

cPa DIXON, WALLER & CO., INC.

THE THIRD JUDICIAL DISTRICT
OFFICE OF THE DISTRICT ATTORNEY
TRINIDAD, COLORADO
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

DIXON, WALLER & CO., INC.

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THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Henry Solano
District Attorney
Third Judicial District –
Office of the District Attorney
Trinidad, CO 81082

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Third Judicial District - Office of the District Attorney, as of and for the year ended December 31, 2018, 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, each major fund, and the aggregate remaining fund information of the Third Judicial District - Office of the District Attorney, as of December 31, 2018, 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 pension and other post employment benefits trend data on pages 38 through 42 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 on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Third Judicial District - Office of the District Attorney's basic financial statements. The combining and individual fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

Deifon, Waller & Co., Inc.

Trinidad, Colorado
July 22, 2019

BASIC FINANCIAL STATEMENTS

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF NET POSITION
December 31, 2018

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	88,783	88,783
Accounts and Grants Receivable	20,706	20,706
Capital Assets	-	-
Accumulated Depreciation	-	-
Prepays	4,648	4,648
<u>Total Assets</u>	<u>114,137</u>	<u>114,137</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions	195,084	195,084
Other Post Employment Benefits	1,471	1,471
<u>Total Deferred Outflows of Resources</u>	<u>196,555</u>	<u>196,555</u>
<u>LIABILITIES</u>		
Accounts Payable	1,781	1,781
Compensated Absences	18,971	18,971
Other Liabilities	-	-
Net Pension Liability	810,179	810,179
Net Post Employment Benefits Liability	19,009	19,009
<u>Total Liabilities</u>	<u>849,940</u>	<u>849,940</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	109,525	109,525
Other Post Employment Benefits	2,309	2,309
<u>Total Deferred Inflows of Resources</u>	<u>111,834</u>	<u>111,834</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	-	-
Restricted for:		
Tabor Reserve	29,000	29,000
Unrestricted	(680,082)	(680,082)
<u>TOTAL NET POSITION</u>	<u>(651,082)</u>	<u>(651,082)</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities</u>					
Public Welfare & Safety	864,927	13,837	101,813	-	(749,277)
Pension and Other Post Employment Benefit Cost	<u>147,944</u>	-	-	-	<u>(147,944)</u>
<u>Total Governmental Activities</u>	<u>1,012,871</u>	<u>13,837</u>	<u>101,813</u>	-	<u>(897,221)</u>
<u>Total Primary Government</u>	<u>1,012,871</u>	<u>13,837</u>	<u>101,813</u>	-	<u>(897,221)</u>
		<u>General Revenues</u>			
					685,669
					159,808
					<u>6,263</u>
					<u>851,740</u>
					<u>Change in Net Position</u>
					(45,481)
					<u>Net Position – Beginning (As Restated)</u>
					(605,601)
					<u>Net Position – Ending</u>
					(651,082)

