

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

BASIC FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

For the Year Ended December 31, 2016



RECEIVED

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OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

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Office of the District Attorney
Twenty-second Judicial District
Cortez, CO 81321

INDEPENDENT AUDITOR'S REPORT



Heidi A. Trainor, CPA, MS Tax

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the District Attorney, Twenty-second Judicial District, (the District), which comprise the Statement of Financial Position as of December 31, 2016, and the related Statement of Activities, for the year then ended.

The prior year summarized comparative information has been derived from the District's financial statements and, in our report dated June 13, 2016; we expressed an unmodified opinion on those financial statements.

Management's Responsibility for 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.

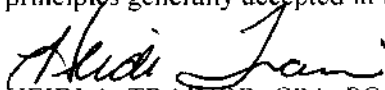
Auditor's Responsibility

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 the 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office of the District Attorney, Twenty-second Judicial District as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


HEIDI A. TRAINOR, CPA, PC

July 12, 2017

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

This discussion and analysis is designed to provide an analysis of the District's financial condition and operating results for the years ended December 31, 2016 and 2015 and to inform the reader of the District's financial issues and activities. The function of the District is to provide prosecutorial services for a two county region.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's basic financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: 1) government-wide financial statements and fund financial statements, and 2) notes to the financial statements.

Government-wide and Fund Financial Statements

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of fund balances* presents information on all of the District's assets and liabilities, with the difference between the two reported as *fund balances*. Over time, increases or decreases in fund balances may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's fund balances changed during the past year. All changes in fund balances are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has seven funds including the general fund and six special revenue funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 TWENTY-SECOND JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2016

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

Government-wide Financial Analysis

As noted earlier, fund balances may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$354,106 in 2016, compared to \$269,497 in 2015. During the year ended 2016, net assets increased by \$54,609. Revenues decreased by \$46,660 or 4%. Support from Montezuma County and Dolores County represented 73% of revenue in 2016, compared to 69% of revenue in 2015. Since the District's function is prosecutorial services, personnel services are the main expense. Personnel services represented 87% of total expenses for 2016 and 89% for 2015.

Table 1 provides a condensed statement of the District's net assets at December 31, 2016 and 2015.

Table 1
Condensed Statement of Fund Balances

	Governmental Activities	
	2016	2015
Assets		
Current assets	\$ 465,235	\$ 377,082
Liabilities		
Current liabilities	20,976	
Long term liabilities	5,198	19,561
Other liabilities	84,955	88,024
Total Liabilities	111,129	107,585
Unreserved Fund Balances	\$ 354,106	\$ 269,497

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 TWENTY-SECOND JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2016

Table 2 provides a condensed statement of the changes in fund balances during the years ended December 31, 2016 and 2015.

Table 2
Condensed Statement of Changes in Fund Balances

	Governmental Activities	
	2016	2015
Revenues		
Program revenues		
Operating grants and contributions	\$ 74,609	\$ 80,774
General revenues	1,118,613	1,159,048
Total revenues	1,193,222	1,239,822
Expenses		
General government		
Personnel services	1,019,382	1,036,989
Dues, meetings, and travel	18,159	16,392
Supplies and operating	120,086	102,879
Professional services	11,464	11,116
Total expenses	1,169,091	1,167,376
Change in fund balances	24,131	72,446
Beginning fund balances	269,497	197,051
Prior Period Adjustment	60,478	--
Ending fund balances	\$ 354,106	\$ 269,497

Fund Financial Analysis

The general fund is the main operating fund of the District. The main source of revenue is from Montezuma and Dolores counties.

Special revenue funds account for revenue that is designated for a particular program. The main source of revenue for the special revenue funds is from federal and state grants.

The District submits operating budgets to Montezuma and Dolores counties for annual funding, but a budget is not legally adopted by the District. Therefore, budget comparison statements have not been presented.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

Capital Assets

The District has no ownership in capital assets. Capital expenses are included in the operating budget submitted to Montezuma County. Montezuma County retains ownership of all capital assets.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that could significantly affect its financial situation in the future.

