

FIRE

AND

POLICE

PENSION

ASSOCIATION

OF COLORADO

FPPA

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

for the fiscal year ended

DECEMBER 31, 1999

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The Fire & Police
Pension Association
of Colorado
is committed to
safeguarding retirement funds,
administering benefits fairly
and providing superior,
cost effective service
to our members.

gfoa award

There were 153 employers participating in the
Statewide Defined Benefit Plan,
35 employers with employees covered by the
Statewide Money Purchase Plan,
364 employers covered by the
Statewide Death and Disability Plan,
58 affiliated local defined benefit plans,
4 affiliated local money purchase plans,
and 133 affiliated volunteer fire pension plans
as of December 31, 1999.

Letter of Transmittal, page 6

Introductory Section

Letter of Transmittal



Fire & Police Pension Association

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303/ **770-3772**
toll free 800/ 332-3772 • fax 303/ 771-7622

June 1, 2000

Board of Directors
Fire and Police Pension Association

Dear Members of the Board of Directors:

We are pleased to submit to you the annual financial report for the Fire and Police Members' Benefit Fund (the "Fund"), for the calendar year ended December 31, 1999. The Fund consists of the Statewide Defined Benefit Plan, the Statewide Death and Disability Plan, the Members' Statewide Money Purchase Plan Benefit Fund, and numerous separate local "old hire" and volunteer fire pension funds. In addition, for presentation purposes, the Fire and Police Members' Money Purchase Plan Benefit Fund has been included under the Fund.

The Fire and Police Pension Association was established January 1, 1980 and administers a statewide multiple employer public employee retirement system providing defined benefit plan coverage as well as death and disability coverage for police officers and firefighters throughout the State of Colorado. The Association also administers local defined benefit pension funds for police officers and firefighters hired prior to April 8, 1978 whose employers have elected to affiliate with the Association; for volunteer fire defined benefit plans; and for local money purchase (defined contribution) pension plans. Starting January 1, 1995, the Association began offering membership in the Statewide Money Purchase Plan. There were 153 employers participating in the Statewide Defined Benefit Plan, 35 employers with employees covered by the Statewide Money Purchase Plan, 364 employers covered by the Statewide Death and Disability Plan, 58 affiliated local defined benefit plans, 4 affiliated local money purchase plans, and 133 affiliated volunteer fire pension plans as of December 31, 1999.

The annual report for the calendar year 1999 consists of six sections: an introductory section which contains a transmittal letter along with general information about the Association; a financial section which contains the opinion of the Association's certified public accountants, the financial statements, footnotes and supplementary data; an investment section which contains a review of investment policies, holdings and activity for the year; an actuarial section which contains a summary of the results of the actuarial valuations and other related data; a statistical section which contains information on state funding of local pension plans (old hire) and the statewide death and disability plan; and a section containing an overview of other programs offered to members by FPPA, including FPPA's Section 457 Deferred Compensation Plan.

Additionally, graphs and charts of statistical data may be found throughout the report.

Financial Highlights

General Economic Conditions

Unlike 1998, when events overseas, especially in Asia and Russia, had the most impact on domestic markets, 1999 saw a return to a focus on U.S. economic growth and inflation trends and their influence on Federal Reserve (Fed) policy. Chairman Greenspan suggested in January that "stock

prices may be too high relative to future profit growth” and that the economic expansion shows “scant signs” of an appreciable slowdown. In February the Fed Chairman also questioned whether the three rate cuts made in 1998 remained “appropriate” now that the global markets had “calmed”. The Fed, however, took a wait and see approach for the first half of 1999, but in the second half of the year raised the federal funds rate by 0.25% on three separate occasions in an attempt to slow the economy.

The U.S. economy, however, continued to show signs of strong growth in 1999. At 2.7%, inflation, although higher than 1998’s rate of 1.6%, also remained relatively low. U.S. gross domestic product increased 4.3 percent in 1999, with the strength due, in large part, to exceptionally robust consumer spending. Most indicators of labor market performance also showed continued strength in 1999, with total non-farm payroll employment increasing by 2.7 million. The unemployment rate moved downward in 1999, from 4.4% in the fourth quarter 1998 to 4.1% in the fourth quarter 1999, a 30-year low. Service-producing industries provided the overwhelming majority of employment growth, with manufacturing sector jobs declining in 1999.

In the capital markets, stock market investors took the rise in short-term interest rates in stride and focused instead on strong earnings gains, particularly in the high technology sector. In the equity markets, most gains were in the fourth quarter 1999. Bonds, in contrast, fell steadily throughout the year, with yields reaching two-year highs, and total returns in negative territory for the first time since 1994. The S&P 500 Stock Index, representing the overall U.S. stock market, registered a strong 21.0% (14.9% Q4) return in 1999. Smaller companies, as represented by the Russell 2000 Stock Index, also had a strong year, posting a 21.3% (18.4% Q4) return in 1999. The headline story, however, was the technology-heavy NASDAQ Index, which soared 85.9% (48.3% Q4) in 1999. Domestic bonds, affected by the Fed increase in interest rates, posted a return of –0.82% for 1999.

Internationally, as with the U.S. equity markets, a large portion of gains were posted in the fourth quarter. European equity markets had another solid period of performance, which is reflected in the MSCI Europe Index return of 15.9% (17.4% Q4) in 1999. Asian and emerging markets, previously devastated by the 1998 Asian financial crisis, rebounded strongly in 1999. The MSCI Pacific Basin Index posted a strong 57.6% (16.1% Q4) return and the MSCI Emerging Markets Free Index returned a remarkable 66.4% (25.4% Q4) in 1999. Non-U.S. bonds, however, followed the same course as domestic bonds, posting a –4.3% return in 1999.

In the commodity markets, oil prices moved from \$12 to \$26 per barrel on a combination of OPEC production cuts, strength in the emerging markets, and Iraq’s suspension of oil exports later in the year. Gold prices drifted downward on fears of continued central bank selling (especially the Bank of England), then rallied sharply in late September as central banks announced changes in those plans. The price then fell as dramatically as it rose, ending the year roughly where it began.

Funding Status

Each pension plan administered by FPPA must be separately funded. Assets from one plan cannot be used to pay the benefit obligations of any other plan. Therefore, the funding status of each individual plan must be judged separately.

For the Statewide Defined Benefit Plan, assets continue to exceed the pension benefit obligation as calculated according to GASB 25. There are no unfunded current liabilities under this plan in accordance with state statutory requirements. Assets continue to increase as a percentage of the liability for future benefits of all members.

Revenues

Revenues are used to fund the current and future retirement benefits established by the state legislature and local boards which are paid to retirees and their survivors by the Association. The primary sources of revenue include contributions from active members, employers and the state; new affiliations; and investment income. Revenues for the year 1999 amounted to \$531.3 million, an increase of \$172.5 million or 48.1% over 1998.

The net revenues for 1999 were comprised of \$32.4 million in member contributions, up 150% from \$12.9 million in 1998. Employer contributions totaled \$49.6 million in 1999, down 15.2% from \$58.5 million in 1998. The State of Colorado contributed \$27.1 million to plans affiliated with the Association in 1999. The Association's investment earnings for 1999 totaled \$396.3 million. Five volunteer fire pension plans and three local defined benefit pension plans elected to affiliate with the Association during 1999, bringing in \$25.8 million in assets.

Active membership is distributed as follows: 2,769 new hire members, up 10.3% from 2,531 in 1998; 810 exempt new hire members, up 5.9% from 765 the prior year; 1,241 old hire members, down 6.6% from 1,328 in 1998; 176 money purchase plan members, up 10.0% from 160 last year; 3,600 volunteer fire members, up 1.7% from 3,540; and 4,193 members covered for death and disability only. The paid members listed above are comprised of 41.5% police officers and 58.5% firefighters.

The net investment earnings portion of total revenues amounted to \$396.3 million, or 75% of the total revenue for 1999. Interest, dividends and other investment income increased by \$5.2 million over the prior year. Realized and unrealized gains on investment transactions increased \$142.0 million for 1999 over those in 1998. The total market value of the investment portfolio increased to \$2.615 billion, or an increase of \$412.4 million from \$2.202 billion at the end of 1998.

