

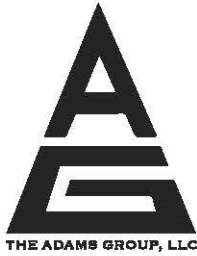
**COLORADO DISTRICT ATTORNEYS' COUNCIL**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Governing Board  
Colorado District Attorneys' Council  
Denver, Colorado

### **Opinion**

We have audited the accompanying financial statements of the Colorado District Attorneys' Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Colorado District Attorneys' Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colorado District Attorneys' Council as of December 31, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colorado District Attorneys' Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As outlined in Note 11 to the financial statements, the Council restated beginning net position in order to adopt GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion on the financial statements is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado District Attorneys' Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Colorado District Attorneys' Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado District Attorneys' Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the GASB required pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although

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

Management has 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 opinions on the basic financial statements are not affected by this missing information.

### **Supplementary Information**

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

*The Adams Group, LLC*

August 23, 2022  
Denver, Colorado

COLORADO DISTRICT ATTORNEYS' COUNCIL  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

Assets

Current assets

|                      |               |
|----------------------|---------------|
| Cash and investments | \$ 12,602,567 |
| Accounts receivable  | 201,786       |
| Inventories          | 35,793        |
| Prepaid items        | 38,118        |
| Other assets         | 16,000        |

Noncurrent assets

|  |       |
|--|-------|
| Capital assets - not being depreciated | 4,421 |
|--|-------|

|              |            |
|--------------|------------|
| Total assets | 12,898,685 |
|--------------|------------|

Deferred Outflows of Resources

|                          |         |
|--------------------------|---------|
| Pension related outflows | 693,017 |
| OPEB related outflows    | 38,706  |

|                                      |         |
|--------------------------------------|---------|
| Total deferred outflows of resources | 731,723 |
|--------------------------------------|---------|

Liabilities

Current liabilities

|                  |         |
|------------------|---------|
| Accounts payable | 196,907 |
| Unearned revenue | 116,019 |

Noncurrent liabilities

|                       |           |
|-----------------------|-----------|
| Compensated absences  | 261,328   |
| Net pension liability | 1,428,790 |
| Net OPEB liability    | 197,037   |

|                   |           |
|-------------------|-----------|
| Total liabilities | 2,200,081 |
|-------------------|-----------|

Deferred Inflows of Resources

|                          |           |
|--------------------------|-----------|
| Pension related outflows | 1,545,157 |
| OPEB related outflows    | 65,332    |

|                                     |           |
|-------------------------------------|-----------|
| Total deferred inflows of resources | 1,610,489 |
|-------------------------------------|-----------|

Net position

|                                  |           |
|----------------------------------|-----------|
| Net investment in capital assets | 4,421     |
| Unrestricted                     | 9,815,417 |

|                    |              |
|--------------------|--------------|
| Total net position | \$ 9,819,838 |
|--------------------|--------------|

The notes are an integral part of these financial statements.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2021

|  |              |
|--|--------------|
| <u>Operating revenues</u>                    |              |
| Assessments                                  | \$ 637,619   |
| Associate Member Dues                        | 3,525        |
| Grants                                       | 492,225      |
| Contracts                                    | 3,590,000    |
| Publication Sales                            | 126,367      |
| Conference/Trip Fees                         | 80,930       |
| Mandated Cost Admin Fee                      | 138,622      |
| Subpoena Computer Charges                    | 258,192      |
| Law Table State Funding                      | 288,128      |
| Miscellaneous Income                         | 9,379        |
| Total operating revenues                     | 5,624,987    |
| <br><u>Operating expenses</u>                |              |
| Salaries                                     | 2,027,977    |
| PERA pension contributions                   | 220,851      |
| State unemployment tax                       | 5,981        |
| Medicare tax                                 | 26,451       |
| Benefit plan                                 | 204,447      |
| Workers Comp Ins.                            | 3,349        |
| Office Lease                                 | 173,552      |
| Telephone                                    | 18,859       |
| Postage/Freight                              | 1,553        |
| Printing                                     | 72,933       |
| Supplies/Equip                               | 6,360        |
| Computer Equipment                           | 37,702       |
| Maint/Repairs                                | 20,138       |
| Software                                     | 3,109        |
| Meetings                                     | 6,250        |
| Travel                                       | 93,229       |
| Dues/Education                               | 11,800       |
| Subscriptions/Books                          | 19,016       |
| Professional Fees/Services                   | 883,055      |
| Legislative Services                         | 26,670       |
| Training Registrations                       | 287,603      |
| Employee Recognition                         | 16,142       |
| Auto Expense                                 | 188          |
| Depreciation Expense                         | 22,922       |
| Miscellaneous Expenses                       | 42,411       |
| Total operating expenses                     | 4,232,548    |
| Operating income                             | 1,392,439    |
| <br><u>Nonoperating revenues (expenses)</u>  |              |
| Interest income                              | 7,734        |
| Interest expense                             | (26,042)     |
| Total nonoperating revenues (expenses)       | (18,308)     |
| Change in net position                       | 1,374,131    |
| Net position beginning of year (as restated) | 8,445,707    |
| Net position end of year                     | \$ 9,819,838 |

