

Station 16
8130 3rd Street
Wellington, CO 80549



Station 17
108 E County Road 66
Fort Collins, CO 80524

Wellington Fire Protection District

PENSION BOARD MEETING AGENDA

The **Pension Board Meeting** of the Wellington Fire Protection District will be called to order at **5:00 pm** and the Regular Board Meeting to immediately follow. On **December 13th, 2023**, the meeting will be held at **Station 16** located at 8130 3rd St., Wellington, CO 80549. Any member of the public who chooses to attend the meeting in person may do so. Please contact our administrative office for social distancing guidelines or additional attendance accommodations. **Zoom Meeting information is listed below.**

Pledge of Allegiance

Roll Call

Additions/Deletions to the Agenda

Conflicts of Interest

Correspondence

Guests or Presentations

Pension Presentation

Treasurer's Report

Pension Board Business:

1. Pension Board Meeting Minutes
2. Review of Pension Benefits – Discussion, possible action
3. Bylaws – Discussion, possible action

Other

Adjournment

Future Meetings:

March 20th 2024

Station 16
8130 3rd Street
Wellington, CO 80549



Station 17
108 E County Road 66
Fort Collins, CO 80524

Wellington Fire Protection District

Zoom Meeting Information

Wellington Fire Protection District is inviting you to a scheduled Zoom meeting.

Topic: Wellington Fire Protection District's Zoom Meeting

Time: Nov 15th, 2023 05:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/7848079463>

Meeting ID: 784 807 9463

One tap mobile

+17209289299,,7848079463# US (Denver)

+13017158592,,7848079463# US (Washington DC)---

Dial by your location

- +1 720 928 9299 US (Denver)
- +1 301 715 8592 US (Washington DC)

Meeting ID: 784 807 9463

Find your local number: <https://us02web.zoom.us/u/kukYHs6Ch>

Agenda Posted to www.wfpd.org & at 8130 3rd



Volunteer Pension Fund

History

Summary

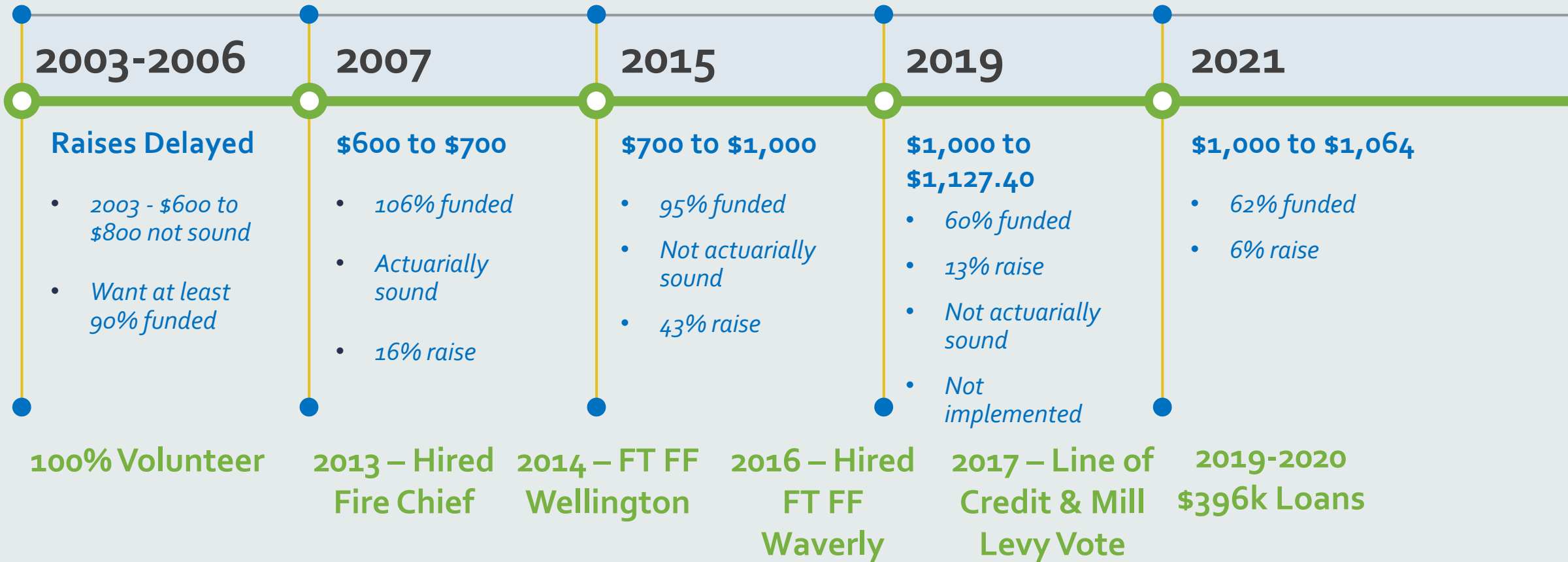
- History of Volunteer Pension Fund
- Actuarially Sound Requirement
- 2015 Benefit Increase
- Comparison to other Districts
- Moving Forward
- Supporting Documents in the Packet

Conflict of Interest



Pension Timeline

At A Glance



Underfunded Contributions 2016-2019

Table 6 - History of Employer Contributions

The "Annual Required Contribution" (ARC) is the sum of the normal cost and the amortization of the UAAL. This is a historical standardized measure that was previously calculated in accordance with Statements No. 25 and No. 27 of the Governmental Accounting Standards Board (GASB).

The following exhibit shows a history of the ARC and the actual contributions made to the Plan.

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution*</u>	<u>Actual Contribution</u>	<u>Percent</u>
(1)	(2)	(3)	(4)
December 31, 2015	\$ 110,541	\$ 110,541	100%
December 31, 2016	\$ 37,077	\$ 10,541	28%
December 31, 2017	\$ 37,077	\$ 0	0%
December 31, 2018	\$ 93,272	\$ 40,000	43%
December 31, 2019	\$ 93,272	\$ 40,000	43%
December 31, 2020	\$ 113,437	\$ 113,437	100%
December 31, 2021	\$ 113,437	N/A	

Monthly Benefit



— Monthly Benefit

Yearly Contributions



— Yearly Contributions

Funded Ratio



— Funded Ratio

CRS 31-30-1112

Not allowed to increase benefits over \$300/mo. Unless

- 1) Approved by Pension Board
- 2) Actuarially sound

c. and (c.5) (Deleted by amendment, L. 2002, p. 504 , § 1, effective July 1, 2002.)

d. The board in any municipality or district shall not increase benefits above the following amounts unless the increase is approved by the governing body of the municipality or district and an actuarial review indicates a higher payment is actuarially sound:

I. For volunteer firefighter pensions, three hundred dollars per month;

II. For a short-term disability monthly annuity pursuant to section 31-30-1121 , one hundred fifty dollars per month;

III. For a retirement pension pursuant to section 31-30-1123 , two hundred dollars per month;

IV. For survivor benefits pursuant to section 31-30-1127 , one hundred fifty dollars per month; or

Not Actuarially Sound

Actuarial Valuation as of January 1, 2015

Comparison of Actuarial Results Based on Alternate Benefit Levels

	Current Plan (1)	Plan A (2)	Plan B (3)	Plan C (4)
1. Normal Retirement Benefit	\$ 700.00	\$ 800.00	\$ 860.00	\$ 1,000.00
2. Normal Cost	36,373	41,573	44,680	51,962
3. Present Value of Future Benefits	1,753,286	2,003,757	2,154,042	2,504,698
4. Actuarial Accrued Liability	1,569,702	1,793,911	1,928,517	2,242,405
5. Unfunded Accrued Liability / (Surplus)	78,343	302,552	437,158	751,046
6. Total Annual Calculated Contribution	37,077	66,158	83,600	124,314
7. Assumed Contribution	110,541	110,541	110,541	110,541
8. Funding Period Based on Assumed Contribution	2 years	6 years	10 years	37 years
9. <u>Is current assumed contribution adequate to support the prospective benefit levels on an actuarially sound basis?</u>	Yes	Yes	Yes	No

Chart presented to Pension Board

\$35 per year
of service x
20 years =
\$700/mo

<u>YEAR</u>	<u>INFLATION RATE</u>	<u>BENEFIT</u>	<u>COST OF LIVING INDEX</u>
2000	3.73%	\$36.31	
2001	1.14	36.81	
2002	2.60	37.70	
2003	1.93	38.50	
2004	2.97	39.64	
2005	3.99	41.23	
2006	2.08	42.08	
2007	4.28	43.88	
2008	0.03	44.01	
2009	2.63	45.17	
2010	1.63	45.91	
2011	2.93	47.25	
2012	1.59	48.01	
2013	1.58	48.76	
2014	2.80	49.39	
2015*	2.60	50.01	\$48.82

*2015 ytd

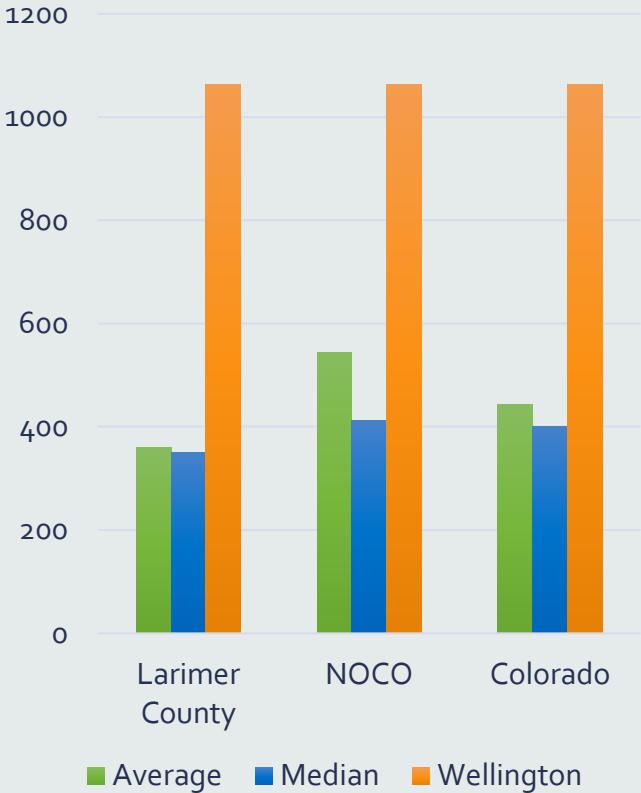
\$50 per year
of service x
20 years =
\$1,000/mo

