



**SOUTH METRO FIRE RESCUE**  
**Volunteer Firefighter Pension Board of Trustees' Regular Meeting**  
**May 1, 2023 at 6:00 p.m.**  
**9195 E. Mineral Avenue, Centennial, CO**

**AGENDA**

**I. REGULAR MEETING CALL TO ORDER**

**A. CONSENT AGENDA**

*Consent Agenda items are provided for study in the Board packets and introduced in the General Session for the Board's review. They can be adopted by a single motion. All resolutions and proposed actions must be read by title prior to a vote on the motion. Any Consent Agenda items may be removed at the request of a Director and heard separately or tabled.*

1. November 7, 2022 South Metro Fire Rescue Volunteer Firefighter Pension Board of Trustees' Special Board Meeting Minutes
2. Fourth Quarter 2022 & First Quarter 2023 Allocation Reports (if available)

**B. PLEDGE OF ALLEGIANCE**

**C. ACTION ITEMS**

1. 2023 Volunteer Pension Board Election Schedule – Dell'Orfano

**D. DISCUSSION ITEMS**

**E. INFORMATION ITEMS**

**F. NEXT MEETING**

Regular Board of Trustees' Meeting to be held on August 7, 2023 at 6:00 p.m. at 9195 E. Mineral Avenue, Centennial, CO.

**G. ADJOURNMENT**



Walt Burns nominated Jack Gilliland for Vice President. There were no other nominations. Jack Gilliland accepted the nomination. All were in favor and Jack Gilliland was elected as Vice Chair.

Renee Anderson nominated Kevin Leung for Secretary. There were no other nominations. Kevin Leung accepted the nomination. All were in favor and Kevin Leung was elected as Secretary.

**DISCUSSION ITEMS**

Chair Albee stated that when looking at the individual allocation reports, asked if they reflect the approved increase & are the actuarial required numbers for the increased benefit? CFO Miskimins confirmed both are reflected in the allocation reports and that in 2024 the funds will be reallocated based on more losses than gains.

**INFORMATION ITEMS**

N/A

**EXECUTIVE SESSION**

There was no motion to convene to executive session.

**NEXT MEETING**

Regular Board of Trustees' Meeting to be held in May 2023, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

**ADJOURNMENT**

The meeting was adjourned by Chair Albee at 6:13 p.m.

Attested by \_\_\_\_\_ Date \_\_\_\_\_

**MEMORANDUM**

**To:** Affiliated FPPA Old Hire Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Year Ended December 31, 2022  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** February 18, 2023

**Allocation Report**

**Investment Pool**

Your plan assets are commingled for investment purposes in the Members’ Benefit Investment Fund – Glide-Path Pool (“Pool”) as of July 1, 2019.

**Investment Performance**

Returns for the Pool are as follows:

As of 12/31/22	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	3.35%	(6.80)%	(6.80)%	4.94%	N/A

\*FPPA Administrative Expenses are not included in the Total Pool Net of Investment Expense percentages.

The table below summarizes expenses as a percentage of net assets for the Pool through June 30, 2022. For 2019, the expenses are summarized as a blended percentage of net assets of the Members’ Benefit Investment Fund through June 30, 2019 and the Pool from July 1, 2019 through December 31, 2019:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2022	0.05%	0.62%	0.67%
2021	0.04%	0.70%	0.74%
2020	0.04%	0.74%	0.78%
2019	0.13%	0.80%	0.93%

**How to Calculate Your Plan Specific Expense Ratio**

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan’s administrative expenses may differ from the Pool. In order to calculate your plan’s administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

**Allocation Methodology**

*Investment Expenses* and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan’s proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan’s proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Annual Comprehensive Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

### **Review of the Report**

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by March 31, 2023. If FPPA does not receive a response by March 31, 2023, you are confirming that these report items are correct.**

### **Annual Contributions Received**

FPPA provides a schedule of your 2022 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2022. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.** All required contributions were due to FPPA before December 31, 2022 to be included in this report.

### **Direct Expense Allocation Summary**

#### **Direct Expense Allocation**

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI).

#### **Payment of Settlor Expenses**

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at [pjob@fppaco.org](mailto:pjob@fppaco.org).

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## Allocation Report Descriptions

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***This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date***

<p><b>Beginning Balance</b></p> <p><b>Plan Direct Inflows and Outflows</b></p> <p>Member Contributions</p> <p>Employer Contributions</p> <p>Contributions from the SWDD Plan</p> <p>Refunds</p> <p>Affiliations/Disaffiliations</p> <p>Net Benefits</p> <p>Plan Directed Expenses</p> <p>State Funding</p> <p><b>Plan Direct Inflows and Outflows Sub-Total</b></p> <p><b>Allocated Income and Expense</b></p> <p>Interest*</p> <p>Dividends*</p> <p>Other Income*</p> <p>Net Change Accrued Income*</p> <p>Unrealized Gain/Loss*</p> <p>Realized Gain/Loss*</p> <p>Defined Contribution Earnings (Net)</p> <p>Investment Expenses</p> <p>Direct Expense Allocation</p> <p>Other Expenses</p> <p><b>Allocated Income and Expense Sub-Total</b></p> <p><b>Ending Balance</b></p>	<p>Plan assets at the beginning of the year</p> <p>Member Contributions made to the plan</p> <p>Employer Contributions made to the plan</p> <p>Contributions received for a member on disability rolling to a normal retirement</p> <p>Member withdrawal of funds from the plan</p> <p>Plan affiliation or disaffiliation or idle funds distributions (typically a Volunteer Fire Plan matter)</p> <p>Benefits paid to retired members</p> <p>Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense</p> <p>State funding for volunteer plans</p> <p>Sub-Total of the above activity</p> <p>Interest on investments</p> <p>Dividends on investments</p> <p>Other investment income</p> <p>Change in accrued earnings for interest and dividends</p> <p>Unrealized Gain/Loss on investments</p> <p>Realized Gain/Loss on investments</p> <p>Not applicable for Defined Benefit plans</p> <p>Allocated share of FPPA investment expense</p> <p>Expenses directly allocated to the plan Examples: actuarial and audit fees</p> <p>Allocated share of FPPA administrative expense</p> <p>Sub-Total of the above activity</p> <p>Plan assets at period end</p>
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\* Allocated from the Fire & Police Members' Benefit Investment Fund – Glide-Path Pool

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**Fire and Police Pension Association  
Cherry Hills FPD Old Hire Plan 505-4  
For the Twelve Months Ending December 31, 2022**

Beginning Balance	\$2,405,490.88
<b>Plan Direct Inflows and Outflows</b>	
Member Contributions	
Employer Contributions	\$216,735.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$359,091.36)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$142,356.36)
<b>Allocated Income and Expense</b>	
Interest	\$15,411.32
Dividends	\$4,705.92
Other Income	\$6,370.26
Net Change Accrued Income	\$1,370.87
Unrealized Gain/Loss	(\$213,308.89)
Realized Gain/Loss	\$30,942.89
Defined Contribution Earnings (Net)	
Investment Expenses	(\$12,965.35)
Direct Expense Allocation	(\$2,509.59)
Other Expenses	(\$2,709.76)
Allocated Income and Expense Sub-Total	(\$172,692.33)
Ending Balance	\$2,090,442.19



**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 Cherry Hills FPD Old Hire Plan 505-4  
 For the Thirteen Months Ending December 31, 2022**

<b>Type of Expense</b>	<b>2022 Budget</b>	<b>Year-to-Date Expenses</b>	<b>Payment of 2022 Expenses</b>
Actuarial Expenses	\$2,360.04	\$2,163.37	
Audit Expenses	\$149.55	\$168.24	(\$18.69)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$2,509.59</b>	<b>\$2,331.61</b>	<b>(\$18.69)</b>

*Actuarial expenses may exceed the budget related to asset allocation studies and implementation.*

**Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.**

**MEMORANDUM**

**To:** Affiliated Volunteer Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Year Ending December 31, 2022  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** February 18, 2023

**Allocation Report**

**Investment Performance**

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund – Long Term Pool ("Pool"). Returns for the Pool are as follows (returns for periods longer than one year are annualized):

As of 12/31/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	5.18%	(7.84)%	(7.84)%	6.43%	6.73%

\*FPPA Administrative Expenses are not included in the Total Pool Net of Investment Expense percentages.