The notes are an integral part of these financial statements.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|   |                      |
|---|----------------------|
| Cash flows from operating activities:   |                      |
| Cash received from operating activities   | \$ 5,391,056         |
| Cash paid for salaries and related expenses   | (2,539,192)          |
| Cash paid other operating activities  | (1,818,435)          |
| Net cash provided by operating activities   | <u>1,033,429</u>     |
| Cash flows from capital and related financing activities                                  |                      |
| Acquisition and construction of capital assets  | (2,596)              |
| Net cash used by capital and related financing activity                                   | <u>(2,596)</u>       |
| Cash flows from investing activities  |                      |
| Loss on investments   | (18,308)             |
| Net cash used by investing activities   | <u>(18,308)</u>      |
| Net change in cash and cash equivalents   | <u>1,012,525</u>     |
| Cash and cash equivalents at beginning of year  | <u>11,590,041</u>    |
| Cash and cash equivalents at end of year  | <u>\$ 12,602,566</u> |
| Reconciliation of operating income to net cash provided<br>by operating activities        |                      |
| Operating income  | \$ 1,392,439         |
| Adjustments to reconcile operating income to net<br>cash provided by operating activities |                      |
| Depreciation expense  | 22,922               |
| Decrease in pension liability   | (571,789)            |
| Decrease in OPEB liability  | (37,952)             |
| Increase in pension and OPEB deferred outflows  | (201,495)            |
| Increase in pension and OPEB deferred inflows   | 748,616              |
| Increase in accounts receivable   | 291,961              |
| Increase in prepaid assets  | (11,723)             |
| Decrease in other assets  | 161                  |
| Increase in inventories   | (5,832)              |
| Increase in accounts payable  | (80,471)             |
| Increase in unearned revenue  | (525,892)            |
| Increase in compensated absences  | 12,484               |
| Net cash provided by operating activities   | <u>\$ 1,033,429</u>  |

The notes are an integral part of these financial statements.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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 were no financial transactions between the two entities for the year ended December 31, 2021 as there was very limited activity in the Foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Council reports a single major enterprise fund which accounts for the revenues and expenses of services provided by the Council. The Council's 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets

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.

Cash and Cash Equivalents

For the purpose of the accompanying statement of cash flows, the Council considers demand deposits with financial institutions to be cash and cash equivalents.

Accounts Receivable

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Management believes all outstanding receivables are fully collectible as of December 31, 2021.

Inventories

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets, which include property, plant, equipment, are reported in the financial statements. Depreciation expense has been computed using the straight-line method over the estimate economic useful lives of the assets.

Deferred Outflows/Inflows of Resources

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

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues

Unearned Revenues generally consist of advanced payments for services to be provided by the Council in the next fiscal year.

Compensated Absences

The Council reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services rendered and it is probable that the Council will compensate the employees for benefits earned. Upon termination of employment from the Council, an employee will be compensated for accrued vacation at their current rate of pay and compensated for accrued sick leave at one half their current rate of pay.

Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This component of net position consists of amounts that do not meet the definition of "restricted" or "net investment in capital assets."

If both restricted and unrestricted resources are available to use for the same purpose, it is the Council's policy to use restricted resources first, and then unrestricted resources as they are needed.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:

|                            |                      |
|----------------------------|----------------------|
| Cash and investments       | \$ 12,602,567        |
| Total cash and investments | <u>\$ 12,602,567</u> |

Cash and investments as of December 31, 2021, consist of the following:

|                                      |                      |
|--------------------------------------|----------------------|
| Deposits with financial institutions | \$ 306,889           |
| Investments                          | 12,295,678           |
| Total cash and investments           | <u>\$ 12,602,567</u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in a trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories, the reporting of the uninsured deposits, and assets maintained in the collateral pools.

At December 31, 2021, the Council's cash deposits had a bank balance of \$457,929, and a carrying balance of \$306,889.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The Council follows State statutes regarding investments.