Benefit was \$600 or \$30/yr in 2000
 Benefit was \$700 or \$35/yr in 2007

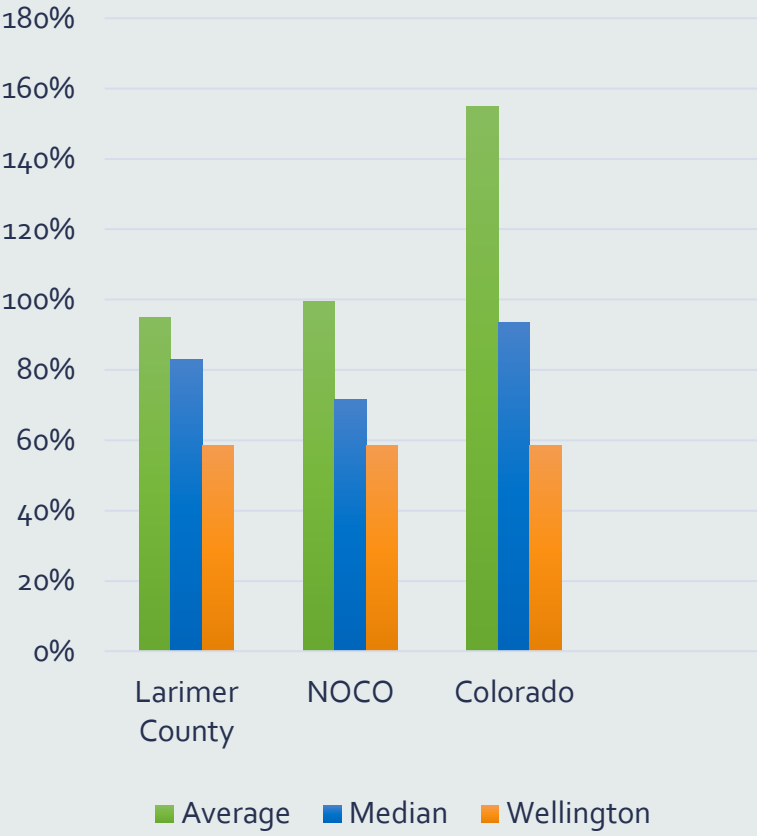
Corrected:
 \$40/yr x 20
 years =
 \$800/mo

Year	Inflation Rate	Benefit presented in 2015	Corrected Benefit starting in 2007	20 year benefit	Corrected Benefit starting in 2000	20 year Benefit
2000	3.73%	\$ 36.31			30	600
2001	1.14%	\$ 36.81			30.34	606.84
2002	2.60%	\$ 37.70			31.13	622.62
2003	1.93%	\$ 38.50			31.73	634.63
2004	2.97%	\$ 39.64			32.67	653.48
2005	3.99%	\$ 41.23			33.98	679.56
2006	2.08%	\$ 42.08			34.68	693.69
2007	4.28%	\$ 43.88	35	700	36.17	723.38
2008	0.03%	\$ 44.01	35.01	700.21	36.18	723.60
2009	2.63%	\$ 45.17	35.93	718.63	37.13	742.63
2010	1.63%	\$ 45.91	36.52	730.34	37.74	754.73
2011	2.93%	\$ 47.25	37.59	751.74	38.84	776.85
2012	1.59%	\$ 48.01	38.18	763.69	39.46	789.20
2013	1.58%	\$ 48.76	38.79	775.76	40.08	801.67
2014	2.80%	\$ 49.39	39.87	797.48	41.21	824.12
2015	2.60%	\$ 50.01	40.91	818.21	42.28	845.54

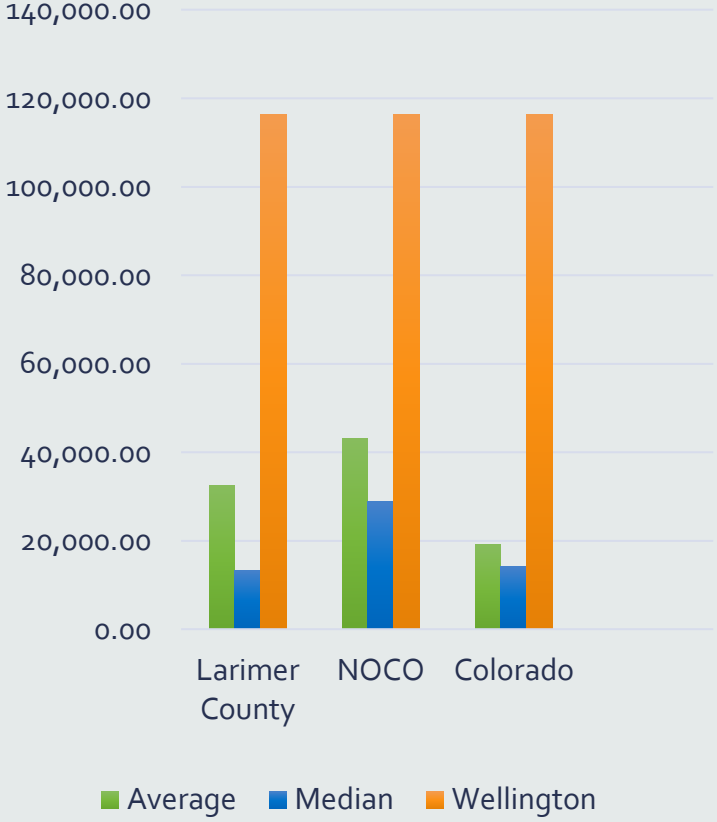
Monthly Benefit Comparison



Funded Ratio Comparison



Contribution Comparison



CRS 24-18-103
Fiduciary Obligation

Questions?

Supporting Documents

Larimer County Pension Comparison

	A	B	C	D	E
1	Larimer County FPPA Volunteer Pensions Compared				
2					
3	District	Monthly Benefit	% Funded as of 2022	Calculated Annual Contribution	
4	Berthoud	400.00	85.3%	12,264.00	
5	Big Thompson Canyon	425.00	65.7%	35,317.00	
6	Glacier View	250.00	157.7%	(2,152.00)	
7	Livermore	200.00	98.2%	14,630.00	
8	Loveland & Rural	750.00	58.9%	165,081.00	
9	Poudre Canyon	150.00	138.8%	8,062.00	
10	Poudre Fire Authority	300.00	80.3%	4,911.00	
11	Red Feather Lakes	400.00	74.7%	22,458.00	
12					
13					
14	Count	8.00			
15	Average	359.38	95%	32,571.38	
16	Median	350.00	83%	13,447.00	
17					
18					
19	Wellington	1,064.00	58.6%	116,417.00	
20					
21		Wellington Delta Monthly	Delta %	Wellington Delta Contribution	Delta %
22					
23	Average	704.63	196%	83,845.63	257%
24	Median	714.00	204%	102,970.00	766%
25					
26					

NOCO Pension Comparison

			% Funded as of 2022	Calculated Annual Contribution	
3	District	Monthly Benefit			
4	Ault	700.00	47.0%	94,366.00	
5	Berthoud	400.00	85.3%	12,264.00	
6	Big Thompson Canyon	425.00	65.7%	35,317.00	
7	Eaton	1,200.00	64.9%	92,385.00	
8	Evans	850.00	47.9%	87,113.00	
9	Fort Morgan	475.00	39.1%	181,659.00	
10	Fort Morgan Rural	225.00	70.7%	50,216.00	
11	Frederick Firestone	200.00	52.1%	13,626.00	
12	Glacier View	250.00	157.7%	(2,152.00)	
13	La Salle	1,200.00	72.5%	109,894.00	
14	Livermore	200.00	98.2%	14,630.00	
15	Loveland & Rural	750.00	58.9%	165,081.00	
16	New Raymer	800.00	227.8%	(156,994.00)	
17	Nunn	325.00	339.5%	(92,605.00)	
18	Poudre Canyon	150.00	138.8%	8,062.00	
19	Poudre Fire Authority	300.00	80.3%	4,911.00	
20	Red Feather Lakes	400.00	74.7%	22,458.00	
21	Windsor Severance	960.00	68.3%	136,285.00	
22					
23					
24	Count	18.00			
25	Average	545.00	99.4%	43,139.78	
26	Median	412.50	71.6%	28,887.50	
27					
28					
29	Wellington	1,064.00	58.6%	116,417.00	
30					
31		Wellington Delta Monthly	Delta %	Wellington Delta Contribution	Delta %
32					
33	Average	519.00	95%	73,277.22	170%
34	Median	651.50	158%	87,529.50	303%
35					

2003-2006

- 2003 – 101% funded, current \$600, \$600 to \$800 not sound
- 2005 – 92% funded

GASB Statement No. 25*

	<u>2007</u>	<u>2005</u>	<u>2003</u>
Actuarial Value of Assets	\$ 880,047	\$ 664,666	\$ 607,641
Actuarial Accrued Liability (AAL)	831,392	724,979	604,016
Excess/(shortfall) of Assets over AAL	48,655	(60,313)	3,625
Funded Ratio	106%	92%	101%

2007

- 106% funded, Increased from \$600 to \$700
- 16% raise
- \$700 = Actuarially sound
- Present: Director Pettit, Sarno, Pierson, Reed, Snowden, and Bettcher
- All voted for raise
- Conflict of Interest: Dir. Sarno, Pierson, and Reed
- Ken Pettit no pension, Craig Snowden until 2017, Bettcher until 2033

Wellington Fire Protection District Volunteer Pension Fund
Actuarial Valuation as of January 1, 2007

Table 1

Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>Plan A</u> (2)	<u>Plan B</u> (3)	<u>Plan C</u> (4)
1. Normal Retirement Benefit	\$ 600.00	\$ 700.00	\$ 800.00	\$ 300.00
2. Normal Cost	21,303	24,861	28,410	10,382
3. Present Value of Future Benefits	933,820	1,089,466	1,245,104	442,369
4. Actuarial Accrued Liability	831,392	969,927	1,108,505	392,381
5. Unfunded Accrued Liability / (Surplus)	(48,655)	89,880	228,458	(487,666)
6. Total Annual Calculated Contribution	13,506	32,438	51,364	(46,095)
7. Assumed Contribution	45,541	45,541	45,541	45,541
8. Funding Period Based on Assumed Contribution	0 years	6 years	Never	0 years
9. Is current assumed contribution adequate to support the prospective benefit levels on an actuarially sound basis?	Yes	Yes	No	Yes

