

# Colorado District Attorneys' Council

Financial Statements and Supplemental  
Information

Years Ended December 31, 2020 and 2019



**WIPFLI**

## **Independent Auditor's Report**

Board of Directors  
Colorado District Attorneys' Council  
Denver, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Colorado District Attorneys' Council (the "Council") as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Council'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; 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Colorado District Attorneys' Council as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

Management has omitted 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council's financial statements as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021, on our consideration of Colorado District Attorneys' Council internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Colorado District Attorneys' Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Accounting Standards* in considering Colorado District Attorneys' Council's internal control over financial reporting and compliance.

*Wipfli LLP*  
Wipfli LLP

September 20, 2021  
Lakewood, Colorado

# Colorado District Attorneys' Council

## Statements of Net Position Assets

<i>December 31,</i>	2020	2019
Current assets:		
Cash and cash equivalents:		
Restricted	\$ 6,321,957	\$ 5,491,897
Unrestricted	4,313,693	957,389
Investments	954,552	917,689
Accounts receivable	375,394	695,202
Grants receivable	118,353	3,307,194
Inventories	29,961	45,774
Prepaid expenses and other	26,395	56,045
Total current assets	12,140,305	11,471,190
Property and equipment, at cost:		
Equipment	392,994	392,994
Computer equipment and software	136,283	136,283
Vehicles	32,807	32,807
	562,084	562,084
Less accumulated depreciation	537,336	486,321
Total property and equipment, net	24,748	75,763
Other assets:		
Deposits	16,000	16,000
Total assets	\$ 12,181,053	\$ 11,562,953

(See Notes to Financial Statements)

# Colorado District Attorneys' Council

## Statements of Net Position (Continued)

### Liabilities and Net Position

<i>December 31,</i>	2020	2019
Current liabilities:		
Accounts payable	\$ 277,378	\$ 664,275
Unexpended funds	11,436	10,036
Deferred Rent	7,952	3,166
Deferred revenue	8,857	199,608
Accrued compensated absences	248,843	213,962
Total current liabilities	554,466	1,091,047
Long-term liabilities:		
Deferred rent, net of current portion	62,665	70,617
Total liabilities	617,131	1,161,664
Deferred inflow of resources:		
Advances on assessments	621,618	629,619
Net position:		
Unrestricted:		
Operating	4,595,599	4,204,010
Net investment in property and equipment	24,748	75,763
Restricted	6,321,957	5,491,897
Total net position	10,942,304	9,771,670
Total liabilities and net position	\$ 12,181,053	\$ 11,562,953

(See Notes to Financial Statements)

# Colorado District Attorneys' Council

## Statement of Revenues, Expenses and Change in Net Position

<i>Years ended December 31,</i>	2020	2019
<b>Operating revenues:</b>		
Assessments	\$ 629,619	\$ 543,625
Conference registrations	9,005	74,960
Statute and handbook sales	112,579	133,071
Mandated cost administrative fees income	115,932	133,084
Grant revenue	4,404,677	3,801,471
Subpoena computer charges	241,818	254,296
Contract Income	206,075	350,385
Miscellaneous income	-	8,886
<b>Total operating revenues</b>	<b>5,719,705</b>	<b>5,299,778</b>
<b>Operating expenses:</b>		
Bad debt expense	-	54,801
Data processing	6,578	6,367
Depreciation	51,015	74,831
Dues and education	12,636	20,098
Equipment and supplies	11,446	33,676
Insurance	13,528	13,043
Meetings	-	599
Miscellaneous	6,004	15,757
Office supplies	2,875	10,305
Postage	1,343	231
Printing and copying	105,410	109,966
Professional fees	1,577,842	1,072,216
Rent and utilities	183,385	168,137
Repairs and maintenance	12,136	8,461
Salaries, related expenses, and contract labor	2,562,955	2,390,816
Software	20,694	44,794
Telephone	11,971	11,488
Travel and auto	42,801	159,918
<b>Total expenses</b>	<b>4,622,619</b>	<b>4,195,504</b>
Income from operations	1,097,086	1,104,274
<b>Non-operating revenue (expense):</b>		
Interest income, net of investment fees	49,866	164,336
Realized and unrealized gain on investments	23,682	24,915
<b>Total non-operating revenue</b>	<b>73,548</b>	<b>189,251</b>
Change in net position	1,170,634	1,293,525
Net position, beginning of year	9,771,670	8,478,145
<b>Net position, end of year</b>	<b>\$ 10,942,304</b>	<b>\$ 9,771,670</b>

