TWELFTH JUDICIAL DISTRICT
OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY

FINANCIAL STATEMENTS

December 31, 2018

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

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OFFICE OF THE DISTRICT ATTORNEY
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INDEPENDENT AUDITORS' REPORT

Wall,
Smith,
Bateman Inc.

Twelfth Judicial District of the
State of Colorado
Office of the District Attorney
Alamosa, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twelfth Judicial District of the State of Colorado Office of the District Attorney (Office of the District Attorney), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Office of the District Attorney'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.

Auditors' 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 auditors' 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, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 – Summary of Significant Accounting Policies, in fiscal year 2018 the Office of the District Attorney adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the pension and other postemployment benefits information on pages 30-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 26, 2019

TWELFTH JUDICIAL DISTRICT
OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY

BASIC FINANCIAL STATEMENTS

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF NET POSITION
December 31, 2018

		Primary Government
		Governmental Activities
ASSETS		
Current Assets		
Cash	$	643,782
Accounts Receivable		-
Due from Other Governments		40,291
Grants Receivable		3,406
Other Assets		2,461
Total Current Assets		689,940
TOTAL ASSETS		689,940
DEFERRED OUTFLOWS OF RESOURCES		
Pension		192,890
OPEB		1,425
Total Deferred Outflows of Resources		194,315
LIABILITIES		
Current Liabilities		
Accrued Liabilities		29,548
Total Current Liabilities		29,548
Noncurrent Liabilities		
Net Pension Liability		887,918
Net OPEB Liability		20,834
Total Noncurrent Liabilities		908,752
TOTAL LIABILITIES		938,300
DEFERRED INFLOWS OF RESOURCES		
Pension		47,029
OPEB		819
Total Deferred Inflows of Resources		47,848
NET POSITION		
Unrestricted		(101,893)
TOTAL NET POSITION	$	(101,893)

The accompanying notes are an integral part of this financial statement.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government
Primary Government:					
Governmental Activities:					
Criminal Prosecution	$ 1,326,652	$ 1,825	$ 1,180,025	$ -	$ (144,802)
Victim Assistance	153,469	-	156,278	-	2,809
Crime Victim Compensation	127,310	-	161,414	-	34,104
Total Governmental Activities	$ 1,607,431	$ 1,825	$ 1,497,717	$ -	(107,889)
		General Revenues:			
		Interest			1,027
		Miscellaneous			10,474
		Total General Revenues			11,501
		Change in Net Position			(96,388)
		Net Position, Beginning of the Year			14,514
		GASB 75 Restatement			(20,019)
		Net Position, Beginning of Year Restated			(5,505)
		Net Position, End of the Year			$ (101,893)

The accompanying notes are an integral part of this financial statement.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	GENERAL FUND	VICTIM ASSISTANCE	CRIME VICTIM COMPENSATION	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 143,169	$ 5,530	$ 495,083	$ 643,782
Accounts Receivable	-	-	-	-
Due from Other Governments	13,579	26,712	-	40,291
Due from Other Funds	8,700	-	-	8,700
Grants Receivable	3,406	-	-	3,406
Other Assets	2,461	-	-	2,461
TOTAL ASSETS	$ 171,315	$ 32,242	$ 495,083	$ 698,640
LIABILITIES				
Accrued Liabilities	$ 20,445	$ 1,523	7,580	29,548
Due to Other Funds	-	-	8,700	8,700
TOTAL LIABILITIES	20,445	1,523	16,280	38,248
FUND BALANCE				
Committed	-	30,719	478,803	509,522
Unassigned	150,870	-	-	150,870
TOTAL FUND BALANCE	150,870	30,719	478,803	660,392
TOTAL LIABILITIES AND FUND BALANCE	$ 171,315	$ 32,242	$ 495,083	$ 698,640

The accompanying notes are an integral part of this financial statement.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
December 31, 2018

