

OFFICE OF THE DISTRICT ATTORNEY,
FIFTEENTH JUDICIAL DISTRICT
LAMAR, COLORADO

Annual Financial Report

December 31, 2022

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Office of the District Attorney
Fifteenth Judicial District
Lamar, Colorado 81052

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the District Attorney, Fifteenth Judicial District, 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, Fifteenth Judicial District'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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the District Attorney, Fifteenth Judicial District, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows 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. Our responsibilities under those standards are further described in the Auditor's 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, Fifteenth Judicial District, 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, Fifteenth Judicial District'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.

Auditor's 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 auditor's 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.

Certified Public Accountants

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

Accounting principles generally accepted in the United States of America require that the schedule of employee pension contributions and schedule of the district's proportionate share of net pension liability 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.

Blair and Associates, P.C.

Cedaredge, Colorado

June 17, 2023

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS:	
Cash and equivalents	\$ 318,429
Grants receivable	40,052
Capital assets, net	-
Total Assets	358,481
DEFERRED OUTFLOWS OF RESOURCES:	
Pension deferrals	42,490
OPEB deferrals	1,827
Total Deferred Outflows of Resources	44,317
LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts payable	5,256
Accrued liabilities	1,840
Compensated absences	66,628
Net pension liability	298,198
Net OPEB liability	13,483
Total Liabilities	385,405
DEFERRED INFLOWS OF RESOURCES:	
Pension deferrals	100,035
OPEB deferrals	4,830
Total Deferred Inflows of Resources	104,865
Net investment in capital assets	-
Unrestricted	(87,472)
Total Net Position (Deficit)	\$ (87,472)

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

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General	\$ 628,068	659,087	31	\$ 31,050
Victims Assistance & Law Enforcement	17,500	-	17,503	3
Victims Assistance	15,349	-	9,220	(6,129)
Victims Compensation	8,810	-	5,911	(2,899)
Trust	1,586	-	1,586	-
Victims of Crime Act (VOCA)	41,356	-	41,356	-
Diversion Program	30,294	-	34,172	3,878
Total Governmental Activities	\$ 742,963	\$ 659,087	\$ 109,779	
				25,903
				(113,375)
				\$ (87,472)

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

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
Governmental Funds-Balance Sheet
December 31, 2022

ASSETS:		
Cash and equivalents		\$ 318,429
Grant receivable		<u>40,052</u>
Total Assets		<u><u>\$ 358,481</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable		\$ 5,256
Accrued liabilities		<u>1,840</u>
Total Liabilities		<u><u>7,096</u></u>
Fund Balances:		
Unassigned		<u>351,385</u>
Total Fund Balances		<u><u>351,385</u></u>
Total Liabilities and Fund Balances		<u><u>\$ 358,481</u></u>

Amounts reported for governments activities in the Statement of Net Position are different because:

Net Position Governmental Funds	\$ 351,385
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(66,628)
Net Pension Obligations	(298,198)
Net OPEB Obligations	(13,483)
Deferred outflows and inflows of resources related to pensions are applicable to	
Deferred outflows of resources related to pensions	42,490
Deferred outflows of resources related to OPEB	1,827
Deferred inflows of resources related to pensions	(100,035)
Deferred inflows of resources related to OPEB	<u>(4,830)</u>
Net Position of Governments Activities	<u><u>\$ (87,472)</u></u>

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

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
 Governmental Funds-Statement of Revenue, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 2022

REVENUES:

Intergovernmental:

Counties	\$ 465,173
State	302,081
Interest income	26
Total Revenues	767,280

EXPENDITURES:

Operating:

Dues and subscriptions	4,367
Fringe benefits	119,114
Insurance	1,788
Mileage and travel	10,887
Office rent	16,500
Postage and printing	2,114
Professional services	9,500
Repairs and maintenance	8,266
Salaries	558,682
Supplies	21,722
Telephone	7,117
Witnesses	13,121
Miscellaneous	277
Total Expenditures	773,455

Excess of revenues over expenditures	(6,175)
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Fund Balance-Beginning of Year	357,560
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Fund Balance-End of Year	\$ 351,385
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Changes in net position reported for governmental activities in the Statement of Activities is different because:

Net change in fund balance	\$ (6,175)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period. -

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(415)
Pension Expense	36,948
OPEB Expense	(4,455)
Changed in Net Position of Governmental Activities	\$ 25,903