2008-2014

- Board wants 90% funded before increasing benefits
- 2009 – 73% funded
- 2011 – 86%
- 2013 – 81%

GASB Statement No. 25*

	<u>2013</u>	<u>2011</u>	<u>2009</u>
Actuarial Value of Assets	\$ 1,211,475	\$ 1,027,664	\$ 877,181
Actuarial Accrued Liability (AAL)	1,493,314	1,201,506	1,202,594
Excess/(shortfall) of Assets over AAL	(281,839)	(173,842)	(325,413)
Funded Ratio	81%	86%	73%

2015

- 95% funded
- Voted to raise \$700 to \$1,000
- 43% raise
- \$1,000 Not actuarially sound
- Inflation rate chart in error
 - Started \$700 at 2000 instead of 2007
- Present – Dir. Pettit, Sarno, Pierson, Reed, Snowden, and Bettcher
- Conflict of interest: Sarno, Pierson, Reed
- Pettit no pension, Snowden start 2017, Bettcher start 2033

2016-2018

- \$0 contributed in 2016 & 2017
- Underfunded 2018, 2019
- 2017 – 68% funded
- 2017-2020 – Took out a line of credit
- Nov 2017 – Voters approve mill levy increase
- 2018 – morale is down due to the retirement contributions
- 2018 & 2019 – board voted to contribute only \$40k instead of \$100k to pension

2017 Funded Ratio

**Wellington Fire Protection District Volunteer Pension Fund
Actuarial Valuation as of January 1, 2017**

Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u>	<u>State Match Calc</u>
	(1)	(2)
1. Normal Retirement Benefit	\$ 1,000.00	\$ 300.00
2. Normal Cost	11,437	2,979
3. Present Value of Future Benefits	2,380,482	648,300
4. Actuarial Accrued Liability	2,313,638	630,971
5. Unfunded Accrued Liability / (Surplus)	735,335	(947,332)
6. Total Annual Calculated Contribution	93,272	(91,330)
7. Assumed Contribution	0	0
8. Funding Period Based on Assumed Contribution	Never	0 years
9. Funded Ratio	68%	250%

2019-2020

- 2019 – 60% funded
- 2019 – voted to increase \$1,000 to \$1,127.40
- \$1,127 not sound
- Not implemented
- Voted for annual COLA increase
- 2020 – contributed \$113,437

Table 1 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>State Match Calc</u> (2)
1. Normal Retirement Benefit	\$ 1,000.00	\$ 300.00
2. Normal Cost	8,493	2,342
3. Present Value of Future Benefits	2,579,630	707,185
4. Actuarial Accrued Liability	2,528,361	693,198
5. Unfunded Accrued Liability / (Surplus)	1,002,889	(832,274)
6. Total Annual Calculated Contribution	113,437	(77,082)
7. Assumed Contribution	50,541	50,541
8. Funding Period Based on Assumed Contribution	Never	0 years
9. Funded Ratio	60%	220%

Not Actuarially Sound

Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>Plan A</u> (2)	<u>Plan B</u> (3)	<u>Plan C</u> (4)
1. Normal Retirement Benefit	\$ 1,000.00	\$ 1,127.00	\$ 1,064.00	\$ 1,200.00
2. Normal Cost	8,493	9,572	9,039	10,194
3. Present Value of Future Benefits	2,579,630	2,907,240	2,744,725	3,095,553
4. Actuarial Accrued Liability	2,528,361	2,849,462	2,690,165	3,034,019
5. Unfunded Accrued Liability / (Surplus)	1,002,889	1,323,990	1,164,693	1,508,547
6. Total Annual Calculated Contribution*	113,437	146,776	130,239	165,939
7. Assumed Contribution	50,541	50,541	50,541	50,541
8. Funding Period Based on Assumed Contribution	Never	Never	Never	Never
9. Funded Ratio	60%	54%	57%	50%

2021

- 62% funded
- Increased \$1,000 to \$1,064
- 16 years to 22 years funded
- Annual COLA increases requested



Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u>	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>
	(1)	(2)	(3)	(4)
1. Normal Retirement Benefit	\$ 1,000.00	\$ 1,127.00	\$ 1,064.00	\$ 1,200.00
2. Normal Cost	5,380	6,062	5,726	6,456
3. Present Value of Future Benefits	2,594,805	2,924,347	2,760,875	3,113,769
4. Actuarial Accrued Liability	2,563,671	2,889,265	2,727,736	3,076,407
5. Unfunded Accrued Liability / (Surplus)	963,969	1,289,563	1,128,034	1,476,705
6. Administrative and other ongoing expenses	7,443	7,443	7,443	7,443
7. Total Annual Calculated Contribution*	99,608	132,961	116,417	152,134
8. Assumed Contribution	113,437	113,437	113,437	113,437
9. Funding Period Based on Assumed Contribution	16 years	31 years	22 years	Never
10. Funded Ratio	62%	55%	59%	52%

2023

- 61% funded
- \$1,064 for 20 years of service
- \$53.20 for each year of service
- Paid monthly to pensioners
- 5 people above \$1,064



Table 1 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u>	<u>State Match Calc</u>
	(1)	(2)
1. Normal Retirement Benefit	\$ 1,064.00	\$ 300.00
2. Normal Cost	5,911	1,533
3. Present Value of Future Benefits	2,908,188	753,895
4. Actuarial Accrued Liability	2,875,874	745,653
5. Unfunded Accrued Liability / (Surplus)	1,112,643	(1,017,578)
6. Administrative and other ongoing expenses	7,309	7,309
7. Total Annual Calculated Contribution	114,643	(103,478)
8. Assumed Contribution	116,417	116,417
9. Funding Period Based on Assumed Contribution	20 years	0 years
10. Funded Ratio	61%	236%

Executive Summary

Item	Valuation as of January 1, 2023	Valuation as of January 1, 2021
Membership <ul style="list-style-type: none"> • Number of: <ul style="list-style-type: none"> - Active members 3 - Retired Members 16 - Disabled members 0 - Beneficiaries 1 - Terminated vested members 9 - Terminated members active in another fund 0 - Total 29 		
Assets <ul style="list-style-type: none"> • Market value \$ 1,688,855 • Actuarial value 1,763,231 • Employer contribution for prior year 105,876 • Employer contribution for prior year minus 1 103,000 • Ratio of actuarial value to market value 104% 		<ul style="list-style-type: none"> • Market value \$ 1,690,206 • Actuarial value 1,599,702 • Employer contribution for prior year 102,896 • Employer contribution for prior year minus 1 40,000 • Ratio of actuarial value to market value 95%
Actuarial Information <ul style="list-style-type: none"> • Employer normal cost \$ 5,911 • Normal cost per active member 1,970 • Unfunded actuarial accrued liability / (Surplus) 1,112,643 • Calculated annual contribution 114,643 • Assumed contribution from department 105,876 • Assumed contribution from state 10,541 • Funding period based on assumed contributions 20 years • Funded ratio 61% • Funded ratio based on market value 59% • Is current level of contributions adequate Yes 		<ul style="list-style-type: none"> • Employer normal cost \$ 5,380 • Normal cost per active member 1,793 • Unfunded actuarial accrued liability / (Surplus) 963,969 • Calculated annual contribution 99,608 • Assumed contribution from department 102,896 • Assumed contribution from state 10,541 • Funding period based on assumed contributions 16 years • Funded ratio 62% • Funded ratio based on market value 66% • Is current level of contributions adequate Yes



Table 1 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>State Match Calc</u> (2)
1. Normal Retirement Benefit	\$ 1,064.00	\$ 300.00
2. Normal Cost	5,911	1,533
3. Present Value of Future Benefits	2,908,188	753,895
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9. Funding Period Based on Assumed Contribution	20 years	0 years
10. Funded Ratio	61%	236%



MEMORANDUM

To: Affiliated Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Nine months ended September 30, 2023
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 24, 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 09/30/2023	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	(2.23)%	4.70%	10.13%	6.78%	6.83%

*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
Q3-2023	0.11%	0.51%	0.62%
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 September 15 2023. If FPPA does not receive a response by December 1, 2023, you are confirming that these report items are correct.**

Annual Contributions Received

FPPA provides a schedule of your 2023 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2023. **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.

Allocation Report Descriptions

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

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

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

MEMORANDUM

To: FPPA Employers
From: Ahni Smith, Chief Operations Officer
Re: Impact of merger to create SRP for GASB 68 Reporting
Date: December 1, 2023

This memo is intended to assist in reviewing the potential impact to GASB 68 reporting in Employer financial statements of the merger of the Statewide Defined Benefit Plan (SWDB) and Statewide Hybrid Plan (SWH) to create the Statewide Retirement Plan (SRP) effective January 1, 2023.

The attached (unaudited) schedule details the contributions received to both the SWDB and SWH plans during 2022, as adjusted for GASB 68 reporting. This schedule is intended to show the scope of potential variance in reporting by department if the plans were merged as of the measurement date for the 2023 GASB 68 financial reporting year.

Column	Name	Description
A	Employer Fire and Police Department	Department Name
B	SWDB 2022	Contributions reported for SWDB employer departments for the 2022 calendar year
C	SWH 2022	Contributions reported for SWH employer departments for the 2022 calendar year
D	Combined	Summed contributions to represent the SRP equivalent 2022 calendar year (B + C)
E	SWDB%	SWDB proportionate share based on employer contributions (B / Total B)
F	SWH%	SWH proportionate share based on employer contributions (C / Total C)
G	Combined%	SRP equivalent proportionate share based on combined employer contributions (D / Total D)
H	SWDB NPL	Calculated SWDB proportion of the NPL as of the 12/31/2022 measurement date (E * SWDB NPL Schedule pg 3)
I	SWH NPA	Calculated SWH proportion of the NPA as of the 12/31/2022 measurement date (F * SWH NPA Schedule pg 3)
J	Combined NPL	Calculated SRP proportion of the NPL as of the 12/31/2022 measurement date (G * Combined NPL Schedule pg 3)
K	Variance	Calculated dollar amount of difference between the individual plans reported proportionate (NPL)/NPA to the combined SRP NPL (J – H - I)
	(NPL)/NPA	Net Pension Liability/Net Pension Asset displayed by plan on Schedule pg 3

I would like to highlight a few areas to consider or keep in mind for your own analysis:

- The official Statewide Retirement Plan GASB 68 report for the December 31, 2023 measurement date will certainly have a different result. This is just an estimate and is intended to be a tool you can use to determine if the merger has a material impact on your financial statements. If it is deemed material, it may require additional disclosure of the plan merger and possible impact to your financial statements in your December 31, 2023 financial statements or Annual Comprehensive Financial Report.
- The January 1, 2023 actuarial valuation is available on the FPPA website here – https://www.fppaco.org/PDF/ER/ER-Actuarial-OH-Vol/Valuation-Report_SRP.pdf

Table 6a – 6c are helpful in seeing how the assets and liabilities are combined for reporting and to agree to the amounts used for TPL in the schedule.