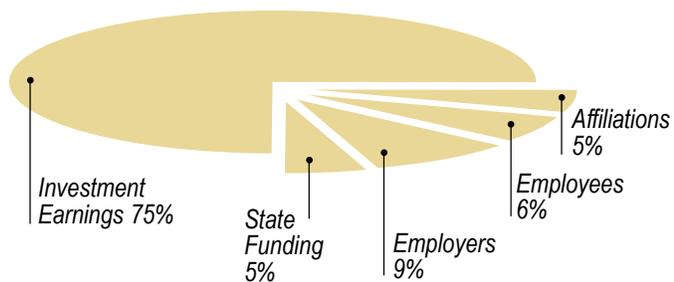
An explanation of FPPA's investment policies and asset allocation strategy, as well as the portfolio's composition are included in the investment section of this report. Additionally, a review of investment activity and performance for 1999 is included in that section.

Expenses

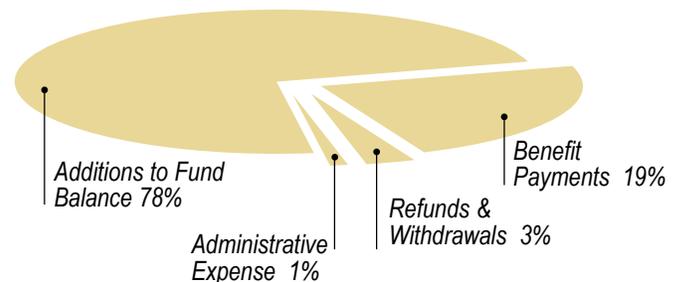
The primary expenses of the Association include the payment of benefits to retirees and beneficiaries, the refund of contributions to former members, and the cost of administering the numerous pension plans. Expenses for the year 1999 totaled \$123.7 million, which is an increase of \$23.9 million or 23.9% over 1998.

Benefit payments to retirees and beneficiaries totaled \$101.5 million in 1999, up 23.0% or \$18.9 million from the prior year. The increase in benefit payments was due primarily to an increase in the number of retirees and beneficiaries receiving benefits, and a cost of living increase for the State-

1999 Revenues by Source All Plans



1999 Revenues Allocation All Plans



wide Defined Benefit Plan of 1.3%. Other increases ranged from 0% to 7.5% among the various local old hire plans, with average increases of 3.5% for those departments that granted increases. The number of retirees receiving benefit payments increased to 5,324 as of December 31, 1999, up 11.7% from 4,767 at the end of 1998.

Administration expenses of the fund increased to \$8.2 million in 1999 from \$7.3 million in 1998. This represented an increase of 11.4% in actual dollars, and .34% and .35% in 1999 and 1998, respectively, when expressed as a percentage of total assets. Administrative expenses include money management fees, which make up 64% of total administrative expenses. These fees are asset based and increase as the size of the fund increases.

Other Programs and Services

During 1999, FPPA's Association Services Department continued its communication programs with members, employers and retirees. Approximately 326 presentations were made to members from 127 fire and police departments throughout the state about their death and disability benefits, retirement benefits, and other services provided by the Association. Much of this program is conducted on-site, with staff visiting fire stations and attending police roll calls, to assure that members have face-to-face meetings with FPPA staff on a regular basis. Thanks to exceptionally good response, we have continued the use of the computer program designed to assist members in planning for their future retirement needs, with the dollar projections shown in both future and current values, as well as being shown as a percentage of salary.

1999 also marks FPPA's twelfth year of offering various seminars to help members plan for retirement, both financially and psychologically. FPPA hosted a financial fitness seminar to review financial planning goals and investment strategies. They also held a wills, estates, taxes and trust seminar that offered practical information on developing financial strategies while planning for the future. The seminars continue to get excellent reviews by the attendees. FPPA strongly recommends these seminars to members, which are provided at no cost to the member or their spouse.

FPPA's Section 457 Deferred Compensation program was developed in 1990 in response to employee member requests. By the end of 1999, there were 51 employers participating in the plan. In 1991, FPPA began actively promoting the plan to police and fire departments within the state through the member visitation program. The program provides tax-deferred savings for the individual officers to save for their retirement needs and, with low management fees, more of the dollars invested are returned for the member's use in retirement.

FPPA has offered its money management services since 1990 to departments that have provided money purchase plans to their officers. FPPA currently has four departments affiliated for these services. In addition, in April 1993, the Colorado General Assembly authorized FPPA to create a new statewide money purchase plan. The plan took effect on January 1, 1995, and since that time, 35 departments have opted completely, or in part, from the Statewide Defined Benefit Plan into the Statewide Money Purchase Plan.

Departments who use FPPA to manage their assets experience the ability to have the same investment expertise and cost savings FPPA enjoys, applied to their smaller pool of funds. The members generally receive better rates of return for substantially lower administration costs than they could obtain on their own.

Since legislative approval in 1986, FPPA has offered the advantages of its money management services to volunteer fire department pension funds who choose to affiliate. At the end of 1999,

Introductory Section

Letter of Transmittal

there were a total of 133 volunteer plans participating. Plans participating in FPPA are provided with an actuarial study every two years as well as an annual audit of their pension funds. FPPA also administers the state volunteer pension fund matching funds program for all volunteer departments statewide, regardless of affiliation, and serves as an information resource to assist departments with questions relating to their pension plans.

Legislative Changes

House Bill 99-1062 improved the total disability benefit for members of the Statewide Death and Disability Plan by changing it to a "flat" 70% of salary, regardless of family status. Under prior law, members received a "tiered" benefit of 40% of salary, plus an additional 10% if there was a spouse and another 10% if there were dependent children. This law became effective January 1, 2000, and provided a one-time opportunity for members receiving disability benefits to select a new payment option.

House Bill 99-1063 improved the benefit for surviving spouses of members of the Statewide Death and Disability Plan who die while in active service. Under prior law, the benefits to these surviving spouses terminated upon their remarriage. This law allows continued payment of benefits until death, regardless of marital status. The law became effective January 1, 2000.

Senate Bill 99-1032 relocated certain cross-referenced material in the statutes. The bill sets forth directly in the Statewide Death and Disability Plan the pension payout options already available to disability retirees. Under prior law, members of the Statewide Death and Disability Plan determined their payout options by referring to the normal retirement option provisions of the Statewide Defined Benefit Plan.

Senate Bill 99-005 authorized members of the Statewide Defined Benefit Plan to purchase service credit for public safety employment, as such employment is defined by rules adopted by the FPPA Board. Members were also authorized to purchase up to five years of service credit for periods of active duty in the Uniformed Services of the United States.

Accounting System and Internal Control

The financial statements included in this report, along with all other information provided, are the responsibility of the management of the Fire and Police Pension Association. The financial statements have been prepared in accordance with generally accepted accounting principles and reporting as required by the Governmental Accounting Standards Board and the Financial Accounting Standards Board.

Revenues are recognized when they are earned and become measurable, and expenses recorded as liabilities as they are incurred. Investments are stated at current market value, and trades booked on a trade-dated rather than settlement-dated basis. Investments in limited partnerships and pooled funds are carried at values adjusted to recognize the Association's share of net income or loss in the period reported. Fixed assets are capitalized at cost and depreciated over their useful lives. Contributions to the plans are based on principles of level cost funding, and are developed using the entry age normal cost method with current service financed on a current basis and prior service amortized over a 10 to 40 year period (depending on the type of plan). In management's opinion, the financial statements present fairly the financial position of the FPPA at December 31, 1999 and the result of its operations for the period then ended.

The financial statement format of the Comprehensive Annual Financial Report, as well as data presented in the Actuarial Section, has been changed to meet the requirements of GASB 25. While each of the plans administered by FPPA has been audited as a separate fund and identified separately in the auditors opinion, they are combined on the financial statements for presentation purposes. We have also chosen to include the assets and liabilities of the IRC 457 Deferred Compensation Plan, an expendable trust administered by FPPA.

The management of the Fire and Police Pension Association is also responsible for maintaining a system of internal accounting control designed to provide reasonable assurance that transactions are executed in accordance with generally accepted accounting principles. This system includes the appropriate segregation of duties and responsibilities, sound practices in the performance of those duties, capable personnel, and the organizational structure itself. We believe that the internal controls in effect during the year ended December 31, 1999 adequately safeguarded assets and provided reasonable assurance regarding the proper recording of financial transactions.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fire and Police Pension Association for its comprehensive annual financial report for the fiscal year ended December 31, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

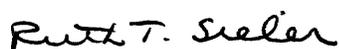
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

This annual report of the Fire and Police Pension Association was prepared through the combined efforts of the FPPA staff under the leadership of the Board of Directors. It is intended to provide complete and reliable information which may be used as a basis for making management decisions and as a means for determining compliance with state statutes.