The Council generally limits its concentration of investments to those noted with an asterisk (\*) above, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Council is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts.
- \*Local government investment pools

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Council structures its investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity

Credit Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the Council. The Council's limits investments to certain types of investments and diversifies the investment portfolio so the impact of potential losses from any one type of investment will be minimized.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Council's investment in a single issuer. The Council has established various limits for issuers for each of the types of securities in which it is permitted to invest.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2021, the Council had the following investments:

| <u>Investment</u>   | <u>Standard &amp;<br/>Poor's Rating</u> | <u>Amount</u>        | <u>Less than 1<br/>year</u> | <u>1 to 5 years</u> | <u>More than 5<br/>years</u> |
|---|---|----------------------|-----------------------------|---------------------|------------------------------|
| U.S. Agencies   | AA+                                     | \$ 330,686           | \$ -                        | \$ -                | \$ 330,686                   |
| U.S. Treasury Notes   | AA+                                     | 422,075              | -                           | 277,745             | 144,330                      |
| Colorado Local Government Liquid Asset<br>Trust (COLOTRUST) | AAA <sub>m</sub>                        | <u>11,542,917</u>    | <u>11,542,917</u>           |                     |                              |
| Total Investments   |   | <u>\$ 12,295,678</u> | <u>\$11,542,917</u>         | <u>\$ 277,745</u>   | <u>\$ 475,016</u>            |

Fair Value Measurement

The Council categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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, 2021:

- U.S. Agencies' Securities of \$330,686 are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury Notes of \$422,075 are valued using quoted market prices (Level 1 inputs)
- COLOTRUST of \$11,542,917 is valued at net asset value

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The Council invested in the Colorado Local Government Liquid Trust (COLOTRUST) (the Trust), an investment vehicle established for local governmental entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may

invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Council records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS

The following is an analysis of changes in capital assets for the year ended December 31, 2021.

|                             | Balance<br>12/31/20 | Additions          | Dispositions | Balance<br>12/31/21 |
|-----------------------------|---------------------|--------------------|--------------|---------------------|
| Depreciable Capital Assets: |                     |                    |              |                     |
| Equipment                   | \$ 329,398          | \$ 2,596           | \$ -         | \$ 331,994          |
| Software                    | 174,892             | -                  | -            | 174,892             |
| Vehicles                    | 32,807              | -                  | -            | 32,807              |
|                             | <u>\$ 537,097</u>   | <u>\$ 2,596</u>    | <u>\$ -</u>  | <u>\$ 539,693</u>   |
| Accumulated Depreciation    | <u>(512,350)</u>    | <u>(22,922)</u>    | <u>-</u>     | <u>(535,272)</u>    |
| Net Capital Assets          | <u>\$ 24,747</u>    | <u>\$ (20,326)</u> | <u>\$ -</u>  | <u>\$ 4,421</u>     |

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 5 - RETIREMENT PLAN

The Council participates in the Local Government Division Trust Fund (LGDTF), a cost sharing multiple-employer defined benefit pension plan 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 (FNP) and additions to/deductions from the FNP of the LGDTF 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.

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. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions.

Plan description

Eligible employees of the Council are provided with pensions through the LGDTF—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 (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Benefits provided

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then

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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Benefits provided (continued)

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, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the Council are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the fiscal year

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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Contributions (continued)

2021 were 8.5%.

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

|   | For the<br>Year Ended<br>December 31,<br>2021 |
|---|---|
| Employer Contribution Rate <sup>1</sup>   | 10.50 %                                       |
| Amount of Employer Contribution Apportioned<br>to the health Care Trust Fund as Specified<br>in C.R.S. § 24-51-208(1)(f) <sup>1</sup> | (1.02)%                                       |
| Amount Apportioned to the LGDTF <sup>1</sup>  | 9.48 %  |
| Amortization Equalization Disbursement (AED)<br>as Specified in C.R.S. § 24-51-411 <sup>1</sup>                                       | 2.20 %  |
| Supplemental Amortization Equalization Disbursement<br>(SAED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>                         | 1.50 %  |
| Total Employer Contribution Rate to the LGDTF <sup>1</sup>  | 13.18 %                                       |

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Council is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Council were \$262,769 for the year ended December 31, 2021.

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

At December 31, 2021 the Council reported a liability of \$1,428,790 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Council's proportion of the net pension liability was based on the Council's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the Council's proportion was .274173 percent, which was an increase of .0006424 percent increase from its proportion measured as of December 31, 2019.

