

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

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025**

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

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December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Nick Dale, 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, 2025, 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, 2025, 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.

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.

Nick Dale, 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 31, 2026
Bailey, Colorado

BASIC FINANCIAL STATEMENTS

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

STATEMENT OF NET POSITION

December 31, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$ 738,397
Grants Receivable	33,535
Prepaid Expenses	1,147
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>127,477</u>
 TOTAL ASSETS	 <u>900,556</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	49,710
OPEB, <i>Net of Accumulated Amortization</i>	<u>1,423</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>51,133</u>
LIABILITIES	
Accounts Payable	528
Compensated Absences	72,334
Net Pension Liability	272,265
Net OPEB Liability	<u>5,150</u>
 TOTAL LIABILITIES	 <u>350,277</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	27,570
OPEB, <i>Net of Accumulated Amortization</i>	<u>5,179</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>32,749</u>
NET POSITION	
Net Investment in Capital Assets	127,477
Restricted for:	
Emergencies	61,000
VALE	10,774
Unrestricted	<u>369,412</u>
 TOTAL NET POSITION	 <u>\$ 568,663</u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM		NET (EXPENSE) REVENUE AND AND CHANGES IN NET POSITION PRIMARY
		OPERATING	GRANTS AND CONTRIBUTIONS	
Governmental Activities				
Public Welfare and Safety	\$ 2,333,998	\$ 66,939	\$ (2,267,059)	
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,333,998	\$ 66,939	(2,267,059)	
GENERAL REVENUES				
County Allocations			1,762,035	
State Allocations			194,898	
Investment Income			15,664	
Other Revenues			60,630	
TOTAL GENERAL REVENUES			2,033,227	
CHANGE IN NET POSITION			(233,832)	
NET POSITION, Beginning			802,495	
NET POSITION, Ending			\$ 568,663	

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY

BALANCE SHEET

GOVERNMENTAL FUND

December 31, 2025

	<u>GENERAL</u>
ASSETS	
Cash	\$ 738,397
Grants Receivable	33,535
Prepaid Expenditures	<u>1,147</u>
 TOTAL ASSETS	 \$ <u><u>773,079</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ <u>528</u>
 FUND BALANCE	
Nonspendable Prepaid Expenditures	1,147
Restricted for:	
Emergencies	61,000
VALE Program	10,774
Unassigned	<u>699,630</u>
 TOTAL FUND BALANCE	 <u>772,551</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u><u>773,079</u></u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
December 31, 2025

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

Total Fund Balance of the Governmental Fund	\$ 772,551
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	127,477
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	(72,334)
Net Pension Liability	(272,265)
Pension-Related Deferred Outflows of Resources	49,710
Pension-Related Deferred Inflows of Resources	(27,570)
Net OPEB Liability	(5,150)
OPEB-Related Deferred Outflows of Resources	1,423
OPEB-Related Deferred Inflows of Resources	<u>(5,179)</u>
Total Net Position of Governmental Activities	\$ <u><u>568,663</u></u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended December 31, 2025

	<u>GENERAL</u>
REVENUES	
Intergovernmental	\$ 2,023,872
Investment Income	15,664
Other Revenues	<u>60,630</u>
 TOTAL REVENUES	 <u>2,100,166</u>
EXPENDITURES	
Public Welfare and Safety	
Payroll and Benefits	1,983,813
Administration	313,637
Equipment Leases	7,442
Compensation Payments	1,184
Capital Outlay	<u>178,481</u>
 TOTAL EXPENDITURES	 <u>2,484,557</u>
 EXCESS REVENUES OVER (UNDER) EXPENDITURES	 <u>(384,391)</u>
OTHER FINANCING SOURCES (USES)	
Proceeds from the Sale of Capital Assets	<u>88,242</u>
 CHANGE IN FUND BALANCE	 <u>(296,149)</u>
 FUND BALANCE, Beginning	 <u>1,068,700</u>
 FUND BALANCE, Ending	 \$ <u><u>772,551</u></u>

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

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

Net Change in Fund Balance of the Governmental Fund	\$	(296,149)
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Governmental fund 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		(13,131)
Capital Outlay		167,871
Loss on Disposal of Capital Assets		(93,262)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. This includes the changes in the following:

Accrued Compensated Absences		(8,138)
Net Pension Liability		63,347
Pension-Related Deferred Outflows of Resources		(31,792)
Pension-Related Deferred Inflows of Resources		(25,079)
Net OPEB Liability		3,246
OPEB-Related Deferred Outflows of Resources		(656)
OPEB-Related Deferred Inflows of Resources		(89)

Change in Net Position of Governmental Activities	\$	(233,832)
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THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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.

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

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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. 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

7 years

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.

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 pension-related and OPEB-related items.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

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.

