

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

FINANCIAL STATEMENTS

December 31, 2022



**Wall,
Smith,
Bateman** Inc.
Certified Public Accountants

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
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Wall,
Smith,
Bateman Inc.

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twelfth Judicial District of the State of Colorado Office of the District Attorney (Office of the District Attorney), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Office of the District Attorney's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Office of the District Attorney as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Office of the District Attorney, 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.

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 the Office of the District Attorney'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.

Certified Public Accountants

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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 the Office of the District Attorney'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 the Office of the District Attorney'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

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.

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

August 10, 2023

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

BASIC FINANCIAL STATEMENTS

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF NET POSITION
December 31, 2022

	<u>Primary Government Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 752,187
Accounts Receivable	403
Due from Other Governments	70,807
Grants Receivable	3,406
Other Assets	2,461
Total Current Assets	<u>829,264</u>
Noncurrent Assets	
Capital Assets	
Equipment	59,805
Vehicles	35,895
Less: Accumulated Depreciation	(39,045)
Total Noncurrent Assets	<u>56,655</u>
TOTAL ASSETS	<u>885,919</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	39,317
OPEB	1,412
Total Deferred Outflows of Resources	<u>40,729</u>
LIABILITIES	
Current Liabilities	
Accrued Liabilities	35,191
Total Current Liabilities	<u>35,191</u>
Noncurrent Liabilities	
Net Pension Liability	259,173
Net OPEB Liability	11,719
Total Noncurrent Liabilities	<u>270,892</u>
TOTAL LIABILITIES	<u>306,083</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	119,222
OPEB	5,621
Total Deferred Inflows of Resources	<u>124,843</u>
NET POSITION	
Net Investment in Capital Assets	56,655
Unrestricted	439,067
TOTAL NET POSITION	<u><u>\$ 495,722</u></u>

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

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Criminal Prosecution	\$ 1,312,656	\$ 792	\$ 1,232,967	\$ -	\$ (78,897)
Victim Assistance	212,713	-	235,365	-	22,652
Crime Victim Compensation	183,777	-	136,542	-	(47,235)
Total Governmental Activities	\$ 1,709,146	\$ 792	\$ 1,604,874	\$ -	(103,480)
General Revenues:					
Interest					1,290
Miscellaneous					3,000
Total General Revenues					4,290
Change in Net Position					(99,190)
Net Position, Beginning of the Year					594,912
Net Position, End of the Year					\$ 495,722

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

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022**

	GENERAL FUND	VICTIM ASSISTANCE	CRIME VICTIM COMPENSATION	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	\$ 264,673	\$ 4,627	\$ 482,887	\$ 752,187
Accounts Receivable	403	-	-	403
Due from Other Governments	19,863	50,944	-	70,807
Grants Receivable	3,406	-	-	3,406
Due from Other Funds	10,000	12	-	10,012
Other Assets	2,461	-	-	2,461
TOTAL ASSETS	\$ 300,806	\$ 55,583	\$ 482,887	\$ 839,276
LIABILITIES				
Accrued Liabilities	\$ 25,126	\$ 2,485	\$ 7,580	\$ 35,191
Due to Other Funds	12	-	10,000	10,012
TOTAL LIABILITIES	25,138	2,485	17,580	45,203
FUND BALANCE				
Committed	-	53,098	465,307	518,405
Unassigned	275,668	-	-	275,668
TOTAL FUND BALANCE	275,668	53,098	465,307	794,073
TOTAL LIABILITIES AND FUND BALANCE	\$ 300,806	\$ 55,583	\$ 482,887	\$ 839,276

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

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2022

Total governmental fund balances	\$ 794,073
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	56,655
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in governmental funds, but must be deferred in the statement of net position.	40,729
Net pension and OPEB liabilities are not due and payable in the current period and therefore are not reported in the funds.	(270,892)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the fund.	(124,843)
Net position of governmental activities	\$ 495,722