Total governmental fund balances	$	660,392
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in governmental funds, but must be deferred in the statement of net position.		194,315
Net pension and OPEB liabilities are not due and payable in the current period and therefore are not reported in the funds.		(908,752)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the fund.		(47,848)
Net position of governmental activities	$	(101,893)

The accompanying notes are an integral part of this financial statement.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	GENERAL FUND	VICTIM ASSISTANCE	CRIME VICTIM COMPENSATION	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Intergovernmental				
County Government	$ 877,907	$ -	$ -	$ 877,907
County Courts	-	-	116,622	116,622
State Government	302,118	85,434	44,792	432,344
Federal Government	-	70,844	-	70,844
Collection and Discovery Fees	1,825	-	-	1,825
Interest Income	286	5	736	1,027
Other Revenue	10,189	285	-	10,474
TOTAL REVENUES	1,192,325	156,568	162,150	1,511,043
EXPENDITURES				
Criminal Prosecution				
Salaries and Benefits	880,570	-	-	880,570
Administration	158,549	-	-	158,549
Restorative Justice	106,208	-	-	106,208
Victim Assistance				
Salaries and Benefits	-	140,362	-	140,362
Administration	-	13,107	-	13,107
Crime Victim Compensation				
Compensation Payments	-	-	127,310	127,310
Administration	16,777	-	-	16,777
TOTAL EXPENDITURES	1,162,104	153,469	127,310	1,442,883
Excess of Revenues Over (Under) Expenditures	30,221	3,099	34,840	68,160
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	19,394	-	-	19,394
Transfers to other funds	-	(13,944)	(5,450)	(19,394)
TOTAL OTHER FINANCING SOURCES (USES)	19,394	(13,944)	(5,450)	-
Net Change in Fund Balance	49,615	(10,845)	29,390	68,160
FUND BALANCE - BEGINNING	101,255	41,564	449,413	592,232
FUND BALANCE - ENDING	$ 150,870	$ 30,719	$ 478,803	$ 660,392

The accompanying notes are an integral part of this financial statement.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	$	68,160
Amounts reported for governmental activities in the statements of activities are different because:		
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expenses.		(164,548)
Change in net position of governmental activities	$	(96,388)

The accompanying notes are an integral part of this financial statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Office of the District Attorney reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards.*

REPORTING ENTITY

Primary Government

The Twelfth Judicial District of the State of Colorado Office of the District Attorney (the Office of the District Attorney) was formed under the statutes of the State of Colorado. It serves six Colorado counties: Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache. The Office of the District Attorney provides public services to the residents of the six counties.

Component Units

The Office of the District Attorney's combined financial statements includes the accounts for all of the Office of the District Attorney operations. The criteria for including organizations as component units within the Office of the District Attorney's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Office of the District Attorney holds the corporate powers of the organization
- The Office of the District Attorney appoints a voting majority of the organization's board
- The Office of the District Attorney is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Office of the District Attorney
- There is fiscal dependency by the organization on the Office of the District Attorney
- The organization is financially accountable to the Office of the District Attorney
- The organization receives or holds funds that are for the benefit of the Office of the District Attorney; and the Office of the District Attorney has access to a majority of the funds held; and the funds that are accessible are also significant to the Office of the District Attorney

The Crime Victim Compensation Fund was organized under Colorado Revised Statutes for the purpose of providing financial remedies to certain crime victims. Although a legally separate entity, the fund has been included because of the Office's oversight responsibilities. The District Attorney appoints the three-member board. This board is primarily responsible for the authorization of crime victim compensation payments. The Crime Victim Compensation Fund is blended into the Office of the District Attorney's financial statements as a major special revenue fund.

The Victim Assistance Fund was organized under the Assistance to Victims of and Witnesses to Crimes and Aid to Law Enforcement Act for the purpose of providing funding to agencies that provide services to crime victims within the local district. Although a legally separate entity, the fund has been included because of the Office's oversight responsibilities. The five member board is appointed by the Chief Judge. The Victim Assistance Fund is blended into the Office of the District Attorney's financial statements as a major special revenue fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the Office of the District Attorney. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds and each are reported as a separate column.