(See Notes to Financial Statements)

**Colorado District Attorneys' Council**  
**Statement of Functional Revenue and Expenses**  
Year Ended December 31, 2020

	General	Training	VAWA	Data Processing	TSRP	Total
<b>Revenues</b>	\$ 1,193,893	\$ 209,005	\$ 172,766	\$ 3,890,000	\$ 327,589	\$ 5,793,253
<b>Expenses:</b>						
Data processing	6,578	-	-	-	-	6,578
Depreciation	-	-	-	51,015	-	51,015
Dues and education	4,809	2,335	1,230	299	3,963	12,636
Equipment and supplies	6,577	1,171	266	3,290	142	11,446
Insurance	11,129	-	-	2,399	-	13,528
Miscellaneous	157	1,695	-	4,152	-	6,004
Office supplies	1,152	19	253	1,052	399	2,875
Postage	785	50	22	125	361	1,343
Printing and copying	77,777	7,488	3,063	5,513	11,569	105,410
Professional fees	39,026	2,505	15,768	1,425,463	95,080	1,577,842
Rent and utilities	77,051	-	-	106,334	-	183,385
Repairs and maintenance	222	-	-	11,914	-	12,136
Salaries, related expenses, and contract labor	733,480	140,265	139,425	1,339,353	210,432	2,562,955
Software	659	102	654	19,279	-	20,694
Telephone	6,036	392	-	3,727	1,816	11,971
Travel and auto	18,546	7,866	11,703	988	3,698	42,801
<b>Total expenses</b>	<b>983,984</b>	<b>163,888</b>	<b>172,384</b>	<b>2,974,903</b>	<b>327,460</b>	<b>4,622,619</b>
Excess of revenues over expenses	\$ 209,909	\$ 45,117	\$ 382	\$ 915,097	\$ 129	\$ 1,170,634

(See Notes to Financial Statements)

**Colorado District Attorneys' Council**  
**Statement of Functional Revenue and Expenses**  
Year Ended December 31, 2019

	General	Training	VAWA	Data Processing	TSRP	Total
<b>Revenues</b>	\$ 1,343,893	\$ 430,829	\$ 182,573	\$ 3,240,000	\$ 291,734	\$ 5,489,029
<b>Expenses</b>						
Bad debt expense	54,801	-	-	-	-	54,801
Data processing	6,367	-	-	-	-	6,367
Depreciation	-	-	-	74,831	-	74,831
Dues and education	4,419	11,592	1,910	200	1,977	20,098
Equipment and supplies	8,987	15,438	134	9,117	-	33,676
Insurance	11,596	-	-	1,447	-	13,043
Meetings	599	-	-	-	-	599
Miscellaneous	(3,841)	7,138	645	11,815	-	15,757
Office supplies	4,135	994	711	2,747	1,718	10,305
Postage	(1,487)	1,162	143	163	250	231
Printing and copying	46,492	11,281	2,816	1,544	47,833	109,966
Professional fees	22,637	2,095	29,134	1,018,350	-	1,072,216
Rent and utilities	73,475	-	-	94,662	-	168,137
Repairs and maintenance	-	-	-	8,461	-	8,461
Salaries, related expenses, and contract labor	790,718	178,162	130,774	1,091,034	200,128	2,390,816
Software	2,326	499	403	40,928	638	44,794
Telephone	5,197	554	-	3,604	2,133	11,488
Travel and auto	31,936	93,954	16,961	4,822	12,245	159,918
<b>Total expenses</b>	<b>1,058,357</b>	<b>322,869</b>	<b>183,631</b>	<b>2,363,725</b>	<b>266,922</b>	<b>4,195,504</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 285,536</b>	<b>\$ 107,960</b>	<b>\$ (1,058)</b>	<b>\$ 876,275</b>	<b>\$ 24,812</b>	<b>\$ 1,293,525</b>