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NOTE 5 - RETIREMENT PLAN (CONTINUED)

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

For the year ended December 31, 2021 the Council recognized pension income of \$39,032. At December 31, 2021 the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between Expected and Actual Experience   | \$ 69,081                                 | \$ -                                     |
| Changes of Assumptions or other Inputs  | 345,283                                   | -  |
| Net Difference between Projected and Actual<br>Earnings on Pension Plan Investments                                   | -   | 1,545,157                                |
| Changes in Proportion and Differences between<br>Contributions Recognized and Proportionate Share<br>of Contributions | 15,885                                    | -  |
| Contributions Subsequent to the Measurement Date  | 262,769                                   | -  |
| Total   | <u>\$ 693,018</u>                         | <u>\$ 1,545,157</u>                      |

\$262,769 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 31,</u> | <u>Amount</u> |
|--------------------------------|---------------|
| 2022                           | \$ (160,517)  |
| 2023                           | (186,753)     |
| 2024                           | (523,780)     |
| 2025                           | (243,859)     |
| 2026                           | -             |
| Thereafter                     | -             |

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Actuarial assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

|   |  |
|---|--|
| Actuarial Cost Method   | Entry Age                                  |
| Price Inflation   | 2.40%                                      |
| Real Wage Growth  | 1.10%                                      |
| Wage Inflation  | 3.50%                                      |
| Salary Increases, Including Wage Inflation  | 3.50 - 10.45%                              |
| Long-Term Investment Rate of Return, Net of Pension Plan  |  |
| Investment Expenses, Including Price Inflation  | 7.25%                                      |
| Discount rate   | 7.25%                                      |
| Post Retirement Benefit Increases:  |  |
| PERA Benefit Structure Hired Prior to January 1, 2007;<br>and DPS Benefit Structure (Compounded Annually) | 1.25%                                      |
| PERA Benefit Structure hired after December 31, 2006 <sup>1</sup>   | Financed by the<br>Annual Increase Reserve |

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.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (continued)

The actuarial assumptions used in the December 31, 2019, valuation 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 PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

|   |  |
|---|--|
| Actuarial Cost Method   | Entry Age                                  |
| Price Inflation   | 2.30%                                      |
| Real Wage Growth  | 0.70%                                      |
| Wage Inflation  | 3.00%                                      |
| Salary Increases, Including Wage Inflation  |  |
| Members other than State Troopers   | 3.20% - 11.30%                             |
| State Troopers <sup>1</sup>   | 3.20% - 12.40%                             |
| Long-Term Investment Rate of Return, Net of Pension Plan  |  |
| Investment Expenses, Including Price Inflation  | 7.25%                                      |
| Discount rate   | 7.25%                                      |
| Post Retirement Benefit Increases:  |  |
| PERA Benefit Structure Hired Prior to January 1, 2007;<br>and DPS Benefit Structure (Compounded Annually) | 1.25%                                      |
| PERA Benefit Structure hired after December 31, 2006 <sup>2</sup>   | Financed by the<br>Annual Increase Reserve |

1 C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

2 Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (continued)

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010

Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective

January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| <u>Asset Class</u>        | <u>Target<br/>Allocation</u> | <u>30-Year Expected Geometric<br/>Real Rate of Return</u> |
|---------------------------|------------------------------|---|
| Global Equity             | 54.00 %                      | 5.60 %  |
| Fixed Income              | 23.00                        | 1.30  |
| Private Equity            | 8.50                         | 7.10  |
| Real Estate               | 8.50                         | 4.40  |
| Alternatives <sup>1</sup> | 6.00                         | 4.70  |
| <b>Total</b>              | <b>100.00%</b>               |   |

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020. 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 nominal rate of return assumption of 7.25 percent.

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 nominal rate of return assumption of 7.25 percent.

Discount rate

The discount rate used to measure the total pension 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:

- 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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. Employee contributions for future plan members were used to reduce the

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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Discount Rate (Continued)

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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, 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. AIR transfers to the FNP 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 middle of the year.

Based on the above assumptions and methods, LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Council'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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

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NOTE 5 - RETIREMENT PLAN (CONTINUED)

Discount Rate (Continued)

|  | 1% Decrease    | Current Discount Rate | 1% Increase    |
|--|----------------|-----------------------|----------------|
|  | <u>(6.25%)</u> | <u>(7.25%)</u>        | <u>(8.25%)</u> |
| Proportionate Share of the Net Pension Liability | \$ 3,291,363   | \$ 1,428,790          | \$ (126,216)   |

Pension plan fiduciary net position

Detailed information about the LGDTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan description

Eligible employees of the Council 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 (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Benefits provided

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

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NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Benefits provided (continued)

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

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

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 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.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
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NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Contributions (continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Council is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Council were \$20,336 for the year ended December 31, 2021.

