions are tested with each valuation for ongoing reasonableness and are updated if appropriate. The proportionate share of the collective total OPEB liability was determined using the following methodologies:

- Actuarial assumptions were measured and valued at January 1, 2025.
- All data was provided by the County.
- A medical liability exists for the implicit subsidy due to age for retirees under age 65, and due to explicit employer contributions for retirees. Dental and vision benefits are provided to retirees but do not have an explicit or implicit liability
- Cost method used is entry age normal, determined as a level percent of projected pay.
- Funding policy is pay as you go.
- Discount rate is 3.80% using S&P Municipal Bond 20 Year High Grade Index as of January 2, 2026.
- Participation rate is assumed at 75% of active employees electing the County's healthcare coverage in retirement based on recent study of historical participation data.
- Spousal coverage is 36% of active employees are assumed to be married with husbands assumed to be three years older than their wives unless actual spouse age is available, based on recent study of historical spousal coverage. 15% of electing retirees are assumed to elect coverage for their spouse.
- Medical trend rate is assumed to increase for medical claims and premiums using Deloitte 2023 Study of Economic Assumptions.

NOTE C - Other Information (continued)

Changes in Assumptions

Several factors affected the actuarial assumptions used to calculate the Department's proportionate share of the collective total OPEB liability for calendar year 2025. Discount rate increased from 3.80% to 4.06%. Total impact on liability was a decrease of $236,106 for 2025.

Sensitivity of the Department's Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate

The following table presents the Department's proportionate share of the collective total OPEB liability, as well as what the Department's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current discount rate:

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	$ 6,945,606	$ 5,950,488	$ 5,164,023

Sensitivity of the Department's Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the Department's proportionate share of the collective total OPEB liability, as well as what the Department's proportionate share of the collective total OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower (5.02%) or 1-percentage-point higher (7.02%) than the current healthcare cost trend rate:

	1% Decrease (4.79%)	Trend Rate (5.79%)	1% Increase (6.79%)
Total OPEB Liability	$ 5,112,114	$ 5,950,488	$ 7,022,333

5. Leases

Department as Lessee

The Department routinely leases equipment instead of purchasing assets. The lease term of the remaining agreement is less than five years. As of December 31, 2025, the total lease liability for governmental activities is $101,845. Changes in the lease liability balance during 2025 are presented in Note B3. Total values of the intangible right-to-use lease assets and related accumulated amortizations are disclosed in Note B2 by underlying asset classification. Interest expense on leases recognized in 2025 is $4,097.

NOTE C - Other Information (continued)

The following table presents lease principal and interest requirements to maturity:

	Governmental Activities		
December 31,	Principal	Interest	Total Payment
2026	$ 23,297	$ 3,653	$ 26,950
2027	24,271	2,678	26,949
2028	25,287	1,663	26,950
2029	26,344	606	26,950
2030	2,646	1	2,647
	$ 101,845	$ 8,601	$ 110,446

Department as Lessor

Office space at Public Health South Building is leased to outside parties. Remaining lease term is one year. The Department recognized $6,484 in lease revenue and $693 in interest revenue during 2025 related to this lease. At December 31, 2025, the Department's lease receivable balance is $8,498. The Department has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. At December 31, 2025, the balance of the deferred inflow of resources is $6,484.