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>			
Cash	84,111	4,672	88,783
Receivables:			
Grants	18,973	-	18,973
Accounts	-	1,733	1,733
Due From Other Funds	-	-	-
Prepays	<u>4,648</u>	<u>-</u>	<u>4,648</u>
<u>Total Assets</u>	<u>107,732</u>	<u>6,405</u>	<u>114,137</u>
<u>LIABILITIES AND FUND BALANCES:</u>			
<u>Liabilities:</u>			
Accounts Payable	1,781	-	1,781
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>1,781</u>	<u>-</u>	<u>1,781</u>
<u>Fund Balances:</u>			
Nonspendable:			
Prepays	4,648	-	4,648
Restricted for:			
Emergency Reserve	29,000	-	29,000
Assigned for:			
Victims Assistance and Program Administration	-	6,405	6,405
Unassigned	<u>72,303</u>	<u>-</u>	<u>72,303</u>
<u>Total Fund Balances</u>	<u>105,951</u>	<u>6,405</u>	<u>112,356</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>107,732</u>	<u>6,405</u>	<u>114,137</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	112,356
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. There are no capital assets at year end.	-
The liability for accrued compensated absences is not recorded at the fund level.	(18,971)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(810,179)
Net Other Post Employment Benefits Liability	(19,009)
Deferred Outflows	196,555
Deferred Inflows	(111,834)
<u>Total Net Position – Governmental Activities</u>	<u>(651,082)</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Fund</u>
<u>REVENUES:</u>			
Intergovernmental:			
Local	710,669	-	710,669
State	159,808	-	159,808
Grants	76,813	-	76,813
Fees	5,192	8,645	13,837
Settlements	-	6,263	6,263
<u>Total Revenues</u>	<u>952,482</u>	<u>14,908</u>	<u>967,390</u>
<u>EXPENDITURES:</u>			
Payroll and Benefits	749,687	-	749,687
Administration	75,749	11,552	87,301
Equipment Leases	13,580	-	13,580
Compensation Payments	-	5,725	5,725
Capital Outlay	70	-	70
Other	3,037	-	3,037
<u>Total Expenditures</u>	<u>842,123</u>	<u>17,277</u>	<u>859,400</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	110,359	(2,369)	107,990
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
<u>NET CHANGE IN FUND BALANCES</u>	110,359	(2,369)	107,990
<u>FUND BALANCE – Beginning</u>	<u>(4,408)</u>	<u>8,774</u>	<u>4,366</u>
<u>FUND BALANCE – Ending</u>	<u>105,951</u>	<u>6,405</u>	<u>112,356</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2018

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	107,990
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Capital outlays more than \$5,000	-
Depreciation expense	-
<p>The liability for accrued compensated absences is not recorded in the fund financial statements. This is the change in the liability for the current year.</p>	
	(5,527)
<p>The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities are not recorded at the fund level:</p>	
Pension Cost	(148,232)
Other Post Employment Benefits Cost	<u>288</u>
<u>Change in Net Position - Governmental Activities</u>	<u>(45,481)</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Third Judicial District Office of the District Attorney operates under Colorado State Statutes and includes Las Animas and Huerfano Counties. 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 Office of the District Attorney is located in the Las Animas County Courthouse. Certain medical and retirement benefits provided by the County to its employees are made available to the Office of the District Attorney's employees as well. Administrative expenditures are generally funded by Las Animas and Huerfano Counties.

The financial statements of the Office of the District Attorney are presented in accordance with generally accepted accounting principles applicable to governmental units. The following is a summary of such policies.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14, (as amended by Statements No.34, No. 39 and No.61) "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basis financial statements present the District (the primary government) and its component units.

B. Deferred Outflows / Inflows of Resources

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the District's legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and 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 government 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, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, fees, licenses, 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 government.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* included 1) charges to customers or applicants for goods, services or privileges provided 2) operating rents and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of general government.

The District reports the following Non-Major Governmental Funds:

VALE – this fund accounts for proceeds used for program administrative purposes.

Victims Assistance – this fund accounts for payments made based on agreed settlements for victims of crime.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental column in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

G. Budgets and Budgetary Accounting

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements.

1. Prior to October 1, the Office Manager 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.
2. The Office Manager is authorized to transfer budgeted amounts between categories within any fund; however, and revisions that alter the total expenditures of any fund must be approved by the District Attorney.
3. Formal budgetary integration should be employed as a management control device during the year.
4. The budgets are on a GAAP basis.
5. A budget was adopted for the General Fund and VALE Fund. A budget was not adopted for the Victims Assistance Fund as of December 31, 2018.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Accrued Compensated Absences

From 12 to 24 days of vacation leave per year may be accrued by each employee depending on length of continuous service. Employees are paid for unused vacation time at termination at their rate of pay immediately prior to termination. 80 hours of accrued annual leave may be carried over at year end.

Employees may accumulate sick leave but are not paid for unused portions upon termination.