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

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
Statement of Fiduciary Net Position
December 31, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and equivalents	\$ 2,529
Total Assets	<u>\$ 2,529</u>
LIABILITIES	
Accounts Payable and Other Liabilities	\$ 2,529
NET POSITION	
Restricted for individuals	<u>-</u>
Total Net Position	<u>\$ -</u>

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

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
Statement of Fiduciary Net Position
December 31, 2022

	<u>Custodial Restitution Fund</u>
Additions:	
Cash deposits	\$ 1,586
Total Additions	<u>1,586</u>
Deductions:	
Restitution paid out	<u>1,586</u>
Total Deductions	<u>1,586</u>
Change in Net Position	-
Total Net Position- Beginning of Year	-
Total Net Position-End of Year	<u><u>\$ -</u></u>

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

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies

The Office of the District Attorney, fifteenth Judicial District, Lamar, Colorado, (District) operates under Colorado Revised Statutes providing judicial and public safety services for Baca, Cheyenne, Kiowa, and Prowers counties.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments (US GAAP). The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Reporting Entity

The District was organized on March 11, 1945. The district Attorney is an elected official empowered to adopt an administrative expenditure budget for the general fund (subject to the approval of the County Commissioners of the four counties) and to expend revenues. The four counties pay all the administrative costs of the District; salaries are paid jointly by the four counties and the State of Colorado. Certain retirement benefits provided by Kiowa and Prowers Counties to its employees are made available to the employees of the District. Contributions to the administrative costs budgeted by the counties for the year ending December 31, 2022, are as follows: Prowers County 64%, Baca 19%, Cheyenne 9%, and Kiowa County 8%. The accounts of the activities of the District are excluded from the financial statements of the four counties because they are autonomous functions with separate governing principles and separate funding.

The District Attorney appears on behalf of the State and the Counties of his district in all indictments, actions, and proceedings, which may be pending in the judicial district.

The four participating counties account for a District Attorney's administrative fund is not included in the financial statements of the District.

As required by US GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the Governmental Accounting Standards Board (GASB) pronouncements, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a government 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 voting majority of the organization's governing body, the ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization.

Basis of Presentation

The government-wide financial statements (i.e., Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the District.

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies -Continued

Both government-wide financial statements are designed to distinguish functions of the District that are principally supported by intergovernmental revenues and grants.

The Statement of Activities demonstrates the degree to which the direct expenses are those that are clearly identifiable with a specific function or program.

Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program.

And 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. The District has no general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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 the related cash flow.

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, thereafter, to pay liabilities of the current period. For this purpose, the District considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting.

The District reports the following funds:

Governmental Fund Types:

Governmental funds – are used to account for the District’s general government activities.

General fund – is the general operating fund of the District. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Fiduciary Funds:

Custodial funds – are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets the District Attorney’s Office holds on behalf of others as their agent.

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies -Continued

Assets, Liabilities, Fund Balance, and Net Position:

Cash and equivalents

The District considers cash on hand and demand deposits to be cash equivalents.

Capital assets.

The capital assets of the District consist of equipment and a vehicle used in the routine operation of the District. Durable items with a useful life of more than two years and a value greater than \$5,000 are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives, or whose cost is less than \$5,000, are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Equipment	5 years
Vehicles	7 years

Compensated Absences

Accumulated personal time off (PTO) leave is reported as a liability for all leave related to past employee service for which payment to the employee is considered probable. The leave liability includes any non-vested leave earned by employees which is considered likely to vest.

A liability for grandfathered sick leave benefits is accrued only if it is probable that the employee will be compensated for the benefits through cash payments upon termination or retirement. Under modified accrual accounting, expenditures and liabilities related to compensated absences will be recognized in the governmental funds only when they mature (when due). The sick leave liability is estimated based on the County's experience in making termination payments for sick leave and its termination payment policy (termination payment method).

Accumulated personal time off leave and termination payments for sick leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay the benefit. A liability for these amounts is reported in the governmental fund only if they have matured, because of employee resignations and retirements. All accumulated personal time off leave and termination payments for sick leave are accrued when incurred in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The only long-term obligation of the District relates to compensated absences.

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies -Continued

Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund categories listed below.

Nonspendable-such as fund balances associated with inventories, prepaid, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted Fund Balance is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance classification includes amounts that can be used only for the specific purpose determined by a resolution approved by the County Commissioners.