6. Subscription-Based Information Technology Arrangements (SBITAs)

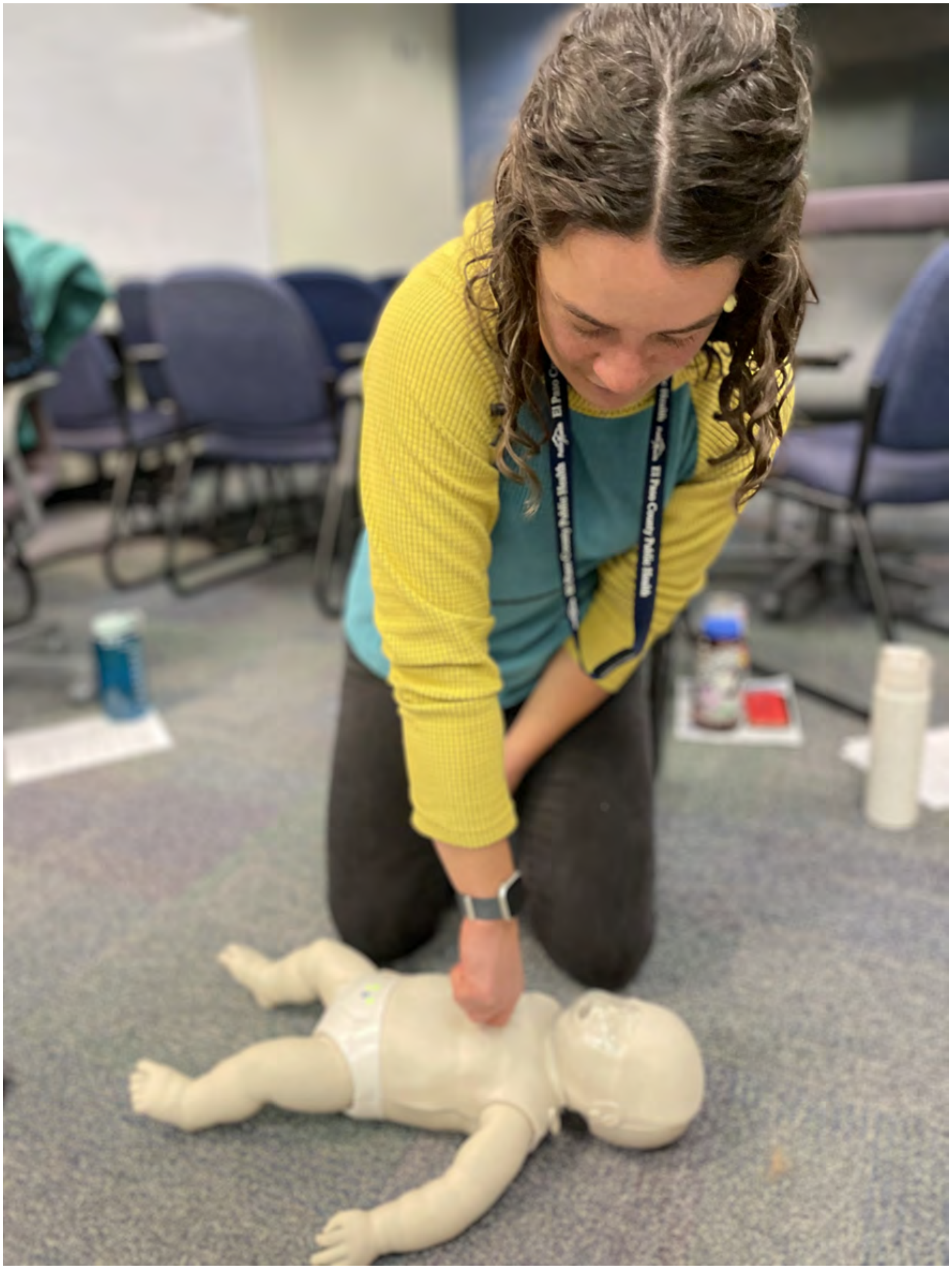
The Department has one long-term subscription-based information technology arrangement contract, referred to as a subscription, for hosting services. The remaining term of this contract is two months. The total SBITA liability, at December 31, 2025, is $6,000 for governmental activities. Changes in the subscription liability are presented in Note B3. This subscription asset and its related accumulated amortization are disclosed in Note B2. Interest expense on the SBITA recognized in 2025 is $344.

The future SBITA principal and interest payments of governmental activities as of December 31, 2025, are as follows:

	Governmental Activities		
December 31,	Principal	Interest	Total Payment
2026	6,000	-	6,000
	$ 6,000	$ -	$ 6,000

7. Construction and Other Significant Commitments

At year-end, there were no projects under construction with commitments.



El Paso County Public Health nursing staff practicing life-saving skills at a Nurse Skills Day training

REQUIRED SUPPLEMENTARY INFORMATION

El Paso County, CO Public Health

EL PASO COUNTY PUBLIC HEALTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges to El Paso County for programs	$ 6,918,277	$ 6,918,277	$ 6,918,277	$ -
Intergovernmental and other grants	15,696,504	16,114,379	15,232,661	(881,718)
Licenses, fees, and permits	4,269,139	4,269,139	4,788,219	519,080
Interest income	369,491	369,491	216,256	(153,235)
Miscellaneous	30,550	30,550	28,417	(2,133)
Total Revenues	27,283,961	27,701,836	27,183,830	(518,006)
EXPENDITURES				
Health and welfare	28,168,975	28,586,850	26,832,240	1,754,610
Capital outlay	85,000	85,000	38,601	46,399
Total Expenditures	28,253,975	28,671,850	26,870,841	1,801,009
Net Change in Fund Balance	$ (970,014)	$ (970,014)	$ 312,989	$ 1,283,003

See the accompanying independent auditors' report.

BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
DECEMBER 31, 2025

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

	General Fund
Sources/Inflows of Resources	
Total revenues-budgetary basis from the schedule of revenues, expenditures and changes in fund balance-budget and actual	$ 27,183,830
Differences - budget to GAAP	
Non cash federal vouchers	12,624,844
Lease payments received	(1,544)
Lease financings	122,050
Total operating and non-operating revenues-GAAP basis from the statement of revenues, expenditures and changes in fund balance	39,929,180
Sources/Outflows of Resources	
Total expenditures-budgetary basis from the schedule of revenues, expenditures and changes in fund balance-budget and actual	26,870,841
Differences - budget to GAAP	
Non cash federal vouchers	12,624,844
Accrued wages	7,613
Capital outlay	122,050
Total operating and non-operating expenditures-GAAP basis from the statement of revenues, expenditures and changes in fund balance	$ 39,625,348

EL PASO COUNTY PUBLIC HEALTH

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EL PASO COUNTY RETIREMENT PLAN
LAST TEN FISCAL YEARS

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Department's proportion (percentage) of the collective net pension liability	5.26%	5.61%	5.55%	5.91%	5.43%
Department's proportionate share of the collective pension liability	$ 16,497,344	$ 19,234,054	$ 16,450,351	$ 16,501,995	$ 10,808,438
Covered payroll	$ 12,389,092	$ 12,628,301	$ 11,602,820	$ 10,979,609	$ 9,553,636
Department's proportionate share of the net pension liability as a percentage of its covered payroll	133.16%	152.31%	141.78%	150.30%	113.13%
Plan fiduciary net pension as a percentage of the total pension liability	63.44%	57.93%	60.66%	60.70%	71.17%

	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016**
Department's proportion (percentage) of the collective net pension liability	4.95%	4.62%	4.84%	4.87%	4.66%
Department's proportionate share of the collective pension liability	$ 30,152,040	$ 17,347,114	$ 19,166,683	$ 7,236,748	$ 7,502,307
Covered payroll	$ 8,810,509	$ 7,466,028	$ 7,462,892	$ 7,264,690	$ 6,587,399
Department's proportionate share of the net pension liability as a percentage of its covered payroll	342.23%	232.35%	256.83%	99.62%	113.89%
Plan fiduciary net pension as a percentage of the total pension liability	41.42%	51.73%	47.66%	72.07%	68.22%

See the accompanying independent auditors' report.

