

**Office of the District Attorney
11th Judicial District**

**Financial Statements
with Independent Auditors' Report**

December 31, 2018

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Management's Discussion and Analysis

Office of the District Attorney, 11th Judicial District **Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the Office's financial condition and operating results, and to disclose to the reader important financial activities and issues related to the Office of the District Attorney, 11th Judicial District's (the Office) basic operations and mission. The MD&A should be read in conjunction with a review of the Office's basic financial statements.

The Office has one financial category - governmental activities. Within the governmental activities, the Office has a General Fund and three Special Revenue Funds. The governmental activities are funded primarily through the contributions from the counties that the Office serves. Special revenue funds have been established to account for grants received for victims and juvenile diversion programs.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements (including the footnotes)* and *Required Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the Office:

- The first two statements, Statement of Net Position and Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Office's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Office's government, reporting on the Office's operations *in more detail* than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides budget and actual information for the general fund and major special revenue funds.

Government-wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information about the Office as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Office's *net position* and changes in it. The Office's net position – the difference between assets and liabilities – is one way to measure the Office's financial health, or *financial position*. Over time, increases or decreases in the Office's net position are one indicator of whether its financial health, including liquidity and financial flexibility, is improving or deteriorating.

The statement of activities reports information by function, program, or service. The statement of activities is formatted to show the degree to which the various activities of the Office are paid for by charges for services or grants and contributions.

Fund Financial Statements

The fund financial statements provide more detailed information about the Office's individual funds, not on the Office as a whole. The Office's activities in its general fund and special revenue funds are reported as governmental funds, which focus on how money flows into and out of these funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the Office's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Office's programs and services.

HIGHLIGHTS

- As of December 31, 2018, the governmental funds held \$270,819 in assets that were either cash or readily convertible to cash, and \$955,656 in accounts payable and payroll benefits payable. (Both of these figures are exclusive of internal balances.) The same figures for 2017 were \$305,850 and \$874,140 respectively.

STATEMENT OF NET POSITION

The perspective of the Statement of Net Position is of the Office as a whole. The following is a summary of the Office's Net position for 2018 compared to 2017:

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 389,708	\$ 360,850
Capital assets	38,994	19,596
Total assets	<u>428,702</u>	<u>380,446</u>
Deferred outflow of financial resources	<u>\$ 215,036</u>	<u>\$ 275,205</u>
Accounts payable and accrued payroll taxes and benefits	<u>\$ 955,656</u>	<u>\$ 874,140</u>
Total liabilities	<u>\$ 955,656</u>	<u>\$ 874,140</u>
Deferred inflows of financial resources	<u>\$ 66,952</u>	<u>\$ -</u>
Net Position:		
Invested in capital assets	\$ 38,994	\$ 19,596
Restricted	25,828	40,540
Unrestricted	(443,692)	(278,625)
Total Net Position	<u>\$ (378,870)</u>	<u>\$ (218,489)</u>

STATEMENT OF ACTIVITIES

The perspective of the Statement of Activities is of the Office as a whole. The following table reflects the change in Net position for Fiscal Year 2018 compared to 2017

	<u>2018</u>	<u>2017</u>
<u>Revenues:</u>		
Program Revenues:		
Charges for services	\$ 48,157	\$ 51,959
Operating grants and contributions	<u>2,539,958</u>	<u>2,400,908</u>
Total Program Revenues	<u>2,588,115</u>	<u>2,452,867</u>
General Revenues	<u>6,528</u>	<u>2,773</u>
Total Revenue	<u>2,594,643</u>	<u>2,455,640</u>
<u>Program Expenses:</u>		
Law enforcement	2,523,583	2,290,994
Victims programs	165,725	170,536
Juvenile programs	<u>45,807</u>	<u>54,976</u>
Total Expenses	<u>2,735,115</u>	<u>2,516,506</u>
Increase (Decrease) in Net Position	<u>(140,472)</u>	<u>(60,866)</u>
Beginning Net Position	(218,489)	(163,923)
Prior period adjustment	<u>(20,020)</u>	<u>6,300</u>
Beginning Net Position (Restated)	<u>(238,509)</u>	<u>(157,623)</u>
Ending Net Position	<u>\$ (378,981)</u>	<u>\$ (218,489)</u>

GOVERNMENTAL ACTIVITIES

The table below presents the cost of each of the Office's programs as well as each program's net cost (total cost less revenues generated by the activities).

	<u>Cost of Services</u>	<u>Net Cost of Services</u>
Law enforcement	\$ 2,523,583	\$ 130,487
Victims programs	165,725	15,680
Juvenile programs	45,807	833
Totals	<u>\$ 2,735,115</u>	<u>\$ 147,000</u>

THE OFFICE'S FUNDS

As the Office completed the year, its governmental funds (shown on pages 5 – 8 of the financial statements) reported a combined fund balance of \$341,791, which is an increase of \$16,944 over the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund actual expenditures were \$41,818 more than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At year-end, the Offices' the only capital assets consisted of vehicles and leasehold improvements. This consisted of recorded cost of \$127,923 and accumulated depreciation of \$88,929.

The office has no long-term debt outstanding.

ECONOMIC AND OTHER FACTORS AND NEXT YEAR'S BUDGET

The Office of the District Attorney, 11th Judicial District is anticipating a 5% increase in county funds for 2019 as a result of increasing operating costs. During 2020 we are hopeful of maintaining current staffing levels with a 3-5% increase in governmental funds. We did receive an increase in funding from the Crime Victim Services grant for 2019 and 2020 which allowed us to hire an additional full-time victim witness assistant.