Assigned Fund Balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance is the residual classification and includes all spendable amounts not contained in the other classification.

For the classification of Governmental Fund balances, the District considers and expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and liabilities. The District can report three categories of net position, as follows:

Net Investment in Capital Assets – consists of net capital assets, reduced by outstanding balances of any related debt obligation attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities related to restricted assets. There were no restricted net position balances on December 31, 2022.

Unrestricted Net Position – consists of all other net positions that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the District will use the most restrictive net position first.

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies -Continued

Estimates

The purpose of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The financial instruments of the District include cash and cash equivalents, and accounts payable. The district estimates that the fair value of all financial instruments on December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Pensions

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

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. Most of these changes were in effect as of December 31, 2022.

Defined Benefit Other Post Employment Benefit Plan (OPEB)

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

Subsequent Events

Subsequent events were evaluated by management through the date of the auditor's independent report, which is the date the financial statements were available to be issued.

OFFICE OF THE DISTRICT ATTORNEY
 FIFTEENTH JUDICIAL DISTRICT
 Notes to the Financials
 December 31, 2022

NOTE 2 - Budgetary Information

The District does not appropriate funds. Budgets are submitted to the four counties for approval of operating expenditures. Fund basis operating statements do not include yearly depreciation expense.

NOTE 3 - Cash and cash Equivalents-Custodial Credit Risk

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

As of December 31, 2022. The Federal Deposit Insurance Corporation insured all District deposits.

NOTE 4 - Capital Assets

The changes in capital assets being depreciated for the year ended December 31, 2022, were as follows:

Governmental Activities	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Equipment	\$49,627	\$ -	\$ -	\$ 49,627
Vehicles	21,305	-	-	21,305
Less Accumulated depreciation	<u>(70,932)</u>	<u>-</u>	<u>-</u>	<u>(70,932)</u>
Total Capital Assts, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 - Long-Term Obligations

During the year ended December 31, 2022, the following changes occurred in the District's long-term obligations:

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2022</u>
Compensated Absences	<u>\$ 66,213</u>	<u>\$ 415</u>	<u>\$ -</u>	<u>\$ 66,628</u>

NOTE 6 - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description. Eligible employees of the Office of the District Attorney, Fifteenth Judicial District 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.

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

NOTE 6 - Defined Benefit Pension Plan-Continued

General Information about the Pension Plan

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of the highest average salary and also cannot exceed the maximum benefit allowed by the 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.

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.

OFFICE OF THE DISTRICT ATTORNEY
 FIFTEENTH JUDICIAL DISTRICT
 Notes to the Financials
 December 31, 2022

Note 6 – Defined Benefit Pension Plan (continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. The disability benefit amount is based on the 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, Fifteenth Judicial District 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 January 1, 2021, through December 31, 2021, are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees other than State Troopers)	10.00%	10.50%	10.50%	11.00%
State Troopers	12.00%	12.50%	12.50%	13.00%

**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 other than State Troopers are summarized in the table below:

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

OFFICE OF THE DISTRICT ATTORNEY
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Note 6 – Defined Benefit Pension Plan (continued)

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.90%	10.90%	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%)	(1.02%)	(1.02%)
Amount apportioned to the SDTF	9.88%	9.88%	9.88%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.05%	0.05%	0.10%	0.10%
Total employer contribution rate to the SDTF	19.93%	19.93%	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).

OFFICE OF THE DISTRICT ATTORNEY
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Note 6 – Defined Benefit Pension Plan (continued)

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 Office of the District Attorney, Fifteenth Judicial District were \$29,829 for the year ended December 31, 2022.

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, Fifteenth Judicial District proportion of the net pension liability was based on Office of the District Attorney, Fifteenth Judicial District 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.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. 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.

At December 31, 2021, the Office of the District Attorney, Fifteenth Judicial District proportion was .004043 percent, which was an increase of .000078 from its proportion measured as of December 31, 2020.