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need any additional financial information, please contact the District's administration at 103 North Chestnut, Room 302, Cortez, Colorado 81321.

OFFICE OF THE DISTRICT ATTORNEY
 TWENTY-SECOND JUDICIAL DISTRICT

STATEMENT OF FUND BALANCES
 December 31

	2016	2015
ASSETS		
Cash	\$ 272,755	\$ 262,183
Accounts Receivable	34,333	37,055
Due from Other Governments	90,276	77,844
Due from Other Funds	67,871	--
TOTAL ASSETS	\$ 465,235	\$ 377,082
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 74,103	\$ 35,344
Accrued Expenses	10,852	7,631
Deferred Revenue	--	45,049
Long-term Liabilities:		
Compensated Absences-Due within One Year	20,976	--
Compensated Absences-Due in more than One Year	5,198	19,561
TOTAL LIABILITIES	111,129	107,585
 FUND BALANCES		
Unreserved Fund Balances	354,106	269,497
TOTAL FUND BALANCES	354,106	269,497
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 465,235	 \$ 377,082

The accompanying notes are an integral part of these financial statements

OFFICE OF THE DISTRICT ATTORNEY
 TWENTY-SECOND JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
 For the Year Ending December 31

	<u>PROGRAM REVENUES</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN FUND BALANCES</u>	
		GOVERNMENTAL ACTIVITIES	
	<u>Operating Grants and Contributions</u>	<u>2016</u>	<u>2015</u>
<u>Expenses</u>			
GOVERNMENTAL ACTIVITIES			
General Government:			
Personal Services	\$ 74.609	\$ (944.773)	\$ 959.469
Dues, Meetings and Travel	5,295	(12.864)	15.312
Supplies and Operating	--	(120.086)	100.705
Professional Services	--	(11,464)	11,116
TOTAL GOVERNMENTAL ACTIVITIES	\$ 79.904	(1,089.187)	1,086.602
GENERAL REVENUES			
State and County Revenue		1,112.700	1,158,050
Investment Earnings		618	998
TOTAL GENERAL REVENUES		1,113.318	1,159,048
CHANGE IN FUND BALANCES		24.131	72.446
FUND BALANCES, Beginning		269,497	197,051
Prior Period Adjustment		60,478	--
FUND BALANCES, End		\$ 354.106	\$ 269,497

The accompanying notes are an integral part of these financial statements

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31

	2016			2015
	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTALS	TOTALS
ASSETS				
Cash	\$ 198,006	\$ 74,749	\$ 272,755	\$ 262,183
Accounts Receivable	19,352	14,981	34,333	37,055
Due from Other Governments	90,276	--	90,276	77,844
Due from other Funds	67,871	--	67,871	
TOTAL ASSETS	<u>\$ 375,505</u>	<u>\$ 89,730</u>	<u>\$ 465,235</u>	<u>\$ 377,082</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 6,232	\$ 67,871	\$ 74,103	\$ 35,344
Compensated Absences Payable	20,976	--	20,976	15,532
Accrued Expenses	10,852	--	10,852	7,631
Deferred Revenue	--	--	--	45,049
TOTAL LIABILITIES	<u>38,060</u>	<u>67,871</u>	<u>105,931</u>	<u>103,556</u>
FUND BALANCES				
Unreserved and Undesignated	<u>337,445</u>	<u>21,859</u>	<u>359,304</u>	<u>273,526</u>
TOTAL FUND BALANCES	<u>337,445</u>	<u>21,859</u>	<u>359,304</u>	<u>273,526</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 375,505</u>	<u>\$ 89,730</u>	<u>\$ 465,235</u>	<u>\$ 377,082</u>
Reconciliation to the Statement of Fund Balances:				
Total Fund Balances reported above			\$ 359,304	\$ 273,526
Less Liabilities (Compensated Absences) not reported above			<u>(5,198)</u>	<u>(4,029)</u>
Fund Balances			<u>\$ 354,106</u>	<u>\$ 269,497</u>

