

COLORADO DISTRICT ATTORNEYS' COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Colorado District Attorneys' Council (the Council), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colorado District Attorneys' Council as of December 31, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As outlined in Note 11 to the financial statements, the Council restated beginning net position in order to adopt GASB Statement No. 87, *Leases* for the year ending December 31, 2022. The adoption of the new standard was applied retroactively to beginning balances. Our opinion on the financial statements is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the GASB required pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

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

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

Supplementary Information

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

The Adams Group, LLC

Denver, Colorado
April 27, 2023

COLORADO DISTRICT ATTORNEYS' COUNCIL
STATEMENT OF NET POSITION
DECEMBER 31, 2022

Assets

Current assets

Cash and investments	\$ 14,618,491
Accounts receivable	210,222
Inventories	26,273
Prepaid items	19,370
Other assets	16,000

Noncurrent assets

Capital assets, net of depreciation and amortization	1,007,359
Net pension asset	225,143

Total assets	16,122,858
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Deferred Outflows of Resources

Pension related outflows	373,622
OPEB related outflows	36,892

Total deferred outflows of resources	410,514
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Liabilities

Current liabilities

Accounts payable	528,527
Unearned revenue	710,331
Lease liability	151,289

Noncurrent liabilities

Compensated absences	303,583
Lease liability	913,030
Net OPEB liability	174,317

Total liabilities	2,781,077
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Deferred Inflows of Resources

Pension related outflows	2,011,114
OPEB related outflows	68,528

Total deferred inflows of resources	2,079,642
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Net Position

Net investment in capital assets	(56,960)
Restricted for net pension asset	225,143
Unrestricted	11,504,470

Total net position	\$ 11,672,653
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The accompanying notes are an integral part of these financial statements.

COLORADO DISTRICT ATTORNEYS' COUNCIL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Operating revenues</u>	
Assessments	\$ 648,192
Associate member dues	4,050
Grants	529,301
Contracts	3,590,000
Publication sales	134,395
Conference trip fees	79,275
Mandated administration fee	142,780
Subpoena computer charges	262,864
Law table state funding	762,924
Pension and OPEB income	579,192
Miscellaneous income	9,152
Total operating revenues	<u>6,742,125</u>
<u>Operating expenses</u>	
Salaries	2,205,511
State unemployment tax	4,239
Medicare tax	28,045
Benefit plan	221,462
Workers compensation insurance	2,748
Office lease operating costs	20,653
Telephone	20,264
Postage and freight	588
Copier expense and supplies	5,110
Printing	87,587
Supplies and equipment	108,123
Maintenance and repairs	12,258
Travel	128,413
Dues and education	19,632
Subscriptions and books	14,257
Professional fees and services	956,012
Legislative services	29,334
Training registrations	778,956
Employee recognition	11,743
Auto expense	684
Depreciation expense	19,059
Leased asset amortization expense	176,131
Miscellaneous expense	26,143
Total operating expenses	<u>4,876,952</u>
Operating income	<u>1,865,173</u>
<u>Nonoperating revenues (expenses)</u>	
Interest income	118,422
Interest expense	(19,055)
Total nonoperating revenues (expenses)	<u>99,367</u>
Change in net position	1,964,540
Net position beginning of year (as restated)	<u>9,708,113</u>
Net position end of year	<u>\$ 11,672,653</u>

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

COLORADO DISTRICT ATTORNEYS' COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash flows from operating activities:	
Cash received from operating activities	\$ 7,328,001
Cash paid for salaries and related expenses	(3,306,041)
Cash paid other operating activities	(1,859,869)
Net cash provided by operating activities	<u>2,162,091</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(67,954)
Interest paid on lease liability	(19,055)
Payment of lease liability	(177,580)
Net cash used by capital and related financing activity	<u>(264,589)</u>
Cash flows from investing activities	
Gain on investments	118,422
Net cash provided by investing activities	<u>118,422</u>
Net change in cash and cash equivalents	<u>2,015,924</u>
Cash and cash equivalents at beginning of year	<u>12,602,567</u>
Cash and cash equivalents at end of year	<u>\$ 14,618,491</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,865,173
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	19,059
Amortization expense	176,131
Change in pension liability / asset	(1,653,933)
Change in OPEB liability	(22,720)
Change in pension and OPEB deferred outflows	321,209
Change in pension and OPEB deferred inflows	469,153
Change in accounts receivable	(8,436)
Change in prepaid assets	18,748
Change in other assets	0
Change in inventories	9,520
Change in accounts payable	331,620
Change in unearned revenue	594,312
Change in compensated absences	42,255
Net cash provided by operating activities	<u>\$ 2,162,091</u>