The table below summarizes expenses as a percentage of net assets for the Pool:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2022	0.14%	0.80%	0.94%
2021	0.12%	0.81%	0.93%
2020	0.13%	0.79%	0.92%
2019	0.13%	0.80%	0.93%
2018	0.16%	0.88%	1.04%
2017	0.23%	0.89%	1.12%
2016	0.24%	0.79%	1.03%

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<p><b>Beginning Balance</b></p> <p><b>Plan Direct Inflows and Outflows</b></p> <p>Member Contributions</p> <p>Employer Contributions</p> <p>Contributions from the SWDD Plan</p> <p>Refunds</p> <p>Affiliations/(Disaffiliations)</p> <p>Net Benefits</p> <p>Plan Directed Expenses</p> <p>State Funding</p> <p><b>Plan Direct Inflows and Outflows Sub-Total</b></p> <p><b>Allocated Income and Expense</b></p> <p>Interest*</p> <p>Dividends*</p> <p>Other Income*</p> <p>Net Change Accrued Income*</p> <p>Unrealized Gain/Loss*</p> <p>Realized Gain/Loss*</p> <p>Defined Contribution Earnings (Net)</p> <p>Investment Expenses</p> <p>Direct Expense Allocation</p> <p>Other Expenses</p> <p><b>Allocated Income and Expense Sub-Total</b></p> <p><b>Ending Balance</b></p>	<p>Plan assets at the beginning of the year</p> <p>Member Contributions made to the plan</p> <p>Employer Contributions made to the plan</p> <p>Contributions received for a member on disability rolling to a normal retirement</p> <p>Member withdrawal of funds from the plan</p> <p>Plan affiliation or disaffiliation or idle funds distribution (typically a Volunteer Fire Plan matter)</p> <p>Benefits paid to retired members</p> <p>Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense</p> <p>State funding for volunteer plans</p> <p>Sub-Total of the above activity</p> <p>Interest on investments</p> <p>Dividends on investments</p> <p>Other investment income</p> <p>Change in accrued earnings for interest and dividends</p> <p>Unrealized Gain/Loss on investments</p> <p>Realized Gain/Loss on investments</p> <p>Not applicable for Defined Benefit plans</p> <p>Allocated share of FPPA investment expense</p> <p>Expenses directly allocated to the plan Examples: actuarial and audit fees</p> <p>Allocated share of FPPA administrative expense</p> <p>Sub-Total of the above activity</p> <p>Plan assets at period end</p>
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*\* Allocated from the Fire & Police Members' Benefit Investment Fund – Long Term Pool.*

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**Fire and Police Pension Association  
Parker FPD Volunteers 591-5  
For the Twelve Months Ending December 31, 2022**

Beginning Balance	\$263,969.55
<b>Plan Direct Inflows and Outflows</b>	
Member Contributions	
Employer Contributions	\$94,767.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$109,960.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$15,193.00)</u>
<b>Allocated Income and Expense</b>	
Interest	\$681.69
Dividends	\$996.68
Other Income	\$436.92
Net Change Accrued Income	\$74.28
Unrealized Gain/Loss	(\$25,077.42)
Realized Gain/Loss	\$3,420.25
Defined Contribution Earnings (Net)	
Investment Expenses	(\$1,523.82)
Direct Expense Allocation	(\$463.11)
Other Expenses	(\$4,877.51)
Allocated Income and Expense Sub-Total	<u>(\$26,332.04)</u>
Ending Balance	<u><u>\$222,444.51</u></u>

**Fire and Police Pension Association**

**Volunteer Fire Pension Plan Contributions  
PARKER FPD => SOUTH METRO FIRE RESCUE 591-5**

**For the Reporting Period: 01/01/2022 through 12/31/2022**

<b>Deposit Date</b>	<b>Employer Contributions</b>	<b>State Matching Funds</b>	<b>Total Remittance</b>
12/19/2022	\$94,767.00	\$0.00	\$94,767.00
<b>Total Remittance</b>			\$94,767.00
<b>Calculated Contribution per the 01/01/2021 Actuarial Study</b>			\$94,767.00
<b>Difference Over/(Under)</b>			\$0.00

**Note: The Calculated Contribution amount is due to FPPA before 12/31/2022**

**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 Parker FPD Volunteers 591-5  
 For the Twelve Months Ending December 31, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$287.43	
Audit Expenses	\$149.55	\$168.24	(\$18.69)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$463.11</b>	<b>\$455.67</b>	<b>(\$18.69)</b>

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\* Allocated from the Fire & Police Members' Benefit Investment Fund – Long Term Pool.

**Fire and Police Pension Association**  
**South Metro Fire Rescue Volunteers 540-5**  
**For the Twelve Months Ending December 31, 2022**

Beginning Balance	\$284,469.85
<b>Plan Direct Inflows and Outflows</b>	
Member Contributions	
Employer Contributions	\$48,233.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$65,400.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$17,167.00)</u>
<b>Allocated Income and Expense</b>	
Interest	\$834.07
Dividends	\$1,181.81
Other Income	\$555.69
Net Change Accrued Income	\$93.75
Unrealized Gain/Loss	(\$27,346.47)
Realized Gain/Loss	\$3,856.76
Defined Contribution Earnings (Net)	
Investment Expenses	(\$1,837.39)
Direct Expense Allocation	(\$463.12)
Other Expenses	(\$3,251.68)
Allocated Income and Expense Sub-Total	<u>(\$26,376.58)</u>
Ending Balance	<u><u>\$240,926.27</u></u>

**Fire and Police Pension Association**

**Volunteer Fire Pension Plan Contributions  
SOUTH METRO FIRE RESCUE FPD 540-5**

**For the Reporting Period: 01/01/2022 through 12/31/2022**

<b>Deposit Date</b>	<b>Employer Contributions</b>	<b>State Matching Funds</b>	<b>Total Remittance</b>
12/19/2022	\$48,233.00	\$0.00	\$48,233.00
<b>Total Remittance</b>			\$48,233.00
<b>Calculated Contribution per the 01/01/2021 Actuarial Study</b>			\$48,233.00
<b>Difference Over/(Under)</b>			\$0.00

*Note: The Calculated Contribution amount is due to FPPA before 12/31/2022*

**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 South Metro Fire Rescue Volunteers 540-5  
 For the Twelve Months Ending December 31, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$287.43	
Audit Expenses	\$149.55	\$168.26	(\$18.70)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$463.11</b>	<b>\$455.69</b>	<b>(\$18.70)</b>

*Actuarial expenses may exceed the budget related to asset allocation studies and implementation.*

**Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.**

# Statewide Defined Benefit Plan

GASB Statement No. 68  
Schedule of Employer Contributions and  
Schedule of Collective Pension Amounts

For the Measurement Period Ending December 31, 2021  
and Employer Reporting Period Ending December 31, 2022

**FPPA**

**Fire & Police Pension Association of Colorado**





## Independent Auditor's Report

To the Board of Directors  
Fire and Police Pension Association of Colorado  
Denver, Colorado

### Report on the Audit of the Schedules

#### *Opinions*

We have audited the accompanying schedule of employer contributions of the Fire and Police Pension Association of Colorado – Statewide Defined Benefit Plan for the year ended December 31, 2021 and related notes. We have also audited the rows titled net pension liability / (asset), total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and pension plan expense (income) as of and for the year ended December 31, 2021 (specified row amounts) included in the accompanying schedule of collective pension amounts (collectively the Schedules) of the Fire and Police Pension Association of Colorado – Statewide Defined Benefit Plan, and related notes.

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer contributions for the year ended December 31, 2021, the net pension liability / (asset), total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and total pension expense (income) for the Fire and Police Pension Association of Colorado – Statewide Defined Benefit Plan as of and for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan, 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 Schedules***

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

In preparing the schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire and Police Pension Association of Colorado'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 Schedules***

Our objectives are to obtain reasonable assurance about whether the schedules 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 risks of material misstatement of the schedules, 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 Fire and Police Pension Association of Colorado'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 schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire and Police Pension Association of Colorado'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.

**Other Matters**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Fire and Police Pension Association of Colorado as of and for the year ended December 31, 2021, and our report thereon, dated May 13, 2022, expressed an unmodified opinion on those financial statements.

**Restriction on Use**

Our report is intended solely for the information and use of the Fire and Police Pension Association of Colorado (FPPA) management and Board of Directors, FPPA employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*Eide Bailly LLP*  
Denver, Colorado  
September 6, 2022

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
ADAMS COUNTY FPD	\$800,381
ALMA POLICE	4,866
ANTONITO POLICE	8,296
ARVADA FPD	1,403,757
ASPEN FPD	92,105
AULT FPD	26,434
AULT POLICE	28,627
AURORA FIRE	2,760,907
BASALT POLICE	68,322
BAYFIELD POLICE	34,717
BENNETT FPD #7	132,691
BERTHOUD FPD	225,021
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT	7,824
BIG SANDY FPD	3,810
BLACK FOREST FIRE RESCUE	118,656
BLACK HAWK FIRE	145,300
BLANCA POLICE	6,339
BOULDER MOUNTAIN FPD	26,578
BOULDER RURAL FPD	178,826
BRIGGS DALE FPD	4,388
BRIGHTON (GREATER) FPD	590,379
BRIGHTON POLICE	567,823
BROADMOOR FPD	28,130
BROOMFIELD POLICE	1,231,115
BRUSH POLICE	53,414
BUENA VISTA POLICE	45,294
BYERS FPD #9	7,130
CALHAN FPD	7,648
CANON CITY POLICE	163,895
CARBONDALE & RURAL FPD	177,577
CASTLE ROCK FIRE	733,443
CASTLE ROCK POLICE	606,237
CENTER POLICE	19,535
CHAFFEE COUNTY FPD	29,950
CIMARRON HILLS FPD	124,258
CLEAR CREEK FIRE AUTHORITY	33,982
CLIFTON FPD	112,570
COAL CREEK CANYON FPD	6,800
COLLBRAN MARSHALS	3,631
COLORADO RIVER FPD	279,113
COLORADO SPRINGS FIRE	2,721,256