(See Notes to Financial Statements)

# Colorado District Attorneys' Council

## Statement of Cash Flows

<i>Years Ended December 31,</i>	2020	2019
Cash flows from operating activities:		
Cash received from operating activities	\$ 9,031,002	\$ 1,918,126
Cash paid for salaries and related expenses	(2,562,955)	(2,390,816)
Cash paid for other operating activities	(2,318,368)	(1,609,796)
Interest received	49,866	164,336
Net cash provided (used) by operating activities	4,199,545	(1,918,150)
Cash flows from investing activities:		
Purchases of property and equipment	-	(38,609)
Purchase of investments	(13,181)	(17,304)
Net cash used by investing activities	(13,181)	(55,913)
Net increase (decrease) in cash and cash equivalents	4,186,364	(1,974,063)
Cash and cash equivalents, beginning	6,449,286	8,423,349
Cash and cash equivalents, ending	\$ 10,635,650	\$ 6,449,286
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents - unrestricted	\$ 4,313,693	\$ 957,389
Cash and cash equivalents - restricted	6,321,957	5,491,897
Cash and cash equivalents	\$ 10,635,650	\$ 6,449,286

(See Notes to Financial Statements)

# Colorado District Attorneys' Council

## Statement of Cash Flows (Continued)

<i>Years Ended December 31,</i>	2020	2019
Reconciliation of change in net position to net cash provided (used) by operating activities:		
Change in net position	\$ 1,170,634	\$ 1,293,525
Adjustments to reconcile change in net position to net cash provided (used) by operating activities:		
Depreciation	51,015	74,831
Deferred rent expense	(3,166)	1,617
Unrealized and realized gain on investments	(23,682)	(24,915)
Bad debt expense	-	54,801
Loss on disposal of property and equipment	-	2
(Increase) decrease in:		
Accounts receivable	319,808	(193,477)
Grants receivable	3,188,841	(3,197,578)
Inventory	15,813	10,836
Prepaid expenses	29,650	21,102
Increase (decrease) in:		
Accounts payable	(386,897)	82,203
Unexpended funds	1,400	(390)
Deferred revenue	(190,751)	(130,960)
Accrued salary and benefits	34,881	4,301
Advances on assessments	(8,001)	85,952
Net cash provided (used) by operating activities	\$ 4,199,545	\$ (1,918,150)

(See Notes to Financial Statements)

# Colorado District Attorneys' Council

## Notes to Financial Statements

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### Note 1: Definition of Reporting Entity

The Colorado District Attorneys' Council (the "Council"), an association of representatives from the twenty-two judicial districts in Colorado, was organized in 1972. The Council was created to promote, foster and encourage an effective administration of criminal justice in Colorado. The Council provides a variety of services to the district attorneys of Colorado including, but not limited to, training of personnel, legal research, legislative drafting and liaison and managerial assistance.

The Council follows the Governmental Accounting Standards Board ("GASB") accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Council is not financially accountable for any other organization, nor is the Council a component unit of any other primary governmental entity.

During 2016, management of the Council formed the Colorado District Attorneys' Resource Foundation (the "Foundation"), a not-for-profit organization under Internal Revenue Code Section 501(c)(3), for the purpose of providing education, training and research in criminal justice for district prosecutors in Colorado. The Foundation is governed by a board of directors comprised of the same members as the board of directors of the Council, and is managed by the same management group as the Council. There are no financial transactions between the two entities for the years ended December 31, 2020 and 2019, as there was very limited activity in the Foundation.

### Note 2: Summary of Significant Accounting Policies

The accounting policies of the Council conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the Council's powers are related to those operated in a manner similar to a private business where net income and capital maintenance are appropriate determinations of accountability.