CONTACTING THE OFFICE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the Office's finances and to show the Office's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact the office manager at:

Office of the District Attorney, 11th Judicial District
136 Justice Center Road, Room 203
Cañon City, Colorado 81212
Tel: (719) 269-0170
Fax: (719) 269-0180

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Independent Auditors' Report

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Independent Auditors' Report

To the District Attorney
Office of the District Attorney, 11th Judicial District
Cañon City, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Office of the District Attorney, 11th Judicial District, Colorado as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Office's *Basic Financial Statements* as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Office of the District Attorney, 11th Judicial District, Colorado, 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.

Report on Summarized Comparative Information

We have previously audited the Office of the District Attorney, 11th Judicial District's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 7, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

As discussed in Note 10 to the financial statements, the 2017 financial statements have been restated to reflect the adoption of GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the standard required restatement of the beginning December 31, 2018 fiscal year net position. Our opinion is not modified with respect to this matter.

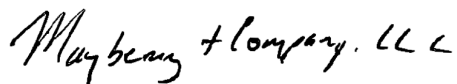
Management's Discussion and Analysis and Pension Schedules

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages M-1–M-4 and *Pension and OPEB Schedules* on pages 21 - 24 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 *Management's Discussion and Analysis* and the *Pension Schedules* 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.

Required Supplementary Information – Budget to Actual Comparisons

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of the District Attorney, 11th Judicial District's *Basic Financial Statements*. The *Required Supplementary Information – Budget to Actual Comparisons* is presented for purposes of additional analysis and is not a required part of the *Basic Financial Statements*. Accounting principles generally accepted in the United States of America require that the *Required Supplementary Information* on pages 16 - 19 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.

The *Required Supplementary Information – Budget to Actual Comparisons* is the responsibility of management and was derived from and relates 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 *Required Supplementary Information – Budget to Actual Comparisons* are fairly stated, in all material respects, in relation to the *Basic Financial Statements* as a whole.



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Basic Financial Statements

The Basic Financial Statements provide a financial overview of the Office of the District Attorney, 11th Judicial District's operations. These financial statements present the financial position, operating results, of all funds and activities as of and for the year ended December 31, 2018.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Statement of Net Position

December 31, 2018

(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash	\$ 270,819	\$ 305,850
Accounts receivable	12,545	12,769
Due from other governments	106,344	41,978
Prepaid expenses	-	253
Total Current Assets	<u>389,708</u>	<u>360,850</u>
Noncurrent Assets		
Equipment	127,923	94,508
Less accumulated depreciation	<u>(88,929)</u>	<u>(74,912)</u>
Net Noncurrent Assets	<u>38,994</u>	<u>19,596</u>
Total Assets	<u>\$ 428,702</u>	<u>\$ 380,446</u>
Deferred Outflows of Financial Resources		
Deferred outflows - pensions (net)	\$ 213,611	\$ 277,848
Deferred outflows - OPEB (net)	<u>1,425</u>	<u>-</u>
Total Deferred Outflows of Financial Resources	<u>\$ 215,036</u>	<u>\$ 277,848</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 37,231	\$ 22,137
Due to other governments	1,095	757
Unearned revenue	<u>9,591</u>	<u>13,109</u>
Total Current Liabilities	<u>47,917</u>	<u>36,003</u>
Noncurrent Liabilities		
Net pension liability	886,929	838,137
Net OPEB liability	<u>20,810</u>	<u>21,346</u>
Total Noncurrent Liabilities	<u>907,739</u>	<u>859,483</u>
Total Liabilities	<u>\$ 955,656</u>	<u>\$ 895,486</u>
Deferred Inflows of Financial Resources		
Deferred inflows - pensions (net)	\$ 66,115	\$ 2,643
Deferred inflows - OPEB (net)	<u>837</u>	<u>-</u>
Total Deferred Inflows of Financial Resources	<u>\$ 66,952</u>	<u>\$ 2,643</u>
Net Position		
Invested in capital assets	\$ 38,994	\$ 19,596
Restricted	25,828	40,540
Unrestricted	<u>(443,692)</u>	<u>(298,645)</u>
Total Net Position	<u>\$ (378,870)</u>	<u>\$ (238,509)</u>

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

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Statement of Activities

For the Year Ended December 31, 2018

Functions/Programs	Program Revenues			Net Revenue (Expense) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Law enforcement	\$ 2,523,583	\$ 46,957	\$ 2,346,139	\$ (130,487)
Victims programs	165,725	-	150,045	(15,680)
Juvenile programs	45,807	1,200	43,774	(833)
Total Governmental Activities	\$ 2,735,115	\$ 48,157	\$ 2,539,958	(147,000)
General Revenues				
Interest and investment earnings				111
Miscellaneous				6,528
Total General Revenues				6,639
Change in Net Position				(140,361)
Net Position - Beginning of the Year				(218,489)
Prior Period Restatement				(20,020)
Net Position (Deficit) - Beginning of the Year (As Restated)				(238,509)
Net Position (Deficit) - End of the Year				<u>\$ (378,870)</u>

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

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Balance Sheet - Governmental Funds

December 31, 2018

(With comparative totals for December 31, 2017)