- The SWH plan reported the cost of the change in benefits due to the merger as Pension Expense in the GASB 68 report. The changes in benefits are effective January 1, 2023 and include an increased benefit multiplier for service earned prior to January 1, 2023 and inclusion of a “Rule of 80” normal retirement. Details of these benefit changes are included in the notes to the SWH GASB 68 report as of the December 31, 2022 measurement date.
- The employer departments most impacted by the effect of the merger are those that participated in the SWH.
 - The reporting will change from an NPA to and NPL.
 - The change in proportionate share is more meaningful as the Hybrid is a much smaller proportion of the merged plans. Table 14 in the January 1, 2023 actuarial valuation (linked above) details the difference in annual payroll and membership counts to demonstrate the difference in size of the plans.

A	B	C	D	E	F	G	H	I	J	K
UNAUDITED	Contributions			Calculated Proportionate Share			Calculated NPL/NPA			Calculated
Employer Fire and Police Department	SWDB 2022	SWH 2022	Combined	SWDB %	SWH %	Combined%	SWDB NPL	SWH NPA	NPL	Variance
STERLING POLICE	113,674		113,674	0.1452%	0.0000%	0.1418%	(128,859)	-	(123,830)	5,029
STRASBURG FPD #8	34,212		34,212	0.0437%	0.0000%	0.0427%	(38,782)	-	(37,269)	1,513
STRATMOOR HILLS FPD	35,246		35,246	0.0450%	0.0000%	0.0440%	(39,954)	-	(38,395)	1,559
SUMMIT FIRE & EMS FPD	480,681	36,106	516,787	0.6139%	1.9614%	0.6448%	(544,892)	28,605	(562,960)	(46,674)
TELLURIDE FPD	169,248		169,248	0.2161%	0.0000%	0.2112%	(191,857)	-	(184,370)	7,487
THORNTON FIRE	1,078,484	48,969	1,127,453	1.3774%	2.6601%	1.4068%	(1,222,551)	38,796	(1,228,187)	(44,432)
THORNTON POLICE	1,694,887	104,202	1,799,089	2.1646%	5.6605%	2.2449%	(1,921,295)	82,555	(1,959,831)	(121,091)
TIMBERLINE FPD	44,255		44,255	0.0565%	0.0000%	0.0552%	(50,167)	-	(48,209)	1,958
TRI-LAKES MONUMENT FPD	605,809		605,809	0.7737%	0.0000%	0.7559%	(686,735)	-	(659,936)	26,799
TRINIDAD FIRE	88,160	11,619	99,779	0.1126%	0.6312%	0.1245%	(99,937)	9,205	(108,694)	(17,962)
UPPER PINE RIVER FPD	182,440	9,600	192,040	0.2330%	0.5215%	0.2396%	(206,811)	7,606	(209,198)	(9,993)
WELLINGTON FPD	142,839		142,839	0.1824%	0.0000%	0.1782%	(161,920)	-	(155,601)	6,319
WEST DOUGLAS COUNTY FPD	9,645		9,645	0.0123%	0.0000%	0.0120%	(10,933)	-	(10,507)	427
WEST METRO FPD	2,738,246	337,420	3,075,666	3.4971%	18.3294%	3.8378%	(3,104,030)	267,325	(3,350,466)	(513,761)
WEST ROUTT FPD	27,538		27,538	0.0352%	0.0000%	0.0344%	(31,217)	-	(29,998)	1,218
WESTMINSTER FIRE	1,142,240	10,302	1,152,542	1.4588%	0.5596%	1.4381%	(1,294,824)	8,162	(1,255,518)	31,145
WESTMINSTER POLICE	1,409,928	120,841	1,530,769	1.8006%	6.5644%	1.9101%	(1,598,271)	95,738	(1,667,538)	(165,005)
WIGGINS POLICE	14,305		14,305	0.0183%	0.0000%	0.0178%	(16,216)	-	(15,583)	633
WINDSOR POLICE	349,134		349,134	0.4459%	0.0000%	0.4356%	(395,772)	-	(380,328)	15,445
WINDSOR SEVERANCE FPD	450,694		450,694	0.5756%	0.0000%	0.5624%	(510,899)	-	(490,962)	19,937
WRAY POLICE	30,970		30,970	0.0396%	0.0000%	0.0386%	(35,107)	-	(33,737)	1,370
YUMA POLICE	38,207		38,207	0.0488%	0.0000%	0.0477%	(43,311)	-	(41,621)	1,690
GRAND TOTAL, ALL DEPARTMENTS	78,301,240	1,840,866	80,142,106	100.0000%	100.0000%	100.0000%	(88,760,968)	1,458,447	(87,302,521)	(0)

	SWDB	SWH	Combined
TPL	3,752,109,029	106,056,059	
TPA	3,663,348,061	107,514,506	
(NPL)/NPA	(88,760,968)	1,458,447	(87,302,521) estimated

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions WELLINGTON FPD 7369-5

For the Reporting Period: 01/01/2023 through 09/30/2023

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
No deposits received for the reporting period			
Total Remittance			\$0.00
Calculated Contribution per the 01/01/2021 Actuarial Study			\$116,417.00
Difference Over/(Under)			\$(116,417.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2023

**Fire and Police Pension Association
Wellington FPD Volunteers 7369-5
For the Nine Months Ending September 30, 2023**

Beginning Balance	\$1,688,855.44
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$140,086.27)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$140,086.27)
Allocated Income and Expense	
Interest	\$8,360.60
Dividends	\$5,747.36
Other Income	\$845.55
Net Change Accrued Income	\$663.99
Unrealized Gain/Loss	\$51,593.91
Realized Gain/Loss	\$18,070.22
Defined Contribution Earnings (Net)	
Investment Expenses	(\$8,693.96)
Direct Expense Allocation	(\$961.99)
Other Expenses	(\$4,798.15)
Allocated Income and Expense Sub-Total	\$70,827.53
Ending Balance	\$1,619,596.70

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Wellington FPD Volunteers 7369-5
 For the Nine Months Ending September 30, 2023**

Type of Expense	2023 Budget	Year-to-Date Expenses	Payment of 2023 Expenses
Actuarial Expenses	\$1,188.48	\$801.67	
Audit Expenses	\$160.32	\$160.32	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,348.80	\$961.99	

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 Fire Pension Plan Employers
Sent via email to the Volunteer Fire Plans GASB Contact

From: Fire & Police Pension Association

Re: Volunteer Fire Pension Plan Annual GASB 68 Report

Date: December 2023

Your volunteer fire pension plan is affiliated with the Fire & Police Pension Association ("FPPA") for the purpose of administering the plan and managing the funds of the plan for investment. This memo will outline the required annual reports provided by FPPA for your volunteer fire pension plan.

Your city/district is required to implement the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") into your annual financial statements. Information on GASB 68 can be found on FPPA's website at <https://www.fppaco.org/GASB/Overview2.html> or you may contact your auditor.

GASB 68 Report

The *GASB Statement No. 68 Employer Reporting Accounting Schedules for the Measurement Period Ending December 31, 2022 and Employer Reporting Period Ending December 31, 2023* for your volunteer fire pension plan is now available to download from the FPPA Employer Portal.

Login to the FPPA Employer Portal and the report will be located under the 'Documents' button and is labeled as **2023 Vol GASB 68 Report**. We have also included this memo for download and it is labeled as **2023 Vol GASB 68 Memo**. <https://ep.fppaco.org/ASPENPMVVM/ACCOUNT/wfmLoginE>

This report is used to satisfy the GASB 68 reporting requirements within your December 31, 2023 financial statements/audit.

SOC 1 Type 2 Report

The American Institute of Certified Public Accountants (AICPA) provided guidance to your auditors to ensure the GASB 68 report is accurate and certifiable. The AICPA recommended that FPPA issue a Statement on Standards for Attestation Engagements, Reporting on Controls at a Service Organization (SOC 1 Type 2) report on the allocation of inflows (i.e., contributions, investment income, etc.) and outflows (i.e., benefit payments, administrative expenses, etc.) and on the census data controlled by the plan.

A SOC report is a report on the controls at a service organization. Type 2 is a report on policies and procedures placed in operation, and test the operating effectiveness for a period of time. The purpose of the report is to give you and your auditor a greater level of assurance as to the accounting of your volunteer fire pension plan assets.

The ***SOC 1 Type 2 Report for the Period January 1 through December 31, 2022*** is available to download from the FPPA Employer Portal.

Login to the FPPA Employer Portal and the report will be located under the 'Documents' button and is labeled as ***2023 Vol SOC Report (YE 12/31/22)***.
<https://ep.fppaco.org/ASPENEMVVM/ACCOUNT/wfmLoginE>

Fiduciary Net Position Schedule

FPPA included a Fiduciary Net Position by Participating Employer schedule as part of the 2022 Annual Report. You can locate this information under the Other Supplementary Schedules within the Financial Section starting on page 87 of the Annual Report. This was opined upon by FPPA's external auditors and both the schedule and opinion can be found in the Annual Report on FPPA's website at:
<https://www.fppaco.org/PDF/annual-reports/2022-Annual-Report-FPPA.pdf>.

Implementation

To assist you in implementing GASB 68 into your financial statements, FPPA has developed the following materials. All documents are located within the "Employers Guide to GASB" section located on FPPA's website at:
<https://www.fppaco.org/GASB/LR2.html>

- 1) Implementation Guide;
- 2) Journal Entry Templates;
- 3) Video Presentations – about how to read the GASB 68 Report.

We recommend that you work with your auditor to discuss any GASB 68 detailed implementation questions since they issue an opinion on your financial statements. Your auditor will be able to assist you as you work through the calculations and journal entries associated with the implementation of GASB 68. If you have general questions regarding the reports located in the FPPA Employer Portal, please contact Peggy Job at pjob@FPPAco.org or 720-479-2345.