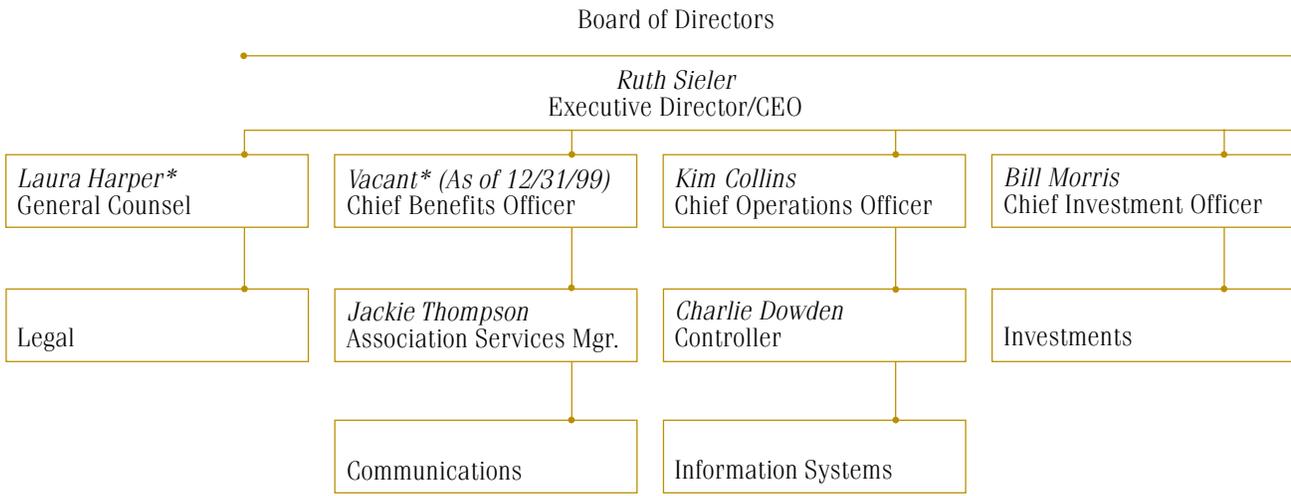
This report is being mailed to the State Auditor, the Joint Budget Committee, the State Pension Reform Commission, all participating employers, and other interested parties.

Respectfully submitted,



Ruth T. Sieler
Executive Director/CEO

FPPA Administrative Organizational Chart



**Editors Note: As of the publication of this report 6/30/00, Laura Harper has been named Chief Benefits Officer and Kevin Lindahl has been named General Counsel.*

By state statute, the management of the Members’ Benefit Fund is vested in the Board of Directors of the Fire and Police Pension Association of Colorado. The nine members of the Board of Directors serve four-year staggered terms. Appointed by the Governor and confirmed by the Senate, the FPPA Board of Directors is composed of:

- Two** members representing Colorado municipal employers;
- One** member representing full-time paid firefighters;
- One** member representing full-time paid police officers;
- One** member who is a retired police officer and who, upon completion of his term, is replaced by a retired firefighter. Thereafter, the appointment of retired officers alternates between a retired police officer and a retired firefighter for each successive four year term;
- One** member who is either a member of the Board of Directors of a special district, or is the full-time paid professional manager of a special district to represent special districts having volunteer firefighters;
- One** member from the state’s financial or business community with experience in investments;
- One** member from the state’s financial or business community with experience in insurance disability claims; and
- One** member of the state’s financial or business community experienced in personnel or corporate administration in corporations of over 200 employees.

Specific duties of the Board of Directors include investing and managing the FPPA benefit fund, disbursing money from that fund, setting required contribution levels, and determining the award of disability and survivor benefits. The Board of Directors also appoints an Executive Director who is FPPA’s chief administrative officer. The Executive Director/CEO appoints FPPA staff who are responsible for the day-to-day administration of the state firefighter and police pension funds.

The FPPA Board of Directors accomplishes its business at regular meetings, held monthly at the Association’s Englewood offices. In accordance with state law, each meeting’s proposed agenda items are posted in the lobby directory of FPPA’s offices at least 24 hours in advance. All meetings begin between 9 and 10 am and are open to the public.



L. Kristine Gardner
Chair of the Board
Member since 10.20.88
Senior VP - Alpine Banks of Colorado, Glenwood Springs
Current term expires 8.31.00



Randall E. Atkinson
Vice Chair of the Board
Member since 2.2.88
Lieutenant - Denver Fire Department
Current term expires 9.01.01



David McConel
Member since 8.28.97
Retired Fire Captain - Pueblo Fire Department
Current term expires 9.01.01



Ronald M. Lappi
Member since 2.11.91
Finance Director - Grand Junction
Current term expires 8.31.02



Gary E. West
Member since 2.22.95
Vice Pres. Human Resources - CIGNA Healthcare, Denver
Current term expires 8.31.02



Raymond M. Mitchell
Member since 10.5.89
Principal - RIM Unlimited, Inc., Lakewood
Current term expires 8.31.02



Ed Lujan
Member since 10.20.88
Captain - Denver Police Department
Current term expires 8.31.00

Professional Consultants and Managers

Professional Consultants

Actuarial

Buck Consultants

Auditor

BONDI & Co., LLP

Board Medical Advisor

Dr. Gerald Starkey

Investment Consultant

Pension Consulting Alliance

Legal Counsel

Gorsuch, Kirgis, L. L. C.

Master Custodian/Trustee

State Street Bank & Trust

Investment Managers

Domestic Equities & Pooled Investments

Brandywine Asset Management Inc.
J.P Morgan Investment Management Inc.
State Street Global Advisors
Thomson, Horstmann & Bryant, Inc.

Domestic Fixed Income

Bradford & Marzec, Inc.
Pacific Investment Management Co.
Trust Company of the West
Western Asset Management Co.

International Equities

Morgan Stanley Asset Management
Putnam Advisory Company, Inc.
State Street Global Advisors

International Fixed Income

Morgan Grenfell Investment Services
Strategic Fixed Income, L. P.

Real Estate

Apollo Real Estate
Hancock Timber Fund
PM Realty Advisors, Inc.
Prudential Asset Management Company
RREEF Funds

Venture Capital & Alternative Investments

ABS Capital Partners
Apollo Investment Fund
Aurora Equity Partners
Blackstone Partners
Boston Ventures, LP
Candover Partners LTD
Centennial Funds
Charles River Ventures
Chisolm Partners
Colorado Incubator Fund
Columbine Venture Management, Inc.
Doughty Hanson & Company
Falcon Fund
First Reserve Fund
Glenwood Ventures
Hancock International Venture Fund
Harvest Partners
Heritage Fund
Nordic Capital
Oxford Partners
Pacific Corporate Group
Prince Ventures
SKM Equity Fund
Sprout Capital L.P.
TCW Special Credits Fund
TH Lee Equity Fund
TPG Partners
Vestar Capital Partners
Willis Stein & Partners, LP

The Fire and Police Members' Benefit Fund (the Common Fund) is established pursuant to Title 31, Article 31, Part 3 of the Colorado Revised Statutes, as amended. As trustee of the Common Fund, the Fire and Police Pension Association of Colorado (FPPA) collects, invests, administers and disburses monies on behalf of firefighters and police officers throughout the State of Colorado for:

The Statewide Defined Benefit Plan, a retirement plan for firefighter and police employees hired in the State of Colorado on or after April 8, 1978;

The Statewide Death and Disability Plan; and

The Statewide Money Purchase Plan, which began operations as of January 1, 1995.

Affiliated plans of the Common Fund include:

money purchase pension plans, in the State of Colorado who have chosen to affiliate with FPPA;

local defined benefit pension plans for firefighter and police employees in the State of Colorado hired before April 8, 1978 (old hires) whose employers have chosen to affiliate with FPPA; and

volunteer firefighter defined benefit pension plans in the State of Colorado who have chosen to affiliate with FPPA.

Each of the pension plans mentioned above has their assets pooled for investment purposes in the FPPA Common Fund. All transactions that are specific to each plan (contributions, retirement benefit payments, refunds, etc.) are accounted for by plan. The old hire, money purchase and volunteer plans that have chosen to affiliate with FPPA for investment and administrative purposes are still governed by their local plan document and local pension board, and, (except for the money purchase plans), each has a separate actuarial valuation done every two years. Only the Statewide Defined Benefit Pension Plan, the Statewide Money Purchase Plan and the Statewide Death and Disability Plan are governed by the FPPA Board of Directors.

The following is a brief summary of the basic provisions of the Statewide Defined Benefit Pension Plan and the Statewide Death and Disability Plan and is provided for informational purposes only. Participants should refer to the Colorado Revised Statutes, as amended, for more complete information.