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions For the year ended December 31, 2021</b>
COLORADO SPRINGS POLICE	\$3,348,174
COLUMBINE VALLEY POLICE	34,487
CORTEZ FPD	52,256
CRESTED BUTTE FPD	114,414
CRIPPLE CREEK FIRE	59,383
DACONO POLICE	93,987
DEBEQUE FPD	37,157
DEBEQUE POLICE	13,979
DELTA COUNTY FPD #1	10,766
DENVER FIRE	8,083,071
DENVER POLICE	11,730,286
DILLON POLICE	31,601
DINOSAUR POLICE	13,130
DONALD WESCOTT FPD	152,868
DURANGO FPD	498,518
EAST GRAND FPD #4	32,099
EATON FPD	106,633
EDGEWATER POLICE	108,546
ELIZABETH POLICE	40,315
ELK CREEK FPD	91,833
EMPIRE POLICE	9,836
ENGLEWOOD POLICE	509,687
ERIE POLICE	294,980
ESTES VALLEY FPD	33,995
EVANS FPD	125,184
EVANS POLICE	29,593
EVERGREEN FPD	49,120
FAIRMOUNT FPD	190,667
FAIRPLAY MARSHALLS POLICE	16,471
FALCON FPD	307,563
FEDERAL HEIGHTS FIRE	97,767
FEDERAL HEIGHTS POLICE	132,865
FIRESTONE POLICE	217,643
FLORENCE POLICE	52,512
FOOTHILLS FIRE & RESCUE	28,806
FORT LEWIS MESA FPD	11,193
FORT LUPTON FPD	227,562
FOUNTAIN FIRE	186,467
FOUNTAIN POLICE	324,117
FOUR MILE FPD - FLORISSANT	9,401
FOWLER POLICE	11,377
FRANKTOWN FPD	129,163

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
FREDERICK FIRESTONE FPD	\$466,469
FREDERICK POLICE	203,696
FRISCO POLICE	70,126
FRONT RANGE FIRE RESCUE FPD	237,192
GALETON FPD	23,392
GARDEN CITY POLICE	21,650
GATEWAY-UNAWEEP FPD	4,484
GENESEE FPD	21,027
GEORGETOWN POLICE	15,960
GRAND FPD #1	20,318
GRAND JUNCTION FIRE	700,625
GRAND LAKE FPD	77,265
GRAND VALLEY FPD	103,559
GREATER EAGLE FPD	94,822
GREELEY FIRE	904,523
GYPSUM FPD	46,207
HARTSEL FPD	6,401
HAXTUN POLICE	5,272
HOLYOKE POLICE	8,747
HOT SULPHUR SPRINGS/PARSHALL FPD	5,454
HUDSON FPD	194,344
HUDSON POLICE	21,447
HUGO POLICE	8,394
IDAHO SPRINGS POLICE	42,560
IGNACIO POLICE	42,650
INTER-CANYON FPD	26,886
JEFFERSON-COMO FPD	40,476
JOHNSTOWN POLICE	78,837
KERSEY POLICE	9,528
KIOWA FPD	11,945
KREMMLING FPD	4,021
KREMMLING POLICE	8,418
LA JARA POLICE	11,395
LA SALLE FPD	79,567
LA SALLE POLICE	37,510
LA VETA POLICE	3,921
LAFAYETTE FIRE	257,063
LAFAYETTE POLICE	267,853
LAKE GEORGE FPD	7,735
LAKESIDE POLICE	20,524
LARKSPUR FPD	88,443
LEADVILLE FIRE	57,022

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
LEADVILLE POLICE	\$25,462
LEFTHAND FPD	15,664
LITTLETON POLICE	386,601
LOCHBUIE POLICE	66,591
LOG LANE VILLAGE POLICE	9,015
LONE TREE POLICE	371,111
LONGMONT POLICE	13,985
LOS PINOS FPD	137,456
LOWER VALLEY FPD	85,435
LYONS FPD	24,792
MANITOU SPRINGS FIRE	41,656
MANITOU SPRINGS POLICE	86,122
MEAD POLICE	66,437
MILLIKEN POLICE	61,393
MONTE VISTA POLICE	35,550
MONTROSE FPD	240,514
MONTROSE POLICE	226,735
MONUMENT POLICE	52,547
MOUNTAIN VIEW FPD	1,283,273
MOUNTAIN VIEW POLICE	50,952
MOUNTAIN VILLAGE POLICE	44,142
NEDERLAND FPD	19,183
NORTH FORK FPD	6,106
NORTH METRO FIRE RESCUE	1,244,743
NORTH ROUTT FPD	12,235
NORTHEAST TELLER COUNTY FPD	95,095
NORTH-WEST FPD	71,288
NUNN POLICE	11,402
OAK CREEK FPD	37,418
OAK CREEK POLICE	10,059
OLATHE FPD	38,661
OLATHE POLICE	22,871
PAGOSA FPD	70,700
PAGOSA SPRINGS POLICE	33,498
PALISADE FIRE	8,445
PALISADE POLICE	46,741
PALMER LAKE FIRE	22,303
PALMER LAKE POLICE	11,178
PAONIA POLICE	18,550
PARACHUTE POLICE	23,607
PARKER POLICE	540,546
PEYTON FPD	3,975

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
PLATEAU VALLEY FPD	\$39,415
PLATTE CANYON FPD	123,375
PLATTE VALLEY FPD	168,467
PLATTEVILLE POLICE	46,162
PLATTEVILLE/GILCREST FPD	251,836
PLEASANT VIEW METRO FIRE DISTRICT	31,199
POUDRE FIRE AUTHORITY	706,151
PUEBLO FIRE	856,943
PUEBLO POLICE	1,244,772
PUEBLO RURAL FPD	132,769
PUEBLO WEST METRO FPD	121,529
RATTLESNAKE FPD	47,662
RED WHITE & BLUE FPD	415,615
ROARING FORK FRA	201,807
RYE FPD	21,789
SABLE ALTURA FPD	27,299
SALIDA FIRE	83,964
SALIDA POLICE	103,000
SECURITY FPD	176,047
SEVERANCE POLICE	32,021
SHERIDAN POLICE	203,716
SILT POLICE	34,094
SOUTH ADAMS COUNTY FPD	769,315
SOUTH FORK FPD	31,104
SOUTH FORK POLICE	8,231
SOUTH METRO FIRE RESCUE FPD	1,651,534
SOUTHEAST WELD FPD	137,329
SOUTHERN PARK COUNTY FPD	6,792
SOUTHWESTERN HIGHWAY 115 FPD	7,225
SPRINGFIELD POLICE	4,905
STEAMBOAT SPRINGS FIRE	195,579
STERLING FIRE	98,184
STERLING POLICE	102,291
STRASBURG FPD #8	13,748
STRATMOOR HILLS FPD	32,259
SUMMIT FIRE & EMS FPD	398,038
TELLURIDE FPD	120,818
THORNTON FIRE	898,865
THORNTON POLICE	1,481,671
TIMBERLINE FPD	27,414
TRI-LAKES MONUMENT FPD	388,983
TRINIDAD FIRE	72,630

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado**

**Schedule of Employer Contributions**

**Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions For the year ended December 31, 2021</b>
UPPER PINE RIVER FPD	\$158,142
WELLINGTON FPD	183,828
WEST DOUGLAS COUNTY FPD	7,949
WEST METRO FPD	2,351,742
WEST ROUTT FPD	24,842
WESTMINSTER FIRE	1,018,902
WESTMINSTER POLICE	1,283,034
WIGGINS POLICE	11,961
WINDSOR POLICE	141,382
WINDSOR SEVERANCE FPD	369,255
WRAY POLICE	24,308
YUMA POLICE	32,745
<b>TOTAL, ALL EMPLOYER CONTRIBUTIONS</b>	<b>\$68,426,899</b>

**Fire & Police Pension Association of Colorado****Schedule of Collective Pension Amounts****Statewide Defined Benefit Plan**

	As of and for the year ended December 31, 2021
<b>Net Pension Liability/(Asset)</b>	<u><u>\$(541,933,763)</u></u>
<b>Deferred Outflows of Resources</b>	
Differences Between Actual and Expected Experience	\$155,184,251
Changes of Assumptions**	77,283,631
Net Difference Between Projected and Actual Investment Earnings	0
Total Deferred Outflows Excluding Employer Specific Amounts*	<u><u>\$232,467,882</u></u>
<b>Deferred Inflows of Resources</b>	
Differences Between Actual and Expected Experience	\$12,639,422
Changes of Assumptions**	0
Net Difference Between Projected and Actual Investment Earnings	362,692,617
Total Deferred Inflows Excluding Employer Specific Amounts*	<u><u>\$375,332,039</u></u>
<b>Pension Plan Expense/(Income)</b>	<u><u>\$(61,062,595)</u></u>

\* Employer specific amounts exclude two additional types of deferred outflows of resources and deferred inflows of resources. These amounts relate to (1) the net impact by employer from changes in proportion (that is, the allocation percentage) between reporting periods; and (2) differences between actual contributions made by an employer and their proportionate share of total contributions calculated based on the allocation percentage.