**RULES AND BY-LAWS OF THE
WELLINGTON FIRE PROTECTION DISTRICT
FIREFIGHTERS PENSION FUND**

These Rules and By-laws are adopted pursuant to the authority of C.R.S. 31-30-Part 11. The Rules and By-laws of the Pension Fund shall be deemed to be consistent with and in strict compliance with the statutes at all times. Accordingly, all amendments of the statute in the future will be deemed to be incorporated into and become a part of these Rules and By-laws without the necessity of their being amended so that the same will be consistent with the laws of this State at all times. Attachment I shall be updated without need for amendment any time a change in benefits is approved by a vote of the Pension Board. Attachment II, Agenda and Pension Board Calendar shall be updated without need for amendment any time a change is approved by the Pension Board.

ARTICLE I

Membership of the Board of Trustees: 31-30-1105

The Board of Trustees of the Wellington Fire Protection District Pension Fund (the "Board") shall consist of the Board of Directors of the Wellington Fire Protection District (the "District") and two individuals elected from the pool of interested members of the volunteer fire department and retired volunteer fire department members. For purposes of these Bylaws, "volunteer" shall have the same meaning as provided in C.R.S. 31-30-1102(9). All current volunteer members of the fire department and all retired volunteer fire department members shall have the opportunity to vote for the two individuals. The Trustees shall serve terms of office on the board as follows: The President and Directors of the district for their term of office and the two volunteer firefighter representatives for alternating two-year terms. The Treasurer of the Board of Directors of the District shall be the Treasurer of the Pension Fund and be required to supply bond in the amount designated by the Board of Trustees. The Trustees shall elect a President and Secretary from its members after each District Board of Directors Election.

ARTICLE II

Action by the Board: 31-30-1108

The board shall manage, use and disburse the moneys in the funds according to these by-laws and C.R.S. 31-30 Part 11. They shall monitor the management of the funds by FPPA in accordance with section 31-31-75.

The board shall adopt rules that are consistent with C.R.S 31-30 Part 11 for the management and implementation of its duties, for its governance and procedure, and for the preservation and protection of the fund. The board shall keep and preserve records of all action and other matters that properly come before the board.

The Board shall hear and decide all applications for benefits under the provisions of

C.R.S. 31-30- Part 11 in accordance with section 24-4-105 CRS. Action on an application is final and conclusive, except that, if in the opinion of the Board, justice demands that reconsideration of the action, the Board may reverse the action.

ARTICLE III

Property Tax: 31-30-1110

The Board of Directors of the Fire Protection District may levy and set apart a tax for each year of not more than one mil on the taxable property in the district to be credited to the pension fund.

ARTICLE IV

Contributions to the Fund: 31-30-1111

In addition to any property tax revenues the fund can also consist of any money given to the Board or the Fund by a person for the use and purpose for which the fund was created. The Board may take any money, personal property, real estate, or interest therein by gift, grant, devise, or bequest as trustees for the use and purpose for which the fund was created. Moneys, fees, rewards, or emoluments of any nature and description that are paid and given to the fund and moneys provided by state matching funds under section 31-30-1112; Fund moneys are for the use and benefit of the Fire Department members and retired fire department members and their surviving spouses, dependent children, dependent parents, and other beneficiaries in accordance with section 31-30 part 11, C.R.S.

ARTICLE V

State Matching Funds: 31-30-1112

It is the responsibility of the Pension Fund Treasurer to ensure application for the state annual contributions is completed during the open application period every year. State funds are paid according to 30-31-1112 C.R.S.

ARTICLE VI

Actuarial Study:

Biannually, in February of odd years, the Board will request that FPPA complete an actuarial study at the Fire Districts expense. It is the responsibility of the pension board to assure all information supplied to FPPA is complete and accurate. The Board will review the study in August and determine what, if any, plan changes will be made based on the results.

ARTICLE VII

Fund Investments: 31-30-1113

It is the desire of the Wellington Fire Protection District to have all fund moneys invested with FPPA. In the case of donations that cannot readily be invested with FPPA, these assets must be invested in compliance with section 31-30-1113 C.R.S.

ARTICLE VIII

Insurance: 31-30-1114

With the concurrence of sixty-five percent of the fire department members voting thereon and sixty-five percent of the retired members voting thereon, the board may ensure the members of the Department by an Insurance Policy as approved by section 31-30-1114 of the C.R.S. and pay for the same out of the Fund. The ability of the Fund to pay monthly benefits, awards or annuities, previously made, shall not be impaired by the purchase. The board must be the beneficiary of any insurance policies, and the proceeds of the insurance policies shall be paid to the board as an addition to the pension fund.

ARTICLE IX

Payments - Warrants: 31-30-1116

The board has authorized FPPA to perform the duty of issuing checks in payment of pensions and other obligations of the pension fund. The board shall approve payment of all such obligations in advance. In the event of fund assets not invested with FPPA, all payments shall be made by warrant drawn by the order of the Board of Trustees, signed by the President and countersigned by the Secretary. No warrant shall be drawn, except after having been duly entered in the records and the proceeding of the Board.

ARTICLE X

Exemption from Levy: 31-30-1117

Except for child support purposes or arrearages for child support, no part of the Pension Fund, either before or after any order for the distribution to a firefighter, retired firefighter, or beneficiary or to the surviving spouse, or guardians of any child or children of a deceased, disabled, or retired member of the Department, shall be held, seized, taken, subjected to, detained, levied on, by virtue of any attachment, execution, judgment, writ, interlocutory or other order, decree or protest, of any debt, damages, claim, demand, judgment, fine, amercement of the district, or of a fire department member, retired fire department member or their surviving spouses, dependent children, or designated beneficiaries. The Fund shall be kept, secured, and distributed for the purpose of issuing pensions and protecting the person named in Part 11, and for no other purpose whatsoever, provided, the Board may annually expend such sums as it may deem proper from such Fund for the necessary expenses connected with the fund.

ARTICLE XI

Trustees - Reports: 31-30-1119

The Pension Board or its treasurer shall make a report to the Board of Directors of its Fire Protection District on the condition of the Pension Fund in February and August of each year.

ARTICLE XII

Disability pension: 31-30-1121

For purposes of these Bylaws, "in the line of duty" shall mean the period during which a volunteer firefighter is performing fire fighting, prevention, or rescue squad services on behalf of the District, including related, essential services such as those performed by dispatchers, mechanics, ambulance drivers and certified instructors. If a volunteer firefighter is injured while in the line of duty as a volunteer firefighter, the board shall pay to the volunteer firefighter:

A short-term disability monthly annuity for not more than one year in an amount it determines is proper and equitable, considering the financial condition of the fund. The annuity to be not more than one-half of the amount paid for a normal twenty-year retirement or two hundred twenty-five (225.00) dollars, whichever is greater; or

A long-term disability monthly annuity for a disability that deprives the volunteer firefighter of an earning capacity and that extends beyond one year in an amount it determines is proper and necessary. The annuity to be not more than the amount paid for a normal twenty-year retirement or four hundred fifty dollars whichever is greater.

Disability-pension applicants shall be examined by one or more physicians selected by the board and may be examined by one or more physicians selected by the applicant. The board shall pay from the fund the expenses of the physician chosen by the board.

Other benefits accruing to the injured firefighters such as workers compensation, insurance, and all others must be considered by the Board in making the determination of the annuity due the firefighters. In no event shall the short-term annuity be paid for a period exceeding one year unless the injury is of a character as to totally deprive the firefighter of earning capacity. In this event, after expiration of one year, the Board of Trustees shall determine if the firefighter is eligible for long-term disability and the proper and necessary amount of the monthly benefits.

Re-Examination - Notice - Hearing:

After any member of the Fire Department is retired temporarily by reason of disability, the Board of Trustees has the right, to cause such retired member to be brought before it, and again be examined by competent physicians. These re-examinations cannot take place less than one year after retirement and not more often than yearly thereafter. The board shall also have the right to examine other witnesses for the purpose of discovering

whether such disability yet continues, and whether such retired member should be continued on the Pension Roll.

A firefighter on disability pension who is either fifty years of age or has completed twenty years of active duty in the fire department before the date disability benefits are first provided shall not be re-examined.

In the event it is found by the board that any firefighter on disability pension has recovered sufficiently from the disability that caused the retirement and the person is under fifty years of age and served less than twenty years active duty, the person shall be removed from the retirement list. Any member so removed from the Pension Roll may object to the removal in writing within thirty (30) days of the date of such removal. Upon proper objection, the decision of the Board shall be suspended until a notice of the hearing on the matter. Such retired member shall be entitled to notice of the hearing, to be present at the hearing, to be represented by counsel, shall be permitted to propound any question, pertinent or relevant to such matter, and shall have the right to introduce evidence on his/her own behalf. All witnesses so produced shall be examined under oath, and any member of the Board of Trustees is hereby authorized to administer such oath to such witness. The decision of Board shall be final.

ARTICLE XIII

Retirement Pension: 31-30-1122

The Board may pension any firefighter having ten or more years' service and who is above the age of fifty years, such pension not to exceed the amount determined by the board to be actuarially sound. A year of service shall be counted as twelve (12) months from the date the firefighter joins the department. If there is an interruption in service, additional accrual of years shall begin with the date the firefighter re-joins the department. The amount of this retirement pension shall be prorated based on the volunteer firefighter's years of service. Refer to attachment 1 of these by-laws for the current pension amounts.

Whenever the board increases the retirement pension benefits after actuarial review indicates a higher payment is actuarially sound, such increase may also be applied to the pension benefit of any retired volunteer. Whenever the board elects to apply any retirement pension increase, the board shall apply such increase to the retirement pension of all retired firefighters and survivors.

No firefighter shall be pensioned while still an active volunteer member of the Department.

A volunteer firefighter shall maintain a minimum training participation of thirty-six hours each year to qualify for the retirement benefits. Up to six hours of EMS training may be applied to meet the thirty-six hours of required training. A maximum of six hours pre-approved outside training (EMS or Fire) may be applied to the required thirty-six hours.

A volunteer firefighter who has served ten years or more and has not reached the age of fifty (50) years, may be granted a leave of absence by the board and retain all rights to a pension and is entitled to the retirement pension when the firefighter is fifty years of age.

The Board shall review applicants to determine the years of service. The Board reserves the right to accept or deny previous service with other departments up to a maximum of five years. Previous service with other departments shall be denied only when applicant fails to furnish adequate proof of such service, including proof of training and active participation. For volunteer firefighters with more than 5 years of service with another department see Section 31-30-1123 C.R.S. In no event shall a volunteer firefighter receive a total retirement benefit from all **volunteer firefighter pension** funds exceeding the maximum amount paid by the board from such funds pursuant to or four hundred fifty dollars, whichever is greater.