Statewide Defined Benefit Plan

The plan is a defined benefit pension plan covering substantially all full-time employees of participating firefighter or police departments in Colorado hired on or after April 8, 1978 (new hires), provided that they are not already covered by an exempt or withdrawn local pension plan. The plan became effective January 1, 1980.

Employees hired before April 8, 1978 (old hires) may be covered by the plan provided that their employer is affiliated with the Association. An employer has the opportunity to affiliate on January 1 of each year. Old hire employees have 60 days from the date of affiliation by their employer to elect whether to adopt the plan's schedule of benefits or to remain with the employer's old hire plan's previous schedule. A requirement of affiliation is that the affiliating employer transfers assets to the plan equivalent to the total accrued actuarial liability of employees who transfer to the plan.

Employers had the option to elect to withdraw from the plan until a change in state statute was

Introductory Section

Summary of FPPA Plan Information

passed which permitted no further withdrawals after January 1, 1988.

Pension Benefits

On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that the retirement age should not be less than age 55 or more than age 60. The Trustees subsequently approved an age of 55 retirement age. Any member may be retired from further service and shall be eligible for a normal retirement pension at any time after attaining the age of 55 years, if the member has at least 25 years of service.

The annual normal pension is 2% of the average of the member's highest three years' base salary multiplied by the member's years of service prior to age 60 (not to exceed 25) plus 2% of the average for each additional year worked after completing 25 years and reaching age 55 for a maximum additional benefit of 20%. Benefits paid to retired members are evaluated and redetermined on October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the Consumer Price Index or 3%. In addition, upon retirement a participant may receive additional benefits credited to the participant's "Separate Retirement Account" each year beginning January 1, 1988, which are attributable to contributions in excess of the actuarially determined pension cost for the plan's defined benefits, plus any earnings or losses thereon. Participants do not vest in amounts credited to their account until retirement and the plan may use such reserve amounts to reduce pension costs in the event such costs exceed contributions.

A member is eligible for an early retirement benefit after completion of 30 years of service or attainment of age 50. The early retirement benefit shall be the normal retirement benefit reduced by 1/2 of 1% for each month that the benefit commences prior to age 60.

Upon termination, an employee may elect to have all contributions, together with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least 10 years of accredited service may leave contributions with the plan and continue to be eligible for a retirement pension at age 55 equal to 2% of the member's highest three years' average salary multiplied by the number of service years (not to exceed 25).

Contributions

It is the policy of the plan that the contribution rate be established at a level that will result in all benefits being fully funded at the retirement date of all new hires. At the present time, both employers and employees are required by Colorado statute to contribute 8% of the employee's salary to the plan.

Interest in the Undivided Net Assets of the Common Fund

At December 31, 1999 and 1998, the plan had an interest of 14.9% and 14.2%, respectively, in the undivided net assets of the FPPA Members' Benefit Fund.

Historical Trend Information

Historical trend information designed to provide information about the plan's progress in accumulating sufficient assets to pay benefits when due is presented in the statistical section.

Statewide Death and Disability Plan

The plan is in the nature of a self-insured employee welfare benefit plan, covering full-time employees of substantially all firefighter and police departments in Colorado. Contributions to the plan are used solely for the payment of death and disability benefits.

For covered employees hired prior to January 1, 1997, the plan is funded by the State of Colorado whose contributions are established by Colorado statute. For covered employees hired on or after January 1, 1997, the plan is funded through local employer and/or member contributions. In addition, there were seven contributing employers as of December 31, 1999, who are covered by Social Security and have also elected supplementary coverage by the statewide plan.

Benefits

If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 25% of the member's monthly base salary. Dependent children are also entitled to benefits according to an established scale. Benefit entitlement continues until death of the spouse and death, marriage, or other termination of dependency of children.

A member who becomes disabled prior to retirement is eligible for disability benefits. The benefit is 40% of base salary for cases of total disability and 30% for cases of occupational disability, reduced by the amount of certain other benefits received. These benefits are increased by an additional 10% of base salary if the member has a spouse and a further 10% of base salary if the member has any dependent children. A cost of living adjustment may be granted annually in an amount that does not exceed the greater of the CPI or 3%.

As of January 1, 2000 the benefit for cases of total disability increases to 70% of base salary, reduced by the amount of certain other benefits received. The percentage is regardless of family status.

Interest in the Undivided Net Assets of the Common Fund

At December 31, 1999 and 1998, the plan had an interest of 9.4% and 9.6% respectively in the undivided net assets of the FPPA Members' Benefit Fund.

Historical Trend Information

Historical trend information designed to provide information about the plan's progress in accumulating sufficient assets to pay benefits when due is presented in the schedules in the statistical section.

The Fire and Police Members' Benefit Fund (the Common Fund) was established in 1980 pursuant to the Colorado Revised Statutes of 1973, as amended. Funds are administered by a nine member Board of Directors appointed by the Governor, and confirmed by the Senate to serve four-year staggered terms. The trustee, the Fire and Police Pension Association of Colorado (FPPA), collects, invests, administers, and disburses monies on behalf of firefighters and police officers in the State of Colorado.

Financial Section

General Information

The Members' Benefit Fund consists of the Statewide Defined Benefit Plan, the Statewide Death and Disability Plan, the Statewide Money Purchase Plan Benefit Fund, plus 58 local defined benefit funds, four local money purchase funds and 133 affiliated volunteer firefighter pension funds.

An audit is performed annually on each of the following funds:

The Members' Benefit Fund

The Statewide Defined Benefit Plan

The Statewide Death and Disability Plan

Statewide Money Purchase Plan Benefit Fund

The Money Purchase Plan Benefit Fund.

General information about each statewide fund can be found in the Introductory Section of this annual report. A listing of employers participating in each plan can be found in the Statistical Section of this report. All data in this annual report, other than the audit reports which follow, has not been audited by FPPA's outside auditors.

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Financial Section

Statement of Plan Net Assets - December 31, 1999

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY	STATEWIDE DEFINED BENEFIT
ASSETS			
Cash and Cash Equivalents (Note 4)	\$ 71,580,053	\$ 8,868,755	\$ 14,049,701
Investments (Note 4)			
U.S. Government Agency Obligations	185,972,660	23,038,051	36,464,726
Corporate Bonds	192,497,313	23,846,317	37,744,053
Domestic Equity Securities	719,369,316	89,114,535	141,050,869
International Equity Securities	552,014,887	68,382,886	108,236,726
International Fixed Income	76,823,188	9,516,757	15,063,163
Venture Capital	72,214,996	8,857,209	14,143,116
Real Estate	135,026,169	16,815,557	26,491,849
Securities Lending Investment Pool	126,937,775	15,724,886	24,889,418
Other			
<i>Total Investments</i>	<u>2,060,856,304</u>	<u>255,296,198</u>	<u>404,083,920</u>
<i>Total Cash and Investments</i>	2,132,436,357	264,164,953	418,133,621
Receivables			
Other	4,187	518	821
Assets Sold-Pending Trades	4,372,996	541,721	857,438
Notes Receivable	58,534	7,251	11,477
Contributions		90,511	1,271,068
Accrued Interest and Dividends	9,402,725	1,164,797	1,843,646
<i>Total Receivables</i>	<u>13,838,442</u>	<u>1,804,798</u>	<u>3,984,450</u>
Properties and Equipment, at Cost, Net of Accumulated Depreciation (Note 6)	<u>1,266,679</u>	<u>156,915</u>	<u>248,365</u>
Other Assets	89,069	11,034	17,464
TOTAL ASSETS	2,147,630,547	266,137,700	422,383,900
LIABILITIES			
Payables			
Funding Account Overdraft			
Accounts, Employee and Participants Payable	1,631,669	202,129	319,931
For Assets Purchased-Pending Trades	53,101,844	6,578,187	10,411,983
Amounts Owed for Securities Lending Transactions (Note 4)	126,937,775	15,724,886	24,889,418
TOTAL LIABILITIES	181,671,288	22,505,202	35,621,332
NET ASSETS AVAILABLE FOR PENSION BENEFITS/FUND BALANCE RESERVED FOR WITHDRAWALS			
(A Schedule of Funding Progress for each Plan is presented on Page 40)			
	\$ 1,965,959,259	\$ 243,632,498	\$ 386,762,568

The accompanying notes are an integral part of the financial statements.