The change in the liability for accrued but unpaid annual leave follows:

<u>Balance at 12/31/17</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 12/31/18</u>
<u>13,444</u>	<u>5,527</u>	<u> -</u>	<u>18,971</u>

I. Reserves

Article X, Section 20 of the Constitution of the State of Colorado requires the District Attorney to establish Emergency Reserves (see Note 7). \$29,000 of the fund balance has been reserved in compliance with this requirement.

J. 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 expense during the reporting period. Actual results could differ from those estimates.

K. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

L. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. GASB Statement No. 54 (Continued)

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District Attorney (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the District Attorney, either because of a Policy in the Policy Manual, or because of specific fund requirements.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by District authority.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>VALE Fund</u>	<u>Victims Assistance Fund</u>	<u>Total</u>
Nonspendable	4,648	-	-	4,648
Restricted Emergencies	29,000	-	-	29,000
Assigned Victims Assistance and Administration	-	4,739	1,666	6,405
Unassigned	<u>72,303</u>	-	-	<u>72,303</u>
<u>Total Fund Balances</u>	<u>105,951</u>	<u>4,739</u>	<u>1,666</u>	<u>112,356</u>

NOTE 2 CAPITAL ASSETS

There were no capital assets meeting the threshold for 2018 and there was no capital assets activity for the year ended December 31, 2018.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

Certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities. There were no items eliminated for 2018.

NOTE 4 ACCOUNTS RECEIVABLE

The following is a schedule of accounts receivable at December 31, 2018:

General Fund – VOCA Grant	<u>18,973</u>
Vale Fund	<u>1,733</u>

NOTE 5 INTERGOVERNMENTAL AGREEMENTS

The Judicial District has an intergovernmental agreement with Las Animas and Huerfano Counties to provide District Attorney services to the bi-county area. The counties provide funding for the general operation of the Judicial District.

NOTE 6 **DEFINED BENEFIT PENSION PLAN**

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Third Judicial District – Office of the District Attorney 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.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SDTF for financial reporting purposes be measured using the plan provisions in effect as of the SDTF’s measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and December 31, 2018*.

General Information about the Pension Plan

Plan description. Eligible employees of the Third Judicial District – Office of the District Attorney 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.

Benefits provided as of December 31, 2017. 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:

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 DEFINED BENEFIT PENSION PLAN (Continued)

- 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 Denver Public Schools (DPS) benefit structure is the greater of the:

- 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.

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.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, 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 (AIR) 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. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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 NOTES TO FINANCIAL STATEMENTS
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NOTE 6 **DEFINED BENEFIT PENSION PLAN (Continued)**

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.

Contributions provisions as of December 31, 2018: Eligible employees Third Judicial District – Office of the District Attorney 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 with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. Eligible employees who are State Troopers are required to contribute 10 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	<i>As of December 31, 2018</i>
Employer contribution rate ¹	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount apportioned to the SDTF ¹	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Total employer contribution rate to the SDTF¹	19.13%

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

The employer contribution requirements for State Troopers are summarized in the table below:

	<i>As of December 31, 2018</i>
Employer contribution rate ¹	12.85%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount apportioned to the SDTF ¹	11.83%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Total employer contribution rate to the SDTF¹	21.83%

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

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NOTE 6 **DEFINED BENEFIT PENSION PLAN (Continued)**

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Third Judicial District-Office of the District Attorney is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF Third Judicial District-Office of the District Attorney were \$25,905 for the year ended December 31, 2018.

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

At December 31, 2018, the Third Judicial District-Office of the District Attorney reported a liability of \$810,179 for its proportionate share of the net pension liability. The net pension liability for the SDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The Third Judicial District-Office of the District Attorney proportion of the net pension liability was based on Third Judicial District-Office of the District Attorney contributions to the SDTF for the calendar year 2017 relative to the total contributions of participating employers to the SDTF.