\*\* Changes in Assumptions are recorded as Deferred Outflows or Deferred Inflows in the year changes are enacted and amortized over the average remaining expected service life in place during the initial year of the assumption change. Changes in assumptions were last made as a result of the Actuarial Experience Study in 2018.

**Note 1: Plan Description**

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

**Note 2: Description of Benefits**

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Note 3: Contributions**

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in

2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

**Note 4: Basis of Presentation**

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA’s financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

As reported in FPPA’s Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2021 Annual Report, employer contributions to the SWDB plan were \$68,304,906 compared to total employer contributions of \$68,426,899 on the Schedule of Employer Contributions. Adjustments were made to reduce employer contributions to zero for departments that had no remaining members at year end and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the SWDB plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

**Note 5: Actuarial Valuation Dates**

The collective total pension liability as of December 31, 2021 is based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation.

**Note 6: Collective Net Pension Liability/(Asset)**

The components of the calculation of the net pension liability/(asset) of the SWDB plan for participating departments as of December 31, 2021 are shown in the following table:

	<b>Measurement Date December 31, 2021</b>
Total Pension Liability (A)	\$3,352,605,624
Plan Fiduciary Net Position (B)	3,894,539,387
Employers’ Net Pension Liability /(Asset) (A-B)	(541,933,763)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	116.2%

**Note 7: Actuarial Assumptions**

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
<b>Total</b>	<b>100%</b>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future

benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 8: Discount Rate**

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

<b>1% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
<b>\$(74,736,029)</b>	<b>\$(541,933,763)</b>	<b>\$(928,981,070)</b>

**Note 9: Reconciliation of Collective Deferred Outflows and Inflows of Resources**

The following tables present the SWDB collective deferral reconciliations showing beginning deferrals as of December 31, 2020 adding the current year collective deferrals and adjusting for the current year amortization of deferrals to arrive at the ending December 31, 2021 collective deferral amounts:

<b>Deferred Outflows of Resources</b>			
	<b>Difference Between Actual and Expected Experience</b>	<b>Changes in Assumptions</b>	<b>Net Difference Between Projected and Actual Investment Earnings</b>
Beginning Deferral Amounts as of Measurement Date, December 31, 2020	\$184,122,482	\$92,336,060	\$0
Deferral Amounts Added	0	0	0
Total Amortization Amounts Recognized in Pension Expense	(28,938,231)	(15,052,429)	0
Outstanding Deferral Amounts as of Measurement Date, December 31, 2021	\$155,184,251	\$77,283,631	\$0

<b>Deferred Inflows of Resources</b>			
	<b>Difference Between Actual and Expected Experience</b>	<b>Changes in Assumptions</b>	<b>Net Difference Between Projected and Actual Investment Earnings</b>
Beginning Deferral Amounts as of Measurement Date, December 31, 2020	\$863,501	\$0	\$222,993,333
Deferral Amounts Added	13,520,504	0	259,798,818
Total Amortization Amounts Recognized in Pension Expense	(1,744,583)	0	(120,099,534)
Outstanding Deferral Amounts as of Measurement Date, December 31, 2021	\$12,639,422	\$0	\$362,692,617

**Note 10: Net Amount of Collective Deferred Inflows and Outflows of Resources Recognized in the Collective Net Pension Expense in Subsequent Years**

The following table presents the SWDB plan net amount of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

For the Plan Year Ended December 31,	Amounts Recognized in Collective Pension Expense
2022	\$(48,929,866)
2023	(86,445,962)
2024	(48,508,073)
2025	(13,624,240)
2026	32,307,929
Thereafter	22,336,055

**Note 11: Average Remaining Expected Service Life**

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 9.0075 years determined as of the beginning of the December 31, 2021 measurement period.

**Note 12: Collective Pension Expense**

Collective Pension Expense/(Income)	For the Plan Year Ended December 31, 2021
Service Cost	\$133,502,346
Interest on the Total Pension Liability	223,246,294
Current-Period Benefit Changes	5,099,996
IRC 414(h)(2) Employer-paid Member Contributions	(92,209,329)
Member Purchases of Service Credit	(17,806,444)
Projected Earnings on Plan Investments	(239,498,969)
Pension Plan Administrative Expense	4,506,629
Other Changes in Plan Fiduciary Net Position	(49,661)
Recognition of Outflow of Resources due to Liabilities	42,246,077
Recognition of Outflow of Resources due to Assets	(120,099,534)
<b>Total Pension Plan Expense/(Income)</b>	<b>\$(61,062,595)</b>

**Note 13: Components of Schedule of Collective Pension Amounts***Net Pension Liability/(Asset)*

The collective net pension liability/(asset) is the total pension liability less the fiduciary net position for the SWDB.

*Difference Between Actual and Expected Experience*

The difference between actual and expected experience with regard to economic and demographic factors is amortized over a closed period equal to the average of the expected remaining service life of active and inactive members. The first year amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

*Net Difference Between Actual and Projected Investment Earnings on Pension Plan Investments*

The difference between the actual earnings on pension plan investments compared to the SWDB's expected rate of return of 7.0 percent is amortized over a closed period of five years. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

*Changes in Assumptions*

The change in assumptions about future economic or demographic factors or other inputs is amortized over a closed period equal to the average of the expected remaining service life of active and inactive members. The first year amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

*Total Deferred Outflows Excluding Employer Specific Amounts*

The total deferred outflows excluding employer specific amounts resulting from the difference between actual and expected experience, the net difference between projected and actual investment earnings on pension plan investments, and the changes in assumptions.

*Total Deferred Inflows Excluding Employer Specific Amounts*

The total deferred inflows excluding employer specific amounts resulting from the difference between actual and expected experience and the changes in assumptions.

*Collective Pension Plan Expense/(Income)*

Collective pension plan expense/(income) includes changes in the collective net pension liability/(asset), projected earnings on pension plan investments, and the amortization of deferred outflows and inflows of resources in the current period. Pension income should be reported as a credit in pension expense.

**Note 14: Subsequent Event**

*Statewide Retirement Plan*

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

*Actuarial Experience Study*

During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

**MEMORANDUM**

**To:** Affiliated FPPA Old Hire Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Year Ended December 31, 2022  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** February 18, 2023

**Allocation Report**

**Investment Pool**

Your plan assets are commingled for investment purposes in the Members’ Benefit Investment Fund – Glide-Path Pool (“Pool”) as of July 1, 2019.

**Investment Performance**

Returns for the Pool are as follows:

As of 12/31/22	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	3.35%	(6.80)%	(6.80)%	4.94%	N/A

\*FPPA Administrative Expenses are not included in the Total Pool Net of Investment Expense percentages.

The table below summarizes expenses as a percentage of net assets for the Pool through June 30, 2022. For 2019, the expenses are summarized as a blended percentage of net assets of the Members’ Benefit Investment Fund through June 30, 2019 and the Pool from July 1, 2019 through December 31, 2019:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2022	0.05%	0.62%	0.67%
2021	0.04%	0.70%	0.74%
2020	0.04%	0.74%	0.78%
2019	0.13%	0.80%	0.93%

**How to Calculate Your Plan Specific Expense Ratio**

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan’s administrative expenses may differ from the Pool. In order to calculate your plan’s administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

**Allocation Methodology**

*Investment Expenses* and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan’s proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan’s proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Annual Comprehensive Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

### **Review of the Report**

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by March 31, 2023. If FPPA does not receive a response by March 31, 2023, you are confirming that these report items are correct.**

### **Annual Contributions Received**

FPPA provides a schedule of your 2022 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2022. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.** All required contributions were due to FPPA before December 31, 2022 to be included in this report.

### **Direct Expense Allocation Summary**

#### **Direct Expense Allocation**

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI).

#### **Payment of Settlor Expenses**

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at [pjob@fppaco.org](mailto:pjob@fppaco.org).