Financial Section

	TOTAL DEFINED BENEFIT	MEMBERS' MONEY PURCHASE	MEMBERS' STATEWIDE MONEY PURCHASE	IRC 457 EXPENDABLE TRUST	COMBINED TOTALS (MEMORANDUM ONLY) 1999	COMBINED TOTALS (MEMORANDUM ONLY) 1998
	\$ 94,498,509	\$ 543,888	\$ 118,524	\$ 0	\$ 95,160,921	\$ 206,834,749
	245,475,437	1,412,839	307,886	871,195	248,067,357	235,040,020
	254,087,683	1,462,407	318,688	519,533	256,388,311	218,322,021
	949,534,720	5,465,068	1,190,947	16,736,166	972,926,901	850,329,677
	728,634,499	4,193,672	913,884	1,069,179	734,811,234	474,939,734
	101,403,108	583,628	127,183	0	102,113,919	111,021,227
	95,215,321	543,180	118,370	0	95,876,871	58,657,838
	178,333,575	1,031,236	224,727	0	179,589,538	174,756,202
	167,552,079	964,350	210,151	0	168,726,580	206,530,531
	<u>2,720,236,422</u>	<u>15,656,380</u>	<u>3,411,836</u>	<u>19,196,073</u>	<u>2,758,500,711</u>	<u>2,329,605,026</u>
	2,814,734,931	16,200,268	3,530,360	19,196,073	2,853,661,632	2,536,439,775
	5,526	32	7	0	5,565	19,374
	5,772,155	33,222	7,240	0	5,812,617	1,580,524
	77,262	445	97	0	77,804	112,684
	1,361,579	189,136	15,881	0	1,566,596	2,367,302
	<u>12,411,168</u>	<u>71,433</u>	<u>15,567</u>	<u>0</u>	<u>12,498,168</u>	<u>9,913,823</u>
	19,627,690	294,268	38,792	0	19,960,750	13,993,707
	<u>1,671,959</u>	<u>9,623</u>	<u>2,097</u>	<u>0</u>	<u>1,683,679</u>	<u>1,603,516</u>
	117,567	677	147	0	118,391	86,801
	2,836,152,147	16,504,836	3,571,396	19,196,073	2,875,424,452	2,552,123,799
						255,375
	2,153,729	12,396	2,701	0	2,168,826	1,729,470
	70,092,014	403,416	87,912	0	70,583,342	128,271,366
	167,552,079	964,350	210,151	0	168,726,580	206,530,531
	239,797,822	1,380,162	300,764	0	241,478,748	336,786,742
	\$ 2,596,354,325	\$ 15,124,674	\$ 3,270,632	\$ 19,196,073	\$ 2,633,945,704	\$ 2,215,337,057

Financial Section

Statement of Changes in Plan Net Assets Available for Benefits for the year ended December 31, 1999

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY
ADDITIONS		
Contributions (Note 3)		
Employer	\$ 38,699,045	\$ 878,546
Plan Member	22,642,081	434,958
Affiliations	25,807,791	
State Contributions	<u>27,114,921</u>	
<i>Total Contributions</i>	114,263,838	1,313,504
Investment Income		
Net Appreciation in Fair Value of Investments	246,539,874	30,586,713
Interest	30,753,429	3,883,243
Dividends	8,418,975	1,063,506
Net Real Estate Investment Income	8,443,699	1,063,396
Securities Lending Income	8,052,929	997,586
Other Income	<u>6,437,150</u>	<u>814,041</u>
<i>Total Investment Income</i>	308,646,056	38,408,485
Less Investment Counsel	67,710	8,388
Less Investment Management Fees	3,622,072	448,698
Less Securities Lending Borrowers Rebates	7,112,423	881,078
Less Securities Lending Agent Fees	<u>235,333</u>	<u>29,153</u>
<i>Net Investment Income</i>	297,608,518	37,041,168
Total Additions	411,872,356	38,354,672
DEDUCTIONS		
Benefit Payments	94,171,154	6,837,607
Refunds of Contributions	12,517,984	
Administrative Costs	2,479,169	313,511
Total Deductions	109,168,307	7,151,118
NET INCREASE IN PLAN NET ASSETS	302,704,049	31,203,554
NET ASSETS AVAILABLE FOR PENSION BENEFITS		
BEGINNING OF YEAR	1,663,255,210	212,428,944
END OF YEAR	\$ 1,965,959,259	\$ 243,632,498

The accompanying notes are an integral part of the financial statements.

Financial Section

STATEWIDE DEFINED BENEFIT	TOTAL DEFINED BENEFIT	MEMBERS' MONEY PURCHASE	MEMBERS' STATEWIDE MONEY PURCHASE	COMBINED TOTALS (MEMORANDUM ONLY) 1999	COMBINED TOTALS (MEMORANDUM ONLY) 1998
\$ 9,473,201	\$ 49,050,792	\$ 352,195	\$ 233,340	\$ 49,636,327	\$ 58,500,005
8,554,481	31,631,520	389,377	407,933	32,428,830	12,991,623
	25,807,791			25,807,791	9,324,380
	27,114,921			27,114,921	26,989,691
<u>18,027,682</u>	<u>133,605,024</u>	<u>741,572</u>	<u>641,273</u>	<u>134,987,869</u>	<u>107,805,699</u>
47,668,520	324,795,107			324,795,107	182,760,062
5,934,654	40,571,326			40,571,326	41,735,847
1,627,785	11,110,266			11,110,266	9,442,714
1,651,181	11,158,276			11,158,276	9,501,962
1,578,984	10,629,499	61,178	13,332	10,704,009	9,275,892
1,238,011	8,489,202	3,417,574	688,088	12,594,864	11,023,636
<u>59,699,135</u>	<u>406,753,676</u>	<u>3,478,752</u>	<u>701,420</u>	<u>410,933,848</u>	<u>263,740,113</u>
13,276	89,374	514	112	90,000	90,000
710,200	4,780,970	27,517	5,996	4,814,483	4,209,531
1,394,574	9,388,075	54,033	11,755	9,453,863	8,294,828
46,143	310,629	1,788	390	312,807	245,456
<u>57,534,942</u>	<u>392,184,628</u>	<u>3,394,900</u>	<u>683,167</u>	<u>396,262,695</u>	<u>250,900,298</u>
75,562,624	525,789,652	4,136,472	1,324,440	531,250,564	358,705,997
419,623	101,428,384	63,531	4,921	101,496,836	82,533,683
1,284,193	13,802,177	63,806	185,628	14,051,611	9,963,185
461,818	3,254,498			3,254,498	3,024,568
<u>2,165,634</u>	<u>118,485,059</u>	<u>127,337</u>	<u>190,549</u>	<u>118,802,945</u>	<u>95,521,436</u>
73,396,990	407,304,593	4,009,135	1,133,891	412,447,619	263,184,561
313,365,578	2,189,049,732	11,115,539	2,136,741	2,202,302,012	1,939,117,451
\$ 386,762,568	\$2,596,354,325	\$ 15,124,674	\$ 3,270,632	\$ 2,614,749,631	\$ 2,202,302,012

Financial Section

Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 1999

	IRC 457 EXPENDABLE TRUST
REVENUES	
Contributions	
Plan Member	\$ 2,144,922
<i>Total Contributions</i>	<u>2,144,922</u>
Investment Income	
Net Appreciation in Fair Value of Investments	3,361,043
Dividends	<u>1,419,810</u>
<i>Total Investment Income</i>	<u>4,780,853</u>
Total Revenues	6,925,775
EXPENDITURES	
Withdrawals	<u>764,747</u>
Total Expenditures	764,747
EXCESS OF REVENUES OVER EXPENDITURES	6,161,028
FUND BALANCE RESERVED FOR WITHDRAWALS BEGINNING OF YEAR	<u>13,035,045</u>
END OF YEAR	\$ 19,196,073

The accompanying notes are an integral part of the financial statements.

NOTE 1

ORGANIZATION

The Fire and Police Members' Benefit Fund (the Common Fund) was established in 1980 pursuant to the Colorado Revised Statutes of 1973, as amended. Funds are administered by a nine member Board of Directors appointed by the Governor, and confirmed by the Senate to serve four-year staggered terms. The trustee, the Fire and Police Pension Association of Colorado (FPPA), collects, invests, administers, and disburses monies on behalf of fire fighters and police officers in the State of Colorado for the following plans/funds:

Defined benefit retirement plans for fire and police employees in the State of Colorado hired before April 8, 1978, (Old Hires) providing that such plans have affiliated with FPPA, and affiliated volunteer fire pension plans in the State of Colorado. This is an agent multiple-employer plan. These plans are reported as the Affiliated Local Plans Fund.