ARTICLE XIV

Applications for Benefits from the Fund:

All requests for benefits of any sort from the Fund shall be made on forms provided by the Board. For an application to be considered, the applicant must provide all requested information and agree to all reasonable requests for additional information by the Board of Trustees.

All applications for retirement must be submitted thirty (30) days before the date of expected retirement. All pension benefits shall be paid from the date that the application is finally approved.

Determination of benefits:

A majority of the members of the Board of Trustees present shall determine the proper and necessary amount of the benefit or award in each case. In event an application is made for an enlargement of an award or benefit, an affirmative vote of 2/3 of the Board of Trustees present shall be necessary. When initially an application is turned down by the Board of Trustees, the applicant can re-apply after waiting thirty (30) days.

ARTICLE XV

Supplemental retirement pension: 31-30-1125

The board may pay a supplemental monthly retirement pension to a volunteer firefighter who is fifty years of age and who has been in active service more than twenty years provided the fund is actuarially sound and sixty-five percent of the total number of active and retired members approve. The supplemental monthly pension payment shall not exceed five percent of the normal monthly payment for twenty years of service multiplied by the number of year's active service in excess of twenty years, up to a maximum of ten years. See Attachment 1.

ARTICLE XVI

Survivor Benefits: after normal or early retirement 31-30-1126:

If a retired firefighter dies after starting to receive benefits, then the surviving spouse shall receive fifty percent of the current pension payment, so long as the surviving spouse remains unmarried.

No dissolution of a subsequent marriage shall have the effect of reinstating the benefit.

Benefits may be increased after actuarial review indicates a higher payment is actuarially sound.

ARTICLE XVII

Survivor Benefits: Death of vested firefighter other than in the line of duty:

Upon the death of a volunteer firefighter who, regardless of age, has ten years of more of qualified service and who leaves a surviving spouse, the board may pay an annuity of not more than fifty percent of the pension payment due the firefighter.

This annuity to the surviving spouse shall cease if the surviving spouse remarries. Dissolution of a subsequent marriage does not reinstate the annuity.

Benefits may be increased after actuarial review indicates a higher payment is actuarially sound.

ARTICLE XVIII

Survivor Benefit: Death due to injuries received in the line of Duty -: 31-30-1127

Payment to Surviving Spouse

If a fire department member dies from injuries received while in the line of duty as a volunteer firefighter and leaves a surviving spouse, the Board of Trustees shall pay a monthly annuity either in an amount the board deems proper and necessary, but not to exceed fifty percent of the normal twenty-year retirement amount or two hundred twenty-five (225.00) dollars, whichever is greater.

The monthly benefit will continue so long as the surviving spouse remains unmarried. Dissolution of a subsequent marriage shall not reinstate the annuity.

The Board of Trustees shall consider all other sources of income to the surviving spouse in making its determination of the proper and necessary amount to be paid from the Fund.

Benefits may be increased after actuarial review indicates a higher payment is actuarially sound.

Payment to Child or Children:

If a firefighter dies as the result of injuries received while in the line of duty as a firefighter and leaves no surviving spouse but does leave a child or children surviving under

eighteen (18) years of age, then the Board of Trustees shall order a monthly payment in such an amount as it shall deem proper or necessary considering all sources of income and care to the child or children, not to exceed an aggregate of fifty percent of the normal twenty-year retirement or two hundred twenty-five (225.00) dollars, whichever is greater. The payments shall be made monthly to the legal guardian of the child or children and shall continue until each such child reaches the age of 18 years.

Payment to dependent parent: If a firefighter dies as the result of injuries received while in the line of duty as a firefighter and leaves no surviving spouse or child, but there is a surviving dependent parent, then the Board of Trustees shall determine a monthly payment in such an amount as it shall deem proper or necessary considering all sources of income and care to the dependent parent, not to exceed fifty percent of the normal twenty year retirement or two hundred twenty-five (225.00) dollars, whichever is greater.

The monthly benefit will continue so long as the dependent parent remains unmarried. No dissolution of a subsequent marriage shall have the effect of reinstating the annuity.

The Board of Trustees shall consider all other sources of income to the dependent parent in making its determination of the proper and necessary amount to be paid from the fund.

Benefits may be increased after actuarial review indicates a higher payment is actuarially sound.

ARTICLE XIX

Funeral Benefit: 30-31-1129

When an active or retired volunteer firefighter dies, the Board shall pay a funeral benefit to assist in the proper burial of the deceased firefighter in an amount determined by the board of not more than twice the monthly amount for a normal 20-year retirement, but not less than one hundred dollars. The board shall pay this funeral benefit to any person who pays the necessary funeral expenses.

ARTICLE XX

Retired firefighter - return to active service - benefits: 30-31-1132

If the Board of Directors of the Wellington Fire Protection District determines, by resolution, that the department is in need of additional volunteer firefighters, a retired fire department member shall be eligible to serve the department as an active volunteer firefighter. Any retired fire department member receiving a pension whom elects to return to active service will continue to receive pension benefits. During the period such person is receiving a pension and acting as an active volunteer firefighter the person shall not receive service credit for the purpose of increasing such pension.

ARTICLE XXI

Amendments:

These Rules and By-laws may be altered, amended, or added to by the Board of Trustees, from time to time. Any proposed amendment, alteration, or addition must be read at a regular or special meeting of the Pension Board and the vote on the alteration, amendment or addition will be taken at that meeting. A 2/3 affirmative vote of the Board present is required in order to alter, amend or add to these Rules and By-laws.

These Rules and By-laws shall be automatically amended at such time as the Colorado Revised Statutes applicable to any section or article of the Rules and By-laws is amended that in all respects, these Rules and By-laws shall conform to the statutes of this State and shall not be in conflict. The Rules and By-laws are of course supplementary to the statutes and in the event of any conflict between same and the statutes, then the statutes shall control.

PASSED AND ADOPTED on this 21st day of September 2022

on motion made by _____, seconded by _____ and the following affirmative votes:

Sue Reed
Brian Tuerffs
Kenny Pettit
David Pierson
Steve Sarno
Christine Gaiter
Jason Meyers

BOARD OF TRUSTEES
WELLINGTON FIRE PROTECTION DISTRICT
VOLUNTEER PENSION FUND

By Kenny Pettit
President

Attachment I

Current pension plan for Wellington Fire Protection District:

<u>Normal retirement benefit (monthly)</u>	
Regular (20 yrs service)	\$1064.00
Extended Service (>20 yrs) (amount per year of service)	\$53.20
<u>Vested retirement benefit (monthly)</u>	
With 20 or more years of service	\$1064.00
With 10 to 20 years of service Amount per year of service	\$53.20
Plans minimum vesting years	10
<u>Disability retirement benefit (monthly)</u>	
Short term disability Amount payable for 1 year only	\$532.00
Long term disability Lifetime benefit	\$1064.00
<u>Survivor benefits (monthly)</u>	
Following death before retirement Other than line of duty Must be vested Amount per year of service	\$53.20
Following death before retirement In the line of duty	\$532.00
Following death after normal retirement With 20 years of service	\$532.00
Following death after normal retirement With extended service Amount per year of service	\$26.20
Following death after vested retirement Amount per year of service	\$26.20
Following death after disability retirement	\$532.00
<u>Funeral benefits (one time only)</u>	
Lump Sum	\$2128.00

Attachment II

Wellington Fire Protection District Pension Board Agenda

Call to order:

Roll Call:

Others in Attendance:

Approval of Minutes from last meeting:

Treasurers Report:

Old Business:

New Business:

Pension Board Calendar

February:

- a) Send out beneficiary update forms
- b) Status report to Wellington Fire Protection District Board
- c) Review FPPA's list of active department members
- d) (Odd years) Request Actuarial study

June: Elect new president and secretary after WFPD Board Election

August:

- a) (Odd years) Review actuarial study, determine ability to increase benefit
- b) Status report to Wellington Fire Protection District Board

December:

- a) Solicit candidates from volunteer members and retired members for upcoming Board position.

Adjournment:

Wellington Fire Protection District Volunteer Pension Fund

GASB Statement No. 68 Employer Reporting and Accounting
Schedules for the
Measurement Period Ending December 31, 2022 and
Employer Reporting Period Ending December 31, 2023





September 2023

Administrative Heads and Finance Officers
For Funds Participation in FPPA
Wellington Fire Protection District Volunteer Pension Fund

Dear Administrative Heads and Finance Officers:

The accounting schedules submitted in this report are required under the Governmental Accounting Standards Board (GASB) Statement No. 68 "Employer Reporting for Pension Plans."

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the Wellington Fire Protection District Volunteer Pension Fund only in its entirety and only with the permission of Wellington Fire Protection District Volunteer Pension Fund.

This report is based upon information furnished to us by FPPA staff and verified by the department concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency but was not audited.

This report complements the actuarial valuation report that was provided to Wellington Fire Protection District Volunteer Pension Fund and should be considered in conjunction with that report. Please see the actuarial valuation report as of January 1, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

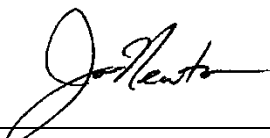
This report was prepared using our proprietary valuation model and related software which in our professional judgement has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Wellington Fire Protection District Volunteer Pension Fund. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

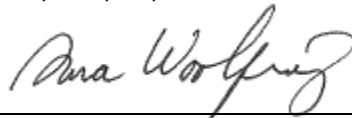
The signing actuaries are independent of the plan sponsor.

Joseph Newton and Dana Woolfrey are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. Both are experienced in performing valuations for public retirement systems.