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## Allocation Report Descriptions

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***This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date***

<p><b>Beginning Balance</b></p> <p><b>Plan Direct Inflows and Outflows</b></p> <p>Member Contributions</p> <p>Employer Contributions</p> <p>Contributions from the SWDD Plan</p> <p>Refunds</p> <p>Affiliations/Disaffiliations</p> <p>Net Benefits</p> <p>Plan Directed Expenses</p> <p>State Funding</p> <p><b>Plan Direct Inflows and Outflows Sub-Total</b></p> <p><b>Allocated Income and Expense</b></p> <p>Interest*</p> <p>Dividends*</p> <p>Other Income*</p> <p>Net Change Accrued Income*</p> <p>Unrealized Gain/Loss*</p> <p>Realized Gain/Loss*</p> <p>Defined Contribution Earnings (Net)</p> <p>Investment Expenses</p> <p>Direct Expense Allocation</p> <p>Other Expenses</p> <p><b>Allocated Income and Expense Sub-Total</b></p> <p><b>Ending Balance</b></p>	<p>Plan assets at the beginning of the year</p> <p>Member Contributions made to the plan</p> <p>Employer Contributions made to the plan</p> <p>Contributions received for a member on disability rolling to a normal retirement</p> <p>Member withdrawal of funds from the plan</p> <p>Plan affiliation or disaffiliation or idle funds distributions (typically a Volunteer Fire Plan matter)</p> <p>Benefits paid to retired members</p> <p>Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense</p> <p>State funding for volunteer plans</p> <p>Sub-Total of the above activity</p> <p>Interest on investments</p> <p>Dividends on investments</p> <p>Other investment income</p> <p>Change in accrued earnings for interest and dividends</p> <p>Unrealized Gain/Loss on investments</p> <p>Realized Gain/Loss on investments</p> <p>Not applicable for Defined Benefit plans</p> <p>Allocated share of FPPA investment expense</p> <p>Expenses directly allocated to the plan Examples: actuarial and audit fees</p> <p>Allocated share of FPPA administrative expense</p> <p>Sub-Total of the above activity</p> <p>Plan assets at period end</p>
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\* Allocated from the Fire & Police Members' Benefit Investment Fund – Glide-Path Pool

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**Fire and Police Pension Association  
Cherry Hills FPD Old Hire Plan 505-4  
For the Twelve Months Ending December 31, 2022**

Beginning Balance	\$2,405,490.88
<b>Plan Direct Inflows and Outflows</b>	
Member Contributions	
Employer Contributions	\$216,735.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$359,091.36)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$142,356.36)
<b>Allocated Income and Expense</b>	
Interest	\$15,411.32
Dividends	\$4,705.92
Other Income	\$6,370.26
Net Change Accrued Income	\$1,370.87
Unrealized Gain/Loss	(\$213,308.89)
Realized Gain/Loss	\$30,942.89
Defined Contribution Earnings (Net)	
Investment Expenses	(\$12,965.35)
Direct Expense Allocation	(\$2,509.59)
Other Expenses	(\$2,709.76)
Allocated Income and Expense Sub-Total	(\$172,692.33)
Ending Balance	\$2,090,442.19

**Cherry Hills Fire (505-4)  
2022 Old Hire Contributions**

Contributions Received by FPPA in:	Employer Contributions
January	\$0.00
February	\$0.00
March	\$0.00
April	\$0.00
May	\$0.00
June	\$0.00
July	\$0.00
August	\$0.00
September	\$0.00
October	\$0.00
November	\$0.00
December	\$216,735.00
Adjustment	\$0.00
<b>Total</b>	<b>\$216,735.00</b>

**Employer Required Contribution per 1/1/2020 Actuarial Study                    \$216,735**

Actual Employer Contribution	\$216,735.00
Annual Required Employer Contribution	\$216,735.00
<b>Employer Difference Over/(Under)</b>	<b>\$0.00</b>

**Percentage of Required Contribution Received    100.00%**

*The Annual Required Contribution Amount is due to FPPA before 12/31/2022*

**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 Cherry Hills FPD Old Hire Plan 505-4  
 For the Thirteen Months Ending December 31, 2022**

<b>Type of Expense</b>	<b>2022 Budget</b>	<b>Year-to-Date Expenses</b>	<b>Payment of 2022 Expenses</b>
Actuarial Expenses	\$2,360.04	\$2,163.37	
Audit Expenses	\$149.55	\$168.24	(\$18.69)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$2,509.59</b>	<b>\$2,331.61</b>	<b>(\$18.69)</b>

*Actuarial expenses may exceed the budget related to asset allocation studies and implementation.*

**Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.**

**MEMORANDUM**

**To:** Affiliated Volunteer Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Year Ending December 31, 2022  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** February 18, 2023

**Allocation Report**

**Investment Performance**

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund – Long Term Pool ("Pool"). Returns for the Pool are as follows (returns for periods longer than one year are annualized):

As of 12/31/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	5.18%	(7.84)%	(7.84)%	6.43%	6.73%

\*FPPA Administrative Expenses are not included in the Total Pool Net of Investment Expense percentages.

The table below summarizes expenses as a percentage of net assets for the Pool:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2022	0.14%	0.80%	0.94%
2021	0.12%	0.81%	0.93%
2020	0.13%	0.79%	0.92%
2019	0.13%	0.80%	0.93%
2018	0.16%	0.88%	1.04%
2017	0.23%	0.89%	1.12%
2016	0.24%	0.79%	1.03%

**How to Calculate Your Plan Specific Expense Ratio**

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**Allocation Methodology**

*Investment Expenses* and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan's proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan's proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Annual Comprehensive Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

### **Review of the Report**

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by March 31, 2023. If FPPA does not receive a response by March 31, 2023, you are confirming that these report items are correct.**

### ***Annual Contributions Received***

FPPA provides a schedule of your 2022 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2022. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.**

### ***Direct Expense Allocation Summary***

#### **Direct Expense Allocation**

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

#### **Payment of Settlor Expenses**

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at [pjob@fppaco.org](mailto:pjob@fppaco.org).

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### **Allocation Report Descriptions**

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***This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date***

<p><b>Beginning Balance</b></p> <p><b>Plan Direct Inflows and Outflows</b></p> <p>Member Contributions</p> <p>Employer Contributions</p> <p>Contributions from the SWDD Plan</p> <p>Refunds</p> <p>Affiliations/(Disaffiliations)</p> <p>Net Benefits</p> <p>Plan Directed Expenses</p> <p>State Funding</p> <p><b>Plan Direct Inflows and Outflows Sub-Total</b></p> <p><b>Allocated Income and Expense</b></p> <p>Interest*</p> <p>Dividends*</p> <p>Other Income*</p> <p>Net Change Accrued Income*</p> <p>Unrealized Gain/Loss*</p> <p>Realized Gain/Loss*</p> <p>Defined Contribution Earnings (Net)</p> <p>Investment Expenses</p> <p>Direct Expense Allocation</p> <p>Other Expenses</p> <p><b>Allocated Income and Expense Sub-Total</b></p> <p><b>Ending Balance</b></p>	<p>Plan assets at the beginning of the year</p> <p>Member Contributions made to the plan</p> <p>Employer Contributions made to the plan</p> <p>Contributions received for a member on disability rolling to a normal retirement</p> <p>Member withdrawal of funds from the plan</p> <p>Plan affiliation or disaffiliation or idle funds distribution (typically a Volunteer Fire Plan matter)</p> <p>Benefits paid to retired members</p> <p>Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense</p> <p>State funding for volunteer plans</p> <p>Sub-Total of the above activity</p> <p>Interest on investments</p> <p>Dividends on investments</p> <p>Other investment income</p> <p>Change in accrued earnings for interest and dividends</p> <p>Unrealized Gain/Loss on investments</p> <p>Realized Gain/Loss on investments</p> <p>Not applicable for Defined Benefit plans</p> <p>Allocated share of FPPA investment expense</p> <p>Expenses directly allocated to the plan Examples: actuarial and audit fees</p> <p>Allocated share of FPPA administrative expense</p> <p>Sub-Total of the above activity</p> <p>Plan assets at period end</p>
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*\* Allocated from the Fire & Police Members' Benefit Investment Fund – Long Term Pool.*

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**Fire and Police Pension Association  
Parker FPD Volunteers 591-5  
For the Twelve Months Ending December 31, 2022**

Beginning Balance	\$263,969.55
<b>Plan Direct Inflows and Outflows</b>	
Member Contributions	
Employer Contributions	\$94,767.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$109,960.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$15,193.00)</u>
<b>Allocated Income and Expense</b>	
Interest	\$681.69
Dividends	\$996.68
Other Income	\$436.92
Net Change Accrued Income	\$74.28
Unrealized Gain/Loss	(\$25,077.42)
Realized Gain/Loss	\$3,420.25
Defined Contribution Earnings (Net)	
Investment Expenses	(\$1,523.82)
Direct Expense Allocation	(\$463.11)
Other Expenses	(\$4,877.51)
Allocated Income and Expense Sub-Total	<u>(\$26,332.04)</u>
Ending Balance	<u><u>\$222,444.51</u></u>

**Fire and Police Pension Association**

**Volunteer Fire Pension Plan Contributions  
PARKER FPD => SOUTH METRO FIRE RESCUE 591-5**

**For the Reporting Period: 01/01/2022 through 12/31/2022**

<b>Deposit Date</b>	<b>Employer Contributions</b>	<b>State Matching Funds</b>	<b>Total Remittance</b>
12/19/2022	\$94,767.00	\$0.00	\$94,767.00
<b>Total Remittance</b>			\$94,767.00
<b>Calculated Contribution per the 01/01/2021 Actuarial Study</b>			\$94,767.00
<b>Difference Over/(Under)</b>			\$0.00

**Note: The Calculated Contribution amount is due to FPPA before 12/31/2022**

**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 Parker FPD Volunteers 591-5  
 For the Twelve Months Ending December 31, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$287.43	
Audit Expenses	\$149.55	\$168.24	(\$18.69)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$463.11</b>	<b>\$455.67</b>	<b>(\$18.69)</b>

*Actuarial expenses may exceed the budget related to asset allocation studies and implementation.*

**Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.**

**MEMORANDUM**

**To:** Affiliated Volunteer Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Year Ending December 31, 2022  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** February 18, 2023

**Allocation Report**

**Investment Performance**

Your plan assets are commingled for investment purposes in the Members’ Benefit Investment Fund – Long Term Pool (“Pool”). Returns for the Pool are as follows (returns for periods longer than one year are annualized):

As of 12/31/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	5.18%	(7.84)%	(7.84)%	6.43%	6.73%

\*FPPA Administrative Expenses are not included in the Total Pool Net of Investment Expense percentages.