The Statewide Death and Disability Fund is a defined benefit plan. This is a cost sharing multiple-employer plan.

The Statewide Defined Benefit Plan Fund is a defined benefit plan for fire and police employees hired in the State of Colorado on or after April 8, 1978. This is a cost sharing multiple-employer plan.

The Members' Money Purchase Plan Benefit Fund administers defined contribution plans for fire and police employees hired in the State of Colorado providing that such plans have affiliated with FPPA. This is an agent multiple-employer defined contribution plan.

The Members' Statewide Money Purchase Plan Benefit Fund is cost sharing multiple-employer defined contribution plan.

The Expendable Trust Fund is a deferred compensation plan created under Internal Revenue Code Section 457. This Fund collects amounts deferred by participants of affiliated plans. The assets are held in trust for the exclusive benefit of participants.

In order to facilitate investing, and to reduce operating costs, FPPA pools investments in what is known as the Common Fund. Each month shared revenues (i.e. investment income) and shared operating expenses are allocated to each affiliate, and to the statewide plans, based upon each plan's proportionate share of total assets.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(a) Basis of Accounting*

The accompanying financial statements were prepared using the accrual basis of accounting for the Affiliated Local Plans, Statewide Death and Disability Plan, Statewide Defined Benefit Plan, Members' Money Purchase Plan, and Statewide Members' Money Purchase Plan in accordance with generally accepted accounting principles applicable to governmental accounting in accordance with GASB Statement No. 25. The Expendable Trust Fund was prepared using the modified accrual basis of accounting. Member and employer contributions for all plans are recognized as additions/revenues in the period in which employee services are performed, and deductions/expenditures are recorded when incurred regardless of when payment is made.

Notes to the Financial Statement

(b) Reporting Entity

The Governmental Accounting Standards Board has specified the criteria to be used in defining a governmental entity for financial reporting purposes. In accordance with Governmental Accounting Standards, FPPA has considered the possibility of inclusion of additional entities in its comprehensive annual financial report. The definition of the reporting entity is based primarily on financial accountability. FPPA is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if FPPA appoints a voting majority of the organization's governing body and is either able to impose its will on that organization or there is a potential for benefits to, or to impose, specific financial burdens on FPPA. FPPA may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of the above criteria, FPPA has no includable entities. In addition, FPPA is not included in the financial statements of any other entity.

(c) Investments

Investments are recorded at fair value using quoted market prices, except for real estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from the financial statements of the partnerships, and guaranteed investment contracts which are recorded at contract value. Investment transactions are accounted for on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is accounted for using the accrual method of accounting.

(d) Cash and Cash Equivalents

Cash and Cash equivalents consist of money market funds, cash held by money managers, certificates of deposit, and demand deposits.

(e) Property and Equipment

Property and equipment is stated at cost, less any write-downs for impairment in value, and is depreciated using the straight-line method over estimated lives as follows:

Computer and office equipment	3 to 5 years
Vehicles	5 years
Furniture	10 years
Building and Improvements	30 years

(f) Income Taxes

FPPA is exempt from federal income taxes under Section 501(c)(9) of the Internal Revenue Code.

(g) Member Transactions

Funds invested by members include payroll contributions made by member police officers and fire fighters, contributions of affiliated employers on behalf of their police officers and fire fighters, contributions from the State of Colorado, and contributions of plan assets by newly affiliated plans of formerly non-participating entities. Contributions by members and their employers for the State-wide Defined Benefit Plan and the Statewide Death and Disability Plan are recognized in the period in which employee services are performed.

Funds withdrawn by members include benefit payments to members, refunds paid to terminated

employees, and withdrawals of deferred amounts.

(h) Estimates

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. Actuarially determined future benefit payments require the use of significant estimates. The Association believes that the techniques and assumptions used in establishing these estimates are appropriate.

(i) Reclassification of Prior Year Amounts

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 3

PLAN DESCRIPTIONS

(A) Affiliated Local Plans

(1) Plan Description

This is an agent multiple-employer Public Employee Retirement System (PERS). There are 191 local plans affiliated with the Association.

The Affiliated Local Plans represent the assets of a number of separate plans, which have been pooled for investment purposes. The other pension plans (volunteer and paid) represented in the Affiliated Local Plans investment pool, have elected to affiliate with FPPA for plan administration and investment only. Each plan has a separate plan document, actuarial valuation, and is governed by its own local pension board.

(2) Contributions and Benefit Provisions

As each affiliated member has its own plan, there is no uniform amount for either contributions or benefit provisions.

(3) Membership

These plans are for the benefit of two distinct groups. The first of those are fire and police employees of affiliated employers hired prior to April 8, 1978, (Old Hires). The other group is volunteer firefighters of affiliated plans. The membership of these two groups as of December 31, 1999, are comprised as follows:

Retirees and Beneficiaries Currently Receiving Benefits	4,232
Terminated Vested Employees Entitled to Benefits But Not Yet Receiving Them	411
Current Employees - Active	2,051
Current Volunteers - Active	3,600
Total Members	10,294

(B) Statewide Death and Disability Plan

(1) Plan Description

The Plan is a multi-employer cost sharing defined benefit plan covering full-time employees of substantially all fire and police departments in Colorado. Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes.

(2) Contributions

Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In addition, there were 7 contributing employers as of December 31, 1999, who are covered by Social Security and have also elected supplementary coverage by the statewide plan. The State made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated. Members hired on or after January 1, 1997, contribute 2.30% of payroll to this fund. This percentage can vary depending on actuarial experience.

(3) Benefits

If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 25% of the member's monthly base salary. Dependent children are also entitled to benefits according to an established scale. Benefit entitlement continues until death of the spouse and death, marriage, or other termination of dependency of children.

A member who becomes disabled prior to retirement shall be eligible for disability benefits. The benefit is 70% of base salary for cases of total disability and 30% for cases of occupational disability, reduced by the amount of certain other benefits received. These occupational disability benefits are increased by an additional 10% of base salary if the member has a spouse and further 10% of base salary if the member has any dependent children.

Benefits paid to members are evaluated and may be re-determined on October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the Consumer Price Index or 3%.

(4) Membership

The participating employees (members) of the Plan as of December 31, 1999, are comprised as follows:

Retirees and beneficiaries receiving benefits	495
Active non-vested members	8,739
<hr/>	
Total Members	9,234
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(C) Statewide Defined Benefit Plan

(1) Plan Description

The Plan is a multi-employer cost sharing, defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, (New Hires), provided that they are not already covered by a statutorily exempt plan. The

Plan became effective January 1, 1980. The Plan currently has 128 contributing employers.

Employees hired before April 8, 1978, (Old Hires) may be covered by the Plan provided that their employer is affiliated with the Association. An employer has the opportunity to affiliate on January 1 of each year. A requirement of coverage under the Statewide Plan is that the affiliating employer transfer assets to the Plan equivalent to the total actuarial liability of employees who also transfer to the Plan.

Employers had the option to elect to withdraw from the Plan until a change in state statutes was passed which permitted no further withdrawals after January 1, 1988.

(2) Contributions

It is the policy of the Plan that the contribution rate be established at a level that will result in all benefits being fully funded at the retirement date of all members of the Statewide Defined Benefit Plan. At the present time, both employers and employees are required by Colorado statute to contribute 8% of the employees' salary to the Plan. In addition, certain employers who are covered by Social Security have also elected supplementary coverage by the statewide plan. Based upon an estimated payroll, the actuarially determined contributions for 1999 are \$9,783,352, representing 8.988% of base payroll.

(3) Benefits

Employees have 60 days from the date of affiliation by their employer to elect whether to adopt the Plan's schedule of benefits or to remain with the employer's previous schedule.

On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that the retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983 to state that any member may be retired from further service and shall be eligible for a normal retirement pension at any time after attaining the age of 55 years, if the member has at least 25 years of service.

The annual normal pension shall be 2% of the average of the member's highest three years' base salary multiplied by the member's years of service prior to age 60 (not to exceed 25) plus 2% of the average for each additional year worked after completing 25 years and reaching age 55 for maximum additional benefit of 20%. Benefits paid to retired members are evaluated and re-determined October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the Consumer Price Index or 3%. In addition, upon retirement a participant may receive additional benefits credited to the participant's "Separate Retirement" account each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and any earnings or losses thereon. Participants do not vest in amounts credited to their account until retirement and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions.

A member shall be eligible for an early retirement benefit after completion of 30 years of service or attainment of age 50. The early retirement benefit shall be the normal retirement benefit reduced by $\frac{1}{2}$ of 1% for each month that the benefit commences prior to age 60.