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	GENERAL FUND	VICTIM ASSISTANCE	CRIME VICTIM COMPENSATION	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Intergovernmental				
County Government	\$ 951,251	\$ -	\$ -	\$ 951,251
County Courts	-	-	107,386	107,386
State Government	197,377	100,871	29,156	327,404
Federal Government	84,339	134,494	-	218,833
Collection and Discovery Fees	792	-	-	792
Interest Income	322	6	962	1,290
Other Revenue	3,000	-	-	3,000
TOTAL REVENUES	1,237,081	235,371	137,504	1,609,956
EXPENDITURES				
Criminal Prosecution				
Salaries and Benefits	959,447	-	-	959,447
Administration	285,811	-	-	285,811
Diversion Program	4,325	-	-	4,325
Restorative Justice	66,092	-	-	66,092
Victim Assistance				
Salaries and Benefits	-	204,593	-	204,593
Administration	-	8,120	-	8,120
Crime Victim Compensation				
Compensation Payments	-	-	183,777	183,777
Administration	21,783	-	-	21,783
TOTAL EXPENDITURES	1,337,458	212,713	183,777	1,733,948
Excess of Revenues Over (Under) Expenditures	(100,377)	22,658	(46,273)	(123,992)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	21,678	-	-	21,678
Transfers to other funds	-	(11,678)	(10,000)	(21,678)
TOTAL OTHER FINANCING SOURCES (USES)	21,678	(11,678)	(10,000)	-
Net Change in Fund Balance	(78,699)	10,980	(56,273)	(123,992)
FUND BALANCE -Beginning of Year	354,367	42,118	521,580	918,065
FUND BALANCE - End of Year	\$ 275,668	\$ 53,098	\$ 465,307	\$ 794,073

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

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds	\$(123,992)
Amounts reported for governmental activities in the statements of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(15,723)
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expenses.	
	<u>40,525</u>
Change in net position of governmental activities	<u><u>\$ (99,190)</u></u>

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

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

Component Units

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

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

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

The Victim Assistance Fund was organized under the Assistance to Victims of and Witnesses to Crimes and Aid to Law Enforcement Act for the purpose of providing funding to agencies that provide services to crime victims within the local district. Although a legally separate entity, the fund has been included because of the Office's oversight

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

responsibilities. The five member board is appointed by the Chief Judge. The Victim Assistance Fund is blended into the Office of the District Attorney's financial statements as a major special revenue fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Office of the District Attorney considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

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

Cash

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

Capital Assets

Capital Assets include vehicles and equipment. The Office of the District Attorney defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life of more than 1 year. Depreciation is computed on a straight-line basis over the estimated useful life of the assets. Estimated useful lives range from three to seven years. Capital assets are recorded at historical cost if purchased. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Compensated Absences

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

Deferred Outflows/Inflows of Resources

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

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

Certain amounts related to pensions must be deferred.

Pensions

The Office of the District Attorney participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension 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 SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

OPEB

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

Net Position

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

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

Fund Balance

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

- *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid insurance.
- *Restricted Fund Balance* – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed by the District Attorney, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the District Attorney removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

- *Assigned Fund Balance* – are amounts a government intends to use for a specific purpose; intent can be expressed by the District Attorney or by an official or body to which the governing body delegates the authority.
- *Unrestricted Fund Balance* – are amounts that are available for any purpose; these amount are reported only in the General Fund.

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

Use of Estimates

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

Encumbrances

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

New Accounting Pronouncements

During fiscal year 2022, the District adopted the provisions of GASB Statement No. 87, *Leases*, that establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This standard does not have a material effect on the financial statements of the Office of the District Attorney.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

NOTE 3 CASH AND DEPOSITS

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for

**TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022**

all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Office of the District Attorney's deposits may not be returned to them. At December 31, 2022, \$324,172 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Credit Risk

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

Cash on Hand and in Banks on the Statement of Net Position	\$ 752,187
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NOTE 4 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2022, the Office of the District Attorney had \$70,807 due from Federal, State, or Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
Victims Assistance Fund	General Fund	\$ 12
General Fund	Crime Victim Compensation Fund	10,000
		<u>\$ 10,012</u>

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

Interfund Transfers

Interfund transfers for the year ended December 31, 2022, were as follows:

Transfer In	Transfer Out	Amount
General Fund	Crime Victim Compensation Fund	10,000
General Fund	Victim Assistance Fund	11,678
		<u>\$ 21,678</u>

The above transfers are annual operating transfers to properly allocate salary and administrative costs.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows.

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital assets being depreciated				
Equipment	\$ 59,805	\$ -	-	\$ 59,805
Vehicles	35,895	-	-	35,895
Total capital assets being depreciated	<u>95,700</u>	<u>-</u>	<u>-</u>	<u>95,700</u>
Less accumulated depreciation for:				
Equipment	8,543	8,544	-	17,087
Vehicles	14,779	7,179	-	21,958
Total accumulated depreciation	<u>23,322</u>	<u>15,723</u>	<u>-</u>	<u>39,045</u>
Total capital assets being depreciated, net	<u>\$ 72,378</u>	<u>\$ (15,723)</u>	<u>\$ -</u>	<u>\$ 56,655</u>

Depreciation is allocated to the Criminal Prosecution function on the Statement of Activities.