	<u>Total Governmental Funds</u>				
	<u>General Fund</u>	Victims	Juvenile Diversion	<u>2018</u>	<u>2017</u>
		Programs	Program		
Assets					
Cash and investments	\$ 201,678	\$ 63,872	\$ 5,269	\$ 270,819	\$ 305,850
Accounts receivable	-	12,545	-	12,545	12,769
Due from other governments	94,544	-	11,800	106,344	41,978
Internal balances	64,660	(52,860)	(11,800)	-	-
Prepaid expenses	-	-	-	-	253
Total Assets	<u>\$ 360,882</u>	<u>\$ 23,557</u>	<u>\$ 5,269</u>	<u>\$ 389,708</u>	<u>\$ 360,850</u>
Liabilities					
Accounts payable	\$ 34,233	\$ 2,998	\$ -	\$ 37,231	\$ 22,137
Accrued salaries and benefits	-	-	-	-	-
Due to other governments	1,095	-	-	1,095	757
Unearned Revenue	9,591	-	-	9,591	13,109
Total Liabilities	<u>44,919</u>	<u>2,998</u>	<u>-</u>	<u>47,917</u>	<u>36,003</u>
Fund Balance					
Restricted for:					
Victims/Juvenile programs	-	20,559	5,269	25,828	40,540
Unassigned	315,963	-	-	315,963	284,307
Total Fund Balance	<u>315,963</u>	<u>20,559</u>	<u>5,269</u>	<u>341,791</u>	<u>324,847</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 360,882</u>	<u>\$ 23,557</u>	<u>\$ 5,269</u>	<u>\$ 389,708</u>	<u>\$ 360,850</u>

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

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

December 31, 2018

Total Fund Balance - Governmental Funds	\$ 341,791
<i>Amounts reported for governmental activities in the statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds	38,994
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds	
<u>PERA Pension</u>	
Deferred outflows - pensions (net)	213,611
Net pension liability	(886,929)
Deferred inflows - pensions (net)	(66,115)
<u>PERA Health Care Trust Fund (OPEB)</u>	
Deferred outflows - OPEB (net)	1,425
Net OPEB liability	(20,810)
Deferred inflows - OPEB (net)	(837)
Total Net Position - Governmental Activities	<u>\$ (378,870)</u>

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

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Statement of Revenues, Expenditures, and Changes In Fund Balance - Governmental Funds

For the Year Ended December 31, 2018

(With comparative totals for the year ended December 31, 2017)

	<u>Total Governmental Funds</u>				
	<u>General Fund</u>	<u>Victims Programs</u>	<u>Juvenile Diversion Program</u>	<u>2018</u>	<u>2017</u>
Revenues					
Intergovernmental charges	\$ 2,284,959	\$ -	\$ -	\$ 2,284,959	\$ 2,184,357
Grant and donation revenue	61,180	150,045	43,774	254,999	239,034
Other charges for services	46,957	-	1,200	48,157	51,959
Investment earnings	110	1	-	111	78
Other revenues	4,728	-	1,800	6,528	2,694
Total Revenue	<u>2,397,934</u>	<u>150,046</u>	<u>46,774</u>	<u>2,594,754</u>	<u>2,478,122</u>
Expenditures					
Salaries and wages	1,594,621	133,728	41,500	1,769,849	1,634,592
Employee benefits and taxes	518,164	12,908	1,474	532,546	506,991
Meetings, travel, dues and education	49,630	2,694	150	52,474	47,484
Professional services	18,486	4,300	883	23,669	18,686
Rent and utilities	73,179	-	-	73,179	77,400
Repairs and maintenance	17,961	-	-	17,961	26,091
Supplies and Postage	22,797	4,624	1,800	29,221	40,737
Other expenditures	326	7,471	-	7,797	11,020
Capital outlay	71,114	-	-	71,114	39,167
Total Expenditures	<u>2,366,278</u>	<u>165,725</u>	<u>45,807</u>	<u>2,577,810</u>	<u>2,402,168</u>
Excess of Revenue and Other Sources					
Over (Under) Expenditures and Other Uses	31,656	(15,679)	967	16,944	75,954
Fund Balance, Beginning of Year	<u>284,307</u>	<u>36,238</u>	<u>4,302</u>	<u>324,847</u>	<u>248,893</u>
Fund Balance, End of Year	<u>\$ 315,963</u>	<u>\$ 20,559</u>	<u>\$ 5,269</u>	<u>\$ 341,791</u>	<u>\$ 324,847</u>

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

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the Statement of Activities
For the Year Ended December 2018

Total Change in Fund Balances - Governmental Funds \$ 16,944

Amounts Reported for governmental activities in the statement of Activities are

Different Because:

Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

PERA Pension

Change in deferred outflows - pensions (net)	(64,237)
Change in net pension liability	(48,792)
Change in deferred inflows - pensions (net)	(63,472)

PERA Health Care Trust Fund (OPEB)

Change in deferred outflows - pensions (net)	99
Change in net pension liability	536
Change in deferred inflows - pensions (net)	(837)

The cost of capital outlays to purchase or build capital assets shown on the Statement of Net Position	33,415
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Depreciation of capital assets is not considered an expenditure of the fund because it does not require the use of current resources	(14,017)
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Change in Net Position of Governmental Activities	\$ (140,361)
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The accompanying notes are an integral part of these financial statements.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting methods and procedures adopted by the Office of the District Attorney, 11th Judicial District of Colorado conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the District's Basic Financial Statements.