Upon termination, an employee may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least ten years of accredited service may leave contributions with the Plan and continue to be eligible for a retirement pension at

Notes to the Financial Statement

age 55 equal to 2% of the member's highest three years' average salary multiplied by the number of service years, not to exceed 25.

(4) Membership

The participating employees (members) of the Plan as of December 31, 1999, are comprised as follows:

Retirees and beneficiaries receiving benefits:	28
Terminated members entitled to benefits but not yet receiving such benefits:	76
Members	
Fully Vested:	2
Partially Vested:	995
Non-vested:	1,771
<hr/>	
Total Members	2,872

(D) Members' Money Purchase Plan Benefit Fund

(1) Plan Description

The Fund is a cost sharing multi-employer agent defined contribution (money purchase) pension fund covering full-time employees of participating fire or police departments in Colorado whose employers have elected to affiliate with FPPA for investment and administrative purposes.

The Members' Money Purchase Plan Benefit Fund became effective on January 1, 1990. Participants have the option of choosing between the following two investment options: (1) investment in the Common Fund, or (2) investment in various mutual funds. There were 4 contributing employers as of December 31, 1999.

(2) Contributions and Vesting

Contributions to the Fund are calculated as a percentage of the employee's base salary. The percentage is specified in each employer's individual plan document, but current participants are contributing at the rate of 8% of salary, which is matched by the employer.

Plans may also allow voluntary contributions to be made by the members, which are generally not matched by the employer. Members are always 100% vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions and earnings on those contributions is determined by each individual plan's vesting schedule.

(3) Membership

There were 101 contributing employees (members) at December 31, 1999.

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	3
Members:	
Partially Vested	98
Total Members	101

(E) Members' Statewide Money Purchase Plan Benefit Fund

(1) Plan Description

The Fund is a cost sharing multi-employer defined contribution (money purchase) pension fund covering full-time employees of participating fire or police departments in Colorado who have elected to participate in the Statewide Money Purchase Benefit Fund.

The Members' Statewide Money Purchase Plan Benefit Fund became effective on January 1, 1995. Participants have the option of choosing between the following two investment options: (1) investment in the Common Fund, or (2) investment in mutual funds. There were 35 contributing employers as of December 31, 1999.

(2) Contributions and Vesting

Contributions to the Fund are calculated as a percentage of the employee's base salary, which is specified by State statute. In addition, current participants are contributing at the rate of 8% of salary, which is matched by the employer. Members are always 100% vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions and earnings on those contributions is determined by the vesting schedule and set by the State statute. All employer contributions are invested in the Common Fund.

(3) Membership

The participating employees (members) of the Fund at December 31, 1999, are comprised as follows:

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	1
Members:	
Fully Vested	22
Partially Vested	48
Non-vested	4
Total Members	75

NOTE 4

CASH AND INVESTMENTS

(1) Cash Deposits

The Association’s deposits are categorized below to indicate the level of risk assumed at year-end.

Category 1

Insured or collateralized with securities held by the Plan or by its agent in the Association’s name.

Category 2

Collateralized with securities held by the pledging financial institution’s trust department or agent in the Association’s name.

Category 3

Uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institutions, or by its trust department or agent but not in the Association’s name).

At December 31, 1999, the Association’s cash deposits had a carrying value, and a corresponding bank balance as follows:

	<i>Carrying Value</i>	<i>Bank Balance</i>
Cash on Hand	\$ 350	\$ N/A
Insured Deposits	100,000	100,000
Deposits Collateralized in Single Institution Pools (Category 2)	453,476	1,677,476
Total Deposits	553,826	1,777,476
Cash and Cash Equivalents held by the Respective Custodians (Category 2)	94,607,095	94,607,095
Total Cash and Cash Equivalents	\$ 95,160,921	\$ 96,384,571

(2) Investments

The Association has established a long-range statement of investment objectives and policies for managing and monitoring the Common Fund. The investment policy sets forth the Common Fund’s investment objective to provide the greatest long-term benefits to members of the Association by maximizing the total rate of return on investments, within prudent parameters of risk. The investment policy also defines the responsibilities of the fiduciaries with respect to the Common Fund, their investment authority under the prudent person rule, the level of acceptable risk for investments, statutory asset allocation restrictions, investment performance objectives, and guidelines within which outside investment managers may operate.

Under Colorado statutes, the Association, as trustee of the Common Fund, has complete discretion-

ary authority to invest and reinvest funds of the Common Fund, using the prudent investor rule.

The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below. Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Category 1

Insured or registered, or securities held by the Common Fund or its agents in the Association's name.

Category 2

Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the Association's name.

Category 3

Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the Association's name.

All investments of FPPA are determined to be Category 1 investments.

	Securities not Loaned	Securities Loaned	Carrying Amount
INVESTMENTS CATEGORIZED			
U.S. Government Obligations (1)(3)	\$ 185,633,761		\$185,633,761
Domestic Corporate Bonds (3)	248,866,201		248,866,201
Domestic Stocks (3)	940,402,159		940,402,159
International Stocks (2)(3)	673,590,044	\$ 3,486,797	677,076,841
International Fixed Income (3)	102,113,919		102,113,919
Sub-Total	2,150,606,084	3,486,797	2,154,092,881
(1) Secured by Tri-Party Collateral (2) Secured by Letter of Credit Collateral (3) Secured by Securities Collateral			
INVESTMENTS NOT CATEGORIZED			
Venture Capital			95,876,871
Real Estate			179,589,538
Securities Lending Investment Pool			168,726,580
Investments Held by Broker -			
Dealers Under Securities Loans			
U.S. Government Obligations			62,433,597
Domestic Fixed			7,522,109
Domestic Stocks			32,524,742
International Stocks			57,734,393
Total	\$2,150,606,084	\$3,486,797	\$2,758,500,711

(3) Securities Lending

State Statute allows the Association to participate in securities lending transactions. The Association has, via a Securities Lending Authorization Agreement, authorized State Street Bank and Trust Company to lend the securities it holds as custodian to broker-dealers and banks pursuant to a form of loan agreement.

During the year ended December 31, 1999, the Association received U.S. and foreign dollar cash, U.S. Government Securities, foreign sovereign debt and irrevocable bank letters of credit for collateral. The Association did not have the ability to pledge or sell collateral securities without a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to but not less than 100% of the market value of the loaned securities.

The Association did not impose any restrictions on the amounts of loans that State Street made on its behalf, and State Street indemnified the Association by agreeing to purchase replacement securities, or return the cash collateral, in the event a borrower failed to return the loaned securities or failed to pay distributions. There were no failures by any borrower's to return loaned securities or pay distributions during the year ended December 31, 1999. In addition, there were no losses during the fiscal year resulting from a default of the borrowers or State Street.

During the fiscal year, the Association and borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders. As of December 31, 1999, such investment pool had an average duration of 51 days and an average weighted maturity of 449 days. Because the loans were terminable at will their duration did not generally match the maturation of the investments made with cash collateral. On December 31, 1999, the Association has no credit risk exposure to borrowers. The collateral held and the market value of the securities on loan for the Association as of December 31, 1999, were \$168,726,580 and \$160,214,814 respectively.

(4) Investment Concentration

No investments represent 5% or more of the plan net assets of each individual fund.

NOTE 5

DEFERRED COMPENSATION PLAN

The employees of FPPA may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457, along with participating fire and police departments. All funds are invested outside the Common Fund. The Plan, available to all employees, permits the deferral of a portion of their salary until future years. The deferred compensation and associated appreciation in the fair value of the assets held are not available to employees until termination, retirement, death, or an unforeseen emergency.

In response to the 1996 Small Business Protection Act, the Governmental Accounting Standards Board issued Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This Statement requires that amounts deferred under a qualified Section 457 plan be held in trust for the exclusive benefit of participating employees, and not be accessible by the sponsoring government, or its general creditors.

In response to this Statement, the Association has modified its trust agreement with respective

affiliates; and the result of this modification is the placing of Plan activity within an Expendable Trust Fund for the purposes of financial statement presentation. Fund Balance Reserved for Withdrawals equaled \$19,196,073 at December 31, 1999.

NOTE 6

PROPERTY AND EQUIPMENT

Property and equipment at December 31, 1999, is comprised of the following:

	<i>Balance December 31, 1998</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance December 31, 1999</i>
General Fixed Assets:				
Land, Bldgs., and Equip.	\$ 3,030,712	\$ 208,129	\$ (380,712)	\$ 2,858,129
Accum. Depreciation	(1,427,196)	(127,966)	380,712	(1,174,450)
Total	\$ 1,603,516	\$ 80,163	\$ 0	\$ 1,683,679

Depreciation expense totaled \$127,967 in 1999.