At December 31, 2017, the Third Judicial District-Office of the District Attorney proportion was 0.00405 percent, which was a decrease of 0.0005 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Third Judicial District-Office of the District Attorney recognized pension expense of \$148,232. At December 31, 2018, the Third Judicial District-Office of the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$12,633	-
Changes of assumptions or other inputs	\$140,677	-
Net difference between projected and actual earnings on pension plan investments	\$15,869	\$(46,383)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	\$(63,142)
Contributions subsequent to the measurement date	\$25,905	N/A
Total	\$195,084	\$(109,525)

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
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NOTE 6 DEFINED BENEFIT PENSION PLAN (Continued)

\$25,905 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2018:	
2019	\$83,499
2020	\$(914)
2021	\$(11,335)
2022	\$(11,596)
2023	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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
Discount rate	5.26 percent
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

A discount rate of 4.72 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

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.

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

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NOTE 6 **DEFINED BENEFIT PENSION PLAN (Continued)**

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.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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.

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 expense and inflation) were developed 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 most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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%	

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 DEFINED BENEFIT PENSION PLAN (Continued)

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 4.72 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- 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 amount of total service costs for future plan members.
- 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 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 their 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.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO FINANCIAL STATEMENTS
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NOTE 6 DEFINED BENEFIT PENSION PLAN (Continued)

Based on the above assumptions and methods, the projection test indicates the SDTF’s fiduciary net position was projected to be depleted in 2038 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 pension plan investments was applied to periods through 2038 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2038 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.72 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.54 percent higher compared to the current measurement date.

Sensitivity of the Third Judicial District-Office of the District Attorney 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 4.72 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 (3.72 percent) or 1-percentage-point higher (5.72 percent) than the current rate:

	1% Decrease (3.72%)	Current Discount Rate (4.72%)	1% Increase (5.72%)
Proportionate share of the net pension liability	\$1,007,917	\$810,179	\$647,842

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.

Payables to the pension plan

Changes between the measurement date of the net pension liability and December 31, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 6 DEFINED BENEFIT PENSION PLAN (Continued)

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, who are classified college and university employees in the State Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the SDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018 the Third Judicial District-Office of the District Attorney reported a liability of \$810,179 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan’s year-end based on a discount rate of 4.72%. For comparative purposes, the following schedule presents an estimate of what the Third Judicial District-Office of the District Attorney proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Proportionate Share of the Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$386,567

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$361,535 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
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NOTE 7 OTHER POST-EMPLOYMENT BENEFITS

Defined Benefit Plan - Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. The Third Judicial District - Office of the District Attorney participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Plan description. Eligible employees of The Third Judicial District - Office of the District Attorney are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. 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.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
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NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Third Judicial District - Office of the District Attorney is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from The Third Judicial District - Office of the District Attorney were \$1,381 for the year ended December 31, 2018.

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

At December 31, 2018, the Third Judicial District - Office of the District Attorney reported a liability of \$19,009 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Third Judicial District - Office of the District Attorney proportion of the net OPEB liability was based on the Third Judicial District - Office of the District Attorney contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Third Judicial District - Office of the District Attorney proportion was 0.00146 percent, which was a decrease of 0.000018 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Third Judicial District - Office of the District Attorney recognized OPEB expense (income) of \$(288). At December 31, 2018, the Third Judicial District - Office of the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	90	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(318)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(1,991)
Contributions subsequent to the measurement date	1,381	N/A
Total	1,471	(2,309)

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

\$1,381 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2019	(453)
2020	(453)
2021	(453)
2022	(453)
2023	(373)
Thereafter	(34)

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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 percent in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

The Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on 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.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on 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 BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 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 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

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.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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 expense and inflation) were developed 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 most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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 BASIC FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (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%.

Sensitivity of the Third Judicial District - Office of the District Attorney proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	18,486	19,009	19,639

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

- 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%.
- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits 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 projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the Third Judicial District - Office of the District Attorney proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	21,372	19,009	16,992

OPEB plan fiduciary net position. Detailed information about the HCTF'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.

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 DEFINED CONTRIBUTION PLAN

The District provides pension benefits for substantially all full time employees through a defined contribution plan of the Colorado County Officials and Employees Retirement Association. In a defined contribution plan, benefits depend solely on 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 the 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 \$2,146 during 2018 and pension expense was \$8,756. The District had no outstanding liability for this plan at year end.