The Council has elected to follow Governmental Accounting Standards Board pronouncements. In 2004, the Council implemented the requirements of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The more significant accounting policies of the Council are described as follows:

# Colorado District Attorneys' Council

## Notes to Financial Statements

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### **Note 2: Summary of Significant Accounting Policies (Continued)**

#### **Basis of Accounting**

The Council's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets.

#### **Budget**

The Council is not subject to State Budget Law and does not hold public hearings. The Council's budget is approved by its Board of Directors and is a function of the budgets of the district attorneys who are members of the Council and of grant funded programs.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the Council for budget or financial reporting purposes.

#### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Council considers cash deposits and highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased, to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable are carried at their estimated collectible amounts and are periodically evaluated for collectability based on past credit history. No allowance for doubtful accounts is provided based on the credit history with major members of the Council.

#### **Grants Receivable**

Grants receivable represent amounts awarded to the Council for various grants during the year where the funds have not been received by the Council by year-end. Grants are typically received by the Council within the first few months of the subsequent year.

#### **Inventory**

Inventory is comprised of books and other publications and is stated at net realizable value.

#### **Capital Assets**

Capital assets are recorded at cost. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of the assets.

# Colorado District Attorneys' Council

## Notes to Financial Statements

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### Note 2: Summary of Significant Accounting Policies (Continued)

#### Deferred Revenue

In August 2015, the Council entered into an agreement with a local university to provide funding of salaries and benefits for law students participating in a fellowship program providing prosecutorial assistance for a number of judicial districts in the state. The initial agreement was for a twelve month period, which was subsequently renewed on an ongoing annual basis, currently extending to August 2022. Total funding from state sources and participating universities was approximately \$12,500 and \$230,200 for the two agreement periods covering the years ended December 31, 2020 and 2019, of which approximately \$8,900 and \$199,600 are reflected as deferred revenue as of December 31, 2020 and 2019, respectively. Approximately \$2,100 and \$50,300 are reflected as a prepaid expense as of December 31, 2020 and 2019, respectively, representing salary advances paid to the participating judicial districts to cover salary costs of the participating students in 2020 and 2019, respectively.

#### Deferred Inflow of Resources

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Council has one item that qualifies for reporting in this category. Accordingly, the item, advances on assessments, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

#### Restricted Net Position

The restricted net position includes amounts restricted for a specific purpose by external parties such as grantors or enabling legislation. The restricted fund balance as of December 31, 2020 and 2019 of \$6,321,957 and \$5,491,897, respectively, represents unexpended funds related to two ongoing projects funded through state appropriations and unexpended funds related to the fellowship program noted above.

### Note 3: Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments as of December 31, 2020 and 2019 are classified in the accompanying financial statements as follows:

	2020	2019
Statement of net position:		
Cash and cash equivalents		
Restricted	\$ 6,321,957	\$ 5,491,897
Unrestricted	4,313,693	957,389
Investments (at market)	954,552	917,689
Total	\$ 11,590,202	\$ 7,366,975

# Colorado District Attorneys' Council

## Notes to Financial Statements

### Note 3: Cash and Cash Equivalents and Investments (Continued)

Cash and cash equivalents and investments as of December 31, 2020 and 2019 consist of the following:

<i>Years Ended December 31,</i>	2020	2019
<u>Cash and cash equivalents</u>		
Deposits with financial institutions	\$ 544,110	\$ 594,390
ColoTrust Prime	10,091,540	5,854,896
	-	-
	<u>\$ 10,635,650</u>	<u>\$ 6,449,286</u>

#### Investments

Certificates of deposit	\$ 151,380	\$ 150,224
Money market funds	42,590	40,564
U.S. government and federal agency bonds	760,582	726,901
	-	-
	<u>\$ 954,552</u>	<u>\$ 917,689</u>

Cash and cash equivalents and investments as of December 31, 2020 and 2019 consist of the following:

The Council categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Council has the following recurring fair value measurements as of December 31, 2020 and 2019:

- U.S. Treasury securities of \$332,390 and \$295,633 as of December 31, 2020 and 2019, respectively (Level 1 inputs)
- Federal agency securities of \$428,192 and \$431,268 as of December 31, 2020 and 2019, respectively (Level 1 inputs)
- Money market funds of \$42,590 and \$40,564 as of December 31, 2020 and 2019, respectively (Level 1 inputs)

# Colorado District Attorneys' Council

## Notes to Financial Statements

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### Note 3: Cash and Cash Equivalents and Investments (Continued)

#### Deposits

##### **Custodial Credit Risk**

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA which allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2020 and 2019, the cash accounts maintained exceeds federally insured limits by approximately \$303,000 and \$362,600, respectively. The Council has not experienced any losses in these accounts and management does not believe the Council is exposed to any significant risk related to cash and cash equivalents.