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

On December 31, 2021 the Council reported a liability of \$197,037 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Council's proportion of the net OPEB liability was based on the Council's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

On December 31, 2020, the Council's proportion was 0.0207 percent, which was a decrease of .00017 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Council recognized OPEB income of \$10,314. At December 31, 2021 the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between Expected and Actual Experience   | \$ 522                            | \$ 43,318                        |
| Changes of Assumptions or other Inputs  | 1,472                             | 12,082                           |
| Net Difference between Projected and Actual<br>Earnings on OPEB Plan Investments  | -                                 | 8,051                            |
| Changes in Proportion and Differences between<br>Contributions Recognized and Proportionate Share<br>Share of Contributions | 16,376                            | 1,881                            |
| Contributions Subsequent to the Measurement Date  | 20,336                            | -                                |
| Total   | <u>\$ 38,706</u>                  | <u>\$ 65,332</u>                 |

\$20,336 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

| <u>Year Ended December 31,</u> | <u>Amount</u> |
|--------------------------------|---------------|
| 2022                           | \$ (9,739)    |
| 2023                           | (8,611)       |
| 2024                           | (10,135)      |
| 2025                           | (12,636)      |
| 2026                           | (5,483)       |
| Thereafter                     | (358)         |

Actuarial assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

|   |  |
|---|--|
| Actuarial Cost Method                                 | Entry Age  |
| Price Inflation                                       | 2.40%  |
| Real Wage Growth                                      | 1.10%  |
| Wage Inflation  | 3.50%  |
| Salary Increases, Including Wage Inflation            | 3.50 % in the aggregate                              |
| Long-Term Investment Rate of Return, Net of OPEB Plan |  |
| Investment Expenses, Including Price Inflation        | 7.25%  |
| Discount rate   | 7.25%  |
| Health Care Cost Trend Rates                          |  |
| PERA benefit structure:                               |  |
| Service-based Premium Subsidy                         | 0.00%  |
| PERACare Medicare plans                               | 8.10% in 2020, gradually decreasing to 4.50% in 2029 |
| Medicare Part A Premiums                              | 3.50% in 2020, gradually increasing to 4.50% in 2029 |

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

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NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial assumptions (continued)

|   | Initial Costs for Members<br>without Medicare Part A |                            |  |
|---|--|----------------------------|--|
| <u>Medicare Plan</u>                        | <u>Monthly<br/>Cost</u>                              | <u>Monthly<br/>Premium</u> | <u>Monthly Cost<br/>Adjusted to<br/>Age 65</u> |
| Medicare Advantage/Self-Insured Rx          | \$ 588   | \$ 227                     | \$ 550   |
| Kaiser Permanente Medicare<br>Advantage HMO | 621  | 232                        | 586  |

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below. 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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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 used to measure the total OPEB liability are summarized in the table below:

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

| Year  | PERACare<br>Medicare Plans | Medicare Part A<br>Premiums |
|-------|----------------------------|-----------------------------|
| 2020  | 8.10%                      | 3.50%                       |
| 2021  | 6.40%                      | 3.75%                       |
| 2022  | 6.00%                      | 3.75%                       |
| 2023  | 5.70%                      | 3.75%                       |
| 2024  | 5.50%                      | 4.00%                       |
| 2025  | 5.30%                      | 4.00%                       |
| 2026  | 5.10%                      | 4.00%                       |
| 2027  | 4.90%                      | 4.25%                       |
| 2028  | 4.70%                      | 4.25%                       |
| 2029+ | 4.50%                      | 4.50%                       |

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

Actuarial Assumptions (continued)

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

|   | <u>Trust Fund</u>         |                            |  |                              |
|---|---------------------------|----------------------------|--|------------------------------|
|   | <u>State<br/>Division</u> | <u>School<br/>Division</u> | <u>Local<br/>Government<br/>Division</u> | <u>Judicial<br/>Division</u> |
| Actuarial cost method                       | Entry age                 | Entry age                  | Entry age                                | Entry age                    |
| Price inflation                             | 2.30%                     | 2.30%                      | 2.30%                                    | 2.30%                        |
| Real wage growth                            | 0.70%                     | 0.70%                      | 0.70%                                    | 0.70%                        |
| Wage inflation                              | 3.00%                     | 3.00%                      | 3.00%                                    | 3.00%                        |
| Salary increases, including wage inflation: |                           |                            |  |                              |
| Members other than State Troopers           | 3.30% - 10.90%            | 3.40% - 11.00%             | 3.20% - 11.30%                           | 2.80% - 5.30%                |
| State Troopers                              | 3.20% - 12.40%            | N/A                        | 3.20% - 12.40% <sup>1</sup>              | N/A                          |