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

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - DEFINITION OF REPORTING ENTITY

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

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

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

During 2016, management of the Council formed the Colorado District Attorneys' Resource Foundation (the "Foundation"), a not-for-profit organization under Internal Revenue Code Section 501(c)(3), for the purpose of providing education, training, and research in criminal justice for District prosecutors in Colorado. The Foundation is governed by a board of directors comprised of the same members as the board of directors of the Council and is managed by the same management group as the Council. There were no financial transactions between the two entities for the year ended December 31, 2022 as there was very limited activity in the Foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Council reports a single major enterprise fund which accounts for the revenues and expenses of services provided by the Council. The Council's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets

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

Cash and Cash Equivalents

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

Accounts Receivable

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Management believes all outstanding receivables are fully collectible as of December 31, 2022.

Inventories and Prepaid Items

Inventories are valued at cost, using the first-in, first-out (FIFO) method. Prepaid items consist primarily of payments to vendors applicable to future periods.

Capital Assets

Capital assets, which include property, plant, equipment, are reported in the financial statements. Capital assets are defined by the Council as assets with an initial individual cost of \$2,000 or more and an estimate useful life in excess of one year. Depreciation expense has been computed using the straight-line method over the estimated useful lives of the assets.

Deferred Outflows and Inflows of Resources

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

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues

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

Compensated Absences

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

Leased Asset and Lease Liability

Lease assets represent the Council's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease terms or the useful life of the underlying asset.

Lease liabilities represent the Council's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise the option.

Net Position

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

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

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Adoption of New Accounting Standard

For the year ended December 31, 2022, the Council implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows or outflows of resources to be recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The Council adopted this standard effective January 1, 2022 and applied the provisions of this standard to the beginning of the period of adoption.

Use of Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	<u>\$ 14,618,491</u>
Total cash and investments	<u>\$ 14,618,491</u>

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2022, consist of the following:

Deposits with financial institutions	\$ 412,027
Investments	14,206,464
Total cash and investments	<u>\$ 14,618,491</u>

Deposits with Financial Institutions

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

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

At December 31, 2022, the Council's cash deposits had a bank balance of \$512,765, and a carrying balance of \$412,027.

Investments

The Council follows State statutes regarding investments.

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

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

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

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts.
- *Local government investment pools

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

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

As of December 31, 2022, the Council had the following investments:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Amount</u>	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
U.S. Agencies	AA+	\$ 410,982	\$ -	\$ 222,017	\$ 188,965
U.S. Treasury Notes	AA+	265,847	-	-	265,847
Colorado Local Government Liquid Asset Trust (COLOTRUST)	AAAm	13,529,635	13,529,635	\$ -	-
Total Investments		<u>\$ 14,206,464</u>	<u>\$ 13,529,635</u>	<u>\$ 222,017</u>	<u>\$ 454,812</u>

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement

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

The Council has the following recurring fair value measurements as of December 31, 20212

- U.S. Agencies' Securities of \$410,982 and U.S. Treasury Notes of \$265,847 are valued using quoted market prices (Level 1 inputs)
- COLOTRUST of \$13,529,635 is valued at net asset value

COLOTRUST

The Council invested in the Colorado Local Government Liquid Trust (COLOTRUST) (the Trust), an investment vehicle established for local governmental entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Council records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 - CAPITAL ASSETS

The following is an analysis of changes in capital assets for the year ended December 31, 2022.

	Balance at December 31, 2021*	Additions	Dispositions	Balance at December 31, 2022
Capital assets, being depreciated				
Equipment	\$ 331,994	\$ 67,954	\$ -	\$ 399,948
Software	174,892	-	-	174,892
Vehicles	32,807	-	-	32,807
Total capital assets, being depreciated	<u>539,693</u>	<u>67,954</u>	<u>-</u>	<u>607,647</u>
Lease assets, being amortized				
Buildings	1,761,310	-	-	1,761,310
Total lease assets, being amortized	<u>1,761,310</u>	<u>-</u>	<u>-</u>	<u>1,761,310</u>
Capital asset accumulated depreciation				
Equipment	(329,542)	(17,090)	-	(346,632)
Software	(172,923)	(1,969)	-	(174,892)
Vehicles	(32,807)	-	-	(32,807)
Total accumulated depreciation	<u>(535,272)</u>	<u>(19,059)</u>	<u>-</u>	<u>(554,331)</u>
Lease asset accumulated amortization				
Buildings	(631,136)	(176,131)	-	(807,267)
Total lease asset accumulated amortization	<u>(631,136)</u>	<u>(176,131)</u>	<u>-</u>	<u>(807,267)</u>
Total capital assets, being depreciated, net	<u>4,421</u>	<u>48,895</u>	<u>-</u>	<u>53,316</u>
Total lease assets, being amortized, net	<u>1,130,174</u>	<u>(176,131)</u>	<u>-</u>	<u>954,043</u>
Total capital assets, net	<u>\$ 1,134,595</u>	<u>\$ (127,236)</u>	<u>\$ -</u>	<u>\$ 1,007,359</u>

*Beginning balance was restated due to the implementation of GASB Statement No. 87.