For the year ended Office of the District Attorney, Fifteenth Judicial District, the Office of the District Attorney, Fifteenth Judicial District recognized pension expense of \$(36,948). At Office of the District Attorney, the Office of the District Attorney, Fifteenth Judicial District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$2,029	\$ 415
Changes of assumptions or other inputs	10,632	-
Net difference between projected and actual earnings on pension	-	102,618
Changes in proportion and differences between contributions	-	(2,998)
Contributions subsequent to the measurement date	29,829	N/A
Total	\$42,490	\$100,035

OFFICE OF THE DISTRICT ATTORNEY
 FIFTEENTH JUDICIAL DISTRICT
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Note 6– Defined Benefit Pension Plan (continued)

\$29,829 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:

Year ended December 31, 2022:	
2022	\$(15,301)
2023	\$(34,937)
2024	\$(24,719)
2025	\$(12,418)
2026	-
Thereafter	-

Actuarial assumptions. The total pension liability 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

¹Post-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 for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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Note 6 – Defined Benefit Pension Plan (continued)

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

Post-retirement non-disabled mortality assumptions for members other than State Troopers 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 mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, 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:

- **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 for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table 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.

OFFICE OF THE DISTRICT ATTORNEY
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 Notes to the Financials
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Note 6 – Defined Benefit Pension Plan (continued)

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%
Alternatives	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%.
- 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.

OFFICE OF THE DISTRICT ATTORNEY
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Note 6 – Defined Benefit Pension Plan (continued)

- 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, Fifteenth Judicial District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$420,598	\$298,198	\$195,300

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 7 – Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

Plan description. Eligible employees of the Office of the District Attorney, Fifteenth Judicial District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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.

General Information about the OPEB Plan

For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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Note 7 – Postemployment Benefits Other Than Pensions (continued)

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

General Information about the OPEB Plan

DPS Benefit Structure

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Office of the District Attorney, Fifteenth Judicial District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Office of the District Attorney, Fifteenth Judicial District were \$461 for the year ended December 31, 2022.

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Note 7 – Postemployment Benefits Other Than Pensions (continued)

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, Fifteenth Judicial District reported a liability of \$13,483 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 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 total OPEB liability to December 31, 2021. The Office of the District Attorney, Fifteenth Judicial District proportion of the net OPEB liability was based on Office of the District Attorney, Fifteenth Judicial District 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, Fifteenth Judicial District proportion was .001564 percent, which was increase of .0001578 from its proportion measured as of December 31, 2020.

General Information about the OPEB Plan

For the year ended December 31, 2022, the Office of the District Attorney, Fifteenth Judicial District recognized OPEB expense of \$4,455. At December 31, 2022, the Office of the District Attorney, Fifteenth Judicial District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 21	\$ 3,197
Changes of assumptions or other inputs	279	731
Net difference between projected and actual earnings on OPEB plan investments	-	835
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	67
Contributions subsequent to the measurement date	1,527	-
Total	\$ 1,827	\$ 4,830

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Note 7 – Postemployment Benefits Other Than Pensions (continued)

\$461 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:

Year ended: December 31, 2022	
2023	\$ (1,197)
2024	(1,426)
2025	(1,349)
2026	(667)
2027	125
Thereafter	\$ (17)

General Information about the OPEB Plan

Actuarial assumptions. The total OPEB liability 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 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.30 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually rising to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

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 FIFTEENTH JUDICIAL DISTRICT
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Note 7 – Postemployment Benefits Other Than Pensions (continued)

The actuarial assumptions used in the December 31, 2019, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

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

General Information about the OPEB Plan

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$588	\$227
Kaiser Permanente Medicare Advantage HMO	621	232

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

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits (in actual dollars), age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$550
Kaiser Permanente Medicare Advantage HMO	586

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 that were used to measure the total OPEB liability are summarized in the table below:

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 FIFTEENTH JUDICIAL DISTRICT
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Note 7 – Postemployment Benefits Other Than Pensions (continued)

Year	PERACare Medicare Plans	Medicare Part A 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 for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 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.

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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Note 7 – Postemployment Benefits Other Than Pensions (continued)

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

The following health care costs assumptions were updated and used in the measurement of the obligations 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 2018 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.