Respectfully submitted,

By 

Joseph Newton
FSA, FCA, EA, MAAA

By 

Dana Woolfrey
FSA, FCA, EA, MAAA



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SECTION A

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY
FOR THE MEASUREMENT PERIOD ENDING DECEMBER 31, 2022
TO BE USED FOR DECEMBER 31, 2023 REPORTING PURPOSES

Actuarial Valuation Date	January 1, 2023
Measurement Date of the Net Pension Liability/(Asset)	December 31, 2022
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2023

Membership as of January 1, 2023

Number of	
- Retirees and Beneficiaries	17
- Inactive, Nonretired Members	9
- Active Members	3
- Total	29
Covered Payroll	N/A

Net Pension Liability/(Asset)

Total Pension Liability	\$ 2,875,874
Plan Fiduciary Net Position	1,688,855
Net Pension Liability/(Asset)	\$ 1,187,019
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.72 %
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A

Development of the Single Discount Rate

Single Discount Rate	7.00 %
Long-Term Expected Rate of Investment Return	7.00 %
Long-Term Municipal Bond Rate*	4.05 %
Last year ending December 31 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122

Total Pension Expense/(Income) \$ 337,007

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expense/(Income)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	225,088	133,597
Total	\$ 225,088	\$ 133,597

**Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.*



Discussion

Accounting Standard

For state and local government employers (as well as certain non-employers) that contribute to a defined benefit pension plan administered through a trust or equivalent arrangement, Governmental Accounting Standards Board (GASB) Statement No. 68 establishes standards for pension accounting and financial reporting. Under GASB Statement No. 68, the employer must account for and disclose the net pension liability/(asset), pension expense/(income), and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements. The volunteer fire plans are considered agent multiple-employer plans and employer reporting should apply the sections of the Statement No. 68 pertaining to agent employers.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information is not included in this report if it is not actuarial in nature, such as the notes to the financial statements regarding accounting policies and investments. As a result, the retirement system and/or plan sponsor is responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state and local government employers that contribute to defined benefit pension plans to recognize the net pension liability/(asset) and the pension expense/(income) on their financial statements, along with the related deferred outflows of resources and deferred inflows of resources. The net pension liability/(asset) is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 34 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability/(asset) and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to Wellington Fire Protection District Volunteer Pension Fund subsequent to the measurement date of December 31, 2022.

The pension expense/(income) recognized each fiscal year is equal to the change in the net pension liability/(asset) from the beginning of the year to the end of the year, adjusted for deferred recognition of the certain changes in the liability and investment experience.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense/(income), the pension plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to pensions.

In addition, GASB Statement No. 68 requires the notes of the financial statements for the employers to include certain additional information, including:

- a description of the types of benefits provided by the plan, as well as any benefit improvements;
- the number and classes of employees covered by the benefit terms;
- for the current year, sources of changes in the net pension liability/(asset);
- significant assumptions and methods used to calculate the total pension liability;
- inputs to the Single Discount Rate;
- certain information about mortality assumptions and the dates of experience studies;
- the date of the valuation used to determine the total pension liability;
- information about changes of assumptions or other inputs and benefit terms;
- the basis for determining contributions to the plan, including a description of the plan's funding policy, as well as employer contribution requirements;
- the total pension liability, fiduciary net position, net pension liability/(asset), and the pension plan's fiduciary net position as a percentage of the total pension liability;
- the net pension liability/(asset) using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability/(asset) for financial reporting purposes; and
- a description of the system that administers the pension plan.

Required Supplementary Information

The financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- sources of changes in the net pension liability/(asset);
- information about the components of the net pension liability/(asset) and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered payroll*; and
- a comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

While the first two tables may be built prospectively as the information becomes available, sufficient information is currently available for the third table.

The employer is responsible for maintaining the detailed records necessary to building the 10-year schedules.

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2122. The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net pension liability/(asset) and pension expense/(income) should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of January 1, 2023 and a measurement date of December 31, 2022. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2023 and may be used for December 31, 2023 reporting purposes.

Expense and deferred outflow calculations are shown starting with the year ending December 31, 2022, but can be used for the plan sponsor's December 31, 2023 financial reporting. Each reported amount will have a one-year lag so that year end December 31, 2022 can be used for December 31, 2023 plan sponsor reporting.

**Covered payroll is not applicable for volunteer pension plans.*



Paragraph 34 of GASB Statement No. 68 indicates that contributions to the pension plan subsequent to the measurement date of the Net Pension Liability/(Asset) and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The information contained in this report does not incorporate any contributions made to the Wellington Fire Protection District Volunteer Pension Fund subsequent to December 31, 2022; the employer will need to add 2023 contributions into the Deferred Outflows.

Single 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 long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (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%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

Incorporation of Plan Changes

The Total Pension Liability as of December 31, 2022 includes any plan changes through that date. If there were any plan changes effective during the year ending December 31, 2022, the increase in the Total Pension Liability will be reflected in the "Benefit Changes" item on page 12 as well as the Pension Expense on Page 7. The plan provisions used in determining the Total Pension Liability as of December 31, 2022 are shown on page 18 of the report.

SECTION B

FINANCIAL STATEMENTS

Pension Expense/(Income) Under GASB Statement No. 68
Measurement Period Ending December 31, 2022
for the Employer Fiscal Year Ending December 31, 2023

A. Pension Expense/(Income)

1. Service Cost	\$	5,380
2. Interest on the Total Pension Liability		175,530
3. Current-Period Benefit Changes		164,065
4. Projected Earnings on Plan Investments (made negative here to offset expense)		(130,877)
5. Pension Plan Administrative Expense		6,560
6. State of Colorado Supplemental Discretionary Payment		(10,541)
7. Recognition of Outflow (Inflow) of Resources due to Liabilities		112,165
8. Recognition of Outflow (Inflow) of Resources due to Assets		14,725
9. Total Pension Expense/(Income)	\$	337,007

Statement of Outflows and Inflows arising from the Current Measurement Period Ending December 31, 2022 for the Employer Fiscal Year Ending December 31, 2023

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$	65,929
2. Assumption Changes (gains) or losses	\$	46,236
3. Recognition period for Liabilities: Average of the expected remaining service lives of all participants {in years}*		1.0000
4. Outflow (Inflow) of Resources to be recognized in the current pension expense/(income) for the difference between expected and actual experience of the Total Pension Liability	\$	65,929
5. Outflow (Inflow) of Resources to be recognized in the current pension expense/(income) for assumption changes	\$	46,236
6. Outflow (Inflow) of Resources to be recognized in the current pension expense/(income) due to Liabilities (Item A.4 + Item A.5)	\$	112,165
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expense/(income) for the difference between expected and actual experience of the Total Pension Liability (Item A.1 - Item A.4)	\$	0
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expense/(income) for assumption changes (Item A.2 - Item A.5)	\$	0
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expense/(income) due to Liabilities (Item A.7 + Item A.8)	\$	0

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$	281,360
2. Recognition period for Assets {in years, closed 5-year period}		5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense/(income) due to Assets (Item B.1 / Item B.2)	\$	56,272
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets (Item B.1 - Item B.3)	\$	225,088

**The expected remaining service life of a participant represents how long they are expected to be an active employee under the plan. The average shown is an average of all participants, including inactive participants (retirees, beneficiaries, etc.), who have a remaining service life of 0.0.*

Statement of Outflows and Inflows arising from the Current and Prior Measurement Periods Through December 31, 2022 for the Employer Fiscal Year Ending December 31, 2023

A. Current Pension Expense/(Income) - Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense/(Income)

	Outflows of Resources	Inflows of Resources	Net Outflows/(Inflows) of Resources
1. Due to Liabilities	\$ 112,165	\$ 0	\$ 112,165
2. Due to Assets	78,676	63,951	14,725
3. Total	\$ 190,841	\$ 63,951	\$ 126,890

B. Current Pension Expense/(Income) - Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense/(Income)

	Outflows of Resources	Inflows of Resources	Net Outflows/(Inflows) of Resources
1. Differences between expected and actual experience	\$ 65,929	\$ 0	\$ 65,929
2. Assumption Changes	46,236	0	46,236
3. Net Difference between projected and actual earnings on pension plan investments	78,676	63,951	14,725
4. Total	\$ 190,841	\$ 63,951	\$ 126,890

C. Future Pension Expense/(Income) - Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expense/(Income)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
1. Differences between expected and actual experience	\$ 0	\$ 0	\$ 0
2. Assumption Changes	0	0	0
3. Net Difference between projected and actual earnings on pension plan investments	225,088	133,597	91,491
4. Total	\$ 225,088	\$ 133,597	\$ 91,491

D. Future Pension Expense/(Income) - Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expense/(Income)

Fiscal Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (7,679)
2025	12,805
2026	30,093
2027	56,272
2028	0
Thereafter	0
Total	\$ 91,491



History of Deferred Outflows and Inflows of Resources by Source for Measurement Periods Through December 31, 2022 for the Employer Fiscal Year Ending December 31, 2023

Differences between expected and actual experience - Net outflows of resources

Recognition Period	6.2069 2015	4.7143 2016	4.7143 2017	2.2353 2018	2.2353 2019	1.5161 2020	1.5161 2021	1.0000 2022	1.0000 2023	Total	Deferred Net Outflows at Reporting Date
Total	\$ (121,201)	\$ 0	\$ (180,744)	\$ 0	\$ 178,650	\$ 0	\$ (38,671)	\$ 0	\$ 65,929		
2015	(19,527)									(19,527)	
2016	(19,527)	0								(19,527)	
2017	(19,527)	0	(38,340)							(57,867)	
2018	(19,527)	0	(38,340)	0						(57,867)	
2019	(19,527)	0	(38,340)	0	79,922					22,055	
2020	(19,527)	0	(38,340)	0	79,922	0				22,055	
2021	(4,039)	0	(27,384)	0	18,806	0	(25,507)			(38,124)	
2022	0	0	0	0	0	0	(13,164)	0		(13,164)	
2023	0	0	0	0	0	0	0	0	65,929	65,929	
2024	0	0	0	0	0	0	0	0	0	0	\$ 0
2025	0	0	0	0	0	0	0	0	0	0	
2026	0	0	0	0	0	0	0	0	0	0	
Thereafter	0	0	0	0	0	0	0	0	0	0	
	\$ (121,201)	\$ 0	\$ (180,744)	\$ 0	\$ 178,650	\$ 0	\$ (38,671)	\$ 0	\$ 65,929	\$ (96,037)	

Assumption changes - Net outflows of resources

Recognition Period	6.2069 2015	4.7143 2016	4.7143 2017	2.2353 2018	2.2353 2019	1.5161 2020	1.5161 2021	1.0000 2022	1.0000 2023	Total	
Total	\$ 0	\$ 0	#####	\$ 220,867	\$ (508,351)	\$ 360,850	\$ (1,271,598)	\$ 0	\$ 46,236		
2015	0									0	
2016	0	0								0	
2017	0	0	262,965							262,965	
2018	0	0	262,965	98,809						361,774	
2019	0	0	262,965	98,809	(227,420)					134,354	
2020	0	0	262,965	23,249	(227,420)	238,012				296,806	
2021	0	0	187,836	0	(53,511)	122,838	(838,730)			(581,567)	
2022	0	0	0	0	0	0	(432,868)	0		(432,868)	
2023	0	0	0	0	0	0	0	0	46,236	46,236	
2024	0	0	0	0	0	0	0	0	0	0	\$ 0
2025	0	0	0	0	0	0	0	0	0	0	
2026	0	0	0	0	0	0	0	0	0	0	
Thereafter	0	0	0	0	0	0	0	0	0	0	
	\$ 0	\$ 0	#####	\$ 220,867	\$ (508,351)	\$ 360,850	\$ (1,271,598)	\$ 0	\$ 46,236	\$ 87,700	