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE DISTRICT ATTORNEY
 TWENTY-SECOND JUDICIAL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ending December 31

	2016		2015	
	MAJOR FUNDS GENERAL	NON-MAJOR GOVERNMENTAL FUNDS	TOTALS	TOTALS
REVENUES				
Federal Grants	\$ --	\$ 51,609	\$ 51,609	\$ 51,609
State Grants and Funding	184,180	23,000	207,180	262,469
County Funding	868,238	--	868,238	858,241
Other Revenue	49,731	16,464	66,195	67,503
TOTAL REVENUES	1,102,149	91,073	1,193,222	1,239,822
EXPENDITURES				
Current				
Personnel Services	933,093	79,675	1,012,768	1,034,798
Ducs. Meetings and Travel	14,025	4,135	18,160	16,392
Supplies and Operating	114,465	5,621	120,086	102,879
Professional Services	11,164	300	11,464	11,116
TOTAL EXPENDITURES	1,072,747	89,731	1,162,478	1,165,185
NET CHANGE IN FUND BALANCES	29,402	1,342	30,744	74,637
FUND BALANCES, Beginning	231,760	37,737	269,497	197,051
Prior Period Adjustment	77,698	(17,220)	60,478	--
FUND BALANCES, Ending	\$ 338,860	\$ 21,859	\$ 360,719	\$ 271,688
Reconciliation to the Statement of Activities:				
Total Net Change in Fund Balances reported above			\$ 30,744	\$ 74,637
Expenses for Compensated Absences do not require the use of current financial resources and therefore are not reported as Expenditures in Governmental Funds.			(6,613)	(2,191)
Change in Fund Balances of Governmental Activities			\$ 24,131	\$ 72,446

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Office of the District Attorney, Twenty-second Judicial District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting policies:

Reporting Entity

The Office of the District Attorney, Twenty-second Judicial District (the District) is an elected position funded by Montezuma and Dolores Counties and the State of Colorado. These operations are reflected in the general fund. The District does not have a property tax levy. The general fund is supplemented by federal and state administered grant funds to permit the office of the District Attorney to undertake specific programs. These specific programs are reported in the special revenue funds.

In accordance with the requirements of the Governmental Accounting Standards Board (GASB), the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

Government-Wide and Fund Financial Statements

- Government-wide financial statements - The government-wide financial statements (i.e., the statement of fund balances and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues. The District does not operate any business-type activities.
- The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or activity. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The District does not have any charges to customers or applicants. Other items not properly included among program revenues are reported instead as general revenues.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

- Fund financial statements - Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has no fiduciary funds.

Individually major 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*, as are the fiduciary fund financial statements. 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.

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 collectible 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest income associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The district reports the following major governmental funds:

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

The effect of inter-fund activity has been eliminated from the government-wide financial statements

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

The Office of the District Attorney submits operating budgets to the county commissioners and to grant agencies, but the budgets are not legally adopted by the Office of the District Attorney. Therefore, budget and actual statements have not been presented.

Capital Assets

All capital assets purchased through the Office of the District Attorney are the property of Montezuma County. No capital assets or related depreciation are recorded on the District's records.

Receivables and Revenue Recognition

Revenues are recognized when earned based on the terms of grants and contracts. Management considers the receivable to be fully collectible and accordingly, no allowance for doubtful accounts has been recorded as of May 30, 2016.

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 Department's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvements of those assets.

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

Unreserved Fund Balances typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

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 Department 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:

- Reserved – 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 Department did not have any reserved resources as of December 31, 2016
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Department did not have any committed resources as of December 31, 2016.
- Unreserved – This classification includes the residual fund balance for the General Fund. The Unreserved classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Department would typically use Reserved fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unreserved resources.

Use of Estimates

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

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The District recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The District's financial statements do not recognize subsequent event that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. CASH AND INVESTMENTS

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. 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.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits (Continued)

Deposits are carried at cost, which approximates fair value. At December 31, 2016, the carrying amount of deposits was \$272,009 and the bank balances were \$285,195. At December 31, 2015, the carrying amount of deposits was \$262,183 and the bank balances were \$285,145. All deposits were fully FDIC insured.