SCHEDULE OF THE DEPARTMENT'S PENSION CONTRIBUTIONS AND RELATED RATIOS LAST TEN FISCAL YEARS

	Fiscal Year				
	2025	2024	2023	2022	2021
Contractually required contributions	$ 991,127	$ 1,010,261	$ 928,225	$ 878,367	$ 764,291
Contributions in relation to the contractually required contribution	$ (991,127)	$ (1,010,261)	$ (928,225)	$ (878,367)	$ (764,291)
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	$ 12,389,092	$ 12,628,301	$ 11,602,820	$ 10,979,609	$ 9,553,636
Contribution as a percentage of covered payroll	8%	8%	8%	8%	8%

	Fiscal Year				
	2020	2019	2018	2017	2016
Contractually required contributions	$ 704,839	$ 597,283	$ 596,997	$ 581,176	$ 526,992
Contributions in relation to the contractually required contribution	$ (704,839)	$ (597,283)	$ (596,997)	$ (581,176)	$ (526,992)
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	$ 8,810,509	$ 7,466,028	$ 7,462,892	$ 7,264,690	$ 6,587,399
Contribution as a percentage of covered payroll	8%	8%	8%	8%	8%

See the accompanying independent auditors' report.

EL PASO COUNTY PUBLIC HEALTH

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY LAST EIGHT FISCAL YEARS

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Department's proportion (percentage) of the collective total OPEB liability	4.13%	4.13%	4.45%	4.45%	3.38%
Department's proportionate share of the collective total OPEB liability	$ 5,950,488	$ 6,075,561	$ 5,017,971	$ 6,794,932	$ 6,637,081
Department's covered-employee payroll	$ 13,297,826	$ 13,442,696	$ 11,883,917	$ 10,454,895	$ 8,172,429
Department's proportionate share of the collective total OPEB liability as a percentage of its covered-employee payroll	44.75%	45.20%	42.22%	64.99%	81.21%

	Fiscal Year		
	2020	**2019**	**2018**
Department's proportion (percentage) of the collective total OPEB liability	3.38%	2.88%	2.88%
Department's proportionate share of the collective total OPEB liability	$ 5,199,110	$ 4,004,779	$ 4,301,825
Department's covered-employee payroll	$ 7,973,101	$ 7,980,930	$ 7,711,043
Department's proportionate share of the collective total OPEB liability as a percentage of its covered-employee payroll	65.21%	50.18%	55.79%

The amounts presented for each fiscal year were determined as of December 31.
Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to ten years as information becomes available.
See the accompanying independent auditors' report.

1. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with US GAAP and are appropriated for all government funds, except the recognition of certain in-kind revenues and expenditures. All annual appropriations lapse at fiscal year-end. Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget resolution specifically provides for the re-appropriation of year-end encumbrances if the Board of Health so chooses. Encumbrances outstanding as of December 31, 2024, do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. EPCPH's managers may make transfers of appropriations within a fund. Increases in overall expenditures require approval from the Board of Health. EPCPH follows these procedures in establishing the budgetary data reflected in the financial statements:

- A preliminary balanced budget is presented to the Board of Health.
- Prior to December 31, the budget is legally enacted through passage of an appropriation resolution.
- Any revisions that alter the total expenditures of any fund must be approved by the Board of Health by passage of a resolution.
- No fund had excesses of expenditures over appropriations for the year ended December 31, 2025.

2. Postemployment Benefits Other Than Pension (OPEB)

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

Changes of assumptions. Changes of assumptions and other inputs for 2025 reflect the effects of change in the discount rate being increased from 3.80% to 4.06%.

III. STATISTICAL SECTION

FINANCIAL TRENDS

El Paso County, CO
Public Health

STATISTICAL SECTION
(Unaudited)

This part of the El Paso County Public Health's (the "Department") Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Department's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Department's financial performance and fiscal health have changed over time.

Schedule 1	Net Position by Component
Schedule 2	Changes in Net Position
Schedule 3	Fund Balances, Governmental Funds
Schedule 4	Changes in Fund Balances, Governmental Funds

Revenue Capacity

This schedule contains information to help the reader assess the Department's major revenue sources.

Schedule 5	Top Ten Revenue Sources

Debt Capacity

This schedule contains information to help the reader assess the affordability of the Department's current level of debt and the Department's ability to issue debt in the future.

Schedule 6	Ratio of Outstanding Debt by Type

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place.

Schedule 7	Demographic and Economic Statistics
Schedule 8	Principal Employers

Operating Information

These schedules contain staffing, operating indicators, facility comparisons, and types of assets to help the user understand how the information in the Department's financial report relates to the services the Department provides and the activities it performs.