<sup>1</sup> C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| <u>Asset Class</u>        | <u>Target<br/>Allocation</u> | <u>30-Year Expected Geometric<br/>Real Rate of Return</u> |
|---------------------------|------------------------------|---|
| Global Equity             | 54.00%                       | 5.60%   |
| Fixed Income              | 23.00%                       | 1.30%   |
| Private Equity            | 8.50%                        | 7.10%   |
| Real Estate               | 8.50%                        | 4.40%   |
| Alternatives <sup>1</sup> | 6.00%                        | 4.70%   |
| <b>Total</b>              | <b>100.00%</b>               |   |

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

Sensitivity of the Council'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:

|   | <u>1% Decrease in<br/>Trend Rates</u> | <u>Current Trend<br/>Rates</u> | <u>1% Increase in<br/>Trend Rates</u> |
|---|---------------------------------------|--------------------------------|---------------------------------------|
| Initial PERACare Medicare Trend Rate          | 7.10%                                 | 8.10%                          | 9.10%                                 |
| Ultimate PERACare Medicare Trend Rate         | 3.50%                                 | 4.50%                          | 5.50%                                 |
| Initial Medicare Part A Trend Rate            | 2.50%                                 | 3.50%                          | 4.50%                                 |
| Ultimate Medicare Part A Trend Rate           | 3.50%                                 | 4.50%                          | 5.50%                                 |
| Proportionate Share of the Net OPEB Liability | \$ 191,944                            | \$ 197,037                     | \$ 202,965                            |

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, 2020, 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 3.00 percent.
- 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate (continued)

Based on the above assumptions and methods, the HCTF's FNP 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 Council's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

Sensitivity of the Council'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<br>(6.25%) | Current Discount<br>Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate Share of the Net OPEB Liability | \$ 225,709             | \$ 197,037                          | \$ 172,538             |

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

NOTE 7 - NET POSITION

The Council's net position consists of two components - net investment in capital assets and unrestricted.

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of long-term obligations that are attributable to the acquisition, construction, or improvements of those assets.

The Council's unrestricted net position was \$9,819,838 as of December 31, 2021.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 8 - COMMITMENTS

In September 2017, the Council entered into a lease agreement for its headquarters in Denver, Colorado. The lease commenced on January 1, 2018 and expires on May 31, 2025 and requires monthly base rent ranging from \$13,552 to \$15,943. The rent expense was approximately \$175,000 for the year ended December 31, 2021. The minimum annual commitments under the terms of the lease for the years ending after December 31, 2021 are as follows:

| <u>Year</u> | <u>Amount</u>     |
|-------------|-------------------|
| 2022        | \$ 179,761        |
| 2023        | 184,544           |
| 2024        | 189,327           |
| <u>2025</u> | <u>79,717</u>     |
| Total       | <u>\$ 633,349</u> |

NOTE 9 - RISK MANAGEMENT

The Council is exposed to various risk 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 recent fiscal years.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments, except those governmental activities designated as Enterprises.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Council operates as an enterprise fund under Title 37, Article 45.1, C.R.S., to provide training and other resources to district attorney offices within the state of Colorado.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

The Council's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 11 - RESTATEMENT OF BEGINNING NET POSITION

The Council restated beginning net position in order to properly adopt GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The schedule below outlines the impact of adopting these required accounting standards on beginning net position:

|   |                     |
|---|---------------------|
| 2020 Ending Net Position as previously reported | \$ 10,942,304       |
| 2020 Net Pension Liability                      | (2,000,579)         |
| 2020 Net OPEB Liability                         | (234,989)           |
| 2020 Pension Related Deferred Outflows          | 486,584             |
| 2020 OPEB Related Deferred Outflows             | 43,644              |
| 2020 Pension Related Deferred Inflows           | (818,464)           |
| 2020 OPEB Related Deferred Inflows              | (43,409)            |
| Improperly recorded Long Term Debt              | 70,616              |
| 2021 Beginning Net Position as Restated         | <u>\$ 8,445,707</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**