The Office of the District Attorney had no investments during the year ended December 31, 2016 or 2015.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts Receivable represents monies receivable from grantors and other agencies for services rendered. As of December 31, 2016, accounts receivable due the District amounted to \$34,333 and \$37,033 for 2015. This amount is deemed collectible, so no allowance for uncollectible amounts has been calculated.

NOTE 4. DUE FROM OTHER GOVERNMENTS

Due from other governments consists of receivables for reimbursement of expenditures. Due from other governments at December 31, 2016 was \$90,276 and \$77,844 for 2015.

NOTE 5. DUE FROM OTHER FUNDS

Due from other funds consists of payroll reimbursements owed to the general fund from the victim witness unit fund and the victim compensation administration fund. As of December 31, 2016, due from other funds to the District amounted to \$67,871 and \$0 for 2015.

NOTE 6. COMPENSATED ABSENCES PAYABLE

It is the District's policy to permit employees to accumulate earned but unused compensated absences. For government-wide financial reporting, a liability is recorded for compensated absences when services are rendered and employees have earned the right to receive compensation for such services.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 6. COMPENSATED ABSENCES PAYABLE (Continued)

Liabilities for compensated absences are not liquidated until leave is actually taken by employees or leave balances are paid upon termination. Accordingly, no expenditure is reported in the government General Fund for compensated absences until they are paid. Current and non-current portions of compensated absences totaling \$26,174 for the year ended December 31, 2016 and \$19,564 for the year ended December 31, 2015 are recorded for governmental activities in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 7. DEFINED CONTRIBUTION PENSION PLAN - COUNTIES

The District Attorney participates in the State of Colorado's Defined Benefit Pension Plan, and the Colorado County Officials plan through Dolores County. After six months of continuous service, all other full-time employees are eligible to participate in the Colorado County Officials plan through Montezuma and Dolores counties. Contributions made by the employee are five percent of the eligible compensation for Montezuma County and five percent for Dolores County. The employer contributes a matching amount. The Counties fund the employer's share of the contributions to the County plan.

The Counties are members of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by federal social security. Employees are required to participate after one year of continuous service.

The counties maintain no control over the plan, other than being members of the Association. Employees vest at 20% per year and are fully vested after five years of participation.

The 2016 and 2015 total payroll for the Office of the District Attorney was \$776,976 and \$776,980, respectively, and the covered payroll for retirement plan purposes was \$503,121 and \$647,016 for 2016 and 2015, respectively. The 2016 and 2015 employee contributions to the Colorado County Officials and Employees Retirement Association totaled \$24,351 and \$22,570, respectively, and the employer contributed a matching amount.

The District Attorney has the option of contributing to a Defined Benefit Pension Plan administered by PERA or to a Defined Contribution Pension Plan (DCPP) created as an alternative to PERA for elected officials (Reference HB98-1191).

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7. DEFINED CONTRIBUTION PENSION PLAN – COUNTIES (Continued)

Plan Description

The Office of the District Attorney contributes to the Combined State and School Division Trust Fund (CSSDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. The District Attorney is a member of the CSSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for CSSDTF. That report may be obtained by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy

Plan members and the Office of the District Attorney are required to contribute at a rate set by statute. The contribution requirements of plan members and the Office of the District Attorney are established under Title 24, Article 51, of the CRS, as amended. The contribution rate for 2016 for members is 18.35% and for employers is 8% of covered salary. The employee and employer contributions were \$24,332 and \$10,608 for 2016 and \$24,332 and \$10,608 for 2015 respectively.

NOTE 8. CONTINGENCIES

In the normal course of operations, the Office of the District Attorney receives funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. In the Office of the District Attorney's opinion, any liability for reimbursement which may arise as the result of these audits is not believed to be material.