The table below summarizes expenses as a percentage of net assets for the Pool:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2022	0.14%	0.80%	0.94%
2021	0.12%	0.81%	0.93%
2020	0.13%	0.79%	0.92%
2019	0.13%	0.80%	0.93%
2018	0.16%	0.88%	1.04%
2017	0.23%	0.89%	1.12%
2016	0.24%	0.79%	1.03%

**How to Calculate Your Plan Specific Expense Ratio**

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan’s administrative expenses may differ from the Pool. In order to calculate your plan’s administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

**Allocation Methodology**

*Investment Expenses* and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan’s proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan’s proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Annual Comprehensive Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

### **Review of the Report**

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by March 31, 2023. If FPPA does not receive a response by March 31, 2023, you are confirming that these report items are correct.**

### **Annual Contributions Received**

FPPA provides a schedule of your 2022 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2022. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.**

### **Direct Expense Allocation Summary**

#### **Direct Expense Allocation**

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

#### **Payment of Settlor Expenses**

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at [pjob@fppaco.org](mailto:pjob@fppaco.org).

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**Allocation Report Descriptions**

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*This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date*

<p><b>Beginning Balance</b></p> <p><b>Plan Direct Inflows and Outflows</b></p> <p>Member Contributions</p> <p>Employer Contributions</p> <p>Contributions from the SWDD Plan</p> <p>Refunds</p> <p>Affiliations/(Disaffiliations)</p> <p>Net Benefits</p> <p>Plan Directed Expenses</p> <p>State Funding</p> <p><b>Plan Direct Inflows and Outflows Sub-Total</b></p> <p><b>Allocated Income and Expense</b></p> <p>Interest*</p> <p>Dividends*</p> <p>Other Income*</p> <p>Net Change Accrued Income*</p> <p>Unrealized Gain/Loss*</p> <p>Realized Gain/Loss*</p> <p>Defined Contribution Earnings (Net)</p> <p>Investment Expenses</p> <p>Direct Expense Allocation</p> <p>Other Expenses</p> <p><b>Allocated Income and Expense Sub-Total</b></p> <p><b>Ending Balance</b></p>	<p>Plan assets at the beginning of the year</p> <p>Member Contributions made to the plan</p> <p>Employer Contributions made to the plan</p> <p>Contributions received for a member on disability rolling to a normal retirement</p> <p>Member withdrawal of funds from the plan</p> <p>Plan affiliation or disaffiliation or idle funds distribution (typically a Volunteer Fire Plan matter)</p> <p>Benefits paid to retired members</p> <p>Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense</p> <p>State funding for volunteer plans</p> <p>Sub-Total of the above activity</p> <p>Interest on investments</p> <p>Dividends on investments</p> <p>Other investment income</p> <p>Change in accrued earnings for interest and dividends</p> <p>Unrealized Gain/Loss on investments</p> <p>Realized Gain/Loss on investments</p> <p>Not applicable for Defined Benefit plans</p> <p>Allocated share of FPPA investment expense</p> <p>Expenses directly allocated to the plan Examples: actuarial and audit fees</p> <p>Allocated share of FPPA administrative expense</p> <p>Sub-Total of the above activity</p> <p>Plan assets at period end</p>
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\* Allocated from the Fire & Police Members' Benefit Investment Fund – Long Term Pool.

**Fire and Police Pension Association**  
**South Metro Fire Rescue Volunteers 540-5**  
**For the Twelve Months Ending December 31, 2022**

Beginning Balance	\$284,469.85
<b>Plan Direct Inflows and Outflows</b>	
Member Contributions	
Employer Contributions	\$48,233.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$65,400.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$17,167.00)</u>
<b>Allocated Income and Expense</b>	
Interest	\$834.07
Dividends	\$1,181.81
Other Income	\$555.69
Net Change Accrued Income	\$93.75
Unrealized Gain/Loss	(\$27,346.47)
Realized Gain/Loss	\$3,856.76
Defined Contribution Earnings (Net)	
Investment Expenses	(\$1,837.39)
Direct Expense Allocation	(\$463.12)
Other Expenses	(\$3,251.68)
Allocated Income and Expense Sub-Total	<u>(\$26,376.58)</u>
Ending Balance	<u><u>\$240,926.27</u></u>

**Fire and Police Pension Association**

**Volunteer Fire Pension Plan Contributions  
SOUTH METRO FIRE RESCUE FPD 540-5**

**For the Reporting Period: 01/01/2022 through 12/31/2022**

<b>Deposit Date</b>	<b>Employer Contributions</b>	<b>State Matching Funds</b>	<b>Total Remittance</b>
12/19/2022	\$48,233.00	\$0.00	\$48,233.00
<b>Total Remittance</b>			\$48,233.00
<b>Calculated Contribution per the 01/01/2021 Actuarial Study</b>			\$48,233.00
<b>Difference Over/(Under)</b>			\$0.00

*Note: The Calculated Contribution amount is due to FPPA before 12/31/2022*

**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 South Metro Fire Rescue Volunteers 540-5  
 For the Twelve Months Ending December 31, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$287.43	
Audit Expenses	\$149.55	\$168.26	(\$18.70)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$463.11</b>	<b>\$455.69</b>	<b>(\$18.70)</b>

*Actuarial expenses may exceed the budget related to asset allocation studies and implementation.*

**Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.**

# Statewide Defined Benefit Plan

GASB Statement No. 68  
Schedule of Employer Contributions and  
Schedule of Collective Pension Amounts

For the Measurement Period Ending December 31, 2021  
and Employer Reporting Period Ending December 31, 2022

**FPPA**

**Fire & Police Pension Association of Colorado**





## Independent Auditor's Report

To the Board of Directors  
Fire and Police Pension Association of Colorado  
Denver, Colorado

### Report on the Audit of the Schedules

#### *Opinions*

We have audited the accompanying schedule of employer contributions of the Fire and Police Pension Association of Colorado – Statewide Defined Benefit Plan for the year ended December 31, 2021 and related notes. We have also audited the rows titled net pension liability / (asset), total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and pension plan expense (income) as of and for the year ended December 31, 2021 (specified row amounts) included in the accompanying schedule of collective pension amounts (collectively the Schedules) of the Fire and Police Pension Association of Colorado – Statewide Defined Benefit Plan, and related notes.

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer contributions for the year ended December 31, 2021, the net pension liability / (asset), total deferred outflows of resources excluding employer specific amounts, total deferred inflows of resources excluding employer specific amounts, and total pension expense (income) for the Fire and Police Pension Association of Colorado – Statewide Defined Benefit Plan as of and for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Fire and Police Pension Association of Colorado Statewide Defined Benefit Plan, 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 Schedules***

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

In preparing the schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire and Police Pension Association of Colorado'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 Schedules***

Our objectives are to obtain reasonable assurance about whether the schedules 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 risks of material misstatement of the schedules, 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 Fire and Police Pension Association of Colorado'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 schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire and Police Pension Association of Colorado'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.

**Other Matters**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Fire and Police Pension Association of Colorado as of and for the year ended December 31, 2021, and our report thereon, dated May 13, 2022, expressed an unmodified opinion on those financial statements.