COLORADO DISTRICT ATTORNEYS' COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA  
LAST 10 FISCAL YEARS

| Fiscal Year   | <u>2021</u>       | <u>2020</u>       | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       | <u>2016</u>       | <u>2015</u>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Plan Measurement Date   | December 31, 2020 | December 31, 2019 | December 31, 2018 | December 31, 2017 | December 31, 2016 | December 31, 2015 | December 31, 2014 |
| Council's Proportion of the Net Pension Liability   | 0.274173085%      | 0.273530655%      | 0.262487180%      | 0.240026213%      | 0.242666538%      | 0.212316170%      | 0.188082274%      |
| Council's Proportionate Share of the Net Pension Liability  | \$ 1,428,790      | \$ 2,000,579      | \$ 3,300,023      | \$ 2,672,524      | \$ 3,276,826      | \$ 2,338,835      | \$ 1,685,798      |
| Council's Covered Payroll   | 1,917,534         | 1,879,831         | 1,720,096         | 1,514,187         | 1,470,863         | 1,205,791         | 1,030,607         |
| Council's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 74.5%             | 106.4%            | 191.9%            | 176.5%            | 222.8%            | 194.0%            | 163.6%            |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                        | 90.88%            | 86.26%            | 75.96%            | 79.37%            | 73.60%            | 76.90%            | 80.70%            |

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNCIL'S PENSION CONTRIBUTIONS – PERA  
LAST 10 FISCAL YEARS

| <u>Fiscal Year</u>  | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually Required Contribution                                     | \$ 262,769     | \$ 250,271     | \$ 238,849     | \$ 218,108     | \$ 191,999     | \$ 186,505     | \$ 152,894     | \$ 130,681     | \$ 116,305     |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>262,769</u> | <u>246,978</u> | <u>238,363</u> | <u>218,108</u> | <u>191,999</u> | <u>186,505</u> | <u>152,894</u> | <u>130,681</u> | <u>116,305</u> |
| Contribution Deficiency (Excess)  | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Council's Covered Payroll   | \$ 1,993,696   | \$ 1,917,534   | \$ 1,879,831   | \$ 1,720,096   | \$ 1,514,187   | \$ 1,470,863   | \$ 1,205,791   | \$ 1,030,607   | \$ 917,234     |
| Contributions as a Percentage of<br>Covered Payroll                     | 13.18%         | 12.88%         | 12.68%         | 12.68%         | 12.68%         | 12.68%         | 12.68%         | 12.68%         | 12.68%         |

COLORADO DISTRICT ATTORNEYS' COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PERA  
LAST 10 FISCAL YEARS

| Fiscal Year  | <u>2021</u>       | <u>2020</u>       | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Plan Measurement Date  | December 31, 2020 | December 31, 2019 | December 31, 2018 | December 31, 2017 | December 31, 2016 |
| Council's Proportion (Percentage) of the Collective Net OPEB Liability                         | 0.0207357933%     | 0.0209065687%     | 0.0203376631%     | 0.0186511362%     | 0.0186279801%     |
| Council's Proportionate Share of the Collective Net OPEB Liability                             | \$ 197,037        | \$ 234,989        | \$ 276,702        | \$ 242,390        | \$ 241,518        |
| Covered payroll  | \$ 1,917,534      | \$ 1,879,831      | \$ 1,720,096      | \$ 1,514,187      | \$ 1,470,865      |
| Council's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 10.28%            | 12.50%            | 16.09%            | 16.01%            | 16.42%            |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                        | 32.78%            | 24.49%            | 17.03%            | 17.53%            | 16.72%            |

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

COLORADO DISTRICT ATTORNEYS' COUNCIL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNCIL'S OPEB CONTRIBUTIONS – PERA  
LAST 10 FISCAL YEARS

| <u>Fiscal Year</u>  | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution                                     | \$ 20,336     | \$ 19,559     | \$ 19,174     | \$ 17,545     | \$ 15,445     | \$ 15,003     |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>20,336</u> | <u>19,559</u> | <u>19,174</u> | <u>17,545</u> | <u>15,445</u> | <u>15,003</u> |
| Contribution Deficiency (Excess)  | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| Council's Covered Payroll   | \$ 1,993,696  | \$ 1,917,534  | \$ 1,879,831  | \$ 1,720,096  | \$ 1,514,187  | \$ 1,470,865  |
| Contributions as a Percentage of<br>Covered Payroll                     | 1.02%         | 1.02%         | 1.02%         | 1.02%         | 1.02%         | 1.02%         |