NOTE 5 – LONG-TERM LEASE OBLIGATIONS

	Balance at December 31, 2021*	Additions	Reductions	Balance at December 31, 2022
Lease payable	\$ 1,241,899	\$ -	\$ 177,580	\$ 1,064,319
Total	<u>\$ 1,241,899</u>	<u>\$ -</u>	<u>\$ 177,580</u>	<u>\$ 1,064,319</u>

*Beginning balance was restated due to the implementation of GASB Statement No. 87.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – LONG-TERM LEASE OBLIGATIONS (CONTINUED)

The Council leases office space under a long-term non-cancelable lease agreement. The Council has recognized a lease liability and an intangible right-to-use lease asset as of December 31, 2022.

At the commencement of the lease, the Council measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over its useful life (see Note 4). Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. Total future minimum lease payments under the lease agreement for the Council is as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 151,289	\$ 16,380	\$ 167,669
2024	175,744	13,583	189,327
2025	197,985	10,602	208,587
2026	216,956	7,185	224,141
2027	226,085	3,581	229,666
2028	96,260	393	96,653
	<u>\$ 1,064,319</u>	<u>\$ 51,724</u>	<u>\$ 1,116,043</u>

NOTE 6 – DEFINED BENEFIT PENSION PLAN

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

Plan description

Eligible employees of the Council are provided with pensions through the LGDTF—a cost sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.00 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions

Eligible employees and the Council are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period January 1, 2022 – June 30, 2022 were 8.5% and contribution rates for the period July 1, 2022 – December 31, 2022 were 9.0%.

The employer contribution requirements are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer Contribution Rate	10.50 %	11.00 %
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 Trust Fund	9.48 %	9.98 %
Amortization equalization disbursement (AED) as Specified in C.R.S. § 24-51-411	2.20 %	2.20 %
Supplemental amortization equalization disbursement (SAED) as Specified in C.R.S. § 24-51-411	1.50 %	1.50 %
Defined contribution supplement as specified in C.R.S. § 24-51-415	0.03 %	0.03 %
Total Employer Contribution Rate to the LGDTF	13.21 %	13.71 %

Note: Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Council is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Council were \$285,478 for the year ended December 31, 2022.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022 the Council reported a pension asset of \$225,143 for its proportionate share of the net pension asset. The net pension asset for the LGDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The Council's proportion of the net pension asset was based on the Council's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the Council's proportion was 0.26260 percent, which was a decrease of 0.01158 percent increase from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022 the Council recognized pension income of \$845,872. At December 31, 2022 the Council 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	\$ 11,003	\$ 3,760
Changes of Assumptions or other Inputs	76,319	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	1,947,530
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	823	59,824
Contributions Subsequent to the Measurement Date	285,478	-
Total	<u>\$ 373,623</u>	<u>\$ 2,011,114</u>

\$285,478 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:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (466,444)
2024	(750,303)
2025	(469,896)
2026	(236,326)
Total	<u>\$ (1,922,969)</u>

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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	
Members other than State Troopers	3.20% - 11.30%
State Troopers ¹	3.20% - 12.40%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.00%
PERA Benefit Structure hired after December 31, 2006 ²	Financed by the Annual Increase Reserve

¹C.R.S. § 25-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Trust Fund. See Note 1 of the Notes to the Financial Statements in PERA's 2021 ACFR for more information.

²Post-retirement benefit increases are provided by the AIR, accounting 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 total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

The actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions (continued)

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.

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.

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

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

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 percent.

Discount rate

The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was actuarial valuation performed as of December 31, 2020, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2020). In addition, the following methods and assumptions were used in the project of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent, 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 required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent, 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 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25 percent to 1.00 percent 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 Trust Fund's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 1,543,711	\$ (225,143)	\$ (1,704,712)

Pension plan fiduciary net position

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

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description: Eligible employees of the Council are provided with OPEB through the Health Care Trust Fund (HCTF) – a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF).

The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid. 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 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.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (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.