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 are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are 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 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 of the District Attorney considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Office of the District Attorney reports the following major governmental funds:

- The ***General Fund*** – is the general operating fund of the Office of the District Attorney. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ***Victim Assistance Fund*** – a special revenue fund that accounts for the operations of the Victim Assistance Program, funded primarily by the State Victim Assistance/Law Enforcement Fund (VALE).
- The ***Crime Victim Compensation Fund*** – a special revenue fund, established under Colorado law for the purpose of providing remedies to crime victims that suffer economic loss as a result of crime.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The Office of the District Attorney's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with maturity of three months or less.

Compensated Absences

Employees of the Office of the District Attorney receive vacation, medical leave, and personal days per year depending on years of service. Employees employed less than 5 years can accumulate up to 20 days per year, employees employed 5 years or more but less than 10 years can accumulate up to 25 days, and employees employed more than 10 years can accumulate up to 30 days per year. Employees are only allowed to carry over 2 days of unused vacation, medical leave, or personal days to the following calendar year. The Office of the District Attorney has not recorded an accrued liability for the accumulated vacation, medical leave or personal days time, as the amount is not considered to be material in relation to the financial statements taken as a whole.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applied to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

Pensions

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

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

OPEB

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

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported based on the extent to which the Office of the District Attorney is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid insurance.
- *Restricted Fund Balance* – 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.
- *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed by the District Attorney, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the District Attorney removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – are amounts a government intends to use for a specific purpose; intent can be expressed by the District Attorney or by an official or body to which the governing body delegates the authority.
- *Unrestricted Fund Balance* – are amounts that are available for any purpose; these amount are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District Attorney's Office considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District Attorney's Office considers the amounts have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications were made to fiscal year 2017 financial statements in order to conform to the fiscal year 2018 financial statement presentation.

New Accounting Pronouncements

During 2018, the Office of the District Attorney adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB No. 75), which revises and establishes new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. These benefits are referred to as other postemployment benefits (OPEB).

GASB No. 75 requires cost-sharing employers participating in the PERA program, such as the Office of the District Attorney to record their proportionate share, as defined in GASB No. 75, of PERA's unfunded OPEB, specifically the Health Care Trust Fund (HCTF). 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. The Office of the District Attorney has no legal obligation to fund this HCTF shortfall nor does it have any ability to affect funding, benefit or annual required contribution decisions made by PERA or the General Assembly. The requirement of GASB No. 75 to record a portion of PERA's unfunded liability negatively impacted the Office of the District Attorney's beginning net position by $20,019. The OPEB liability recorded as of December 31, 2018 was $20,834. Information regarding PERA's current funding status can be found in its Comprehensive Annual Financial Report.

Encumbrances

The Office of the District Attorney does not use encumbrance accounting in recording revenues and expenditures.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Office of the District Attorney has not legally adopted an annual budget for any of its funds. In accordance with the laws of the State of Colorado, the Office of the District Attorney is not required to legally adopt an annual budget for any of its funds. Therefore, budget to actual comparisons are not presented in these financial statements.

NOTE 3 CASH AND DEPOSITS

Colorado State Statutes govern the Office of the District Attorney's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Office of the District Attorney's deposits may not be returned to them. At December 31, 2018, $240,189 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Credit Risk

The Office of the District Attorney's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

Cash on Hand and in Banks on the Statement of Net Position	$ 643,782

NOTE 4 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. As of December 31, 2018, the Office of the District Attorney had $40,291 due from Federal, State, or Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The District reports interfund balances between two of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Receivable Fund	Payable Fund	Amount
General Fund	Crime Victim Compensation Fund	$ 8,700

Interfund Transfers

Interfund transfers for the year ended December 31, 2018, were as follows:

Transfer In	Transfer Out	Amount
General Fund	Crime Victim Compensation Fund	$ 5,450
General Fund	Victim Assistance Fund	13,944
		$ 19,394

The above transfers are annual operating transfers to properly allocate salaries and benefits expenditures.