As of December 31, 2016, the Office of the District Attorney did not have any pending litigation or potential non-disclosed liabilities that it believes would have a material effect on the financial statements.

NOTE 9. DEFERRED REVENUE

The District reports deferred revenue in connection with resources that have been received as of year-end, but are not yet earned. The District's deferred revenue for 2016 and 2015 is \$0 and \$45,049, respectively.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 10. BENEFITS FUNDED BY OTHER GOVERNMENTS

Montezuma and Dolores Counties contributed payments on behalf of the Office of the District Attorney employees as follows:

	<u>2016</u>	<u>2015</u>
Insurance	\$ --	\$ 4,635
Retirement	24,351	22,570
Total	<u>\$ 24,351</u>	<u>\$ 27,205</u>

The on-behalf payments have been recognized as revenues and expenditures in the financial statements. See Note 6 for retirement plan information.

NOTE 11. ACCRUED EXPENSES

Accrued expenses are expenses incurred in the normal course of business that have been billed to the District Attorney's office but not paid as of December 31, 2016. At December 31, 2016, the District's accrued expenses were \$10,852 and \$7,631 at December 31, 2015.

NOTE 12. TABOR AMENDMENT

Colorado voters passed an Amendment of the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The district believes it is not within the scope of the Amendment.

NOTE 13. RISK MANAGEMENT

The Office of the District Attorney is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past four years.

OFFICE OF THE DISTRICT ATTORNEY
TWENTY-SECOND JUDICIAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

**Non-major Governmental Funds
Special Revenue Funds**

Victims Assistance – accounts for state funds from Victim Assistance and Law Enforcement (VALE) Board.

VOCA – accounts for federal funds from the Crime Victim Assistance Grant.

OFFICE OF THE DISTRICT ATTORNEY
 TWENTY-SECOND JUDICIAL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

December 31

	2016				2015
	VICTIMS ASSISTANCE	VICTIMS COMPENSATION	VOCA	TOTAL	TOTAL
ASSETS					
Cash	\$ 28,472	\$ 5,724	\$ 40,554	\$ 74,750	\$ 52,538
Accounts Receivable	524	354	--	878	14,650
Grants Receivable	--	--	14,102	14,102	--
TOTAL ASSETS	28,996	6,078	54,656	89,730	67,188
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	25,165	4,000	38,706	67,871	29,451
TOTAL LIABILITIES	25,165	4,000	38,706	67,871	29,451
FUND BALANCES - UNRESERVED	3,831	2,078	15,950	21,859	37,737
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,996	\$ 6,078	\$ 54,656	\$ 89,730	\$ 67,188

OFFICE OF THE DISTRICT ATTORNEY
 TWENTY-SECOND JUDICIAL DISTRICT

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

	2016			2015	
	VICTIMS COMPENSATION	VICTIMS ASSISTANCE	VOCA	TOTAL	TOTAL
REVENUES					
Federal Grants	\$ --	\$ --	\$ 51,609	\$ 51,609	\$ 51,609
State Grants	23,000	--	--	23,000	29,165
Investment Income	--	2	17	19	20
Other Income	10,781	5,664	--	16,445	12,098
TOTAL REVENUES	33,781	5,666	51,626	91,073	92,892
EXPENDITURES					
Current					
Personnel Services	24,066	4,000	51,609	79,675	89,634
Ducs, Meetings & Travel	4,051	84	--	4,135	1,736
Supplies & Operating	5,186	435	--	5,621	9,687
Professional Fees	300	--	--	300	--
TOTAL EXPENDITURES	33,603	4,519	51,609	89,731	101,057
 NET CHANGE IN FUND BALANCES	 178	 1,147	 17	 1,342	 (8,165)
 FUND BALANCES - Beginning	 17,200	 931	 19,606	 37,737	 45,902
Prior Period Adjustment	(13,547)	--	(3,673)	(17,220)	--
 FUND BALANCES - End	 \$ 3,831	 \$ 2,078	 \$ 15,950	 \$ 21,859	 \$ 37,737