

PEYTON FIRE PROTECTION DISTRICT
PENSION BOARD MEETING

Administrative Offices

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
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www.peytonfiredistrict.com

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Clayton Miller	Director	2023/May 2023
Amy Turner	Treasurer	2025/May 2023
David Rolenc	President	2023/May 2023
Ryan Orness	Director	2023/May 2023
VACANT	Director	2025/May 2023
Jeff Turner	Fire Chief	
Michael Dell'Ario	Secretary	

DATE: November 8, 2022 (Tuesday)

TIME: 6:30 p.m.

PLACE: ***Physical Location***
Peyton Fire Protection District
13665 Railroad Street
Peyton, CO 80831

Conference Call
Telephone Number: 1 669 900 6833
Meeting ID: 546 911 9353
Passcode: 912873

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda.

C. Review and approve the Minutes from the August 9, 2022 Pension Board Meeting (enclosure).

II. PUBLIC COMMENT

A. _____

III. CORRESPONDENCE

A. _____

IV. UNFINISHED BUSINESS

A. _____

V. NEW BUSINESS

A. Review and accept 2022 Third Quarter Financial Report (enclosure).

B. Review and accept 2022 Second Quarter Financial Report (enclosure).

C. Review and accept 2022 First Quarter Financial Report (enclosure).

VI. OTHER BUSINESS

A. _____

VII. ADJOURNMENT **RECONVENE TO THE PEYTON FIRE PROTECTION DISTRICT BOARD MEETING.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PEYTON FIRE PROTECTION DISTRICT PENSION BOARD MEETING HELD AUGUST 9, 2022

A Regular Meeting of the Board of Directors of the Peyton Fire Protection District Pension Board (referred to hereafter as “Board”) was held on Tuesday, the 9th day of August, 2022 at 6:30 p.m. at the Peyton Fire Protection District Fire Station, 13665 Railroad Street, Peyton, Colorado 80831 and was also held by conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Amy Turner
David Rolenc
Ryan Orness
Jeff Turner

Following discussion, upon motion duly made by Director A. Turner, seconded by Director Orness and, upon vote, unanimously carried, the absence of Directors Miller and Dell’Ario were excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Jack Reutzell, Esq.; Fairfield & Woods, P.C.

Assistant Chief Oakley Revels

Lieutenant Daniel Zoorob

Firefighter Vickie Revels

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Solin noted that there were no new conflicts of interest raised.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin reviewed the proposed agenda for the Pension Board's Regular Meeting.

Following discussion, upon motion duly made by Director A. Turner, seconded by Director Orness and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: The Board reviewed Minutes from the May 10, 2022 Pension Board Meeting.

Following discussion, upon motion duly made by Director A. Turner, seconded by Director Orness and, upon vote, unanimously carried, the Minutes of the May 10, 2022 Pension Board Meeting were approved, as presented.

PUBLIC COMMENT

There were no public comments.

CORRESPONDENCE

There was no correspondence.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

2021 Fourth Quarter Financial Report: Mr. Solin reviewed the 2021 fourth quarter financial report. No action was necessary.

2022 First Quarter Financial Report: Mr. Solin presented, and the Board discussed, the 2022 first quarter financial report.

Following discussion, upon motion duly made by Director J. Turner, seconded by Director A. Turner and, upon vote, unanimously carried, the Board approved the 2022 first quarter financial report.

FPPA Auditor's Report from EideBailly, dated December 31, 2021: Mr. Solin reviewed with the Board the FPPA Auditor's Report from EideBailly, dated December 31, 2021.

OTHER BUSINESS

There was no other business.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director J. Turner, seconded by Director Rolenc and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: /s/ *Michael Dell'Ario*
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 9, 2022 MEETING MINUTES OF THE PEYTON FIRE PROTECTION DISTRICT PENSION BOARD BY THE BOARD OF DIRECTORS SIGNING BELOW:

Clayton Miller

Jeff Turner

Michael Dell'Ario

Amy Turner

David Rolenc

Ryan Orness

**Fire and Police Pension Association
Peyton FPD Volunteers 7281-5
For the Nine Months Ending September 30, 2022**

Beginning Balance	\$101,466.01
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	\$3,200.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>\$3,200.00</u>
Allocated Income and Expense	
Interest	\$230.75
Dividends	\$338.04
Other Income	\$65.00
Net Change Accrued Income	\$32.41
Unrealized Gain/Loss	(\$14,609.97)
Realized Gain/Loss	\$1,717.84
Defined Contribution Earnings (Net)	
Investment Expenses	(\$491.43)
Direct Expense Allocation	(\$358.59)
Other Expenses	(\$2,079.61)
Allocated Income and Expense Sub-Total	<u>(\$15,155.56)</u>
Ending Balance	<u><u>\$89,510.45</u></u>

] 568.79

] 2929.63

PEYTON FIRE PROTECTION DISTRICT
PENSION TRUST FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 9 MONTHS ENDING SEPTEMBER 30, 2022

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
4-540 MEMBER CONTRIBUTIONS	3,200.00	3,200.00	.00	(3,200.00)	.0
4-560 INVESTMENT INCOME	429.31	568.79	.00	(568.79)	.0
4-561 UNREALIZED GAIN OR (LOSS)	(9,840.45)	(14,609.97)	.00	14,609.97	.0
4-565 REALIIZED GAIN OR (LOSS)	1,107.68	1,717.84	.00	(1,717.84)	.0
4-570 ACCRUED INCOME	7.64	32.41	.00	(32.41)	.0
4-575 OTHER INCOME (LOSS)	94.29	65.00	.00	(65.00)	.0
TOTAL REVENUE	(5,001.53)	(9,025.93)	.00	9,025.93	.0
<u>EXPENSES</u>					
4-610 PENSION FUND EXPENSES	1,980.74	2,929.63	.00	(2,929.63)	.0
TOTAL EXPENSES	1,980.74	2,929.63	.00	(2,929.63)	.0
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(6,982.27)	(11,955.56)	.00	11,955.56	.0
FUND BALANCE - ENDING	(6,982.27)	(11,955.56)	.00	11,955.56	.0

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions PEYTON FPD 7281-5

For the Reporting Period: 01/01/2022 through 09/30/2022

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
05/10/2022	\$3,200.00	\$0.00	\$3,200.00
Total Remittance			\$3,200.00
Calculated Contribution per the 01/01/2021 Actuarial Study			\$4,079.00
Difference Over/(Under)			\$(879.00)

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

**Fire and Police Pension Association
Direct Expense Allocation Summary
Peyton FPD Volunteers 7281-5
For the Nine Months Ending September 30, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$209.04	
Audit Expenses	\$149.55	\$168.24	(\$18.69)
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$463.11	\$377.28	(\$18.69)

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

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

MEMORANDUM

To: Affiliated Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Nine Months ending September 30, 2022
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 31, 2022

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 09/30/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	(3.02)%	(12.38)%	(9.35)%	6.14%	6.58%

*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
Q3-2022	0.10%	0.52%	0.62%
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 December 15, 2022. If FPPA does not receive a response by December 15, 2022, you are confirming that these report items are correct.

Annual Contributions Received

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

Direct Expense Allocation Summary

Direct Expense Allocation

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

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

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-705(2)(f).

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.*

**Fire and Police Pension Association
Peyton FPD Volunteers 7281-5
For the Six Months Ending June 30, 2022**

Beginning Balance	\$101,466.01
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	\$3,200.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	\$3,200.00
Allocated Income and Expense	
Interest	\$133.76
Dividends	\$235.79
Other Income	(\$32.21)
Net Change Accrued Income	\$26.73
Unrealized Gain/Loss	(\$11,188.72)
Realized Gain/Loss	\$1,260.10
Defined Contribution Earnings (Net)	
Investment Expenses	(\$322.13)
Direct Expense Allocation	(\$280.20)
Other Expenses	(\$1,341.57)
Allocated Income and Expense Sub-Total	(\$11,508.45)
Ending Balance	\$93,157.56

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions PEYTON FPD 7281-5

For the Reporting Period: 01/01/2022 through 06/30/2022

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
05/10/2022	\$3,200.00	\$0.00	\$3,200.00
Total Remittance			\$3,200.00
Calculated Contribution per the 01/01/2021 Actuarial Study			\$4,079.00
Difference Over/(Under)			\$(879.00)

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

Fire and Police Pension Association
Direct Expense Allocation Summary
Peyton FPD Volunteers 7281-5
For the Six Months Ending ~~December 31, 2021~~
JUNE 30, 2022