A. REPORTING ENTITY

The Office of the District Attorney, 11th Judicial District operates according to Title 20, Article 1 of the Colorado Revised Statutes that states, in part, under the general provisions that the District Attorney shall appear in court on behalf of the state and counties, collect forfeited recognizance, appear at inquests, give opinions to and represent county officers, appear and advise grand juries, and prepare and review affidavits and warrants.

The Office of the District Attorney, 11th Judicial District includes Fremont, Chaffee, Park and Custer Counties in Colorado. The basic operations are financed by annual appropriations from these four counties. Each county's contribution is based on its relative population size.

For financial reporting purposes the Office of the District Attorney includes all of the funds relevant to the operations of the Office of the District Attorney, 11th Judicial District. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Office of the District Attorney, 11th Judicial District.

The financial statements of the Office of the District Attorney include those of separately administered organizations that are controlled by or dependent on the Office of the District Attorney. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. Based on these criteria, there are no component units to be included as part of the financial statements of the Office of the District Attorney, 11th Judicial District.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Office. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

The Office reports the following major governmental funds:

- The *General Fund* is the Office's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Victims Programs Fund* accounts for various programs for victims of crimes. It is funded primarily through grant revenues.
- The *Juvenile Diversion Fund* accounts for the juvenile diversion activities and is funded primarily through grant revenues

D. ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Deposits and Investments

The Office'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 govern the Office's deposits of cash and investments.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." An allowance for doubtful accounts on accounts receivable is not considered necessary.

Capital Assets

Capital assets, which include equipment, are reported in the government-wide statement of Net Position. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Equipment is depreciated using the straight line method over an estimated useful life of 5 years. Leasehold improvements are being depreciated over a period of 20 years.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

Fund Balance

The Office of the District Attorney has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Office of the District Attorney, 11th Judicial District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Office of the District Attorney, 11th Judicial District to classify and report amounts in the appropriate fund balance classifications. The Office of the District Attorney, 11th Judicial District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

The Office of the District Attorney, 11th Judicial District reports the following classifications:

- **Restricted Fund Balance**—Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Legal enforceability means that the Office of the District Attorney, 11th Judicial District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.
- **Committed Fund Balance**—Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the District Attorney. Committed amounts cannot be used for any other purpose unless District Attorney removes those constraints by taking the same type of action (e.g., legislation, resolution, ordinance). Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the District Attorney. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- **Unassigned Fund Balance**—Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balance/Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

E. REVENUES, EXPENDITURES AND BUDGET MATTERS

Program Revenues

Amounts reported as *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. All other revenues are reported as general revenues rather than as program revenues.

Compensated Absences

The Office has the following policy for vacation days.

<u>Years of Employment</u>	<u>Vacation Days</u>
1 – 2 Years	15 Days
3+ Years	20 Days

It is the policy of the Office of the District Attorney, 11th Judicial District that all vacation be used by December 31 of each year unless the District Attorney makes an exception. At December 31, 2018 there was no unused vacation pay being carried over to the next year.

Budgets and Encumbrances

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end. The following procedures are utilized by the District Attorney's office in adopting and revising the budget of the general fund:

1. The District Attorney submits a preliminary budget for the upcoming calendar year to the County Commissioners of the four counties in September.
2. Public hearings are held in each county concerning the county's budget, of which the appropriation for the District Attorney's office is one item.
3. The budget is legally enacted by each county.
4. The budgeted expenditures for the District Attorney's office may be amended by the District Attorney without approval of the counties provided additional moneys are not required by the counties.

The 2018 budget was not amended during the year.

Budgets for the victim's programs and juvenile diversion are established through grants from participating agencies.

The District Attorney's office does not recognize encumbrances.

2. Cash in Banks and Savings and Loans

Deposits of the District Attorney's office at the banks or savings and loans where the funds are maintained are insured up to \$250,000, either by the Federal Deposit Insurance Corporation (FDIC) or by the Federal Savings and Loan Insurance Corporation (FSLIC). Colorado's Public Deposit Protection Act of 1975 enables any eligible public depository to elect to secure public deposits by pledging eligible collateral having a market value at all times equal to at least one hundred two percent (102%) of the aggregate of said deposits not insured.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Office’s deposits may not be returned to it. The Office does not have a deposit policy for custodial credit risk. Uninsured deposits in financial institutions are placed into three categories depending on the custody credit risk. The categories are as follows:

- a. Uncollateralized
- b. Collateralized with securities held by the pledging financial institution
- c. Collateralized with securities held by the pledging financial institution’s trust department, or agent but not in the entity’s name.

At December 31, 2018, all of the deposits were federally insured or covered by PDPA:

	<u>Bank</u> <u>Balance</u>	<u>Carrying</u> <u>Amount</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	<u>40,438</u>	<u>20,819</u>
Total Deposits	<u>\$ 290,438</u>	<u>\$ 270,819</u>

INTEREST RATE RISK

The Office has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CREDIT RISK

The Office has no investment policy that limits its investment choices other than the limitation of state law as follows:

1. Direct obligations of the U.S. Government, its agencies, and instrumentalities to which the full faith and credit of the U.S. Government is pledged or obligations to the payment of which the full faith and credit of the State is pledged;
2. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out of state financial institutions;
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations;
4. Town, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money; or bond or revenue anticipation notes of public trusts whose beneficiary is a town, municipality, or school district;
5. Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association; and
6. Money market funds regulated by the Securities and Exchange Commission in which investments consist of the investments in 1, 2, 3, and 4 above.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

CONCENTRATIONS OF CREDIT RISK

The Office places no limit on the amount it may investment in any one issuer. At December 31, 2018 the Office had no concentration of investment credit risk.

