

**THE THIRD JUDICIAL DISTRICT –  
OFFICE OF THE DISTRICT ATTORNEY**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2016**



**RECEIVED**

*By the Office of the State Auditor at 10:57 am, Aug 15, 2017*

TABLE OF CONTENTS

**PAGE**

**INTRODUCTORY SECTION**

Title Page

Table of Contents

**FINANCIAL SECTION**

Independent Auditors' Report

**Basic Financial Statements**

Government–Wide Financial Statements

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements

Balance Sheet – General Fund 3

Statement of Revenues, Expenditures and Changes in Fund Balances –  
General Fund 4

Reconciliation of the Statement of Revenues, Expenditures and Changes  
In Fund Balances – Governmental Funds to the Statement of Activities 5

Notes to the Financial Statements 6 – 25

**Required Supplemental Information**

General Fund – Budgetary Comparison Schedule 26

Schedule of the District's Proportionate Share 27

Schedule of the District's Contributions 28

## **FINANCIAL SECTION**



## JOHN CUTLER & ASSOCIATES

Office of the District Attorney  
The Third Judicial District  
Trinidad, Colorado

### INDEPENDENT AUDITORS' REPORT

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Third Judicial District – Office of the District Attorney, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Third Judicial District – Office of the District Attorney, as of December 31, 2016, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and required pension information on pages 26-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not affected by this missing information.

*John Cutler & Associates, LLC*

July 28, 2017

## **BASIC FINANCIAL STATEMENTS**

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

STATEMENT OF NET POSITION

As of December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 25,306
Restricted Cash	3,425
Accounts Receivable	13,083
Capital Assets, net of accumulated depreciation	<u>-</u>
TOTAL ASSETS	<u>41,814</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	<u>249,343</u>
LIABILITIES	
Accounts Payable	7,780
Accrued Expenses	4,838
Net Pension Liability	<u>838,136</u>
TOTAL LIABILITIES	<u>850,754</u>
DEFERRED INFLOW OF RESOURCES	
Related to Pensions	<u>10,311</u>
NET POSITION	
Restricted for Emergencies	17,500
Unrestricted	<u>(587,408)</u>
TOTAL NET POSITION	<u><u>\$ (569,908)</u></u>

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016

	<u>Governmental Activities</u>
EXPENSES	
<b>Governmental Activities</b>	
General Government	<u>\$ 730,899</u>
TOTAL EXPENSES	<u>730,899</u>
REVENUES	
OPERATING GRANTS AND CONTRIBUTIONS	<u>576,017</u>
GENERAL REVENUES	
Other Local Revenues	<u>3,177</u>
TOTAL REVENUES	<u>579,194</u>
CHANGE IN NET POSITION	(151,705)
NET POSITION, Beginning	<u>(418,203)</u>
NET POSITION, Ending	<u><u>\$ (569,908)</u></u>

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2016

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$ 25,306
Restricted Cash	3,425
Accounts Receivable	<u>13,083</u>
TOTAL ASSETS	<u><u>\$ 41,814</u></u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts Payable	\$ 7,780
Accrued Expenses	<u>4,838</u>
TOTAL LIABILITIES	<u>12,618</u>
FUND EQUITY	
Fund Balance	
Restricted for Emergencies	17,500
Unassigned	<u>11,696</u>
TOTAL FUND EQUITY	<u>29,196</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 41,814</u></u>
Amounts reported for governmental activities in the statement of net position are different because:	
Fund Equity, governmental funds:	29,196
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include net pension liability (\$838,136), deferred outflows related to pensions \$249,343, and deferred inflows related to pensions \$(10,311).	<u>(599,104)</u>
Net Position of governmental activities	<u><u>\$ (569,908)</u></u>

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2016

	<u>GENERAL FUND</u>
REVENUES	
Local Revenues	\$ 413,450
State Revenues	162,567
Other	<u>3,177</u>
TOTAL REVENUES	<u>579,194</u>
EXPENDITURES	
Current	
General Government	<u>573,411</u>
TOTAL EXPENDITURES	<u>573,411</u>
NET CHANGE IN FUND BALANCES	5,783
FUND BALANCES, Beginning	<u>23,413</u>
FUND BALANCES, Ending	<u><u>\$ 29,196</u></u>

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$	5,783
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the current period		(3,205)
Deferred charges related to pensions are not recognized in the governmental funds. However, for the government-wide financial statements, these amounts are capitalized and amortized.		<u>(154,283)</u>
Change in Net Position of Governmental Activities	\$	<u>(151,705)</u>

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Third Judicial District Office of the District Attorney (the “District”) operates under Colorado State Statutes and includes Las Animas and Huerfano Counties in the State of Colorado. The Office of the District Attorney is an elected position and provides prosecutorial and public safety services to the District as authorized by state statutes.

