

**THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
TRINIDAD, COLORADO**

FINANCIAL STATEMENTS

December 31, 2023

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
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December 31, 2023

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INTRODUCTORY SECTION

INDEPENDENT AUDITOR'S REPORT

Henry Solano, District Attorney
Third Judicial District – Office of the District Attorney
Trinidad, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Third Judicial District – Office of the District Attorney as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Third Judicial District – Office of the District Attorney, 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 and the major fund of the Third Judicial District – Office of the District Attorney as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Emphasis of Matter

As described in Note 10 to the financial statements, as of and for the year ended December 31, 2022, have been restated to reclassify and consolidate funds. Our opinion 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 these 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 Third Judicial District – Office of the District Attorney's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Third Judicial District – Office of the District Attorney’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Third Judicial District – Office of the District Attorney’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the required supplementary information 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 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.

Henry Solano, District Attorney
Third Judicial District – Office of the District Attorney

Management has omitted the management's discussion and analysis that governmental 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.

DMC Auditing and Consulting, LLC

July 24, 2024
DMC Auditing and Consulting, LLC
Bailey, Colorado

BASIC FINANCIAL STATEMENTS

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

STATEMENT OF NET POSITION

December 31, 2023

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 927,716
Grants Receivable	115,409
Prepays	5,149
Capital Assets, <i>Net of Accumulated Depreciation</i>	14,108
 TOTAL ASSETS	 1,062,382
 DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	67,130
OPEB, <i>Net of Accumulated Amortization</i>	2,774
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 69,904
 LIABILITIES	
Accounts Payable	4,914
Accrued Liabilities	1,112
Compensated Absences	20,863
Net Pension Liability	317,770
Net OPEB Liability	10,460
 TOTAL LIABILITIES	 355,119
 DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	6,810
OPEB, <i>Net of Accumulated Amortization</i>	6,308
 TOTAL DEFERRED INFLOWS OF RESOURCES	 13,118
 NET POSITION	
Net Investment in Capital Assets	14,108
Restricted for:	
Emergencies	65,739
VALE	9,141
Victim Assistance	2,184
Unrestricted	672,877
 TOTAL NET POSITION	 \$ 764,049

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUE OPERATING GRANTS AND CONTRIBUTIONS	NET POSITION PRIMARY GOVERNMENTAL ACTIVITIES
Governmental Activities			
Public Welfare and Safety	\$ 1,626,323	\$ 276,204	\$ (1,350,119)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,626,323</u>	<u>\$ 276,204</u>	<u>(1,350,119)</u>
GENERAL REVENUES			
County Allocations			1,818,310
State Allocations			79,010
Other Revenues			17,791
TOTAL GENERAL REVENUES			<u>1,915,111</u>
CHANGE IN NET POSITION			564,992
NET POSITION, Beginning			<u>199,057</u>
NET POSITION, Ending			<u>\$ 764,049</u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	<u>GENERAL</u>
ASSETS	
Cash	\$ 927,716
Grants Receivable	115,409
Prepaid Expenditures	5,149
TOTAL ASSETS	\$ 1,048,274
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 4,914
Accrued Liabilities	1,112
TOTAL LIABILITIES	6,026
FUND BALANCE	
Nonspendable Prepaid Expenditures	5,149
Restricted for:	
Emergencies	65,739
VALE Program	9,141
VALE Program	2,184
Unassigned	960,035
TOTAL FUND BALANCE	1,042,248
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,048,274

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	1,042,248
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		14,108
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Compensated Absences		(20,863)
Net Pension Liability		(317,770)
Pension-Related Deferred Outflows of Resources		67,130
Pension-Related Deferred Inflows of Resources		(6,810)
Net OPEB Liability		(10,460)
OPEB-Related Deferred Outflows of Resources		2,774
OPEB-Related Deferred Inflows of Resources		(6,308)
		(6,308)
Total Net Position of Governmental Activities	\$	764,049