NOTE 6 OPERATING LEASES

The Office of the District Attorney has entered into operating lease arrangements for copy machines and a postage machine. Lease terms are 60 and 12 months, respectively. Rental expense for all operating leases for the year ended December 31, 2018, approximately $9,742.

NOTE 7 DEFERRED COMPENSATION PLAN

The Office of the District Attorney offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the National Association of Counties (NACO). The plan, available to all full-time Office of the District Attorney employees (except the District Attorney, who participates in the PERA plan described at Note 8), permits them to defer a portion of their salary until future years.

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, where prior to these legislative changes, these amounts were solely the property rights of the Office of the District Attorney subject only to the claims of the Office of the District Attorney's general creditors. As a result, the deferred compensation investments are not reported in the Office of the District Attorney's financial statements.

The Office of the District Attorney also contributes a match to the Section 457 deferred compensation plan for eligible members, limited to $1,000 per eligible participant. Employees contributed $8,302 during 2018, and the Office of the District Attorney contributed $7,459 as the employer match.

NOTE 8 DEFINED BENEFIT PENSION PLAN

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

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- 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.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (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 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. 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 provisions as of December 31, 2018. Eligible employees and the Office of the District Attorney are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. Eligible employees with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. Eligible employees who are State Troopers are required to contribution 10 percent of their PERA-includable salary.

The employer contribution requirements for all employees are summarized in the following table:

	2018
Employer Contribution Rate[1]	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)[1]	-1.02%
Amount Apportioned to the SDTF	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411[1]	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411[1]	5.00%
Total Employer Contribution Rate to the SDTF[1]	19.13%

[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 is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the Office of the District Attorney were $24,869 for the year ended December 31, 2018.

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

At December 31, 2018, the Office of the District Attorney reported a liability of $887,918 for its proportionate share of the net pension liability. The net pension liability for the SDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Office of the District Attorney's proportion of the net pension liability was based on the Office of the District Attorney's 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's proportion was 0.0044356002 percent, which was a decrease of 0.0001273977 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Office of the District Attorney recognized pension expense of $164,339. At December 31, 2018, the Office of the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 13,845	$ -
Changes of assumptions or other inputs	154,176	-
Net difference between projected and actual earnings on pension plan investments	-	33,442
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	13,587
Contributions subsequent to the measurement date	24,869	-
Total	$ 192,890	$ 47,029

The $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, 2018. 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,	
2019	$ 124,281
2020	21,843
2021	(12,423)
2022	(12,709)
2023	-
Thereafter	-

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

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

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

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 Health 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 apples to rates for ages 80 and above, and further adjustments for credibility.

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

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

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

The long-term expected rate on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical date, 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 long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop .50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health cash benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2038 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on the pension plan investments were applied to periods through 2038 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2038 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.72 percent.

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

Sensitivity of the Office of the District Attorney's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.72 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.72 percent) or 1-percentage-point higher (5.72 percent) than the current rate:

	1% Decrease (3.72%)	Current Discount Rate (4.72%)	1% Increase (5.72%)
Proportionate share of the net pension liability	$ 1,104,633	$ 887,918	$ 710,007

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.

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

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

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

- Increases employee contribution rates by 0.25 percent on July 1, 2019

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).

- Directs the state to allocate $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SDTF to the other divisions eligible for the direct distribution.

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

- Beginning January 1, 2021, and every year thereafter, employer contribution rates for the SDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018, the Organization reported a liability of $887,918 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.72%. For comparative purposes, the following schedule presents an estimate of what the Organization proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	$421,044

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description. Eligible employees of the Office of the District Attorney are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the

Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

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

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

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 Office of the District Attorney is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $1,326 for the year ended December 31, 2018.