The Office invests excess funds under the prudent investor rule. Criteria for selection of investments and their order of priority are: 1) Safety; 2) liquidity; and 3) yield.

DEFERRED OUTFLOWS AND INFLOWS OF FINANCIAL RESOURCES

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government has pension related items, which arises only under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, contributions subsequent to measurement date and the difference between projected and actual investment returns, the difference between projected and actual pension experience, changes in plan assumptions and changes in the District’s proportionate share of the underlying pension asset or liability, are reported in the governmental activities statement of net position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element 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 government has two types of items, property taxes, which arises both under the full accrual and modified accrual basis of accounting, and pension related items that only are reported under full accrual, that qualify for reporting in this category. The property tax item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The pension items are the difference between projected and actual pension experience, pension earnings, changes in assumptions and changes in the District’s proportionate share of the underlying pension asset or liability. The pension differences and changes are amortized based on the requirements of GASB Statement 68.

3. Capital Assets

The following is a summary of capital asset activity during the year;

Description	Beginning Balance		Additions		Deletions		Ending Balance
Leasehold Improvements	\$	-	\$	33,415	\$	-	\$ 33,415
Automobiles		94,508		-		-	94,508
Accumulated Depreciation		(74,912)		(14,017)		-	(88,929)
Net Capital Assets	\$	19,596	\$	19,398	\$	-	\$ 38,994

For the Statement of Activities all depreciation during the year was charged to the law enforcement function.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

4. Commitments and Contingencies

REVENUE AND SPENDING LIMITS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District Attorney’s office believes it is in compliance with the requirements of the amendment. However, the District Attorney’s office has made certain interpretations of the amendment’s language in order to determine its compliance.

LEGAL MATTERS

As part of its operations, the Office of the District Attorney, 11th Judicial District occasionally becomes party to lawsuits or other claims. The Office of the District Attorney is not currently a party to any litigation, pending litigation, or threatened litigation, claims or assessments.

5. Concentrations

As noted in footnote 1 the District Attorney’s office receives substantial amounts of revenue from the four counties that comprise the District Attorney’s office. Revenue from these counties and all other sources for the year ended December 31, 2018 for the general fund were as follows:

<i>County</i>	<i>Revenue</i>	<i>Percentage</i>
Fremont	\$ 1,165,513	48.60%
Chaffee	465,714	19.42%
Park	417,025	17.39%
Custer	111,746	4.66%
All Other	237,936	9.92%
Totals	<u>\$ 2,397,934</u>	<u>100.00%</u>

6. Retirement Provisions/Pension Plan

DEFINED CONTRIBUTION PENSION PLAN

District Attorney’s office employees are members of the Colorado Counties Officials and Employee Retirement Association (CCOERA). The CCOERA administers a multiple-employer defined contribution plan. The Plan’s purpose is to provide benefits to its members and their dependents at retirement. Employees’ rights vest in employer contributions and in the earnings, losses, and changes in fair market value of the Plan assets after 5 years of service credit.

Net earnings or losses are allocated quarterly to the Plan participants. The allocation is based on each participant’s balance as of the beginning of that quarter. Participants receiving benefit payments upon retirement or termination are allocated earnings through the date of the distribution.

Under this plan, employees are required to contribute 4% of their gross pay and the District Attorney’s office contributes another 4%. During the year the District Attorney’s office and employees required and actual contributions totaled \$47,866 each. Total payroll for the District Attorney’s office was \$1,771,312 and payroll covered under the plan was \$1,196,656.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Office of the District Attorney, 11th Judicial District participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Office of the District Attorney, 11th Judicial District are provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SDTF.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

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.

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. Eligible employees and the Office of the District Attorney, 11th Judicial District are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

January 1st through December 31st ¹	2018	2017	2016
Employer contribution rate	10.15%	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%
Amount apportioned to the SDTF	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	5.00%	5.00%	4.60%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.00%	5.00%	4.50%
Total employer contribution rate to the SDTF	19.13%	19.13%	18.23%

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Office of the District Attorney, 11th Judicial District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Office of the District Attorney, 11th Judicial District were \$24,869 for the year ended December 31, 2017, which was used as the measurement date for the Office of the District Attorney, 11th Judicial District's December 31, 2018 reporting.

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

At December 31, 2018 the Office of the District Attorney, 11th Judicial District reported a liability of \$886,929 for its proportionate share of the net pension liability. The net pension liability 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 Office of the District Attorney, 11th Judicial District proportion of the net pension liability was based on Office of the District Attorney, 11th Judicial District 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 Office of the District Attorney, 11th Judicial District proportion was .004431% percent, which was a decrease of .000132% from its proportion measured as of December 31, 2016.