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$130.65	
Audit Expenses	\$149.55	\$168.24	(\$18.69)
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$463.11	\$298.89	(\$18.69)

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 FPPA Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Six Months ending June 30, 2022
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: 7/27/22

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 06/30/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	(5.85)%	(9.65)%	(5.09)%	7.55%	7.95%

*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
Q2-2022	0.07%	0.34%	0.41%
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%
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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 August 31, 2022. If FPPA does not receive a response by August 31, 2022, you are confirming that these report items are correct.**

Annual Contributions Received

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

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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.*

PEYTON FIRE PROTECTION DISTRICT
PENSION TRUST FUND
BALANCE SHEET
MAY 31, 2022

<u>ASSETS</u>			
4-118	FPPA PENSION FUND	96,492.72	
	TOTAL ASSETS		96,492.72
<u>LIABILITIES AND EQUITY</u>			
<u>FUND EQUITY</u>			
4-450	FUND BALANCE	161,784.85	
UNAPPROPRIATED FUND BALANCE:			
4-497	CURRENT EARNINGS	(60,318.84)	
	REVENUE OVER EXPENDITURES - YTD	(4,973.29)	
	BALANCE - CURRENT DATE	(65,292.13)	
	TOTAL FUND EQUITY		96,492.72
	TOTAL LIABILITIES AND EQUITY		96,492.72

PEYTON FIRE PROTECTION DISTRICT
PENSION TRUST FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 5 MONTHS ENDING MAY 31, 2022

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
4-560 INVESTMENT INCOME	139.48	139.48	.00	(139.48)	.0
4-561 UNREALIZED GAIN OR (LOSS)	(4,769.52)	(4,769.52)	.00	4,769.52	.0
4-565 REALIZED GAIN OR (LOSS)	610.16	610.16	.00	(610.16)	.0
4-570 ACCRUED INCOME	24.77	24.77	.00	(24.77)	.0
4-575 OTHER INCOME (LOSS)	(29.29)	(29.29)	.00	29.29	.0
TOTAL REVENUE	(4,024.40)	(4,024.40)	.00	4,024.40	.0
<u>EXPENSES</u>					
4-610 PENSION FUND EXPENSES	948.89	948.89	.00	(948.89)	.0
TOTAL EXPENSES	948.89	948.89	.00	(948.89)	.0
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(4,973.29)	(4,973.29)	.00	4,973.29	.0
FUND BALANCE - ENDING	(4,973.29)	(4,973.29)	.00	4,973.29	.0

**Fire and Police Pension Association
Peyton FPD Volunteers 7281-5
For the Three Months Ending March 31, 2022**

Beginning Balance	\$101,466.01
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<hr/> <hr/>
Allocated Income and Expense	
Interest	\$66.01
Dividends	\$73.47
Other Income	(\$29.29)
Net Change Accrued Income	\$24.77
Unrealized Gain/Loss	(\$4,769.52)
Realized Gain/Loss	\$610.16
Defined Contribution Earnings (Net)	
Investment Expenses	(\$137.69)
Direct Expense Allocation	(\$197.59)
Other Expenses	(\$613.61)
Allocated Income and Expense Sub-Total	<hr/> <hr/> (\$4,973.29)
Ending Balance	<hr/> <hr/> \$96,492.72

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions
PEYTON FPD 7281-5

For the Reporting Period: 01/01/2022 through 03/31/2022

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			\$4,079.00
Difference Over/(Under)			\$(4,079.00)

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

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Peyton FPD Volunteers 7281-5
 For the Three Months Ending March 31, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$52.26	
Audit Expenses	\$149.55	\$145.33	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$463.11	\$197.59	

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 FPPA Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Three Months ending March 31, 2022
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: April 21, 2022

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 03/31/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	(4.04)%	(4.04)%	7.47%	10.87%	9.81%

*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
Q1-2022	0.03%	0.14%	0.17%
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 Comprehensive Annual 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 May 31, 2022. If FPPA does not receive a response by May 31, 2022, you are confirming that these report items are correct.**

Annual Contributions Received

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

Direct Expense Allocation Summary

Direct Expense Allocation

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

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

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI) for old hire plans and C.R.S. 31-31-705(2)(f) for volunteer fire plans.

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

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