The accounting policies of District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The District’s *Governmental activities*, which are supported primarily by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. For the year ended December 31, 2016, the District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment 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 THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the 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.

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. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Service fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

In the fund financial statements, the District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Cash and Investments**

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

For the year ended December 31, 2016, the District reports no investments.

**Deferred Outflows/Inflows of Resources**

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

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

**Net Position**

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. The District does not report any capital assets at December 31, 2016.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Net Position/Fund Balance Classification**

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Attorney. These amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The District did not have any committed resources as of December 31, 2016.

- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 1st, the District's Office Administrator submits to the District Attorney a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- The District's Office Administrator is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District Attorney.
- Budgets on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the District Attorney. All appropriations lapse at year end.

**State Compliance**

At December 31, 2016 actual expenditures in the General Fund exceeded budgeted amounts by \$566,032. Due to the District not budgeted general operating expenditures. This may be a violation of State statute.

**NOTE 3: CASH AND INVESTMENTS**

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 3: CASH AND INVESTMENTS** (Continued)

**Deposits** (Continued)

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District has no policy regarding custodial credit risk for deposits.

At December 31, 2016, the District had deposits with financial institutions with a carrying amount of \$28,731. The bank balances with the financial institutions were \$34,758. All of these balances were covered by federal depository insurance

**Investments**

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

The District has no investments at December 31, 2016.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 3: CASH AND INVESTMENTS** (Continued)

**Restricted Cash**

At December 31, 2016, cash in the amount of \$3,425 is restricted in the General Fund related to grant and trust funds.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2016 is summarized below:

	<u>Balances</u> <u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/16</u>
<b>Governmental Activities</b>				
Capital Assets, depreciated				
Machinery and Equipment	\$ 33,567	\$ -	\$ 33,567	\$ -
Less Accumulated Depreciation				
Machinery and Equipment	<u>30,362</u>	<u>3,205</u>	<u>33,567</u>	<u>-</u>
Governmental Activities, Capital Assets, Net	<u>\$ 3,205</u>	<u>\$ (3,205)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation was charged to the general government program.

**NOTE 5: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). 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/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the SDTF benefit structure is the greater of

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

*Contributions.* Eligible employees and the District are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

All members except State Troopers	Rate at 12/31/16
Employer Contribution Rate <sup>1</sup>	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the SDTF <sup>1</sup>	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.60%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	18.23%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the District were \$23,699 for the year ended December 31, 2016.

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

At December 31, 2016 the District reported a liability of \$838,136 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's proportion of the net pension liability was based on December 31, 2016 contributions to the SDTF for the calendar year 2016 relative to the total contributions of participating employers to the SDTF.

At December 31, 2016, the District proportion was 0.00456%, which was a decrease of 0.00011% from its proportion measured as of December 31, 2015.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For the year ended December 31, 2016 the District recognized pension expense of \$177,982. At December 31, 2016 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$8,331	N/A
Net difference between projected and actual earnings on pension plan investments	\$27,785	N/A
Contributions subsequent to the measurement date	N/A	N/A
Changes in assumptions and other inputs	\$213,227	\$2,594
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$7,717
Total	\$249,343	\$10,311

No amounts are reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended 2016</b>	
2017	\$133,878
2018	\$100,463
2019	\$ 6,585
2020	(\$ 1,894)

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

*Actuarial assumptions.* The December 31, 2015 actuarial valuation used the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 9.57 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA’s Board on November 18, 2016 and were effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016.

Actuarial cost method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.17 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5:**     **DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions** (Continued)

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Health post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.5 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year
- Real rate of investment return assumption increased from 4.7 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.9 percent per year to 3.5 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) were developed by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Discount rate.* The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions described earlier. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated of the total service costs for future plan members.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop to 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2039 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on the pension plan investments was applied to periods through 2039 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2039 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86%, resulting in a discount rate of 5.26 percent.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

As of the prior measurement date, the GASB Statement No. 67 projection test indicated the SDTF’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 plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent.