Schedule 9	Full-Time Equivalent Employees by Function/Division
Schedule 10	Operating Indicators by Function/Program
Schedule 11	Facilities by Function/Program
Schedule 12	Capital Asset Statistics by Function

Schedule 1 - Unaudited
Net Position by Component
Last Ten Fiscal Years

Governmental Activities	Fiscal Year 2025	2024	2023	2022
Net investment in capital assets	$ 4,331,143	$ 4,518,571	$ 3,845,643	$ 3,096,112
Restricted	550,329	500,523	364,309	282,493
Unrestricted	(17,196,534)	(18,335,302)	(18,520,895)	(17,718,730)
Total Governmental Activities Net Position	$ (12,315,062)	$ (13,316,208)	$ (14,310,943)	$ (14,340,125)

Governmental Activities	Fiscal Year 2021	2020	2019	2018
Net investment in capital assets	$ 2,929,405	$ 2,968,271	$ 338,960	$ 457,476
Restricted	233,632	415,609	360,111	360,111
Unrestricted	(16,329,232)	(15,762,024)	(12,470,186)	(12,470,186)
Total Governmental Activities Net Position	$ (13,166,195)	$ (12,378,144)	$ (11,771,115)	$ (11,652,599)

Governmental Activities	Fiscal Year 2017	2016
Net investment in capital assets	$ 308,124	$ -
Restricted	311,320	299,182
Unrestricted	(3,402,796)	(3,489,592)
Total Governmental Activities Net Position	$ (2,783,352)	$ (3,190,410)

Data Source:
Statement of Net Position
El Paso County Public Health Financial Statements

Schedule 2 - Unaudited
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Expenses					
Governmental activities					
Health and welfare	$ 38,805,984	$ 38,313,661	$ 37,228,989	$ 35,027,233	$ 32,065,565
Program Revenues					
Charges for services					
Health and welfare	11,706,496	10,859,249	9,212,308	8,946,577	9,274,938
Operating grants and contributions					
Health and welfare	27,857,505	28,113,933	28,042,820	24,731,267	21,956,466
General Revenues					
Interest income	216,949	302,687	437,586	119,694	2,353
Miscellaneous	26,180	32,527	62,834	55,765	43,757
Total Revenues	39,807,130	39,308,396	37,755,548	33,853,303	31,277,514
Changes in Net Position	$ 1,001,146	$ 994,735	$ 526,559	$ (1,173,930)	$ (788,051)

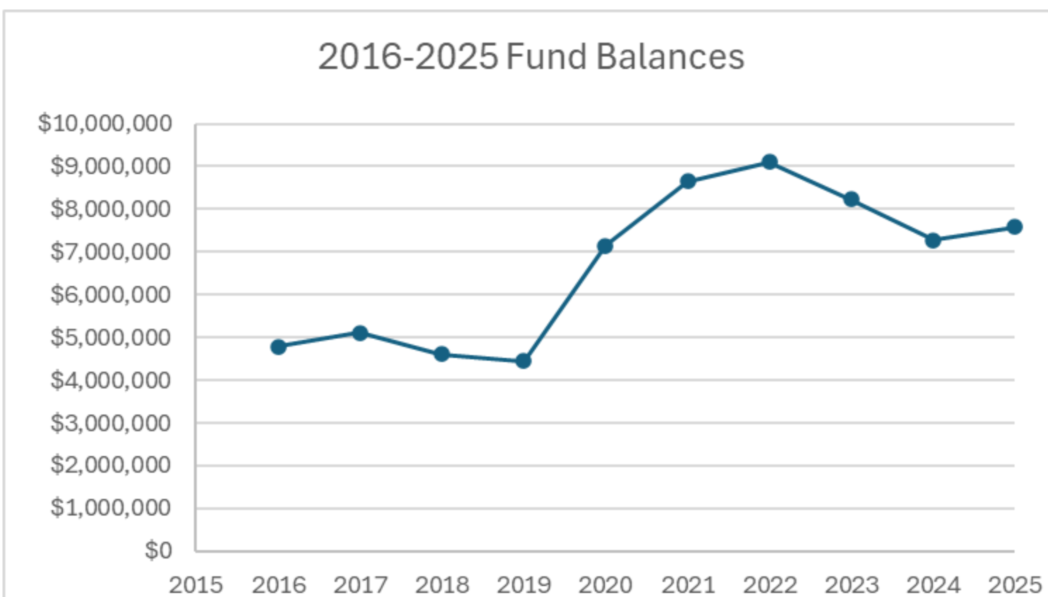
	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016**
Expenses					
Governmental activities					
Health and welfare	$ 33,261,530	$ 28,180,456	$ 27,038,371	$ 23,854,639	$ 23,621,873
Program Revenues					
Charges for services					
Health and welfare	12,726,861	4,234,542	3,532,657	7,763,528	7,313,423
Operating grants and contributions					
Health and welfare	19,836,195	20,578,026	21,171,307	16,407,076	16,618,193
General Revenues					
Interest income	25,085	83,123	62,277	34,888	18,479
Miscellaneous	66,360	37,748	22,382	56,205	56,347
Total Revenues	32,654,501	24,933,439	24,788,623	24,261,697	24,006,442
Changes in Net Position	$ (607,029)	$ (3,247,017)	$ (2,249,748)	$ 407,058	$ 384,569

Data Source: Statement of Activities
El Paso County Public Health Financial Statements
GASB 87 was implemented in 2022. Years 2022 and after are presented in compliance with GASB 87.
Information for 2021 and prior is presented as before GASB 87 implementation. Data is not available to restate.
GASB 96 was implemented in 2023.