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	<u>GENERAL</u>
REVENUES	
Intergovernmental	2,173,524
Other Revenues	17,791
	<u>2,191,315</u>
EXPENDITURES	
Public Welfare and Safety	
Payroll and Benefits	1,524,170
Administration	167,866
Equipment Leases	7,413
Compensation Payments	5,587
Capital Outlay	2,095
	<u>1,707,131</u>
CHANGE IN FUND BALANCES	484,184
FUND BALANCES, Beginning, as Restated	558,064
	<u>558,064</u>
FUND BALANCES, Ending	\$ <u><u>1,042,248</u></u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balance of Governmental Funds	\$	484,184
<p>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.</p>		
		(4,703)
<p>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 governmental funds. This includes the changes in the following:</p>		
Accrued Compensated Absences		10,751
Net Pension Liability		(58,760)
Pension-Related Deferred Outflows of Resources		19,107
Pension-Related Deferred Inflows of Resources		112,430
Net OPEB Liability		1,251
OPEB-Related Deferred Outflows of Resources		573
OPEB-Related Deferred Inflows of Resources		159
		159
Change in Net Position of Governmental Activities	\$	564,992

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies

The Third Judicial District – Office of the District Attorney (the District) operates under the Colorado state statutes and serves two counties: Las Animas County, Colorado and Huerfano County, Colorado (the Counties). The Office of the District Attorney is an elected position and provides prosecutorial and public safety services to the District as authorized by the Colorado Revised Statutes (C.R.S). The District is located in the Las Animas County Courthouse. Certain medical and retirement benefits provided by Las Animas County are made available to the District’s employees. The Counties make annual contributions to the District based on an agreement.

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District’s more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District. The District is a primary government and not included as part of any other governmental reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Allocations from the Counties are reported as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Vehicles

4 years

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Balance / Net Position

Right-to-use assets from leases are reported in the government-wide financial statements. Right-to-use assets are recognized as multi-year noncancellable agreements amortized over the period of the agreement on a straight-line basis.

Deferred Outflows of Resources - This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until then. This applies to pension-related and OPEB-related items and deferred loss on refunding.

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the District that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. Accounting losses resulting from debt refundings are deferred and amortized over the shorter of the life of the new debt or the old debt on a straight-line basis. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Leases – As the lessee, the District recognizes lease liability and right-to-use assets in governmental activities in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual cost of \$5,000 or more. The District initially measures the lease liability at the present value of payments over the period of lease payments. Lease right-to-use assets are amortized on a straight-line basis over the right-to-use asset useful life. Lease right-to-use assets are reported with capital assets, net of accumulated depreciation/amortization, and lease liabilities are reported with long-term debt in the government-wide financial statements.

Compensated Absences – Annual leave benefits are earned annually up to a maximum of 12 to 24 days depending on the length of continuous service. Annual leave is earned based on years of service and job classification. Unused accumulated annual leave benefits are paid upon separation/termination at the employee’s pay rate up to a maximum of 80 hours. These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

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

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Balance / Net Position (Continued)

Postemployment Benefits Other Than Pensions (OPEB) - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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, and additions to and deductions from the HCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Trustees formally commits resources for a specific purpose through passage of a resolution. The Board of Trustees has delegated to the Executive Director and the designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

NOTE 2: Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the District had bank deposits of \$927,716 and \$679,022 was collateralized with securities held by the financial institution’s agent but not in the District’s name.

NOTE 3: Capital Assets

Capital asset activity for the year ended December 31, 2023, is summarized below.

	Balances 12/31/2022	Additions	Deletions	Balances 12/31/2023
Vehicles	\$ 32,920	\$ -	\$ -	\$ 32,920
Less Accumulated Depreciation	(14,109)	(4,703)	-	(18,812)
Total Capital Assets, Net	<u>\$ 18,811</u>	<u>\$ (4,703)</u>	<u>\$ -</u>	<u>\$ 14,108</u>

Depreciation and amortization expense of the governmental activities was charged to the public safety function of the District.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

NOTE 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2023.