NOTE 9 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 deferred under this plan, all property and rights purchased with such 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 participants and their beneficiaries. Colorado County officials and Employees Retirement Association is trustee of the trust.

Eligible voluntary employee contributions were \$1281 for 2018.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and States combined, are excluded from the provisions of TABOR. (The District's management believes none of its operations qualified for this exclusion.)

The initial base for State spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires States to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. States are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any State.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

The District is a cooperative entity that exists for the purpose of administering programs to benefit the Huerfano and Las Animas County areas. They have no taxing authority, and no bonded debt. They are primarily funded by federal grants, state grants, local county contributions and a stipend from the state judicial branch.

The District is not in compliance with the provisions of TABOR which are applicable to this entity. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification as an Enterprise) will require judicial interpretation. As of December 31, 2018 the General Fund has a TABOR reserve of \$29,000.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2018

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

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

NOTE 12 CASH DEPOSITS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of States deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized.

The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits.

At December 31, 2018, the District's cash deposits had a bank balance and a corresponding carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured (FDIC)	98,700	88,260
Uninsured, collateralized under the Public Deposit Protection Act (See Above)	-	-
Cash on Hand	-	<u>523</u>
<u>Total Cash</u>	<u>98,700</u>	<u>88,783</u>

As presented above, deposits with a bank balance of \$0 and a carrying balance of \$0 as of December 31, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 13 COMPLIANCE WITH BUDGET LAWS

The following condition was noted and may be a violation of Colorado Law:

- Expenditures in the Victims Assistance Fund exceeded budgeted amounts by \$5,725.
- Expenditures in the VALE Fund exceeded budgeted amounts by \$19.

NOTE 14 RESTATEMENT OF BEGINNING NET POSITION

The beginning net position has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$(585,466) has been changed by the net OPEB liability at December 31, 2017 of \$(21,346) and related deferred flows of \$1,211, resulting in a restated beginning net position of \$ (605,601).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for all transaction of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from allocations from Las Animas and Huerfano Counties.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
<u>Local Sources</u>				
Las Animas County Allocation			494,000	
Huerfano County Allocation			191,669	
Administration Fees			5,192	
City of Trinidad			25,000	
<u>State Sources</u>				
Allocations			159,808	
VOCA Grant			<u>76,813</u>	
<u>Total Revenues</u>	<u>916,410</u>	<u>916,410</u>	<u>952,482</u>	<u>36,072</u>
 <u>Expenditures</u>				
Payroll and Benefits	823,510	823,510	749,687	73,823
Administration	78,000	78,000	75,749	2,251
Equipment Leases	14,900	14,900	13,580	1,320
Capital Outlay	-	-	70	(70)
Other	-	-	<u>3,037</u>	<u>(3,037)</u>
<u>Total Expenditures</u>	<u>916,410</u>	<u>916,410</u>	<u>842,123</u>	<u>74,287</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	110,359	
<u>Other Financing Sources (Uses)</u>				
Transfers	-	-	-	-
<u>Total Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	-	-	110,359	
<u>Fund Balance, January 1</u>	-	-	<u>(4,408)</u>	
<u>Fund Balance, December 31</u>	<u>-</u>	<u>-</u>	<u>105,951</u>	

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

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	.00405%	.00456%	.00466%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$810,179	\$838,136	\$492,482	-	-	-	-	-	-	-
District's covered payroll	\$135,417	\$118,750	\$130,000	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	598%	706%	379%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.2%	42.6%	59.8%	-	-	-	-	-	-	-

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

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 25,905	\$ 22,717	\$ 23,699	\$ 22,529	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (25,905)</u>	<u>\$ (22,717)</u>	<u>\$ (23,699)</u>	<u>\$ (22,529)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-
District's covered payroll	\$135,417	\$118,750	\$130,000	\$130,000	-	-	-	-	-	-
Contributions as a percentage of covered payroll	19.13%	19.13%	18.23%	17.33%	-	-	-	-	-	-

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

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	.00146%	.00165%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$19,009	\$21,346	-	-	-	-	-	-	-	-
District's covered payroll	\$135,417	\$118,750	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.03%	17.97%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%	-	-	-	-	-	-	-	-

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

THE THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 1,381	\$ 1,211	\$ 1,326	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (1,381)</u>	<u>\$ (1,211)</u>	<u>\$ (1,326)</u>	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
District's covered payroll	\$135,417	\$118,750	\$130,000	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON - MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for revenues that are legally restricted to expenditures for specific purposes.