Schedule 3 - Unaudited
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
General Fund	**2025**	**2024**	**2023**	**2022**	**2021**
Nonspendable	$ 110,878	$ 91,651	$ 114,503	$ -	$ -
Restricted	550,329	500,523	364,309	282,493	233,632
Unassigned	6,923,858	6,689,059	7,750,385	8,826,858	8,420,785
Total General Fund	$ 7,585,065	$ 7,281,233	$ 8,229,197	$ 9,109,351	$ 8,654,417

	Fiscal Year				
General Fund	**2020**	**2019**	**2018**	**2017**	**2016**
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	415,609	360,111	339,472	311,320	299,182
Unassigned	6,735,260	4,085,409	4,269,840	4,790,114	4,488,929
Total General Fund	$ 7,150,869	$ 4,445,520	$ 4,609,312	$ 5,101,434	$ 4,788,111



Data Source:
Governmental Fund Balance Sheet
El Paso County Public Health Financial Statements

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

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Revenues					
Charges to El Paso County for programs	$ 6,918,277	$ 6,639,673	$ 2,781,022	$ 1,399,195	$ 1,126,037
Intergovernmental and other grants	27,857,505	28,113,933	30,625,844	28,737,161	26,760,908
Licenses, fees, and permits	4,788,219	4,219,576	3,848,262	3,541,488	3,344,459
Interest income	216,949	302,687	437,586	119,694	2,353
Miscellaneous	26,180	32,527	62,834	55,765	43,757
Total Revenues	39,807,130	39,308,396	37,755,548	33,853,303	31,277,514
Expenditures					
Current					
Health and welfare	39,404,395	39,379,139	37,673,742	33,019,027	29,601,498
Capital outlay	160,651	827,421	903,958	357,340	172,468
Debt service					
Principal	55,861	47,352	57,255	21,245	-
Issuance costs*	4,441	2,448	747	757	-
Total expenditures	39,625,348	40,256,360	38,635,702	33,398,369	29,773,966
Excess of revenues over (under) expenditures	181,782	(947,964)	(880,154)	454,934	1,503,548
Other financing sources (uses)					
Issuance of leases*	122,050	-	-	-	-
Total other financing sources (uses)	122,050	-	-	-	-
Net changes in fund balances	$ 303,832	$ (947,964)	$ (880,154)	$ 454,934	$ 1,503,548

	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016**
Revenues					
Charges to El Paso County for programs	$ 8,022,775	$ 3,856,061	$ 3,392,167	$ 3,326,486	$ 3,285,804
Intergovernmental and other grants	21,608,680	17,386,107	17,860,319	17,431,290	17,428,129
Licenses, fees, and permits	2,931,601	3,570,400	3,451,478	3,412,828	3,217,683
Interest income	25,085	83,123	62,277	34,888	18,479
Miscellaneous	66,360	37,748	22,382	56,205	56,347
Total Revenues	32,654,501	24,933,439	24,788,623	24,261,697	24,006,442
Expenditures					
Current					
Health and welfare	27,162,217	25,097,231	25,065,927	23,631,654	23,296,823
Capital outlay	2,786,935	-	214,818	316,720	-
Debt service					
Principal	-	-	-	-	-
Issuance costs*	-	-	-	-	-
Total expenditures	29,949,152	25,097,231	25,280,745	23,948,374	23,296,823
Excess of revenues over (under) expenditures	2,705,349	(163,792)	(492,122)	313,323	709,619
Other financing sources (uses)					
Issuance of leases*	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	$ 2,705,349	$ (163,792)	$ (492,122)	$ 313,323	$ 709,619

Data Source: Statement of Revenue, Expenditures and Changes in Fund Balance
El Paso County Public Health Financial Statements
*GASB 87 was implemented in 2022. Years 2022 and after are presented in compliance with GASB 87. Information for 2021 and prior is presented as before GASB 87 implementation. Data is not available to restate.