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

At December 31, 2018, the Office of the District Attorney reported a liability of $20,834 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

Office of the District Attorney's proportion of the net OPEB liability was based on Office of the District Attorney contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Office of the District Attorney proportion was 0.0016030749 percent, which was a decrease of 0.0000433290 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018 the Office of the District Attorney recognized OPEB expense of $209. At December 31, 2018, Office of the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 99	$ 349
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	470
Contributions subsequent to the measurement date	1,326	-
Total	$ 1,425	$ 819

$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, 2018. 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,	
2019	$ (160)
2020	(160)
2021	(160)
2022	(160)
2023	(73)
Thereafter	(7)

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	

Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023

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.

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 the HCTF.

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 White Collar 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 based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.

- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.

- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the "No Part A Subsidy" when they retire were revised to more closely reflect actual experience.

- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the "No Part A Subsidy" but have not reached age 65, were revised to more closely reflect actual experience.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.

- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

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

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 Office of the District Attorney'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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	$20,260	$20,834	$21,524

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 Office of the District Attorney'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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 23,423	$ 20,834	$ 18,623

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.

NOTE 10 DEFINED CONTRIBUTION PENSION PLAN

Plan Description - Employees of the Office of the District Attorney 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 Plan. 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. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended December 31, 2018 program members contributed $10,400 for the Voluntary Investment Program.

NOTE 11 RISK MANAGEMENT

The Office of the District Attorney is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

NOTE 12 TABOR EMERGENCY RESERVE

The Office of the District Attorney is not a taxing district and as a result management has determined that it is not subject to TABOR.

TWELFTH JUDICIAL DISTRICT
OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, changes in the District's net pension and OPEB liability and related ratios, as well as the District's pension and OPEB plan contributions, are required to supplement the basic financial statements.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
SCHEDULE OF THE DISTRICT ATTORNEY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SDTF PENSION PLAN
For the Years Ended December 31,

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0044356002%	0.0045629979%	0.0046764835%	0.0048281742%	0.0050493935%
District's proportionate share of the net pension liability (asset)	$ 887,918	$ 838,137	$ 492,483	$ 454,163	$ 449,799
District's covered payroll	$ 130,000	$ 130,145	$ 130,000	$ 130,000	$ 130,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	683%	644%	379%	349%	346%
Plan fiduciary net position as a percentage of the total pension liability	43.2%	42.6%	56.1%	59.8%	61.1%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District presents information for those years for which information is available.

<u>Notes to Required Supplementary Information:</u>

See Note 8 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
SCHEDULE OF DISTRICT ATTORNEY'S CONTRIBUTIONS
PERA SDTF PENSION PLAN
For the Years Ended December 31,

	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 24,869	$ 24,897	$ 23,699	$ 22,529	$ 21,359	$ 20,189
Contributions in relation to the contractually required contribution	(24,869)	(24,897)	(23,699)	(22,529)	(21,359)	(20,189)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	130,000	130,145	130,000	130,000	130,000	130,000
Contributions as a percentage of covered payroll	19.13%	19.13%	18.23%	17.33%	16.43%	15.53%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information:

See Note 8 in the accompanying Notes to the Financial Statements for changes to assumptions or other inputs.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
SCHEDULE OF THE DISTRICT ATTORNEY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND
For the Years Ended December 31,

	2018	2017
District's proportion of the net OPEB liability	0.0016030749%	0.0016464039%
District's proportionate share of the net OPEB liability	$ 20,834	$ 21,346
District's covered payroll	$ 130,000	$ 130,145
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	17.5%	16.7%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information:

See Note 9 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
SCHEDULE OF THE DISTRICT ATTORNEY'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND
For the Years Ended December 31,

	2018	2017
Contractually required contribution	$ 1,326	$ 1,327
Contributions in relation to the contractually required contribution	(1,326)	(1,327)
Contribution deficiency (excess)	$ -	$ -
District's covered payroll	$ 130,000	$ 130,145
Contributions as a percentage of covered payroll	1.02%	1.02%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years which information is available.

Notes to Required Supplementary Information:

See Note 9 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.