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 Council is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Council were \$21,622 for the year ended December 31, 2022.

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

On December 31, 2022 the Council reported a liability of \$174,317 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 Council's proportion of the net OPEB liability was based on the Council's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

COLORADO DISTRICT ATTORNEYS' COUNCIL
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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 (continued)

On December 31, 2021, the Council's proportion was 0.02022 percent, which was a decrease of .00052 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Council recognized OPEB income of \$16,425. At December 31, 2022 the Council 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	\$ 266	\$ 41,333
Changes of Assumptions or other Inputs	3,609	9,456
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	10,790
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	11,396	6,949
Contributions Subsequent to the Measurement Date	21,622	-
Total	<u>\$ 36,893</u>	<u>\$ 68,528</u>

\$21,622 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (11,913)
2024	(13,400)
2025	(15,927)
2026	(8,987)
2027	(2,622)
Thereafter	(408)
Total	<u>\$ (53,257)</u>

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:

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20% - 11.30%
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%
	4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029
PERACare Medicare plans	
	3.75% in 2021, gradually increasing to 4.50% in 2029
Medicare Part A Premiums	

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 are assumed for 2021 for the PERA Benefit Structure:

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

The 2021 Medicare Part A premium is \$471 per month. All costs are subject to the health care cost trend rates, as discussed below.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

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 total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 the generational mortality and were applied, as applicable, in the determination of the total OPEB liability 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 (members other than State Troopers) were based upon the PubB-2010 Employee Table with generational project using scale MP-2019.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (continued)

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the Pub G-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 project using scale MP-2019.

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

The following health care cost 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 the Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	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 percent.

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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%
Proportionate Share of the Net OPEB Liability	<u>\$ 169,311</u>	<u>\$ 174,317</u>	<u>\$ 180,116</u>

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2020, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2020). 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the 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 Trust Fund'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 total OPEB liability. 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.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates: 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	<u>\$ 202,451</u>	<u>\$ 174,317</u>	<u>\$ 150,286</u>

OPEB Plan Fiduciary Net Position. Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8 - NET POSITION

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

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of long-term obligations that are attributable to the acquisition, construction, or improvements of those assets. The net investment in capital assets balance as of December 31, 2022 was a deficit balance of (\$56,960) as a result of the implementation of GASB Statement No. 87.

The Council has restricted net position of \$225,143 as a result of the net pension asset as of December 31, 2022.

The Council's unrestricted net position was \$11,504,470 as of December 31, 2022.

NOTE 9 - RISK MANAGEMENT

The Council is exposed to various risk of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to personnel or natural disasters. The Council maintains commercial insurance for all risks of loss. Settled claims have not exceeded the commercial insurance coverage limits in any of the recent fiscal years.

COLORADO DISTRICT ATTORNEYS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

NOTE 11 - RESTATEMENT OF BEGINNING NET POSITION

The Council restated beginning net position in order to properly adopt GASB Statement No. 87, *Leases*. The schedule below outlines the impact of adopting these required accounting standards on beginning net position:

Net Position, as of December 31, 2021	\$ 9,819,838
Implementation of GASB Statement No. 87	<u>(111,725)</u>
Net Position, restated as of December 31, 2021	<u>\$ 9,708,113</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Council's Proportion of the Net Pension Liability	0.26260%	0.27417%	0.27353%	0.26249%	0.24003%	0.24267%	0.21232%	0.18808%
Council's Proportionate Share of the Net Pension Liability	\$ (225,143)	\$ 1,428,790	\$ 2,000,579	\$ 3,300,023	\$ 2,672,524	\$ 3,276,826	\$ 2,338,835	\$ 1,685,798
Council's Covered Payroll	1,993,696	1,917,534	1,879,831	1,720,096	1,514,187	1,470,863	1,205,791	1,030,607
Council's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	(11.3%)	74.5%	106.4%	191.9%	176.5%	222.8%	194.0%	163.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

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

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

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 285,478	\$ 262,769	\$ 250,271	\$ 238,849	\$ 218,108	\$ 191,999	\$ 186,505	\$ 152,894	\$ 130,681	\$ 116,305
Contributions in Relation to the Contractually Required Contribution	285,478	262,769	246,978	238,363	218,108	191,999	186,505	152,894	130,681	116,305
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council's Covered Payroll	\$ 2,119,793	\$ 1,993,696	\$ 1,917,534	\$ 1,879,831	\$ 1,720,096	\$ 1,514,187	\$ 1,470,863	\$ 1,205,791	\$ 1,030,607	\$ 917,234
Contributions as a Percentage of Covered Payroll	13.46%	13.18%	12.88%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