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

For the year ended December 31, 2018, the Office of the District Attorney, 11th Judicial District recognized pension expense of \$201,370. At December 31, 2018, the Office of the District Attorney, 11th Judicial District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 13,894	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 18,153	\$ (50,777)
Changes of assumptions or other inputs	\$ 156,695	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (15,338)
Contributions subsequent to the measurement date	\$ 24,869	\$ -
Total	\$ 213,611	\$ (66,115)

\$24,869 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:	Fiscal Year Totals
2019	\$ 127,512
2020	20,210
2021	(12,401)
2022	(12,694)
Total	\$ 122,627

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was rolled forward to the December 31, 2017 using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.17%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1//07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA’s Board on November 18, 2016.

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

Healthy mortality assumptions were based on the RP-2014 White Collar Employee Mortality Table, with adjustments for an appropriate margin of improved morality 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:

- **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 changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

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 lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

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 percent.

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 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.

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

- 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 postretirement 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.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SDTF's fiduciary net position was projected to be depleted in 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 Rates during the month of December published at the end of each week 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 7.25percent 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.

Sensitivity of the Office of the District Attorney, 11th Judicial District 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 asset (liability)	\$ (1,103,403)	\$ (886,929)	\$ (709,217)

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.

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

Subsequent Events

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 the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A summary of the bill's main provisions is as follows:

Benefit Changes

- Increase the number of years used in the HAS calculation from three to five years for members, except judges, who do not have five years of service credit on December 31, 2019, and for new members hired on or after January 1, 2020.
- Increase the number of years used in the HAS calculation for the Judicial Division from one to three years for members who do not have five years of service credit on December 31, 2019, and for new members hired on or after January 1, 2020.
- Redefine PERA-includable salary for all members to include payouts of unused sick leave.
- Redefine PERA-includable salary for members hired on or after July 1, 2019, to include contributions to IRC Section 125 and 132 plans.
- Apply the State Trooper contribution rate, retirement age, and benefits to other safety officers, including sheriff deputies and corrections officers hired on or after January 1, 2020.
- For members, other than State Troopers, hired on or after January 1, 2020, age and service for full service retirement is met at:
 - Any age with 35 years.
 - Age 64 with 30 years.
 - Age 65 with 5 years.
- For members, other than State Troopers, hired on or after January 1, 2020, age and service for reduced service retirement is met at:
 - Age 55 with 25 years.
 - Age 60 with 5 years.
- For State Troopers hired on or after January 1, 2020, age and service for full service retirement is met at:
 - Any age with 35 years.
 - Age 55 with 25 years.
 - Age 65 with 5 years.
- For State Troopers hired on or after January 1, 2020, age and service for reduced service retirement is met at:
 - Age 55 with 20 years.
- Temporary suspension of AI for years 2018 and 2019.
- Sets the AI cap at 1.5 percent and extends the AI waiting period from one to three years.

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

Contribution Changes

- Incrementally increases the member contribution percentage a total of 2.00 percent as follows:
 - 0.75 percent on July 1, 2019.
 - 0.75 percent on July 1, 2020.
 - 0.50 percent on July 1, 2021.
- Increase employer contributions 0.25 percent on July 1, 2019, for all divisions except for the Local Government Division.
- PERA will receive an annual direct distribution from the State in the amount of \$225 million (in actual dollars). The distribution will occur on July 1, 2018, and on July 1 each year thereafter until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.
- Beginning January 1, 2021, and every year thereafter, employer contribution rates for the Local Government and State Divisions will be adjusted to include a defined contribution supplement. The defined contribution supplement for these two divisions will be 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, expressed as a percentage of salary on which employer contributions have been made.

Other Provisions

- Beginning July 1, 2020, and then each year thereafter, member contributions, employer contributions, the direct distribution from the State, and the AI will be adjusted based on certain statutory parameters to keep PERA on path to full funding in 30 years.
- Expands PERAChoice for new members hired on or after January 1, 2019, in the Local Government Division and to new members hired on or after January 1, 2019, who are classified college and university employees in the State Division.
- Increases the cost to disaffiliate for Local Government Division employers.
- Expands the existing Fire and Police Pension Reform Commission to include oversight of PERA and creates a new Subcommittee exclusively focused on PERA.
- PERA may share private equity and real estate investment information in an executive session of the legislative members of the Pension Review Commission unless confidentiality provisions of contracts prohibit such disclosure.

Governmental accounting standards require the net pension liability for financial reporting purposes be measured using the plan provisions in effect as of the pension plan's year-end. The collective net pension liability calculated using the plan provisions in effect at December 31, 2017 for the SDTF can be found in the notes above. For comparative purposes, the following schedule presents the collective net pension liability and associated discount rate disclosed in the notes above, as well as an estimate of what the collective 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 FNP of the SDTF as of December 31, 2017. Future collective net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

	Discount Rate 4.72%	Est Discount Rate using SB 18- 200 7.25%
Net Pension Liability	\$ 886,929	\$ 420,576

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the collective net pension liability, approximately \$395,786 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of the Office of the District Attorney, 11th Judicial District that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The employer does not contribute to the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2018, program members did not make any contributions to the program.

7. Other Post-Employment Benefits

Health Care Trust Fund

Summary of Significant Accounting Policies

OPEB. District 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.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

General Information about the OPEB Plan

Plan Description.

Eligible employees of the District 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.

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.