Sick leave benefits are provided to full-time employees and accrue twelve days annually. Part-time employees are not eligible for sick leave benefits. The District allows full-time employees to accumulate sick leave up to a maximum of 240 hours, but only 160 hours may be carried over to the following year. Accrued sick leave is an unpaid benefit. The District estimates the sick leave compensated absences liability using the representative sample of active employees. This calculation includes averaging sick hours and pay rates of a sample of existing employees to determine the percentage of average sick leave hours used multiplied by the average pay rate.

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.

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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Net Position/Fund Balance – 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, 2025, the District had bank deposits of \$748,547 and \$428,985 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, 2025, is summarized below.

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Vehicles	\$ 96,305	\$ 167,871	\$ (100,053)	\$ 164,123
Less Accumulated Depreciation	(30,306)	(13,131)	(6,791)	(36,646)
Total Capital Assets, Net	<u>\$ 65,999</u>	<u>\$ 154,740</u>	<u>\$ (106,844)</u>	<u>\$ 127,477</u>

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

NOTE 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2025.

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025	Due Within One Year
Compensated Absences	<u>\$ 64,196</u>	<u>\$ 8,138</u>	<u>\$ -</u>	<u>\$ 72,334</u>	<u>\$ 72,334</u>

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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. C.R.S. (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, 2025 – 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 C.R.S. § 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 C.R.S. § 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 C.R.S. § 24-51-413.

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, 2025 – The District, State, and eligible employees are required to contribute to the STDF 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 9% for the period from January 1, 2025, through December 31, 2025. The District's contribution rate for the fiscal year was 20.61% 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, 2025, were \$26,793, equal to the required contributions.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million 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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) provided compensatory payment of \$14.561 million for 2023 only.

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

The net pension liability was measured at December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2025. Standard update procedures were used to roll forward the total pension liability to December 31, 2025.

At December 31, 2025, the District reported a liability in the amount of \$272,265 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 of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 272,265
State's proportionate share of the net pension liability associated with the District	<u>1,060</u>
Total	<u>\$ 273,325</u>

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, 2025, relative to the contributions of all participating. At December 31, 2025, the District's proportion was 0.0028631152%, which was a decrease of 0.0004554723% from its proportion measured at December 31, 2024.

For the year ended December 31, 2025, the District recognized pension expense of \$19,862. At December 31, 2025, 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	\$ 7,991	\$ -
Changes of assumptions and other inputs	-	2,111
Net difference between projected and actual earnings on plan investments	6,010	-
Changes in proportion	8,916	25,459
Contributions subsequent to the measurement date	<u>26,793</u>	<u>-</u>
Total	<u>\$ 49,710</u>	<u>\$ 27,570</u>

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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 subsequent to the measurement date of \$28,093 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:

<u>Year Ended December 31,</u>	
2026	\$ 1,695
2027	6,794
2028	(9,427)
2029	(3,715)
Total	<u>\$ (4,653)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.30% - 10.90%
Long-term investment rate of return, net of 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 12/31/06	Financed by the AIR

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 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 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. Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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)

The actuarial assumptions used in the December 31, 2023, 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.

Based on the 2024 experience analysis dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation, were 2.7% to 13.30%. Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.4% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives were updated based on the experience. All mortality assumptions were developed on a benefit-weighted basis and apply generational mortality. Note that all categories, displayed as follows, the mortality tables are generationally projected using the 2024 scale MP-2021, follows.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows: 1) males: 90% of the rates for all ages, with generational projection using scale MP-2021 and 2) females: 85% of the rates prior to age 85 and 105% of the rates for ages 85 and older, with generational projection using scale MP-2021. Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table as follows: 1) males: 92% of the rates for all ages, with generational projection using scale MP-2021 and 2) females: 100% of the rates for all ages, with generational projection using scale MP-2021.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages with generational projection using scale MP-2021.

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 2024 Experience Study report dated January 3, 2025.

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, and again at the Board's September 20, 2024, meeting. 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:

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
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 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%.
- Member contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, and 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.
- District contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, and 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, 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.
- 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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

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)

- 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.
- Beginning with the December 31, 2025, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 67 projection test.

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.

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	\$ 362,774	\$ 272,265	\$ 196,024

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 - 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/forms-resources/financial-reports-and-studies.

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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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) (See 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, 2025, was \$1,326, equal to the required amount.

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

At December 31, 2025, the District reported a net OPEB liability of \$5,150, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024.