	Balances 12/31/2022	Additions	Deletions	Balances 12/31/2023	Due Within One Year
Compensated Absences	\$ 31,614	\$ -	\$ (10,751)	\$ 20,863	\$ 20,863

Compensated absences are expected to be liquidated with revenues of the General Fund.

NOTE 5: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance for all risks of loss, including workers' compensation and employee accident insurance. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three years.

NOTE 6: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). Eligible employees of the District participate in the SDTF. CRS (Colorado Revised Statutes) § 24-51 and applicable provisions of the federal Internal Revenue Code. State statutes assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report that includes information on the SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2022 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714. The retirement benefit is the greater of the a) highest average salary multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

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 CRS subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions provisions as of December 31, 2023 - The District, State, and eligible employees are required to contribute to the LGDTF at rates established by State statute. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from January 1, 2023, through December 31, 2023. The District’s contribution rate for the fiscal year was 20.55% of covered salaries. However, a portion of the District’s contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The District’s contributions to the SDTF for the year ended December 31, 2023, were \$26,715, equal to the required contributions.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires the State to make an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed on July 1, 2023.

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

At December 31, 2023, the District reported a liability in the amount of \$317,770 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 317,770
State's proportionate share of the net pension liability associated with the District	4,090
	4,090
Total	\$ 321,860

The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

The District’s proportion of the net pension liability was based on the District’s contributions to the SDTF for the calendar year ended December 31, 2022, relative to the contributions of all participating. At December 31, 2022, the District’s proportion was 0.00292226756%, which was a decrease of 0.0005893003% from its proportion measured at December 31, 2021.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
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NOTE 6: Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2023, the District recognized pension expense of \$6,892. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,260
Changes of assumptions and other inputs	-	-
Net difference between projected and actual earnings on plan investments	40,415	-
Changes in proportion	-	2,550
Contributions subsequent to the measurement date	26,715	-
Total	\$ 67,130	\$ 6,810

District contributions subsequent to the measurement date of \$26,715 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,

2024	\$ (8,924)
2025	3,734
2026	14,902
2027	23,893
Total	\$ 33,605

Actuarial Assumptions - The actuarial valuation as of December 31, 2021, determined the total pension liability using the following actuarial assumptions and other inputs.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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% - 10.90%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/07	ad hoc

Post-retirement benefit increases are provided by the annual increase reserve, 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 total pension liability for the SDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and, therefore, no disaffiliation dollars were reflected in the fiduciary net position as of December 31, 2022, measurement date.

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

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

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) males: 94% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) 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 were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, 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. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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 of 7.25%.

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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 required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: Defined Benefit Pension Plan (Continued)

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

- District 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 and 2020 AAP assessment. District contributions also include current and estimated future amortization equalization disbursement (AED), as specified in CRS § 24-51-411, and supplemental amortization equalization disbursement (SAED), as specified in CRS § 24-51-411, 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, based on State statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension 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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 406,232	\$ 317,770	\$ 243,357

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 7: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member’s years of service credit. CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

Contributions - As established by CRS § 24-51-208, 1.02% of the District’s contributions to the State Division Trust Fund (SDTF) (Note 6) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District’s apportionment to the HCTF for the year ended December 31, 2023, was \$1,326, equal to the required amount.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

At December 31, 2023, the District reported a net OPEB liability of \$10,460, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022.

The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers.

At December 31, 2022, the District’s proportion was 0.0012810847%, which was a decrease of 0.0000770663% from its proportion measured at December 31, 2021.