NOTE 7 DEFERRED COMPENSATION PLAN

The Office of the District Attorney offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the National Association of Counties (NACO). The plan, available to all full-time Office of the District Attorney employees (except the District Attorney, who participates in the PERA plan described at Note 9), permits them to defer a portion of their salary until future years.

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

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The Office of the District Attorney also contributes a match to the Section 457 deferred compensation plan for eligible members, limited to \$1,000 per eligible participant. Employees contributed \$4,100 during 2022, and the Office of the District Attorney contributed \$3,042 as the employer match.

NOTE 8 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2021. 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% and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% 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% or 100% 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. 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 the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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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 provisions as of December 31, 2022 Eligible employees of, Office of the District Attorney and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of 01/01/2022, through 12/31/2022 are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution	10.50%	11.00%

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

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

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.90%	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SDTF	9.88%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.10%	0.10%
Total employer contribution rate to the SDTF	19.98%	20.48%

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Office of the District Attorney is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the Office of the District Attorney were \$22,783 for the year ended December 31, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct

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distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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

The net pension liability for the SDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Office of the District Attorney proportion of the net pension liability was based on the Office of the District Attorney contributions to the SDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside of the State’s financial reporting entity.

At December 31, 2022, the Office of the District Attorney reported a liability of \$259,173 for its proportionate share of the net pension liability.

At December 31, 2021, the Office of the District Attorney’s proportion was 0.0035%, which was a decrease of 0.0005% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Office of the District Attorney recognized pension expense of (\$38,573). At December 31, 2022, the Office of the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,763	\$ 361
Changes of assumptions or other inputs	9,241	-
Net difference between projected and actual earnings on pension plan investments	-	89,189
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,530	29,673
Contributions subsequent to the measurement date	22,783	-
Total	<u>\$ 39,317</u>	<u>\$ 119,223</u>

\$22,783 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31,	
2023	\$ (24,594)
2024	(45,818)
2025	(21,484)
2026	(10,792)
2027	-
Thereafter	-

Actuarial assumptions. The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.30%-10.90%
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 1/1/07	
and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ 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.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

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- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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.

The PERA Board first adopted the 7.25% 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:

Asset Class	Target Allocation	30 Year Expected	
		Geometric Real Rate of Return	
Global Equity	54.00%	5.60%	
Fixed Income	23.00%	1.30%	
Private Equity	8.50%	7.10%	
Real Estate	8.50%	4.40%	
Alternative	6.00%	4.70%	
Total	100.00%		

Note: 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%

Discount rate. The discount rate used to measure the TPL was 7.25%. 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%.

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- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions 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.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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 and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF'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% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 365,555	\$ 259,173	\$ 169,741

Pension plan fiduciary net position. Detailed information about the SDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description. Eligible employees of the Office of the District Attorney are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program 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% 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

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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 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% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Office of the District Attorney is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Office of the District Attorney were \$1,151 for the year ended December 31, 2022.

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

At December 31, 2022, the Office of the District Attorney reported a liability of \$11,719 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The Office of the District Attorney proportion of the net OPEB liability was based on the Office of the District Attorney contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Office of the District Attorney proportion was 0.00136%, which was a decrease of 0.0005% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Office of the District Attorney recognized OPEB expense of (\$1,951). At December 31, 2022, the Office of the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 18	\$ 2,779
Changes of assumptions or other inputs	243	636
Net difference between projected and actual earnings on OPEB plan investments	-	725
Changes in proportion and differences between contributions recognized and proportionate share of contributions		1,481
Contributions subsequent to the measurement date	1,151	-
Total	<u>\$ 1,412</u>	<u>\$ 5,621</u>

\$1,151 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, 2023.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended, December 31,	
2023	\$ (1,543)
2024	(1,556)
2025	(1,351)
2026	(725)
2027	(164)
Thereafter	(24)

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.30%-10.90%
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	
	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	
	3.75% in 2021, gradually increasing to 4.50% in 2029

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

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, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
	Cost	Premium	Age 65
Medicare Plan			
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

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The 2021 Medicare Part A premium is \$471 (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, 2020, 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 TOL are summarized in the table below:

Year	PERACare	Medicare Part A
	Medicare Plans	Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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.

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

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Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

- 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 2021 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 PERA Board’s actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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.

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:

	30 Year Expected Geometric Real Rate of Return
Asset Class	Target Allocation
Global Equity	54.00%
Fixed Income	23.00%
Private Equity	8.50%
Real Estate	8.50%
Alternatives	6.00%
Total	100.00%

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

Note: 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%.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$11,382	\$11,719	\$12,109

Discount rate. The discount rate used to measure the TOL was 7.25%. 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, 2021, 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%.
- 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.