**Restriction on Use**

Our report is intended solely for the information and use of the Fire and Police Pension Association of Colorado (FPPA) management and Board of Directors, FPPA employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*Eide Bailly LLP*  
Denver, Colorado  
September 6, 2022

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
ADAMS COUNTY FPD	\$800,381
ALMA POLICE	4,866
ANTONITO POLICE	8,296
ARVADA FPD	1,403,757
ASPEN FPD	92,105
AULT FPD	26,434
AULT POLICE	28,627
AURORA FIRE	2,760,907
BASALT POLICE	68,322
BAYFIELD POLICE	34,717
BENNETT FPD #7	132,691
BERTHOUD FPD	225,021
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT	7,824
BIG SANDY FPD	3,810
BLACK FOREST FIRE RESCUE	118,656
BLACK HAWK FIRE	145,300
BLANCA POLICE	6,339
BOULDER MOUNTAIN FPD	26,578
BOULDER RURAL FPD	178,826
BRIGGS DALE FPD	4,388
BRIGHTON (GREATER) FPD	590,379
BRIGHTON POLICE	567,823
BROADMOOR FPD	28,130
BROOMFIELD POLICE	1,231,115
BRUSH POLICE	53,414
BUENA VISTA POLICE	45,294
BYERS FPD #9	7,130
CALHAN FPD	7,648
CANON CITY POLICE	163,895
CARBONDALE & RURAL FPD	177,577
CASTLE ROCK FIRE	733,443
CASTLE ROCK POLICE	606,237
CENTER POLICE	19,535
CHAFFEE COUNTY FPD	29,950
CIMARRON HILLS FPD	124,258
CLEAR CREEK FIRE AUTHORITY	33,982
CLIFTON FPD	112,570
COAL CREEK CANYON FPD	6,800
COLLBRAN MARSHALS	3,631
COLORADO RIVER FPD	279,113
COLORADO SPRINGS FIRE	2,721,256

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
COLORADO SPRINGS POLICE	\$3,348,174
COLUMBINE VALLEY POLICE	34,487
CORTEZ FPD	52,256
CRESTED BUTTE FPD	114,414
CRIPPLE CREEK FIRE	59,383
DACONO POLICE	93,987
DEBEQUE FPD	37,157
DEBEQUE POLICE	13,979
DELTA COUNTY FPD #1	10,766
DENVER FIRE	8,083,071
DENVER POLICE	11,730,286
DILLON POLICE	31,601
DINOSAUR POLICE	13,130
DONALD WESCOTT FPD	152,868
DURANGO FPD	498,518
EAST GRAND FPD #4	32,099
EATON FPD	106,633
EDGEWATER POLICE	108,546
ELIZABETH POLICE	40,315
ELK CREEK FPD	91,833
EMPIRE POLICE	9,836
ENGLEWOOD POLICE	509,687
ERIE POLICE	294,980
ESTES VALLEY FPD	33,995
EVANS FPD	125,184
EVANS POLICE	29,593
EVERGREEN FPD	49,120
FAIRMOUNT FPD	190,667
FAIRPLAY MARSHALLS POLICE	16,471
FALCON FPD	307,563
FEDERAL HEIGHTS FIRE	97,767
FEDERAL HEIGHTS POLICE	132,865
FIRESTONE POLICE	217,643
FLORENCE POLICE	52,512
FOOTHILLS FIRE & RESCUE	28,806
FORT LEWIS MESA FPD	11,193
FORT LUPTON FPD	227,562
FOUNTAIN FIRE	186,467
FOUNTAIN POLICE	324,117
FOUR MILE FPD - FLORISSANT	9,401
FOWLER POLICE	11,377
FRANKTOWN FPD	129,163

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
FREDERICK FIRESTONE FPD	\$466,469
FREDERICK POLICE	203,696
FRISCO POLICE	70,126
FRONT RANGE FIRE RESCUE FPD	237,192
GALETON FPD	23,392
GARDEN CITY POLICE	21,650
GATEWAY-UNAWEEP FPD	4,484
GENESEE FPD	21,027
GEORGETOWN POLICE	15,960
GRAND FPD #1	20,318
GRAND JUNCTION FIRE	700,625
GRAND LAKE FPD	77,265
GRAND VALLEY FPD	103,559
GREATER EAGLE FPD	94,822
GREELEY FIRE	904,523
GYPSUM FPD	46,207
HARTSEL FPD	6,401
HAXTUN POLICE	5,272
HOLYOKE POLICE	8,747
HOT SULPHUR SPRINGS/PARSHALL FPD	5,454
HUDSON FPD	194,344
HUDSON POLICE	21,447
HUGO POLICE	8,394
IDAHO SPRINGS POLICE	42,560
IGNACIO POLICE	42,650
INTER-CANYON FPD	26,886
JEFFERSON-COMO FPD	40,476
JOHNSTOWN POLICE	78,837
KERSEY POLICE	9,528
KIOWA FPD	11,945
KREMMLING FPD	4,021
KREMMLING POLICE	8,418
LA JARA POLICE	11,395
LA SALLE FPD	79,567
LA SALLE POLICE	37,510
LA VETA POLICE	3,921
LAFAYETTE FIRE	257,063
LAFAYETTE POLICE	267,853
LAKE GEORGE FPD	7,735
LAKESIDE POLICE	20,524
LARKSPUR FPD	88,443
LEADVILLE FIRE	57,022

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions</b>
	<b>For the year ended December 31, 2021</b>
LEADVILLE POLICE	\$25,462
LEFTHAND FPD	15,664
LITTLETON POLICE	386,601
LOCHBUIE POLICE	66,591
LOG LANE VILLAGE POLICE	9,015
LONE TREE POLICE	371,111
LONGMONT POLICE	13,985
LOS PINOS FPD	137,456
LOWER VALLEY FPD	85,435
LYONS FPD	24,792
MANITOU SPRINGS FIRE	41,656
MANITOU SPRINGS POLICE	86,122
MEAD POLICE	66,437
MILLIKEN POLICE	61,393
MONTE VISTA POLICE	35,550
MONTROSE FPD	240,514
MONTROSE POLICE	226,735
MONUMENT POLICE	52,547
MOUNTAIN VIEW FPD	1,283,273
MOUNTAIN VIEW POLICE	50,952
MOUNTAIN VILLAGE POLICE	44,142
NEDERLAND FPD	19,183
NORTH FORK FPD	6,106
NORTH METRO FIRE RESCUE	1,244,743
NORTH ROUTT FPD	12,235
NORTHEAST TELLER COUNTY FPD	95,095
NORTH-WEST FPD	71,288
NUNN POLICE	11,402
OAK CREEK FPD	37,418
OAK CREEK POLICE	10,059
OLATHE FPD	38,661
OLATHE POLICE	22,871
PAGOSA FPD	70,700
PAGOSA SPRINGS POLICE	33,498
PALISADE FIRE	8,445
PALISADE POLICE	46,741
PALMER LAKE FIRE	22,303
PALMER LAKE POLICE	11,178
PAONIA POLICE	18,550
PARACHUTE POLICE	23,607
PARKER POLICE	540,546
PEYTON FPD	3,975

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado****Schedule of Employer Contributions****Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions For the year ended December 31, 2021</b>
PLATEAU VALLEY FPD	\$39,415
PLATTE CANYON FPD	123,375
PLATTE VALLEY FPD	168,467
PLATTEVILLE POLICE	46,162
PLATTEVILLE/GILCREST FPD	251,836
PLEASANT VIEW METRO FIRE DISTRICT	31,199
POUDRE FIRE AUTHORITY	706,151
PUEBLO FIRE	856,943
PUEBLO POLICE	1,244,772
PUEBLO RURAL FPD	132,769
PUEBLO WEST METRO FPD	121,529
RATTLESNAKE FPD	47,662
RED WHITE & BLUE FPD	415,615
ROARING FORK FRA	201,807
RYE FPD	21,789
SABLE ALTURA FPD	27,299
SALIDA FIRE	83,964
SALIDA POLICE	103,000
SECURITY FPD	176,047
SEVERANCE POLICE	32,021
SHERIDAN POLICE	203,716
SILT POLICE	34,094
SOUTH ADAMS COUNTY FPD	769,315
SOUTH FORK FPD	31,104
SOUTH FORK POLICE	8,231
SOUTH METRO FIRE RESCUE FPD	1,651,534
SOUTHEAST WELD FPD	137,329
SOUTHERN PARK COUNTY FPD	6,792
SOUTHWESTERN HIGHWAY 115 FPD	7,225
SPRINGFIELD POLICE	4,905
STEAMBOAT SPRINGS FIRE	195,579
STERLING FIRE	98,184
STERLING POLICE	102,291
STRASBURG FPD #8	13,748
STRATMOOR HILLS FPD	32,259
SUMMIT FIRE & EMS FPD	398,038
TELLURIDE FPD	120,818
THORNTON FIRE	898,865
THORNTON POLICE	1,481,671
TIMBERLINE FPD	27,414
TRI-LAKES MONUMENT FPD	388,983
TRINIDAD FIRE	72,630

The accompanying notes are an integral part of these Schedules.