For the year ended December 31, 2023, the District recognized OPEB expense (revenue) of (\$657). At December 31, 2023, the District 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
Differences between expected and actual experience	\$ 3	\$ 2,531
Changes of assumptions and other inputs	170	1,155
Net difference between projected and actual earnings on plan investments	637	-
Changes in proportion	638	2,622
Contributions subsequent to the measurement date	1,326	-
Total	\$ 2,774	\$ 6,308

District contributions subsequent to the measurement date of \$1,326 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended December 31,

2024	\$ (1,797)
2025	(1,340)
2026	(785)
2027	(399)
2028	(444)
2029	(95)
Total	\$ (4,860)

Actuarial Assumptions - The actuarial valuation as of December 31, 2021, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
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:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.5% in 2022, gradually decreasing to 4.5% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.5% in 2029	

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

<u>Age-Related Morbidity Assumptions</u>		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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, 2022, valuation, the following monthly costs/premium (actual dollars) are assumed for 2023 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree/Spouse		MAPD PPO #2 with Medicare Part A for Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

Sample Age	MAPD PPO #1 without Medicare Part A for Retiree/Spouse		MAPD PPO #2 without Medicare Part A for Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A for Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

The 2022 Medicare Part A premium is \$499 (actual dollars) per month. All costs are subject to the health care cost trend rates.

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, 2021, 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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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, 2021, valuation for the determination of the total pension liability as shown below, reflect 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. LGDTF participates in the HCTF (Note 7).

The pre-retirement mortality assumptions for the LGDTF were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the LGDTF were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) 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 and 2) 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 SDTF members 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 health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2021, valuation date 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 costs for the 2022 plan year. The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions. The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA’s actuary.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the result of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuations 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 at least every five years for PERA. 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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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 total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF’s fiduciary net position 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.

Sensitivity of the District’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:

	1% Decrease (6.25%)	Current Trend Rates (7.25%)	1% Increase (8.25%)
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 10,164	\$ 10,460	\$ 10,782

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

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 12,126	\$ 10,460	\$ 9,035

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

NOTE 8: Defined Contribution Plan

The District provides pension benefits for all full-time employees, except Henry Solano, District Attorney, through a defined contribution plan of the Colorado Retirement Association (CRA). CRA requires one year of service to be eligible for participation. The District and the employees are required to contribute 3%. Vesting occurs at the rate of 20% annually. District contributions for employees that are not vested are returned to the District by CRA. In 2023, the District contributed \$28,400.

NOTE 9: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At December 31, 2023, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At December 31, 2023, the District’s emergency reserve was reported as restricted fund balance in the General Fund in the amount of \$65,739.

Litigation

The District from time to time is involved in various legal matters. In the opinion of Henry Solano, District Attorney, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 10: Restatement – Reclassification of Funds

At December 31, 2022, the District elected to reclassify the VALE Fund and Victim Assistance Fund and combine the fund balances into the General Fund. This only impacts governmental funds. The effect of the reclassification on beginning balances only impacts governmental funds.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 10: Restatement – Reclassification of Funds (Continued)

The effect of the reclassification on beginning balances is as follows:

	Governmental Funds			Total
	General Fund	VALE	Victim Assistance	
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 545,130	\$ 10,750	\$ 2,184	\$ 558,064
Reclassification of Beginning Net Position/Fund Balance	12,934	(10,750)	(2,184)	-
Net Position/Fund Balance, Beginning, as Restated	<u>\$ 558,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,064</u>

REQUIRED SUPPLEMENTARY INFORMATION

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Intergovernmental			
Huerfano County Allocation	\$ 615,667	\$ 577,360	\$ (38,307)
Las Animas County Allocation	1,240,950	1,240,950	-
Juvenile Diversion	37,500	75,640	38,140
Adult Diversion	-	3,370	3,370
Grants	6,000	276,204	270,204
Other Revenues	38,435	17,791	(20,644)
TOTAL REVENUES	<u>1,938,552</u>	<u>2,191,315</u>	<u>252,763</u>
EXPENDITURES			
Public Welfare and Safety			
Payroll and Benefits	1,799,826	1,524,170	275,656
Administration	63,804	167,866	(104,062)
Equipment	1,500	7,413	(5,913)
Other Direct Costs	-	2,095	(2,095)
Capital Outlay	-	5,587	(5,587)
TOTAL EXPENDITURES	<u>1,865,130</u>	<u>1,707,131</u>	<u>157,999</u>
CHANGE IN FUND BALANCE	73,422	484,184	410,762
FUND BALANCE, Beginning, as Restated	<u>8,736</u>	<u>558,064</u>	<u>558,064</u>
FUND BALANCE, Ending	<u>\$ 82,158</u>	<u>\$ 1,042,248</u>	<u>\$ 1,042,248</u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO STATE DIVISION TRUST FUND