#### Investments

##### **Credit Risk**

The Council has not adopted a formal investment policy; however, the Council follows state statutes regarding investments. Colorado statutes specify types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. government agency entities, certain money market funds, and local government pools.

The local government investment pool, which includes the Colorado Local Government Liquid Assets Trust ("ColoTrust"), is rated AAAM by Standard and Poors. Information related to Standard & Poor's ratings and CreditWatch can be obtained from Standard & Poor's.

##### **Custodial and Concentration of Credit Risk**

None of the Council's investments are subject to custodial or concentration of credit risk

##### **Interest Rate Risk**

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

# Colorado District Attorneys' Council

## Notes to Financial Statements

### Note 3: Cash and Cash Equivalents and Investments (Continued)

As of December 31, 2020 and 2019, the Council had the following investments:

Investment	Maturity	Fair Value	
		2020	2019
ColoTrust	Weighted average under 60 days	\$ 10,091,540	\$ 5,854,896
Certificates of deposit	Under one year	151,380	150,224
Money market funds	Less than 60 days	42,590	40,564
U.S. government and federal agency bonds	Various	760,582	726,901
Total		\$ 11,046,092	\$ 6,772,585

### Note 4: Property and Equipment

An analysis of the changes in property and equipment for the years ended December 31, 2020 and 2019 is as follows:

	December 31, 2019	Additions	Deletions	December 31, 2020
Equipment	\$ 392,994	\$ -	\$ -	\$ 392,994
Software	136,283	-	-	136,283
Vehicles	32,807	-	-	32,807
	562,084	-	-	562,084
Accumulated depreciation	(486,321)	(51,015)	-	(537,336)
Property and equipment, net	\$ 75,763	\$ (51,015)	\$ -	\$ 24,748

# Colorado District Attorneys' Council

## Notes to Financial Statements

### Note 4: Property and Equipment (Continued)

	December 31, 2018	Additions	Deletions	December 31, 2019
Equipment	\$ 354,385	\$ 38,609	\$ -	\$ 392,994
Software	136,283	-	-	136,283
Vehicles	32,807	-	-	32,807
	523,475	38,609	-	562,084
Accumulated depreciation	(411,490)	(74,831)	-	(486,321)
Property and equipment, net	\$ 111,985	\$ (36,222)	\$ -	\$ 75,763

### Note 5: Public Employees' Retirement Association of Colorado

The Council contributes to the Municipal Division Trust Fund ("Trust"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The Trust provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the Council are members of the Trust.

### Note 6: Unexpended Funds

Unexpended funds represent monies received by the Council for which expenses have not yet been incurred.

The following have been deferred for the years ended December 31, 2020 and 2019:

<i>Years Ended December 31,</i>	2020	2019
Deferred/DA prepaid funds	\$ 1,187	\$ 1,187
CDAIA funds	10,249	8,849
Total	\$ 11,436	\$ 10,036

### Note 7: Commitments

In September 2017, the Council entered into a lease agreement for its headquarters in Denver, Colorado. The lease commences on January 1, 2018 and expires on May 31, 2025 and requires monthly base rent ranging from \$13,552 to \$15,943, and includes a rent abatement period for the first five months of the lease. The total amount of rental payments is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid will be reflected as deferred rent payable. Total rent expense for the years ended December 31, 2020 and 2019 was approximately \$183,400 and \$168,100, respectively.