REVENUE CAPACITY

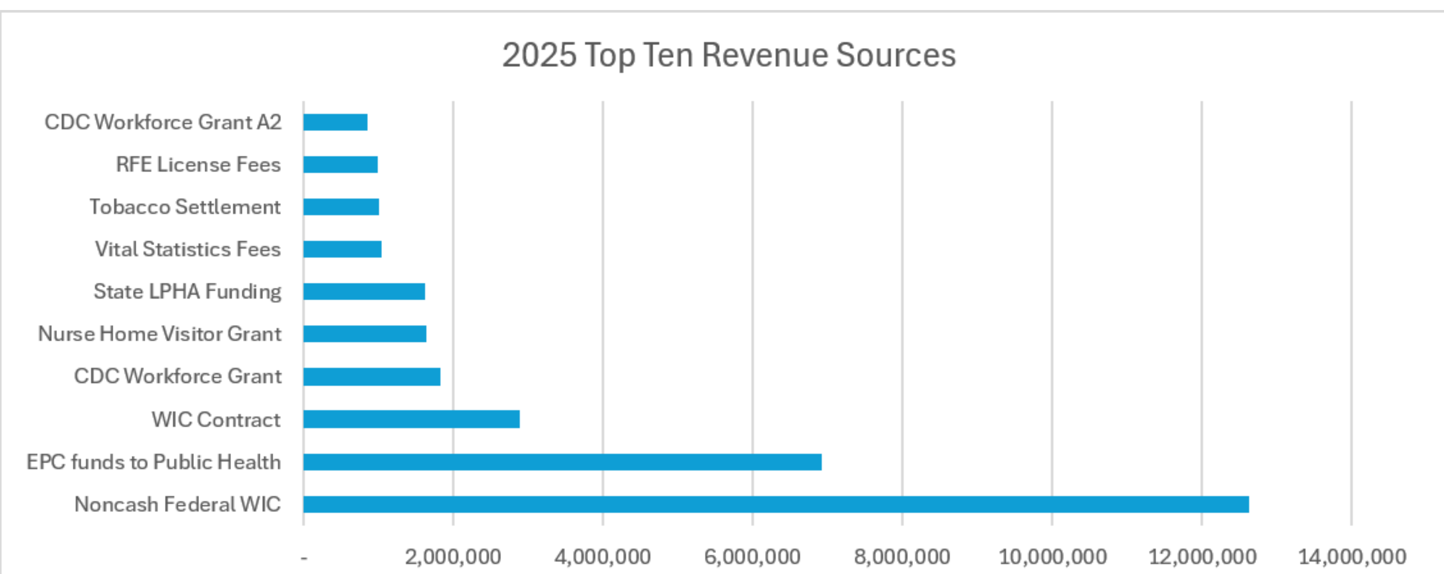
EL PASO COUNTY PUBLIC HEALTH

Schedule 5 - Unaudited

Top Ten Revenue Sources

Current Year and Nine Years Ago

	2025			2016		
Revenue Source	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Noncash Federal WIC	$ 12,624,844	1	31.72%	$ -		
El Paso County	6,918,277	2	17.38%	3,285,804	1	21.24%
WIC Contract	2,883,276	3	7.24%	3,139,773	2	20.30%
CDC Grant	1,832,336	4	4.60%	-		-
Nurse Home Visitor Grant	1,650,682	5	4.15%	1,001,674	3	6.48%
State LPHA Funding	1,633,061	6	4.10%	497,307	8	3.21%
Vital Statistics Fees	1,046,778	7	2.63%	847,863	4	5.48%
Tobacco Settlement	1,013,262	8	2.55%	794,538	5	5.14%
RFE License Fees	989,499	9	2.49%	614,062	6	3.97%
CDC Workforce Grant A2	850,948	10	2.14%	-		-
Immunization Contract	-		-	374,216	9	2.42%
Children With Needs	-		-	320,204	10	2.07%
Emergency Preparedness Grant	-		-	518,233	7	3.35%
El Paso County Public Health Total of Top 10 Revenue Sources	$ 31,442,963		79%	$ 10,875,441		70%
Total Revenue	$ 39,807,130		100%	$ 15,469,172		100%



Data Source:
Statement of Revenue, Expenditures and Changes in Fund Balance
El Paso County Public Health Financial Statements

DEBT CAPACITY

El Paso County, CO Public Health

Schedule 6 - Unaudited
Ratio of Outstanding Debt by Type
Last Four Fiscal Years

Governmental Activities	2025	2024	2023	2022
Lease Liability	101,845	-	13,737	35,342*
SBITA Liability	6,000	41,656	75,271*	**
Total Primary Government	107,845	41,656	89,008	35,342
Percentage of Personal Income	**n/a**	**n/a**	**n/a**	**n/a**
PH Debt Per Capita	0.14	0.06	0.12	0.05

*GASB 87 was implemented in 2022. Years 2023 and after are presented in compliance with GASB 87. Information for 2021 and prior is presented as before GASB 87 implementation. Data is not available to restate. GASB 96 was implemented in 2023. Years 2023 and after are presented in compliance with GASB 96. Information for 2022 and prior is presented as before GASB 96 implementation. Data is not available to restate.
**Data not available

Data Source:
El Paso County Financial Statements
Federal Reserve Bank of St, Louis (FRED)
Bureau of Economic Analysis

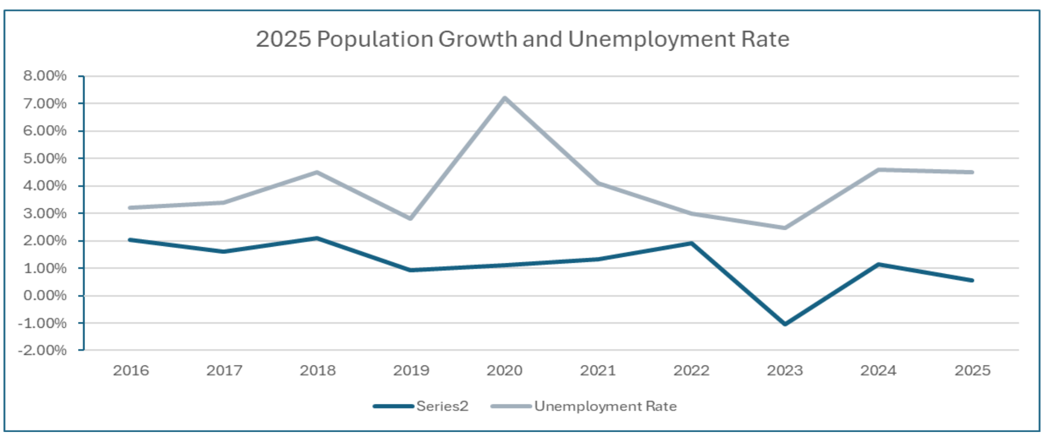
A Public Health staff member discusses how tobacco affects our health at a back-to-school event hosted at the Valley-Hi EPCPH office