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

Fiscal Year	2022	2021	2020	2019	2018	2017
Plan Measurement Date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Council's Proportion (Percentage) of the Collective Net OPEB Liability	0.02022%	0.02074%	0.02091%	0.02034%	0.01865%	0.01863%
Council's Proportionate Share of the Collective Net OPEB Liability	\$ 174,317	\$ 197,037	\$ 234,989	\$ 276,702	\$ 242,390	\$ 241,518
Covered payroll	\$ 1,993,696	\$ 1,917,534	\$ 1,879,831	\$ 1,720,096	\$ 1,514,187	\$ 1,470,865
Council's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	8.74%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

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

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

Fiscal Year	2021	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 21,622	\$ 20,336	\$ 19,559	\$ 19,174	\$ 17,545	\$ 15,445	\$ 15,003
Contributions in Relation to the Contractually Required Contribution	<u>21,622</u>	<u>20,336</u>	<u>19,559</u>	<u>19,174</u>	<u>17,545</u>	<u>15,445</u>	<u>15,003</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's Covered Payroll	\$ 2,119,793	\$ 1,993,696	\$ 1,917,534	\$ 1,879,831	\$ 1,720,096	\$ 1,514,187	\$ 1,470,865
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

SUPPLEMENTARY INFORMATION

COLORADO DISTRICT ATTORNEYS' COUNCIL
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION – BUDGET AND ACTUAL - BUDGETARY BASIS
DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Assessments	\$ 637,692	\$ 648,192	\$ 10,500
Association member dues	10,500	4,050	(6,450)
Grants	531,677	529,301	(2,376)
Contracts	350,000	3,590,000	3,240,000
Publication sales	100,000	134,395	34,395
Conference and trip fees	85,000	79,275	(5,725)
Mandated administration fees	134,584	142,780	8,196
Interest income	1,000	118,422	117,422
Subpoena computer charges	200,000	262,864	62,864
Law table state funding	135,000	762,924	627,924
Miscellaneous income	200	9,152	8,952
Total revenues	2,185,653	6,281,355	4,095,702
<u>Expenses</u>			
<u>Personnel</u>			
Salaries	1,060,022	2,205,511	(1,145,489)
PERA pension contributions	150,735	307,099	(156,364)
State unemployment tax	3,180	4,239	(1,059)
Medicare tax	15,370	28,045	(12,675)
Benefit plan	81,076	221,462	(140,386)
Workers compensation	3,667	2,748	919
Personnel totals	1,314,050	2,769,104	(1,455,054)
<u>Operations:</u>			
Office lease	80,000	217,288	(137,288)
Office lease interest	-	19,055	(19,055)
Telephone and website	13,000	20,264	(7,264)
Postage and freight	8,500	588	7,912
Office supplies	12,000	-	12,000
Copier expense and supplies	10,500	5,110	5,390
Printing	30,000	87,587	(57,587)
Supplies and equipment	17,000	108,123	(91,123)
Computer equipment	30,000	-	30,000
Maintenance and repairs	8,300	12,258	(3,958)
Publications printing	160,000	-	160,000
Software	10,500	-	10,500
NDAA President travel	2,500	-	2,500
Meetings	50,600	-	50,600
Travel	98,394	128,413	(30,019)
Dues and education	16,000	19,632	(3,632)
Subscriptions and books	6,000	14,257	(8,257)
Professional fees and services	66,128	956,012	(889,884)
Property insurance	5,000	-	5,000
Professional liability insurance	10,000	-	10,000
Legislative services	32,000	29,334	2,666
Training registrations	246,556	778,956	(532,400)
Employee recognition	5,000	11,743	(6,743)
Auto expense	5,000	684	4,316
Miscellaneous expense	3,000	26,143	(23,143)
Capital outlay	5,000	67,954	(62,954)
Operations totals	930,978	2,503,401	(1,572,423)
Total expenses	2,245,028	5,272,505	(3,027,477)
Excess of Revenues Over Expenses	\$ (59,375)	1,008,850	\$ 1,068,225

See Independent Auditors' Report

COLORADO DISTRICT ATTORNEYS' COUNCIL
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION – BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)
DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Reconciliation to GAAP Basis			
Capital outlay		67,954	
Lease payments		196,635	
Change in pension related items		868,581	
Change in OPEB related items		17,710	
Leased asset amortization expense		(176,131)	
Depreciation expense		(19,059)	
Change in net position, GAAP Basis		1,964,540	
Net Position, Beginning (as restated)		9,708,113	
Net Position, Ending		\$ 11,672,653	

See Independent Auditors' Report