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, 2024, relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.0010771154%, which was a decrease of 0.0000993045% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB expense of (\$1,226). At December 31, 2025, 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	\$ -	\$ 1,134
Changes of assumptions and other inputs	59	1,643
Net difference between projected and actual earnings on plan investments	20	-
Changes in proportion	18	2,402
Contributions subsequent to the measurement date	1,326	-
Total	<u>\$ 1,423</u>	<u>\$ 5,179</u>

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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:

<u>Year Ended December 31,</u>	
2026	\$ (1,424)
2027	(1,096)
2028	(1,116)
2029	(731)
2030	(489)
2031	<u>(226)</u>
Total	<u>\$ (5,082)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.30% - 10.90%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2:	
105% in 2024, then 8.55 in 2025, gradually decreasing to 4.5% in 2034	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2033	

As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to the disaffiliation of the Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Each year the per capital health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the United Healthcare 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.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

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	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897	\$ 1,575
70	\$ 1,921	\$ 1,589	\$ 657	\$ 544	\$ 2,130	\$ 1,763
75	\$ 2,122	\$ 1,670	\$ 726	\$ 571	\$ 2,353	\$ 1,853
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	\$ 6,536	\$ 5,429	\$ 4,241	\$ 3,523	\$ 7,063	\$ 5,866
70	\$ 7,341	\$ 6,073	\$ 4,764	\$ 3,941	\$ 7,933	\$ 6,563
75	\$ 8,110	\$ 6,385	\$ 5,262	\$ 4,143	\$ 8,763	\$ 6,900

The 2023 Medicare Part A premium is \$505 (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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans*	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

*Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, 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. SDTF participates in the HCTF (Note 7).

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

Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubG-2010 Healthy Retiree 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.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, 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.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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 health care costs assumptions were updated and used in the rollforward calculation for the HCTF:

- Per capita health care costs as of the December 31, 2023, 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 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, 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.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the rollforward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

Assumptions related to salary increases, including wage inflation, in the LGDTF from 3.4% to 13%. Health care costs assumptions were used in the rollforward calculation for the HCTF, which included altered salary scale assumptions to better reflect actual experience; revised rates of termination/withdrawal, retirement, and disability to more closely reflect actual experience; reduction of participation rates; and MAPD premium costs are no longer age graded.

Plan	With Medicare	Without Medicare
	Part A	Part A
MAPD PPO #1	\$ 1,824	\$ 6,972
MAPD PPO #2	\$ 624	\$ 4,524
MAPD HMO (Kaiser)	\$ 2,040	\$ 7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projected scale. These assumptions updated for the LGDTF, were also applied in the rollforward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the LGDTF participate in the HCTF.

The pre-retirement mortality assumptions for the LGDTF were based upon the PubG-2010 Employee Table with generational projection using scale MP-2021.

Post-retirement non-disabled retiree mortality assumptions for the LGDTF were based upon the PubG-2010 Healthy Retiree 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.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Table, adjusted as follows: 1) males: 90% of the rates for all ages, with generational projection using scale MP-2021, and 2) females: 85% of the rates prior to age 85 and 105% of the rates age 85 and older, with generational projection using scale MP-2021. Disabled mortality assumptions for LGDTF members were based upon the PubNS-2010 Disabled Retiree Table adjusted to 95% of the rates for all ages with generational projection using scale MP-2021.

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. 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	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
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 basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of each of the Health Care Trust Funds as of the current measurement date, December 31, 2024. 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, 2024, measurement date.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

NOTE 8: 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.
- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and SDTF were \$0.020 million and \$0.486 million, respectively.

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	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 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	\$ 5,012	\$ 5,150	\$ 5,307

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, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

	1% Decrease Current Discount (6.25%)	Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 6,312	\$ 5,150	\$ 4,149

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/forms-resources/financial-reports-and-studies.

NOTE 8: Defined Contribution Plan

The District provides pension benefits for all full-time employees, except Nick Dale, 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 2025, the District contributed \$30,076.

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, 2025, 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, 2025, the District's emergency reserve was reported as restricted fund balance in the General Fund in the amount of \$61,000.