**Fire & Police Pension Association of Colorado**

**Schedule of Employer Contributions**

**Statewide Defined Benefit Plan**

<b>Employer Fire and Police Department</b>	<b>Employer Contributions For the year ended December 31, 2021</b>
UPPER PINE RIVER FPD	\$158,142
WELLINGTON FPD	183,828
WEST DOUGLAS COUNTY FPD	7,949
WEST METRO FPD	2,351,742
WEST ROUTT FPD	24,842
WESTMINSTER FIRE	1,018,902
WESTMINSTER POLICE	1,283,034
WIGGINS POLICE	11,961
WINDSOR POLICE	141,382
WINDSOR SEVERANCE FPD	369,255
WRAY POLICE	24,308
YUMA POLICE	32,745
<b>TOTAL, ALL EMPLOYER CONTRIBUTIONS</b>	<b>\$68,426,899</b>

**Fire & Police Pension Association of Colorado****Schedule of Collective Pension Amounts****Statewide Defined Benefit Plan**

	As of and for the year ended December 31, 2021
<b>Net Pension Liability/(Asset)</b>	<u><u>\$(541,933,763)</u></u>
<b>Deferred Outflows of Resources</b>	
Differences Between Actual and Expected Experience	\$155,184,251
Changes of Assumptions**	77,283,631
Net Difference Between Projected and Actual Investment Earnings	0
Total Deferred Outflows Excluding Employer Specific Amounts*	<u><u>\$232,467,882</u></u>
<b>Deferred Inflows of Resources</b>	
Differences Between Actual and Expected Experience	\$12,639,422
Changes of Assumptions**	0
Net Difference Between Projected and Actual Investment Earnings	362,692,617
Total Deferred Inflows Excluding Employer Specific Amounts*	<u><u>\$375,332,039</u></u>
<b>Pension Plan Expense/(Income)</b>	<u><u>\$(61,062,595)</u></u>

\* Employer specific amounts exclude two additional types of deferred outflows of resources and deferred inflows of resources. These amounts relate to (1) the net impact by employer from changes in proportion (that is, the allocation percentage) between reporting periods; and (2) differences between actual contributions made by an employer and their proportionate share of total contributions calculated based on the allocation percentage.

\*\* Changes in Assumptions are recorded as Deferred Outflows or Deferred Inflows in the year changes are enacted and amortized over the average remaining expected service life in place during the initial year of the assumption change. Changes in assumptions were last made as a result of the Actuarial Experience Study in 2018.

**Note 1: Plan Description**

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

**Note 2: Description of Benefits**

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Note 3: Contributions**

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in

2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

**Note 4: Basis of Presentation**

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA’s financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

As reported in FPPA’s Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2021 Annual Report, employer contributions to the SWDB plan were \$68,304,906 compared to total employer contributions of \$68,426,899 on the Schedule of Employer Contributions. Adjustments were made to reduce employer contributions to zero for departments that had no remaining members at year end and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the SWDB plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

**Note 5: Actuarial Valuation Dates**

The collective total pension liability as of December 31, 2021 is based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation.

**Note 6: Collective Net Pension Liability/(Asset)**

The components of the calculation of the net pension liability/(asset) of the SWDB plan for participating departments as of December 31, 2021 are shown in the following table:

	<b>Measurement Date December 31, 2021</b>
Total Pension Liability (A)	\$3,352,605,624
Plan Fiduciary Net Position (B)	3,894,539,387
Employers’ Net Pension Liability /(Asset) (A-B)	(541,933,763)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	116.2%

**Note 7: Actuarial Assumptions**

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
<b>Total</b>	<b>100%</b>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future

benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 8: Discount Rate**

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

<b>1% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
<b>\$(74,736,029)</b>	<b>\$(541,933,763)</b>	<b>\$(928,981,070)</b>

**Note 9: Reconciliation of Collective Deferred Outflows and Inflows of Resources**

The following tables present the SWDB collective deferral reconciliations showing beginning deferrals as of December 31, 2020 adding the current year collective deferrals and adjusting for the current year amortization of deferrals to arrive at the ending December 31, 2021 collective deferral amounts:

<b>Deferred Outflows of Resources</b>			
	<b>Difference Between Actual and Expected Experience</b>	<b>Changes in Assumptions</b>	<b>Net Difference Between Projected and Actual Investment Earnings</b>
Beginning Deferral Amounts as of Measurement Date, December 31, 2020	\$184,122,482	\$92,336,060	\$0
Deferral Amounts Added	0	0	0
Total Amortization Amounts Recognized in Pension Expense	(28,938,231)	(15,052,429)	0
Outstanding Deferral Amounts as of Measurement Date, December 31, 2021	\$155,184,251	\$77,283,631	\$0

<b>Deferred Inflows of Resources</b>			
	<b>Difference Between Actual and Expected Experience</b>	<b>Changes in Assumptions</b>	<b>Net Difference Between Projected and Actual Investment Earnings</b>
Beginning Deferral Amounts as of Measurement Date, December 31, 2020	\$863,501	\$0	\$222,993,333
Deferral Amounts Added	13,520,504	0	259,798,818
Total Amortization Amounts Recognized in Pension Expense	(1,744,583)	0	(120,099,534)
Outstanding Deferral Amounts as of Measurement Date, December 31, 2021	\$12,639,422	\$0	\$362,692,617

**Note 10: Net Amount of Collective Deferred Inflows and Outflows of Resources Recognized in the Collective Net Pension Expense in Subsequent Years**

The following table presents the SWDB plan net amount of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

For the Plan Year Ended December 31,	Amounts Recognized in Collective Pension Expense
2022	\$(48,929,866)
2023	(86,445,962)
2024	(48,508,073)
2025	(13,624,240)
2026	32,307,929
Thereafter	22,336,055

**Note 11: Average Remaining Expected Service Life**

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 9.0075 years determined as of the beginning of the December 31, 2021 measurement period.

**Note 12: Collective Pension Expense**

Collective Pension Expense/(Income)	For the Plan Year Ended December 31, 2021
Service Cost	\$133,502,346
Interest on the Total Pension Liability	223,246,294
Current-Period Benefit Changes	5,099,996
IRC 414(h)(2) Employer-paid Member Contributions	(92,209,329)
Member Purchases of Service Credit	(17,806,444)
Projected Earnings on Plan Investments	(239,498,969)
Pension Plan Administrative Expense	4,506,629
Other Changes in Plan Fiduciary Net Position	(49,661)
Recognition of Outflow of Resources due to Liabilities	42,246,077
Recognition of Outflow of Resources due to Assets	(120,099,534)
<b>Total Pension Plan Expense/(Income)</b>	<b>\$(61,062,595)</b>

**Note 13: Components of Schedule of Collective Pension Amounts***Net Pension Liability/(Asset)*

The collective net pension liability/(asset) is the total pension liability less the fiduciary net position for the SWDB.

*Difference Between Actual and Expected Experience*

The difference between actual and expected experience with regard to economic and demographic factors is amortized over a closed period equal to the average of the expected remaining service life of active and inactive members. The first year amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

*Net Difference Between Actual and Projected Investment Earnings on Pension Plan Investments*

The difference between the actual earnings on pension plan investments compared to the SWDB's expected rate of return of 7.0 percent is amortized over a closed period of five years. The first year of amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

*Changes in Assumptions*

The change in assumptions about future economic or demographic factors or other inputs is amortized over a closed period equal to the average of the expected remaining service life of active and inactive members. The first year amortization is recognized as pension expense with the remaining years shown as either a deferred outflow of resources or a deferred inflow of resources.

*Total Deferred Outflows Excluding Employer Specific Amounts*

The total deferred outflows excluding employer specific amounts resulting from the difference between actual and expected experience, the net difference between projected and actual investment earnings on pension plan investments, and the changes in assumptions.

*Total Deferred Inflows Excluding Employer Specific Amounts*

The total deferred inflows excluding employer specific amounts resulting from the difference between actual and expected experience and the changes in assumptions.

*Collective Pension Plan Expense/(Income)*

Collective pension plan expense/(income) includes changes in the collective net pension liability/(asset), projected earnings on pension plan investments, and the amortization of deferred outflows and inflows of resources in the current period. Pension income should be reported as a credit in pension expense.

**Note 14: Subsequent Event**

*Statewide Retirement Plan*

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

*Actuarial Experience Study*

During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

**SMFR VOLUNTEER FIREFIGHTER PENSION  
BOARD OF TRUSTEES  
BOARD AGENDA**

**MEETING DATE:** 5/1/2023

**AGENDA ITEM TYPE:** ACTION ITEM

**SUBJECT:** 2023 Trustee Election Schedule

**BACKGROUND:** According to the bylaws, the Board of Trustees is composed of the SMFR District board and two “Member Trustees”. The Member Trustees serve staggered, two-year terms and each year one of the two positions is up for election. The bylaws outline the methodology for the election process, but the board needs to approve the schedule and details of receiving nominations and conducting the mail ballot election. For 2023, Jack Gilliland’s position is up for election and staff proposes to follow the same process as 2022 with the schedule that is attached to this agenda item.

**RECOMMENDATION:** Staff recommends approval of the process and schedule.

**SUBMITTED BY:** Mike Dell’Orfano

**APPROVED BY:** Bob Baker

<b>Date</b>	<b>Process</b>
May 1, 2023	Board approval of process for election of 2023 seat (Jack Gilliland)
May 31, 2023	Send notice announcing election and accepting nominations for board members
June 14, 2023	Nominations due by mail, e-mail, or phone
July 5, 2023	Send ballots for election
July 26, 2023	ballots due by mail or e-mail
August 7, 2023	Volunteer Pension Board Meeting; successful board member sworn in