Based on the above assumptions and methods, the HCTF'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% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Proportionate share of the net OPEB liability	\$ 13,610	\$ 11,719	\$ 10,103

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2022 program members contributed \$0 for the Voluntary Investment Program.

NOTE 11 RISK MANAGEMENT

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

NOTE 12 TABOR EMERGENCY RESERVE

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0035141976%	0.0039649297%	0.0038003949%	0.0037744299%	0.0044356002%	0.0045629979%	0.0046764835%	0.0048281742%	0.0050493935%
District's proportionate share of the net pension liability (asset)	\$ 259,173	\$ 376,065	\$ 368,783	\$ 429,480	\$ 887,918	\$ 838,137	\$ 492,483	\$ 454,163	\$ 449,799
District's covered payroll	\$ 112,833	\$ 130,083	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,145	\$ 130,000	\$ 130,000	\$ 130,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	230%	289%	284%	330%	683%	644%	379%	349%	346%
Plan fiduciary net position as a percentage of the total pension liability	73.1%	65.3%	62.2%	55.1%	43.2%	42.6%	56.1%	59.8%	61.1%

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

See Notes to Required Supplementary Information

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

	<u>2022</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	\$ 22,783	\$ 25,928	\$ 25,519	\$ 25,032	\$ 24,869	\$ 24,897	\$ 23,699	\$ 22,529	\$ 21,359	\$ 20,189
Contributions in relation to the contractually required contribution	<u>(22,783)</u>	<u>(25,928)</u>	<u>(25,519)</u>	<u>(25,032)</u>	<u>(24,869)</u>	<u>(24,897)</u>	<u>(23,699)</u>	<u>(22,529)</u>	<u>(21,359)</u>	<u>(20,189)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	112,833	130,083	130,000	130,000	130,000	130,145	130,000	130,000	130,000	130,000
Contributions as a percentage of covered payroll	20.19%	19.93%	19.63%	19.26%	19.13%	19.13%	18.23%	17.33%	16.43%	15.53%

See Notes to Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.0013590216%	0.0014057913%	0.0015060382%	0.0015370648%	0.0016030749%	0.0016464039%
District's proportionate share of the net OPEB liability	\$ 11,719	\$ 13,358	\$ 16,928	\$ 20,912	\$ 20,834	\$ 21,346
District's covered payroll	\$ 112,833	\$ 130,083	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,145
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10%	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

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

See Notes to Required Supplementary Information

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
SCHEDULE OF THE DISTRICT ATTORNEY'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND

For the Years Ended December 31,

	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 1,151	\$ 1,327	\$ 1,326	\$ 1,326	\$ 1,326	\$ 1,327
Contributions in relation to the contractually required contribution	(1,151)	(1,327)	(1,326)	(1,326)	(1,326)	(1,327)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 112,833	\$ 130,083	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,145
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

See Notes to Required Supplementary Information

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2022

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2021

- Required contributions increased from 10.00% to 11.00% for eligible employees
- AI cap decreased from 1.25% to 1.00%.

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.
- 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.
- The pre-retirement mortality assumptions were changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions were changed to 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.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- Disabled mortality assumptions were changed to 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.

2019

- The post-retirement benefit increases to the PERA benefit structure for those hired prior to 1/1/07 was changed from 0% through 2019 and 1.5% compounded annually thereafter, to the lesser of 1.25%.

2018

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%.
- The post-retirement benefit increases to the PERA benefit structure for those hired prior to 1/1/07 was changed from 2.00% to 0.00% through 2019 and 1.5% compounded annually thereafter.

2017

- The discount rate was lowered from 5.26% to 4.72%.

2016

- The investment return was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2022

- The real rate of investment return assumption increased from 4.70% per year, net of investment expense, to 4.85% per year, net of investment expense.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP-2014 Health Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

2015 There were no changes in assumptions or other inputs effective this measurement period.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

2021

- The Medicare Part A premium increased from \$458 to \$471 per month.
- The health care cost trend rates from 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.

2020

- 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.
- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real wage growth assumption decreased from 1.10 percent per year to 0.70 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.
- 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.
- The pre-retirement mortality assumptions for the School Division were changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions for the School Division were changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

TWELFTH JUDICIAL DISTRICT OF THE STATE OF COLORADO
OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2022

- Disabled mortality assumptions were changed to 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.
- 2019*
- 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 2019 plan year.
 - The morbidity assumptions were updated to reflect the assumed standard aging factors.
 - 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.
- 2018*
- There were no changes in assumptions or other inputs effective this measurement period compared to the prior year.
- 2017*
- The Medicare Part A premiums were raised from 3.00% to 3.25%, as well as the gradual percentage rose from 4.25% in 2023 to 5.00% in 2025.