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

THIRD JUDICIAL DISTRICT - OFFICE OF THE DISTRICT ATTORNEY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2025

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Intergovernmental			
Huerfano County Allocation	\$ 682,556	\$ 590,000	\$ (92,556)
Las Animas County Allocation	1,172,035	1,172,035	-
Juvenile Diversion	77,500	62,949	(14,551)
Adult Diversion	-	3,987	3,987
Intergovernmental	130,090	127,962	(2,128)
Grants	54,130	66,939	12,809
Investment Income	-	15,664	15,664
Other Revenues	-	60,630	60,630
	<u>2,116,311</u>	<u>2,100,166</u>	<u>(16,145)</u>
TOTAL REVENUES			
EXPENDITURES			
Public Welfare and Safety			
Payroll and Benefits	1,601,800	1,983,813	(382,013)
Administration	191,442	313,637	(122,195)
Equipment Leases	-	7,442	(7,442)
Other Direct Costs	-	1,184	(1,184)
Capital Outlay	25,000	178,481	(153,481)
	<u>1,818,242</u>	<u>2,484,557</u>	<u>(666,315)</u>
TOTAL EXPENDITURES			
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>298,069</u>	<u>(384,391)</u>	<u>650,170</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Capital Assets	-	88,242	88,242
	<u>298,069</u>	<u>(296,149)</u>	<u>738,412</u>
CHANGE IN FUND BALANCE			
FUND BALANCE, Beginning	<u>31,723</u>	<u>1,068,700</u>	<u>1,068,700</u>
FUND BALANCE, Ending	<u>\$ 329,792</u>	<u>\$ 772,551</u>	<u>\$ 772,551</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, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0028631152%	0.0033185875%	0.0029226756%	0.0035119759%
District's Proportionate Share of the Net Pension Liability	\$ 272,265	\$ 335,612	\$ 317,770	\$ 259,010
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>1,060</u>	<u>316</u>	<u>4,090</u>	<u>1,210</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 273,325</u>	<u>\$ 335,928</u>	<u>\$ 321,860</u>	<u>\$ 260,220</u>
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	209%	258%	244%	199%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	64%	62%	73%
FISCAL YEAR	<u>12/31/25</u>	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 26,793	\$ 28,093	\$ 26,715	\$ 26,299
Contributions in Relation to the Statutorily Required Contribution	<u>(26,793)</u>	<u>(28,093)</u>	<u>(26,715)</u>	<u>(26,299)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 130,000	\$ 136,705	\$ 130,000	\$ 130,000
Contributions as a Percentage of Covered Payroll	20.61%	20.55%	20.55%	20.23%

<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>	<u>12/31/15</u>
0.0039600000%	0.0036500000%	0.0039300000%	0.0040500000%	0.0045600000%	0.0046600000%
\$ 376,066	\$ 353,937	\$ 447,377	\$ 810,179	\$ 838,136	\$ 492,482
<u>-</u>	<u>1,804</u>	<u>2,463</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>376,066</u></u>	\$ <u><u>355,741</u></u>	\$ <u><u>449,840</u></u>	\$ <u><u>810,179</u></u>	\$ <u><u>838,136</u></u>	\$ <u><u>492,482</u></u>
\$ 130,000	\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750	\$ 130,000
289%	272%	344%	598%	706%	379%
65%	62%	55%	43%	43%	60%
<u>12/31/21</u>	<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>
\$ 25,909	\$ 25,519	\$ 25,032	\$ 25,905	\$ 22,717	\$ 23,699
<u>(25,909)</u>	<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>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 130,000	\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750	\$ 130,000
19.93%	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, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
District's Proportion of the Net OPEB Liability	0.0010771154%	0.0011764199%	0.0012810847%	0.0013581510%
District's Proportionate Share of the Net OPEB Liability	\$ 5,150	\$ 8,396	\$ 10,460	\$ 11,711
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%	39%
FISCAL YEAR	<u>12/31/25</u>	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 1,326	\$ 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>	<u>(1,326)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Information will be presented when available.

<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>
0.0014000000%	0.0014500000%	0.0016000000%	0.0014600000%	0.0016500000%
\$ 13,358	\$ 16,251	\$ 21,784	\$ 19,009	\$ 21,346
\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750	\$ 130,000
10%	13%	16%	16%	16%
33%	24%	17%	18%	17%
<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
\$ 1,326	\$ 1,326	\$ 1,326	\$ 1,381	\$ 1,211
<u>(1,326)</u>	<u>(1,326)</u>	<u>(1,326)</u>	<u>(1,381)</u>	<u>(1,211)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 130,000	\$ 130,000	\$ 130,000	\$ 135,417	\$ 118,750
1.02%	1.02%	1.02%	1.02%	1.02%

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

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 Nick Dale, 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 Nick Dale, District Attorney. Management is authorized to make transfers between line items within a fund.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

At December 31, 2025, the District's General Fund actual expenditures/expenses exceeded budgeted appropriations by \$666,315. This may be a violation of state statutes.

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

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

SB 23-163, enacted and effective June 6, 2023, states beginning July 1, 2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purpose of determining their service retirement eligibility.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

THIRD JUDICIAL DISTRICT – OFFICE OF THE DISTRICT ATTORNEY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

NOTE 2: Schedule of Proportionate Share of the Net Pension Liability, Net OPEB Liability, and Contributions (Continued)

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and LGDTF were \$0.020 million and \$0.486 million, respectively.

NOTE 3: Changes in Assumptions and Other Inputs

Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021. The estimated administrative expense as a percentage of covered payroll was increased from 0.4% to 0.45%.

Assumptions related to salary increases, including wage inflation, in the SDTF from 2.7% to 13.30%. Health care costs assumptions were used in the rollforward calculation for the HCTF, which included altered salary scale assumptions to better reflect actual experience; revised rates of termination/withdrawal, retirement, and disability to more closely reflect actual experience; reduction of participation rates; and MAPD premium costs are no longer age graded.