# Colorado District Attorneys' Council

## Notes to Financial Statements

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### Note 7: Commitments (Continued)

The minimum annual commitments under the terms of the lease for the years ending after December 31, 2020 are as follows:

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2021	\$	174,981
2022		179,762
2023		184,545
2024		189,326
2025		79,715
<hr/>		
Total	\$	808,329

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### Note 8: Risk Management

The Council is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to personnel, or natural disasters.

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

### Note 9: Tax, Spending and Debt Limitation

The Council believes it is not subject to Article X, Section 20, of Colorado State Constitution (the TABOR amendment) which limits state and local government tax powers and imposes spending limits. This complicated amendment is subject to many interpretations until litigation defines specific application. The Council, through its board of directors, its management, and its professional advisors, has made a good faith effort to interpret the provisions of the amendment.

### Note 10: Business Conditions

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. As of the date of issuance of the financial statements, the Council's operations have not been significantly impacted, However, the Counsel continues to monitor the situation. No impairments were recorded as of the reporting date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Council's results of operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

# Colorado District Attorneys' Council

## Schedule of Revenues, Expenditures, and Changes in Funds Available Budget and Actual (Budgetary Basis)

<i>Year Ended December 31, 2020</i>	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating revenue:</b>			
Assessments	\$ 619,119	\$ 629,619	\$ 10,500
Conference registrations	105,000	9,005	(95,995)
Statute and handbook sales	120,000	112,579	(7,421)
Mandated cost administrative fees income	124,230	115,932	(8,298)
Grant revenue	531,677	4,404,677	3,873,000
Associate member dues	10,500	-	(10,500)
Subpoena computer charges	200,000	241,818	41,818
Interest income, realized and unrealized gain on investments	1,000	73,548	72,548
Contract Income	350,000	206,075	(143,925)
Law table state funding	135,000	-	(135,000)
Miscellaneous income	5,100	-	(5,100)
<b>Total operating revenue</b>	<b>2,201,626</b>	<b>5,793,253</b>	<b>3,591,627</b>
<b>Expenditures:</b>			
Data processing	-	6,578	(6,578)
Dues and education expense	41,603	12,636	28,967
Equipment and supplies	63,000	11,446	51,554
Equipment and software purchases	5,000	-	5,000
Insurance	15,000	13,528	1,472
Meetings	5,500	-	5,500
Miscellaneous	15,000	6,004	8,996
Office supplies	11,000	2,875	8,125
Postage	6,400	1,343	5,057
Printing and copying	205,500	105,410	100,090
Professional fees	174,000	1,577,842	(1,403,842)
Rent and utilities	80,000	183,385	(103,385)
Repairs and maintenance	4,500	12,136	(7,636)
Salaries, related expenses, and contract labor	1,310,805	2,562,955	(1,252,150)
Software	15,976	20,694	(4,718)
Telephone	12,000	11,971	29
Travel and auto	235,773	42,801	192,972
<b>Total expenditures</b>	<b>2,201,057</b>	<b>4,571,604</b>	<b>(2,370,547)</b>
<b>Excess of revenue over expenditures</b>	<b>\$ 569</b>	<b>\$ 1,221,649</b>	<b>\$ 1,221,080</b>
<b>Funds available, beginning of year</b>		<b>9,679,907</b>	
<b>Funds available, end of year</b>		<b>\$ 10,901,556</b>	
<b>Funds available are defined as follows:</b>			
Current assets		\$ 12,140,305	
Less liabilities and deferred inflow of resources		1,238,749	
<b>Funds available</b>		<b>\$ 10,901,556</b>	

# Colorado District Attorneys' Council

## Reconciliation of Budgetary Basis (Actual) to Statement of Revenue, Expenses and Change in Net Position

<i>Year Ended December 31,</i>	2020
Revenue (budgetary basis)	\$ 5,793,253
Total operating and non-operating revenue per Statements of Revenue, Expenses and Change in Net Position	5,793,253
Expenditures (budgetary basis)	4,571,604
Depreciation	51,015
Total operating and non-operating expenses per Statements of Revenues, Expenses and Change in Net Position	4,622,619
Change in net position per Statements of Revenues, Expenses and Change in Net Position	\$ 1,170,634