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$1,038,083	\$838,136	\$673,864

*Pension plan fiduciary net position.* Detailed information about the SDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Other Post-Employment Benefits**

**Health Care Trust Fund**

*Plan Description* – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 5: DEFINED BENEFIT PENSION PLAN** (Continued)

**Other Post-Employment Benefits** (Continued)

**Health Care Trust Fund** (Continued)

*Funding Policy* – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2014, 2015, and 2016 the District's contributions to the HCTF were \$1,326 and \$1,326, and \$1,326 respectively, equal to their required contributions for each year.

**NOTE 6: DEFINED CONTRIBUTION PLAN**

The District provides pension benefits for substantially all full time employee through a defined contribution plan of the Colorado County Officials and Employees Retirement Association. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. One year of service is required previous to participation in the Colorado County Officials and Employees Retirement Association Plan. Employees contribute 3% of their salary to the plan with an equal amount contributed by the District. Vesting occurs at a rate of 20% per year. District contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the District. Forfeitures were \$728 during 2016 and pension expense was \$5,651. The District had no outstanding liability for this plan at year end.

**NOTE 7: DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In 2001, the District adopted an amendment to its Deferred Compensation Plan with CCOERA. The adoption of the amendment was due to recent changes in the Internal Revenue Code. Specifically, the amendment states that all amounts, and all income attributable to such amounts, property, or rights shall, until made available to the participant or beneficiary, be held in the Colorado County Officials and Employees Retirement Association Deferred Compensation Plan Trust for the exclusive benefit of the participants and their beneficiaries. Colorado County Officials and Employees Retirement Association is the trustee of the trust. Eligible voluntary employee contributions were \$1,164 in 2016.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

The District intends to issue over time a part or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of fiscal year spending, as required by the Amendment. At December 31, 2016, the emergency reserve of \$17,500 was recorded in the General Fund.

**Intergovernmental Agreements**

Las Animas County

The District is funded partially by contributions from Las Animas County, Colorado. No written agreement exists, however, the County's budget includes an annual appropriation to fund the District. For the year ended December 31, 2016, the County budgeted and the District received \$221,872 in contributions to cover personnel and operating costs. In addition, the County provides office space to the District at no cost.

Huerfano County

The District is funded partially by contributions from Huerfano County, Colorado. No written agreement exists, however, the County's budget includes an annual appropriation to fund the District. For the year ended December 31, 2016, the County budgeted and the District received \$128,669 in contributions to cover personnel and operating costs. In addition, the County provides office space to the District at no cost.

THE THIRD JUDICIAL DISTRICT – OFFICE OF  
THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2016

**NOTE 10: DEFICIT NET POSITION**

As of December 31, 2016, the District had a government-wide net position deficit of \$569,908. This deficit was created as the District is required to report its net pension liability and related inflows and outflows under Governmental Accounting Standards Statement No. 68.

**REQUIRED SUPPLEMENTAL INFORMATION**

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2016

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Revenues	\$ 7,500	\$ 413,450	\$ 405,950
State Revenues	-	162,567	162,567
Other	-	3,177	3,177
TOTAL REVENUES	<u>7,500</u>	<u>579,194</u>	<u>571,694</u>
EXPENDITURES			
Current			
General Government			
Salaries and Benefits	-	463,409	(463,409)
Administration	7,379	88,256	(80,877)
Other	-	13,331	(13,331)
Capital Outlay	-	8,415	(8,415)
TOTAL EXPENDITURES	<u>7,379</u>	<u>573,411</u>	<u>(566,032)</u>
CHANGE IN FUND BALANCES	121	5,783	5,662
FUND BALANCE, Beginning	<u>222</u>	<u>23,413</u>	<u>23,191</u>
FUND BALANCE, Ending	<u>\$ 343</u>	<u>\$ 29,196</u>	<u>\$ 28,853</u>

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
STATE DIVISION TRUST FUND

Years Ended December 31,

	<u>2015</u>	<u>2016</u>
District's proportionate share of the Net Pension Liability (Asset)	0.00468%	0.00456%
District's proportionate share of the Net Pension Liability (Asset)	\$ 492,482	\$ 838,136
District's covered-employee payroll	\$ 130,000	\$ 130,000
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	378.8%	644.7%
Plan fiduciary net position as a percentage of the total pension liability	59.8%	42.6%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
STATE DIVISION TRUST FUND

Years Ended December 31,

	<u>2015</u>	<u>2016</u>
Statutorily required contributions	\$ 22,529	\$ 23,699
Contributions in relation to the Statutorily required contributions	<u>22,529</u>	<u>23,699</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 130,000	\$ 130,000
Contributions as a percentage of covered-employee payroll	17.00%	18.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.