History of Deferred Outflows and Inflows of Resources by Source for Measurement Periods Through December 31, 2022 for the Employer Fiscal Year Ending December 31, 2023 (continued)

Net Difference between projected and actual earnings on pension plan investments - Net outflows of resources

Recognition Period	5.0000 2015	5.0000 2016	5.0000 2017	5.0000 2018	5.0000 2019	5.0000 2020	5.0000 2021	5.0000 2022	5.0000 2023	Total	Deferred Net Outflows at Reporting Date
Total	\$ 10,910	\$ 89,197	\$ 32,963	\$ (103,299)	\$ 112,024	\$ (102,430)	\$ (86,422)	\$ (130,903)	\$ 281,360		
2015	2,182									2,182	
2016	2,182	17,839								20,021	
2017	2,182	17,839	6,593							26,614	
2018	2,182	17,839	6,593	(20,660)						5,954	
2019	2,182	17,839	6,593	(20,660)	22,405					28,359	
2020	0	17,841	6,593	(20,660)	22,405	(20,486)				5,693	
2021	0	0	6,591	(20,660)	22,405	(20,486)	(17,284)			(29,434)	
2022	0	0	0	(20,659)	22,405	(20,486)	(17,284)	(26,181)		(62,205)	
2023	0	0	0	0	22,404	(20,486)	(17,284)	(26,181)	56,272	14,725	
2024	0	0	0	0	0	(20,486)	(17,284)	(26,181)	56,272	(7,679)	\$ 91,491
2025	0	0	0	0	0	0	(17,286)	(26,181)	56,272	12,805	
2026	0	0	0	0	0	0	0	(26,179)	56,272	30,093	
Thereafter	0	0	0	0	0	0	0	0	56,272	56,272	
	\$ 10,910	\$ 89,197	\$ 32,963	\$ (103,299)	\$ 112,024	\$ (102,430)	\$ (86,422)	\$ (130,903)	\$ 281,360	\$ 103,400	

Total - Net outflows of resources

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	
Total	\$ (110,291)	\$ 89,197	#####	\$ 117,568	\$ (217,677)	\$ 258,420	\$ (1,396,691)	\$ (130,903)	\$ 393,525		
2015	(17,345)									(17,345)	
2016	(17,345)	17,839								494	
2017	(17,345)	17,839	231,218							231,712	
2018	(17,345)	17,839	231,218	78,149						309,861	
2019	(17,345)	17,839	231,218	78,149	(125,093)					184,768	
2020	(19,527)	17,841	231,218	2,589	(125,093)	217,526				324,554	
2021	(4,039)	0	167,043	(20,660)	(12,300)	102,352	(881,521)			(649,125)	
2022	0	0	0	(20,659)	22,405	(20,486)	(463,316)	(26,181)		(508,237)	
2023	0	0	0	0	22,404	(20,486)	(17,284)	(26,181)	168,437	126,890	
2024	0	0	0	0	0	(20,486)	(17,284)	(26,181)	56,272	(7,679)	\$ 91,491
2025	0	0	0	0	0	0	(17,286)	(26,181)	56,272	12,805	
2026	0	0	0	0	0	0	0	(26,179)	56,272	30,093	
Thereafter	0	0	0	0	0	0	0	0	56,272	56,272	
	\$ (110,291)	\$ 89,197	#####	\$ 117,568	\$ (217,677)	\$ 258,420	\$ (1,396,691)	\$ (130,903)	\$ 393,525	\$ 95,063	



Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Current Period Measurement Period Ended December 31, 2022

A. Total pension liability	
1. Service Cost	\$ 5,380
2. Interest on the Total Pension Liability	175,530
3. Benefit changes	164,065
4. Difference between expected and actual experience of the Total Pension Liability	65,929
5. Changes of assumptions	46,236
6. Benefit payments	(169,522)
7. Net change in total pension liability	\$ 287,618
8. Total pension liability – beginning	2,588,256
9. Total pension liability – ending	<u><u>\$ 2,875,874</u></u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 105,876
2. Net investment income	(150,483)
3. Benefit payments	(169,522)
4. Pension Plan Administrative Expense	(6,560)
5. State of Colorado supplemental discretionary payment	10,541
6. Net change in plan fiduciary net position	\$ (210,148)
7. Plan fiduciary net position – beginning (Market value of assets at beginning of year)	1,899,003
8. Plan fiduciary net position – ending (Market value of assets at end of year)	<u><u>\$ 1,688,855</u></u>
C. Net pension liability/(asset) (Item A.9 - Item B.8)	<u><u>\$ 1,187,019</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability (Item B.8 / Item A.9)	58.72%
E. Covered payroll	N/A
F. Net pension liability/(asset) as a percentage of covered payroll	N/A



Schedule of Contributions For Purposes of Building a 10-Year History

Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2022	\$ 116,417	\$ 116,417	\$ 0	N/A	N/A

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

Information for the measurement periods ending December 31, 2014 through December 31, 2021 should be obtained from the prior years' reports for purposes of building the 10-year history.

Notes to Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determines the contribution amounts for 2022 and 2023.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Notes:

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2022. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023 and as such, the Total Pension Liability was measured using those assumptions. Please see the comprehensive summary in the funding valuation as of January 1, 2023 for assumptions used to measure the Total Pension Liability as of January 1, 2023.

FPPA System Description

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.



Long-Term Expected Return on Plan Assets

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. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	1.00 %	3.92 %
Fixed Income - Rates	10.00 %	5.45 %
Fixed Income - Credit	5.00 %	6.90 %
Absolute Return	9.00 %	6.49 %
Long Short	6.00 %	7.47 %
Global Equity	35.00 %	8.93 %
Private Markets	34.00 %	10.31 %
Total	100.00 %	

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel, Roeder, Smith & Company does not provide investment advice.

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%, 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:

**Sensitivity of Net Pension Liability/(Asset)
to the Single Discount Rate Assumption
for the Measurement Period ending December 31, 2022**

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 1,531,138	\$ 1,187,019	\$ 902,725

SECTION C

BENEFIT PROVISIONS

Benefit Provisions Used to Determine the Total Pension Liability for the Measurement Period ending December 31, 2022

1. Normal Retirement Benefit at Age 50 with 20 years of Service (monthly):	
a. Regular	\$1,064.00
b. Extended Service Amount Per Year of Service	\$53.20
2. Vested Retirement Benefit (monthly):	
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$53.20
b. Minimum Vesting Years	10
3. Disability Retirement Benefit (monthly):	
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$532.00
b. Long Term Disability for line of duty injury Lifetime Benefit	\$1,064.00
4. Survivor Benefits (monthly):	
a. Following Death before Retirement Eligible; Due to death in line of duty as a volunteer firefighter	\$532.00
b. Following Death after Normal Retirement	\$532.00
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$26.60
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$26.60
e. Following Death after Disability Retirement	\$532.00
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; Due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00
5. Funeral Benefits (Required Benefit):	
a. Funeral Benefit Lump Sum, one time only	\$2,128.00

Includes any benefit improvements through the end of the measurement period at December 31, 2022, if applicable.

SECTION D

GLOSSARY OF TERMS

Glossary of Terms

<i>Actuarial Accrued Liability (AAL)</i>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
<i>Actuarial Assumptions</i>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<i>Accrued Service</i>	Service credited under the system which was rendered before the date of the actuarial valuation.
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<i>Actuarial Gain (Loss)</i>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<i>Actuarial Present Value (APV)</i>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<i>Actuarial Valuation</i>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
<i>Actuarial Valuation Date</i>	The date as of which an actuarial valuation is performed.
<i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i>	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

Agent Multiple-Employer Defined Benefit Pension Plan

A multiple-employer defined benefit pension plan in which the pension assets of more than one employer are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

Amortization Payment

The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.

Amortization Method

The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be "open" (meaning, reset each year) or "closed" (the number of years remaining will decline each year).

Deferred Inflows and Outflows

The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences and changes of assumptions. The portion of these amounts not included in current pension expense/(income) should be included in the deferred inflows or outflows of resources.

Discount Rate

For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically:

1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and
2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Entry Age Actuarial Cost Method (EAN)

The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit ages(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.

Fiduciary Net Position

The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.



Glossary of Terms

<i>GASB</i>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<i>Long-Term Expected Rate of Return</i>	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
<i>Money-Weighted Rate of Return</i>	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<i>Multiple-Employer Defined Benefit Pension Plan</i>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<i>Municipal Bond Rate</i>	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
<i>Net Pension Liability/(Asset) (NPL)/(NPA)</i>	The NPL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit pension plan.
<i>Non-Employer Contributing Entities</i>	Non-employer contributing entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities. The State of Colorado is a non-employer contributing entity, but they are not in a Special Funding Situation.
<i>Normal Cost</i>	The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.
<i>Real Rate of Return</i>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<i>Service Cost (often referred to as the Normal Cost)</i>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year. For plans with a Single Discount Rate of 7.00% at the beginning of the measurement period, the Service Cost will tie to the Normal Cost shown in the Development of the 2020 and 2021 Calculated Contribution (January 1, 2019 funding report).

Glossary of Terms

Total Pension Expense/(Income)

The total pension expense/(income) is the sum of the following items that are recognized at the end of the employer's fiscal year:

1. Service Cost
2. Interest on the Total Pension Liability
3. Current-Period Benefit Changes
4. Projected Earnings on Plan Investments (made negative for addition here)
5. Pension Plan Administrative Expense
6. Other Changes in Plan Fiduciary Net Position
7. Recognition of Outflow (Inflow) of Resources due to Liabilities
8. Recognition of Outflow (Inflow) of Resources due to Assets

Total Pension Liability (TPL)

The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.

Unfunded Actuarial Accrued Liability (UAAL)

The UAAL is the difference between actuarial accrued liability and valuation assets.

Valuation Assets

The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement No. 68, the valuation assets are equal to the market value of assets.