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 7 - Unaudited
Demographic and Economic Statistics
Last Ten Calendar Years

	Population *					Per Capita Personal Income **		
Year	Colorado	Change from Prior Period	El Paso County	Change from Prior Period	Total Personal Income	Colorado	El Paso County	El Paso County as a Percentage of Colorado
2025	6,012,561	0.92%	757,040	0.57%	51,891,592	87,178	***	***
2024	5,957,493	1.36%	752,772	1.15%	48,906,130	82,705	68,934	83.35%
2023	5,877,610	0.65%	744,215	-1.04%	45,230,988	78,918	65,715	83.27%
2022	5,839,926	0.48%	752,021	1.92%	43,258,594	75,708	61,076	80.67%
2021	5,812,069	0.07%	737,867	1.31%	39,438,712	70,706	58,627	82.92%
2020	5,807,719	0.85%	728,310	1.10%	36,825,059	69,016	54,151	78.46%
2019	5,758,736	1.11%	720,403	0.92%	36,605,524	63,522	51,117	80.47%
2018	5,695,564	1.58%	713,856	2.09%	35,603,678	56,846	48,467	85.26%
2017	5,607,154	1.20%	699,232	1.60%	31,149,325	52,059	46,511	89.34%
2016	5,540,545	1.78%	688,227	2.02%	30,315,645	51,999	44,409	85.40%

	El Paso County Civilian Labor Force *			
Year	Employed	Unemployed	Unemployment Rate	Public School Enrollment
2025	356,822	16,854	4.50%	119,160
2024	366,221	19,328	4.60%	119,209
2023	351,992	14,316	2.46%	119,902
2022	354,571	10,604	3.00%	119,808
2021	353,420	14,490	4.10%	119,609
2020	384,918	27,714	7.20%	118,023
2019	347,862	9,740	2.80%	122,783
2018	349,709	15,737	4.50%	121,192
2017	329,377	11,199	3.40%	119,442
2016	311,612	9,854	3.20%	118,754



Notes:
* Data revised in 2025 with most recent information from the FRED Economic Data
** Data revised in 2025 with most recent information from the Bureau of Economic Analysis
***2025 Data not available
Data Source:
El Paso County Clerk and Recorder
Colorado Department of Education
Colorado Division of Labor and Employment
Bureau of Economic Analysis
Federal Reserve Bank of St. Louis (FRED)

Schedule 8 - Unaudited
Principal Employers
Current Year and Nine Years Ago

	2025			2016		
	Percentage of Total El Paso County			Percentage of Total El Paso County		
Employer	**Employees**	**Rank**	**Employment**	**Employees**	**Rank**	**Employment**
Fort Carson	29,128	1	8.16%	29,000	1	10.85%
Peterson, Schriever & Cheyenne	14,653	2	4.11%	18,446	2/3	6.90%
United States Air Force Academy	10,482	3	2.94%	5,544	5	2.08%
UCHealth - Colorado Springs	7,748	4	2.17%	6,200	4	2.32%
School District #11	3,724	5	1.04%	3,931	6	1.47%
University of Colorado - UCCS	3,224	6	0.90%	-	-	-
City of Colorado Springs	3,190	7	0.89%	-	-	-
School District #20 - Air Academy	3,055	8	0.86%	3,336	7	1.25%
El Paso County	2,976	9	0.83%	2,477	8	0.93%
Colorado Srings Utilities	2,071	10	0.58%	2,231	10	0.84%
Penrose-St. Francis Health Services	-	-	-	2,265	9	0.85%
Total Employees	**80,251**			**73,430**		
El Paso County Total Employment *	356,822			267,180		

Notes:
*Federal Reserve Bank of St. Louis 2025; El Paso County Public Health ACFR 2016

Data Source:
Various, including City of Colorado Springs, Colorado Springs Chamber of Commerce, Colorado Department Labor and Employment, Military Base Estimates of Economic Impact. annual reports and company web sites

OPERATING INFORMATION

El Paso County, CO Public Health

Schedule 9 - Unaudited
Full-Time Equivalent Employees by Function/Division
Last Ten Fiscal Years

Function/Division	Full-Time Equivalent Employees				
	2025	**2024**	**2023**	**2022**	**2021**
Health and Welfare					
Administration	33.75	64.80	55.00	47.90	19.75
Environmental Health Services	28.00	39.00	32.80	32.00	-
Clinical Services	34.75	32.50	31.50	36.50	20.35
Community Health Promotion	45.20	51.90	50.80	56.10	8.00
Disease Prevention & Response *	16.30	8.80	32.90	55.50	131.90
Strategy, Data & Communications	9.00	-	-	-	-
Total Employees	**167.00**	**197.00**	**203.00**	**228.00**	**180.00**