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$1,326 for the plan year ended December 31, 2018.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

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

At December 31, 2018, the District reported a liability of \$20,810 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 District's proportion of the net OPEB liability was based on District's 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 District's proportion was 0.001601%, which was an decrease of .000045% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the District recognized OPEB expense of \$1,528. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 99	\$ -
Net difference between projected and actual earnings on pension plan	\$ -	\$ (348)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (489)
Contributions subsequent to the measurement date	\$ 1,326	\$ -
Total	\$ 1,425	\$ (837)

\$1,326 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 June 30:	Fiscal Year Totals
2019	\$ (164)
2020	(163)
2021	(164)
2022	(163)
2023	(77)
2024	(7)
Total	\$ (738)

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:

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.00 % for 2017, gradually rising to 4.25% in 2023

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.

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.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

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%

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

- **Males:** Mortality improved 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 capital 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 to actual experience.

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

- 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 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 capital 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:

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (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 District’s 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:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
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%
Proportionate share of the net OPEB asset (liability)	\$ (20,238)	\$ (20,810)	\$ (21,500)

Office of the District Attorney, 11th Judicial District of Colorado
December 31, 2018
Notes to Financial Statements (continued)

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.
- 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 District’s 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:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (23,397)	\$ (20,810)	\$ (18,602)

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.

Office of the District Attorney, 11th Judicial District of Colorado

December 31, 2018

Notes to Financial Statements (continued)

8. Risk Management

The District Attorney's office is exposed to various risks of loss related to injuries of employees while on the job, property loss and torts committed by the Office or its employees. The Office of the District Attorney, through participating counties, has coverage for property, liability, crime and machinery through the Colorado Counties Casualty and Property Pool and coverage for workers' compensation through Colorado Counties Workers' Compensation Pool. Participating counties pay annual premiums to these pools for general insurance coverage subject to various coverage limits. The pools also reinsure through commercial companies to provide coverage in excess of the pool limits.

9. Deficit Net Position

The Governmental Activities has an unrestricted net position deficit of \$(443,692) and an overall net position deficit of \$(378,870) primarily due to adding the PERA net pension liability of \$886,929, the net OPEB liability of \$20,810 and related deferred outflows and inflows. As the District Attorney's Office has no control over pension or OPEB benefits or contribution rates, the Office of the District Attorney, 11th Judicial District expects this deficit net position to continue for the foreseeable future.

10. Prior Period Restatement

For the fiscal year, the District adopted GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement places a long-term obligation, as well as related deferred outflows and inflows, on the Statement of Net Position related to future postemployment benefit obligations. The District has restated the beginning net position for the governmental activities for those balances that were applicable as of December 31, 2018. This restatement resulted in a net decrease in governmental activity net position of \$20,020.

Required Supplementary Information

This section, though not a part of the Basic Financial Statements for the Office of the District Attorney, 11th Judicial District, is required to be presented by the Governmental Standards Board. The section contains pension and OPEB schedules regarding the PERA Pension and Health Care Trust Fund Plans and the budget to actual comparisons for the general fund and the major special revenue funds for the year ended December 31, 2018.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

SCHEDULE OF THE OFFICE'S PROPORTIONATE SHARE OF THE
 NET PENSION ASSET (LIABILITY)
 PERA Pension Plan
 Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>
December 31, 2014	0.534200%	\$ (475,865)	\$ 139,328	61.08%
December 31, 2015	0.456400%	\$ (429,285)	\$ 122,879	59.84%
December 31, 2016	0.004676%	\$ (492,482)	\$ 130,000	56.11%
December 31, 2017	0.004563%	\$ (838,137)	\$ 130,000	42.59%
December 31, 2018	0.004431%	\$ (886,929)	\$ 130,000	43.20%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

⁽²⁾ - Covered payroll varies slightly based on when payments are reported to Plan, actual covered payroll by year is \$130,000.

See the accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

SCHEDULE OF OFFICE CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Contributions as a percentage of covered employee payroll</u>
December 31, 2014	\$ 21,359	\$ 21,359	\$ -	15.33%
December 31, 2015	\$ 20,189	\$ 20,189	\$ -	16.43%
December 31, 2016	\$ 22,529	\$ 22,529	\$ -	17.33%
December 31, 2017	\$ 23,699	\$ 23,699	\$ -	18.23%
December 31, 2018	\$ 24,869	\$ 24,869	\$ -	19.13%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

SCHEDULE OF THE OFFICE'S PROPORTIONATE SHARE OF THE
 NET OPEB ASSET (LIABILITY)
 PERA Health Care Trust Fund
 Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Office's proportion of the net OPEB asset (liability)</u>	<u>Office's proportionate share of the net OPEB asset (liability)</u>	<u>Office's covered payroll</u>	<u>Office's proportionate share of the net OPEB asset (liability) as a % of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
December 31, 2017	0.001646%	\$ (21,346)	\$ 130,000	16.42%	16.70%
December 31, 2018	0.001601%	\$ (20,810)	\$ 130,000	16.01%	17.53%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

SCHEDULE OF OFFICE CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Office's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
December 31, 2017	\$ 1,326	(1,326)	\$ -	\$ 130,000	1.02%
December 31, 2018	\$ 1,326	(1,326)	\$ -	\$ 130,000	1.02%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

General Fund

Schedule of Revenues - Budget and Actual

For the Year Ended December 31, 2018

(With comparative totals for the year ended December 31, 2017)