**SUPPLEMENTARY INFORMATION**

COLORADO DISTRICT ATTORNEYS' COUNCIL  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION – BUDGET AND ACTUAL - BUDGETARY BASIS  
DECEMBER 31, 2021

|                                       | Original<br>and<br>Final<br>Budget | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------------------------|---------------------|---|
| <u>Revenues</u>                       |                                    |                     |   |
| Assessments                           | \$ 619,119                         | \$ 637,619          | \$ 18,500   |
| Assoc. Member Dues                    | 10,500                             | 3,525               | (6,975)   |
| Grants                                | 531,677                            | 492,225             | (39,452)  |
| Contracts                             | 350,000                            | 3,590,000           | 3,240,000   |
| Publication Sales                     | 120,000                            | 126,367             | 6,367   |
| Conference/Trip Fees                  | 105,000                            | 80,930              | (24,070)  |
| Mandated Cost Admin Fee               | 133,084                            | 138,622             | 5,538   |
| Interest Income                       | 1,000                              | 7,734               | 6,734   |
| Subpoena Computer Chrgs               | 200,000                            | 258,192             | 58,192  |
| Law Table State Funding               | 135,000                            | 288,128             | 153,128   |
| Miscellaneous Income                  | 5,100                              | 9,379               | 4,279   |
| Total revenues                        | <u>2,210,480</u>                   | <u>5,632,721</u>    | <u>3,422,241</u>  |
| <u>Expenses</u>                       |                                    |                     |   |
| <u>Personnel</u>                      |                                    |                     |   |
| Salaries                              | 1,074,638                          | 2,027,977           | (953,339)   |
| PERA pension contributions            | 147,226                            | 220,851             | (73,625)  |
| State unemployment tax                | 3,224                              | 5,981               | (2,757)   |
| Medicare tax                          | 15,582                             | 26,451              | (10,869)  |
| Benefit plan                          | 82,727                             | 204,447             | (121,720)   |
| Workers Comp Ins.                     | 3,717                              | 3,349               | 368   |
| Personnel totals                      | <u>1,327,114</u>                   | <u>2,489,056</u>    | <u>(1,161,942)</u>                                      |
| <u>Operations:</u>                    |                                    |                     |   |
| Office Lease                          | 80,000                             | 173,552             | (93,552)  |
| Telephone                             | 12,000                             | 18,859              | (6,859)   |
| Postage/Freight                       | 6,400                              | 1,553               | 4,847   |
| Office Supplies                       | 11,000                             | 0                   | 11,000  |
| Copier Exp/Supplies                   | 11,000                             | 0                   | 11,000  |
| Printing                              | 31,000                             | 72,933              | (41,933)  |
| Supplies/Equip                        | 41,000                             | 6,360               | 34,640  |
| Computer Equipment                    | 22,000                             | 37,702              | (15,702)  |
| Maint/Repairs                         | 4,500                              | 20,138              | (15,638)  |
| Publications Printing                 | 152,701                            | 0                   | 152,701   |
| Software                              | 13,476                             | 3,109               | 10,367  |
| NDAA President Travel                 | 2,500                              | 0                   | 2,500   |
| Meetings                              | 5,500                              | 6,250               | (750)   |
| Travel                                | 164,000                            | 93,229              | 70,771  |
| Dues/Education                        | 32,919                             | 11,800              | 21,119  |
| Subscriptions/Books                   | 6,603                              | 19,016              | (12,413)  |
| Professional Fees/Services            | 69,000                             | 883,055             | (814,055)   |
| Property Insurance                    | 5,000                              | 0                   | 5,000   |
| Professional Liab Ins                 | 10,000                             | 0                   | 10,000  |
| Legislative Services                  | 55,000                             | 26,670              | 28,330  |
| Training Registrations                | 100,000                            | 287,603             | (187,603)   |
| Employee Recognition                  | 5,000                              | 16,142              | (11,142)  |
| Auto Expense                          | 5,000                              | 188                 | 4,812   |
| Miscellaneous Expenses                | 15,000                             | 42,411              | (27,411)  |
| Investment Loss                       | 0                                  | 26,042              | (26,042)  |
| Capital Outlay                        | 5,000                              | 2,596               | 2,404   |
| Operations totals                     | <u>865,599</u>                     | <u>1,749,208</u>    | <u>(883,609)</u>  |
| Total expenses                        | <u>2,192,713</u>                   | <u>4,238,264</u>    | <u>(2,045,551)</u>                                      |
| Excess of Revenues Over Expenses      | <u>\$ 17,767</u>                   | <u>1,394,457</u>    | <u>\$ 1,376,690</u>                                     |
| <u>Reconciliation to GAAP Basis</u>   |                                    |                     |   |
| Capital outlay                        |                                    | 2,596               |   |
| Depreciation Expense                  |                                    | (22,922)            |   |
| Change in net position, GAAP Basis    |                                    | 1,374,131           |   |
| Net Position, Beginning (as restated) |                                    | <u>8,445,707</u>    |   |
| Net Position, Ending                  |                                    | <u>\$ 9,819,838</u> |   |

See Independent Auditors' Report