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

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

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

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%
Alternatives	6.00%	4.70%
Total	100.00%	

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

OFFICE OF THE DISTRICT ATTORNEY
 FIFTEENTH JUDICIAL DISTRICT
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Note 7 – Postemployment Benefits Other Than Pensions (continued)

Sensitivity of the Office of the District Attorney, Fifteenth Judicial District 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	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Part 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%
Net OPEB Liability	\$16,016	\$16,441	\$16,936

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%.
- 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 Trust Fund 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 projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

OFFICE OF THE DISTRICT ATTORNEY
 FIFTEENTH JUDICIAL DISTRICT
 Notes to the Financials
 December 31, 2022

Note 7 – Postemployment Benefits Other Than Pensions (continued)

Sensitivity of the Office of the District Attorney, Fifteenth Judicial District proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$15,659	\$13,483	\$11,624

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

Note 8 – County Pension Plan

Employees of the District are covered by a defined contribution plan (the Plan). Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate immediately during their first year of service. All of the four counties, Kiowa, Prowers, Baca, and Cheyenne participate in the Plan based upon the respective salaries of the Plan members. The mandatory contribution rate to the Plan is 5% for the respective counties, and 5% for the employees. Employer matching contributions vest on a graduated scale based upon years of service, with 100% vesting occurring after four years. All employee contributions are immediately vested, including interest allocated to the members’ accounts.

The payroll for employees of the District covered by this Plan for the year ended December 31, 2022, was \$287,694 with a total payroll of \$533,375.

Note 9 – Deferred Compensation Plan

On September 18, 1995, the District offered its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The Plan permits employees to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

On September 30, 1998, because of legislative changes, all amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. Prior to these legislative changes, these amounts were solely the property of the rights of the District subject only to the claims of the District Attorney’s Office general creditors. As a result, on September 30, 1998, the deferred compensation investments are no longer reported in the District’s financial statements.

OFFICE OF THE DISTRICT ATTORNEY
FIFTEENTH JUDICIAL DISTRICT
Notes to the Financials
December 31, 2022

Note 10 – TABOR

In November of 1992 Colorado voters approved Amendment 1 to the State Constitution. The amendment is commonly known as the Taxpayer’s Bill of Rights or the TABOR Amendment. The amendment applies to all units of local governments and limits taxes, spending, revenue, and multi-year debt (excepting bond refunding to lower interest rates and adding employees to pension plans). The amendment does not apply to units that are defined as “Enterprises”. The District does not qualify as an “Enterprise”.

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note 12 – Reinstatement

Net position was reinstated as of December 31, 2021, as follows:

Net Position originally stated was	\$ (126,864)
Subsequent contributions not recorded for PERA	25,521
Net Pension Liability not recorded for OPEB	<u>(12,032)</u>
Reinstated net position-December 31,2021	<u>\$ (113,375)</u>

REQUIRED SUPPLEMENTAL INFORMATION

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
 Lamar, Colorado
 Schedule of Employer Pension Contributions
 For the Year Ended December 31, 2022

Year Ended December 31,	Statutorily Required Contribution	Contribution Made	Covered Payroll	% of covered Payroll
2015	22,529	22,529	130,000	17.33%
2016	23,699	23,699	130,000	18.23%
2017	24,869	24,869	130,000	19.13%
2018	24,869	24,869	130,000	19.13%
2019	25,031	25,031	130,000	19.25%
2020	25,519	25,519	130,000	19.63%
2021	25,519	25,519	149,667	17.05%
2022	29,829	29,829	243,250	12.26%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
Lamar, Colorado
Schedule of Employer OPEB Contributions
For the Year Ended December 31, 2022

<u>Year Ended December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contribution Made</u>	<u>Covered Payroll</u>	<u>% of covered Payroll</u>
2021	1,326	1,326	149,667	0.89%
2022	1,527	1,527	243,250	0.63%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
 Lamar, Colorado
 Schedule of the District's Proportionate Share of Net Pension Liability
 For the Year Ended December 31, 2022

Year Ended December 31,	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2015	0.47%	492,482	130,000	378.83%	78.24%
2016	0.46%	838,138	130,000	644.72%	74.18%
2017	0.44%	886,929	130,000	682.25%	76.05%
2018	0.38%	429,479	130,000	330.37%	81.47%
2019	0.37%	353,940	130,000	272.26%	60.68%
2020	0.40%	376,070	130,000	289.28%	53.05%
2021	0.40%	376,070	149,667	251.27%	53.05%
2022	0.40%	298,264	243,250	122.62%	73.05%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

OFFICE OF THE DISTRICT ATTORNEY, FIFTEENTH JUDICIAL DISTRICT
 Lamar, Colorado
 Schedule of the District's Proportionate Share of Net OPEB Liability
 For the Year Ended December 31, 2022

Year Ended December 31,	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2021	0.40%	13,358	149,667	8.93%	32.78%
2022	0.40%	13,483	243,250	5.54%	39.40%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.