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
Intergovernmental Revenue				
Counties	\$ 2,160,000	\$ 2,159,999	\$ (1)	\$ 2,059,397
State of Colorado	<u>124,021</u>	<u>124,961</u>	<u>940</u>	<u>124,961</u>
Total intergovernmental revenue	<u>2,284,021</u>	<u>2,284,960</u>	<u>939</u>	<u>2,184,358</u>
Grants and Donations				
Fellowships	<u>-</u>	<u>61,180</u>	<u>61,180</u>	<u>22,483</u>
Charges For Services				
Colorado Department of Corrections	60,000	42,318	(17,682)	42,910
Documents and discovery	-	244	244	93
Other charges for services	<u>6,000</u>	<u>4,396</u>	<u>(1,604)</u>	<u>6,906</u>
Total charges for services	<u>66,000</u>	<u>46,958</u>	<u>(19,042)</u>	<u>49,909</u>
Other Revenue				
Investment earnings	-	110	110	77
Other revenues	<u>15,000</u>	<u>4,726</u>	<u>(10,274)</u>	<u>2,693</u>
Total other revenue	<u>15,000</u>	<u>4,836</u>	<u>(10,164)</u>	<u>2,770</u>
Total Revenue	<u>2,365,021</u>	<u>2,397,934</u>	<u>32,913</u>	<u>2,259,520</u>

See accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended December 31, 2018

(With comparative totals for the year ended December 31, 2017)

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
Personnel Costs				
Salaries and wages	\$ 1,576,772	\$ 1,594,621	\$ 17,849	\$ 1,461,145
Employee benefits and taxes	<u>543,250</u>	<u>518,164</u>	<u>(25,086)</u>	<u>489,365</u>
Total personnel costs	<u>2,120,022</u>	<u>2,112,785</u>	<u>(7,237)</u>	<u>1,950,510</u>
Other Operating Expenditures				
Meetings, travel, dues and education	51,000	49,630	(1,370)	45,233
Professional services	16,100	18,486	2,386	13,021
Rent and utilities	79,000	73,179	(5,821)	77,400
Repairs and maintenance	26,000	17,961	(8,039)	26,091
Supplies and Postage	30,000	22,797	7,203	28,982
Other expenditures	1,000	326	674	560
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total other operating expenditures	<u>218,100</u>	<u>182,379</u>	<u>10,033</u>	<u>191,287</u>
Capital Outlay	<u>26,500</u>	<u>71,114</u>	<u>(44,614)</u>	<u>34,860</u>
Total Expenditures	<u>2,364,622</u>	<u>2,366,278</u>	<u>(41,818)</u>	<u>2,176,657</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 399</u>	31,656	<u>\$ 31,257</u>	82,863
Fund Balance, Beginning of Year		<u>284,307</u>		<u>201,444</u>
Fund Balance, End of Year		<u>\$ 315,963</u>		<u>\$ 284,307</u>

See accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Victims Programs

Schedule of Revenues and Expenditures - Budget and Actual

For the Year Ended December 31, 2018

(With comparative totals for the year ended December 31, 2017)

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
Revenues				
Grant and donation revenue	\$ 143,592	\$ 150,045	\$ 6,453	\$ 162,199
Investment earnings	-	1	1	1
Total Revenue	<u>143,592</u>	<u>150,046</u>	<u>6,454</u>	<u>162,200</u>
Expenditures				
Salaries and wages	133,729	133,728	1	132,999
Employee benefits and taxes	12,908	12,908	-	12,890
Meetings, travel, dues and education	2,150	2,694	(544)	1,011
Professional services	4,300	4,300	-	4,300
Supplies and Postage	4,488	4,624	(136)	5,907
Other expenditures	11,542	7,471	4,071	9,122
Capital outlay	-	-	-	4,307
Total Expenditures	<u>169,117</u>	<u>165,725</u>	<u>3,392</u>	<u>170,536</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (25,525)</u>	(15,679)	<u>\$ 9,846</u>	(8,336)
Fund Balance, Beginning of Year		<u>36,238</u>		<u>44,574</u>
Fund Balance, End of Year		<u>\$ 20,559</u>		<u>\$ 36,238</u>

See accompanying Independent Auditors' Report.

OFFICE OF THE DISTRICT ATTORNEY, 11TH JUDICIAL DISTRICT

Juvenile Diversion

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2018

(With comparative totals for the year ended December 31, 2017)

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
Revenues				
Grant and donation revenue	\$ 63,020	\$ 43,774	\$ (19,246)	\$ 54,352
Other charges for services	800	1,200	400	2,051
Other revenues	-	1,800	1,800	-
Total Revenue	<u>63,820</u>	<u>46,774</u>	<u>(17,046)</u>	<u>56,403</u>
Expenditures				
Salaries and wages	59,246	41,500	17,746	40,449
Employee benefits and taxes	1,530	1,474	56	4,736
Meetings, travel, dues and education	-	150	(150)	1,240
Professional services	-	883	(883)	1,365
Supplies and Postage	1,600	1,800	(200)	5,848
Other expenditures	-	-	-	1,338
Total Expenditures	<u>62,376</u>	<u>45,807</u>	<u>16,569</u>	<u>54,976</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 1,444</u>	967	<u>\$ (477)</u>	1,427
Fund Balance, Beginning of Year		<u>4,302</u>		<u>2,875</u>
Fund Balance, End of Year		<u>\$ 5,269</u>		<u>\$ 4,302</u>

See accompanying Independent Auditors' Report.