December 31, 2023

MEASUREMENT YEAR	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY			
District's Proportion of the Net Pension Liability	0.0029226756%	0.0035119759%	0.0039600000%
District's Proportionate Share of the Net Pension Liability	\$ 317,770	\$ 259,010	\$ 376,066
State's Proportionate Share of the Net Pension Liability			
Pension Liability Associated with the District	<u>4,090</u>	<u>1,210</u>	<u>-</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 321,860</u>	<u>\$ 260,220</u>	<u>\$ 376,066</u>
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	244%	199%	289%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	73%	65%
FISCAL YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
District Contributions			
Statutorily Required Contribution	\$ 26,715	\$ 26,299	\$ 25,909
Contributions in Relation to the Statutorily Required Contribution	<u>(26,715)</u>	<u>(26,299)</u>	<u>(25,909)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000
Contributions as a Percentage of Covered Payroll	20.55%	20.23%	19.93%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, presentation will be shown for the years it is available.

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0036500000%	0.0039300000%	0.0040500000%	0.0045600000%	0.0046600000%
\$ 353,937	\$ 447,377	\$ 810,179	\$ 838,136	\$ 492,482
<u>1,804</u>	<u>2,463</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 355,741</u>	<u>\$ 449,840</u>	<u>\$ 810,179</u>	<u>\$ 838,136</u>	<u>\$ 492,482</u>
\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750	\$ 130,000
272%	344%	598%	706%	379%
62%	55%	43%	43%	60%
<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
\$ 25,519	\$ 25,032	\$ 25,905	\$ 22,717	\$ 23,699
<u>(25,519)</u>	<u>(25,032)</u>	<u>(25,905)</u>	<u>(22,717)</u>	<u>(23,699)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750	\$ 130,000
19.63%	19.26%	19.13%	19.13%	18.23%

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
December 31, 2023

MEASUREMENT YEAR	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
District's Proportion of the Net OPEB Liability	0.0012810847%	0.0013581510%	0.0014000000%
District's Proportionate Share of the Net OPEB Liability	\$ 10,460	\$ 11,711	\$ 13,358
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%	10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%	33%
FISCAL YEAR			
	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
District's Contributions			
Statutorily Required Contribution	\$ 1,326	\$ 1,326	\$ 1,326
Contributions in Relation to the Statutorily Required Contribution	<u>(1,326)</u>	<u>(1,326)</u>	<u>(1,326)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, presentation will be shown for the years it is available.

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
0.0014500000%	0.0016000000%	0.0014600000%	0.0016500000%
\$ 16,251	\$ 21,784	\$ 19,009	\$ 21,346
\$ 130,000	\$ 135,417	\$ 118,750	\$ 130,000
13%	16%	16%	16%
24%	17%	18%	17%
<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
\$ 1,326	\$ 1,326	\$ 1,381	\$ 1,211
<u>(1,326)</u>	<u>(1,326)</u>	<u>(1,381)</u>	<u>(1,211)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750
1.02%	1.02%	1.02%	1.02%

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to Henry Solano, District Attorney, a proposed budget for the fiscal year commencing the following January 1st. The budget includes proposed expenditures and the means of financing them with analysis and updates to the annual plan to set objectives, goals, strategies and budgetary impact for all libraries and departments. This information becomes an intrinsic part of the overall budget process.
- Formal budgetary integration should be employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the individual fund level. Any change in the total budget for each fund requires approval of Henry Solano, District Attorney. Management is authorized to make transfers between line items within a fund.
- All budget appropriations lapse at fiscal year-end.

NOTE 2: Schedule of Proportionate Share of the Net OPEB Liability and Contributions

Changes in Assumptions and Other Inputs

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.