VALE – This fund accounts for proceeds used for program administration purposes.

Victims Assistance – This fund accounts for payments made based on agreed settlements for victims of crimes.

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2018

	<u>Special Revenue Funds</u>	<u>Victims</u>	<u>Total</u>
	<u>VALE</u>	<u>Assistance</u>	<u>Nonmajor</u>
			<u>Governmental</u>
			<u>Funds</u>
<u>ASSETS:</u>			
Cash	3,006	1,666	4,672
Accounts and Grants Receivable	1,733	-	1,733
Due From Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Assets</u>	<u>4,739</u>	<u>1,666</u>	<u>6,405</u>
 <u>LIABILITIES AND FUND BALANCES:</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Due To Other Funds	-	-	-
Other Payables	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances:</u>			
Assigned:			
Victims Assistance and Administration	4,739	1,666	6,405
<u>Total Fund Balances</u>	<u>4,739</u>	<u>1,666</u>	<u>6,405</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>4,739</u>	 <u>1,666</u>	 <u>6,405</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2018

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>VALE</u>	<u>Victims Assistance</u>	
<u>REVENUES:</u>			
Administration Fees	8,645	-	8,645
Settlements	-	<u>6,263</u>	<u>6,263</u>
<u>Total Revenues</u>	<u>8,645</u>	<u>6,263</u>	<u>14,908</u>
<u>EXPENDITURES:</u>			
Administration	11,552	-	11,552
Compensation Payments	-	<u>5,725</u>	<u>5,725</u>
<u>Total Expenditures</u>	<u>11,552</u>	<u>5,725</u>	<u>17,277</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(2,907)	538	(2,369)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)	-	-	-
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(2,907)	538	(2,369)
<u>FUND BALANCE – January 1</u>	<u>7,646</u>	<u>1,128</u>	<u>8,774</u>
<u>FUND BALANCE – December 31</u>	<u>4,739</u>	<u>1,666</u>	<u>6,405</u>

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
VALE FUND – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

Variance-	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
<u>Revenues</u>			
Administration Fees	7,000	8,645	1,645
<u>Total Revenues</u>	<u>7,000</u>	<u>8,645</u>	<u>1,645</u>
 <u>Expenditures</u>			
Administration - Victims Assistance	11,533	11,552	(19)
<u>Total Expenditures</u>	<u>11,533</u>	<u>11,552</u>	<u>(19)</u>
 <u>Revenues Over (Under) Expenditures</u>	(4,533)	(2,907)	
 <u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	-	-	-
 <u>Total Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	(4,533)	(2,907)	
 <u>Fund Balance, January 1</u>	<u>4,883</u>	<u>7,646</u>	
 <u>Fund Balance, December, 31</u>	<u>350</u>	<u>4,739</u>	

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

THE THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
VICTIMS ASSISTANCE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Revenues</u>			
Settlements	-	<u>6,263</u>	<u>6,263</u>
<u>Total Revenues</u>	<u>-</u>	<u>6,263</u>	<u>6,263</u>
 <u>Expenditures</u>			
Compensation Payments	-	<u>5,725</u>	<u>(5,725)</u>
<u>Total Expenditures</u>	<u>-</u>	<u>5,725</u>	<u>(5,725)</u>
 <u>Revenues Over (Under) Expenditures</u>	-	538	
 <u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	-	-	-
 <u>Total Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	-	538	
 <u>Fund Balance, January 1</u>	-	<u>1,128</u>	
 <u>Fund Balance, December, 31</u>	<u>-</u>	<u>1,666</u>	

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