Function/Division	Full-Time Equivalent Employees				
	2020	**2019**	**2018**	**2017**	**2016**
Health and Welfare					
Administration	25.20	23.95	21.47	17.25	14.44
Environmental Health Services	38.00	38.50	35.50	28.75	23.25
Clinical Services	68.00	69.75	66.50	67.00	81.17
Community Health Promotion	-	-	-	-	-
Disease Prevention & Response *	26.80	25.80	24.53	29.00	19.24
Strategy, Data & Communications	-	-	-	-	-
Total Employees	**158.00**	**158.00**	**148.00**	**142.00**	**138.10**

Notes:

*Disease Prevention & Response inclusive of division names of prior years:
- Disease Prevention & Control
- Health Promotion & Disease Prevention
- Health Prevention Services
- Public Health Data & Anayltics

Data Source:
El Paso County Public Health Budget

Schedule 10 - Unaudited
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Operating Indicators 2025	2024	2023	2022	2021
Health and Welfare					
Clinical Services					
Number of Vaccines Administered	10,072	6,803	11,329	9,602	3,796
Total Child Visits	2,255	2,609	1,909	1,150	*
Total Travel/Adult Visits	1,906	2,146	2,447	1,387	*
Environmental Health Services					
Total Food Safety Class Attendees	2,570	2,042	1,746	1,234	1,105
Total Retail Food Inspections	4,587	3,737	3,707	2,870	3,838
Total Permits Issued - Onsite Wastewater Treatment System	535	439	517	642	680
Total Body Art Inspections in El Paso County	238	202	158	168	141
Total Childcare Inspections	548	380	307	283	302
Total Water Recreation Inspections	366	321	336	314	361
Total School Safety Inspections	450	418	24	364	310
Total Waste Tire Inspections	151	139	142	118	125
Total Construction Activity Permit Applications	127	119	136	163	129
Total Open Burning Permit Applications	45	36	51	19	15
Number of Complaints of Excessive Smoke/Dust Received	41	33	23	38	50

Function/Program	Operating Indicators 2020	2019	2018	2017	2016
Health and Welfare					
Clinical Services					
Number of Vaccines Administered	2,623	12,087	8,897	11,100	9,822
Total Child Visits	*	1,456	1,812	2,033	1,644
Total Travel/Adult Visits	*	1,146	2,891	2,925	2,855
Environmental Health Services					
Total Food Safety Classes	989	1,288	983	963	774
Total Retail Food Inspections	1,444	4,322	5,894	5,792	5,071
Total Permits Issued - Onsite Wastewater Treatment System	616	588	606	597	507
Total Body Art Inspections in El Paso County	113	127	103	116	106
Total Childcare Inspections	149	313	241	255	264
Total Water Recreation Inspections	238	399	406	431	437
Total School Safety Inspections	9	13	40	63	52
Total Waste Tire Inspections	30	117	135	167	182
Total Construction Activity Permit Applications	107	110	84	66	84
Total Open Burning Permit Applications	30	38	36	32	28
Number of Complaints of Excessive Smoke/Dust Received	29	39	43	42	50

Notes:
* Data not available

Data Source:
Department managers within each function/program

Schedule 11 - Unaudited
Facilities by Function/Program
Last Ten Fiscal Years

Function/Program	Facilities 2025	2024	2023	2022	2021
Health and Welfare					
Garden of The Gods Facility					
Administration	Yes	Yes	Yes	Yes	Yes
Disease Prevention and Response	Yes	Yes	Yes	Yes	Yes
Clinical Services	Yes	Yes	Yes	Yes	Yes
Community Health Promotion/WIC	Yes	Yes	Yes	Yes	Yes
Environmental Health	Yes	Yes	Yes	Yes	Yes
Strategy, Data and Communications	Yes	No	No	No	No
Valley Hi Facility					
WIC	Yes	Yes	Yes	Yes	Yes
Fountain Facility					
WIC	Yes	Yes	Yes	Yes	Yes

Function/Program	Facilities 2020	2019	2018	2017	2016
Health and Welfare					
Garden of The Gods Facility					
Administration	Yes	Yes	Yes	Yes	Yes
Disease Prevention and Response	Yes	Yes	Yes	Yes	Yes
Clinical Services	Yes	Yes	Yes	Yes	Yes
Community Health Promotion/WIC	Yes	Yes	Yes	Yes	Yes
Environmental Health	Yes	Yes	Yes	Yes	Yes
Strategy, Data and Communications	No	No	No	No	No
Valley Hi Facility					
WIC	Yes	Yes	Yes	Yes	Yes
Fountain Facility					
WIC	Yes	Yes	No	No	No

Data Source:
Department managers within each function/program

Schedule 12 - Unaudited
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Capital Assets 2025	2024	2023	2022	2021
Health and Welfare					
Equipment and Furniture & Fixtures	39	37	43	40	35
Vehicles	5	5	5	5	5
Electronic Health Record Systems	1	1	1	1	1
Leasehold Improvements	2	2	2	2	1
Building	1	1	1	1	1
Capital Improvements	2	2	1	1	1
Land	1	1	1	1	1

Function	Capital Assets 2020	2019	2018	2017	2016
Health and Welfare					
Equipment and Furniture & Fixtures	33	12	14	13	13
Vehicles	4	4	4	3	-
Electronic Health Record Systems	1	1	1	-	-
Leasehold Improvements	1	1	1	-	-
Building	1	-	-	-	-
Capital Improvements	1	-	-	-	-
Land	1	-	-	-	-

Data Source:
El Paso County Public Health Financial Capital Assets Records

El Paso County Public Health

www.elpasocountyhealth.org

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