NOTE 7

RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. It carries commercial coverage of these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

NOTE 8

EMPLOYEE RETIREMENT PLAN

(1) Plan Description

The Association contributes to the State Division Trust Fund (SDTF) a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the Association are members of SDTF. Title 24, Article 51 of the Colorado Revised Statutes, (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for SDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA, or Denver metro area 303-837-6250.

Notes to the Financial Statement

(2) Basis of Accounting for the SDTF

The financial statements of the SDTF are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. SDTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, and approximate fair value.

(3) Funding Policy

Plan members and the Association are required to contribute at a rate set by statute. The contribution requirements of plan members and the Association are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the Association is 11.4% of covered salary. A portion of the Association's contribution (0.8% of covered salary) is allocated for the Health Care Fund. The Association's contributions to SDTF for the years ending December 31, 1999, 1998, 1997, 1996, and 1995, were \$149,983, \$132,843, \$114,043, \$120,418, and \$111,522, respectively, equal to their required contributions for each year.

NOTE 9

DEFINED CONTRIBUTION PENSION PLAN

(1) Plan Description

The SDTF members of the Association may voluntarily contribute to the Voluntary Investment Program (VIP) an Internal Revenue Code Section 401(k) defined contribution plan administered by the PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the VIP provisions to the State Legislature.

The VIP is funded by voluntary member contributions of up to 18% of covered salary. No employer contributions are required. The VIP member contributions from Association employees for the year ended December 31, 1999, were \$12,345.

NOTE 10

FINANCIAL OBLIGATIONS WITH OFF BALANCE SHEET RISK

FORWARD FOREIGN EXCHANGE CONTRACTS

The Association through its various money managers has entered into forward foreign exchange contracts. These contracts were entered into for the purposes of hedging against changes in currency prices relative to the U. S. dollar. This is allowed under the Association's investment policies subject to a limit of 50% of the portfolio's market value.

Forward Foreign Exchange Contracts are a contractual obligation between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized and carry counter-party risk. Forwards are usually transacted Over the Counter (OTC). These transactions are entered into with the foreign exchange department of a bank located in a major money market.

Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract.

EQUITY INDEX FUTURES

The Association through one money manager has invested in un-leveraged domestic and international equity index futures. These future positions are used solely to provide liquidity and market exposure. These types of contracts are allowed under the Association's investment policies subject to the following conditions: a) All long and short positions must be covered; b) Sufficient cash shall be maintained to cover all margin requirements; c) Leverage will not be permitted; d) Counterparties must have and maintain a minimum credit rating of "a"; e) Index futures exposure shall not exceed 25% of the total portfolio market value.

NOTE 11

COMMITMENTS AND CONTINGENCIES

FPPA is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of FPPA's legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Common Fund. The Association has invested in certain venture capital partnerships and corporations. As part of these investments, FPPA has agreed to contribute additional funds at various times. At December 31, 1999, FPPA had committed approximately \$83.5 million in additional funds to these projects.

The Association had a continuing outstanding line of credit of \$1,000,000. This line of credit was in connection with the escrowing of property taxes for certain real property FPPA owns. No amount was drawn on this line of credit at December 31, 1999. This line of credit was terminated on January 3, 2000, as the property was sold.

The Statewide Death and Disability Plan currently consists of affiliated and non-affiliated members. It is not known how many plan participants may seek a different form of death and disability coverage because of the new funding structure implemented by State Statute as of January 1, 1997.

Financial Section

Required Supplementary Information Schedule of Funding Progress (Unaudited) • December 31, 1999

Statewide Defined Benefit Plan	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Surplus) Actuarial Accrued Liability as a Percentage of Covered Payroll
1999	1/1/99	\$ 311,057,177	\$ 203,004,350	\$(108,052,827)	153.2%	\$108,851,702	-99.27%
1998	1/1/98	261,508,736	171,147,782	(90,360,954)	152.8%	97,101,652	-93.06%
1997	1/1/97	217,453,896	139,041,762	(78,412,134)	156.4%	85,955,603	-91.22%
1996	1/1/96	180,001,287	113,656,148	(66,345,139)	158.4%	78,398,964	-84.63%
1995	1/1/95	137,168,606	92,730,116	(44,438,490)	147.9%	71,709,917	-61.97%
1994	1/1/94	125,631,977	93,609,168	(32,022,809)	134.2%	65,745,436	-48.71%
1993	1/1/93	103,311,819	103,311,819	N/A	100.0%	55,907,812	N/A
1992	1/1/92	89,587,411	89,587,411	N/A	100.0%	50,517,390	N/A

Affiliated Local Plans	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Surplus) Actuarial Accrued Liability as a Percentage of Covered Payroll
1999	N/A*						
1998	1/1/98	\$ 1,466,608,186	\$ 1,813,999,862	\$ 347,391,676	80.9%	\$ 104,552,694	332.3%
1996	1/1/96	1,121,444,504	1,593,927,538	472,483,034	70.4%	96,013,582	492.1%
1994	1/1/94	856,308,695	1,382,776,434	526,467,739	61.9%	102,422,653	514.0%
1992	1/1/92	687,407,249	1,321,304,664	633,897,415	52.0%	104,481,916	606.7%

*Actuarial study completed every other year.

Required Supplementary Information
 Schedule of Employer and State Contributions (Unaudited) • December 31, 1999

(A) Statewide Death and Disability Plan

Employer Contributions

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1989	\$ 9,054	100
1990	11,804	100
1991	15,348	100
1992	17,230	100
1993	21,201	100
1994	23,564	100
1995	29,500	100
1996	36,712	100
1997	143,874	100
1998	492,648	100
1999	434,958	100

(B) Statewide Defined Benefit Plan

Employer Contributions

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1989	\$ 3,084,972	100
1990	3,546,840	100
1991	3,989,037	100
1992	4,420,194	100
1993	4,926,158	100
1994	5,341,227	100
1995	6,008,223	100
1996	6,732,026	100
1997	7,219,796	100
1998	8,890,743	100
1999	9,473,201	100

State of Colorado Contributions

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1989	\$ 2,400,000	100
1990	1,800,000	100
1991	1,200,000	100
1992	600,000	100
1993	3,717,048	100
1994	7,467,052	100
1995	7,500,000	100
1996	7,500,000	100
1997	39,000,000	100
1998	0*	N/A
1999	0*	N/A

(C) Affiliated Local Plans

Employer Contributions

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1992	\$ 66,161,860	100%
1993	66,161,860	100
1994	57,505,130	100
1995	57,505,130	100
1996	60,058,331	100
1997	60,058,331	100
1998	53,639,344	100
1999	51,599,353	100

*Funding discontinued with contribution for the year ended December 31, 1997.

Required Supplementary Information

Notes to the Required Supplementary Information (Unaudited) • December 31, 1999

NOTE 1

DESCRIPTION

The historical trend information for the Statewide Death and Disability Fund, Statewide Defined Benefit Plan, and Affiliated Local Plans are presented as required supplementary information. Actuarial studies are completed on the Affiliated Local Plans biennially in accordance with GASB 27. Each of the 191 Affiliated Local Plans has its own actuarial study. Data presented here is an aggregation of the data from each individual plan study. The data should not be interpreted as being indicative of the status of any individual plan.

NOTE 2

ACTUARIAL ASSUMPTIONS AND METHODS

	<i>Statewide Death & Disability</i>	<i>Statewide Defined Benefit</i>	<i>Affiliated Local Plans</i>
Valuation Date	1/1/99	1/1/99	1/1/98
Actuarial Method	Aggregate Funding(2)	Entry Age Normal	Entry Age Normal
Amortization Method	N/A(1)	N/A(1)	Various
Remaining Amortization Period	N/A(1)	N/A(1)	Various
Asset Valuation Method	Market	Market	Market
Actuarial Assumptions:			
Investment Rate of Return	7.5%	7.5%	7.5%
Projected Salary Increase	4.5% - 13.0%	4.5% - 13.0%	4.5% - 13.0%
Includes Inflation at	4.0%	4.0%	4.0%
Cost of Living Adjustment	0% - 3%	0% - 3%	0% - 3%
Health Care	N/A	N/A	N/A
Inflation Factor	N/A	N/A	N/A

(1) Plans not permitted to be unfunded under State statute.

(2) The aggregate funding method does not identify or separately amortize unfunded actuarial liabilities.

NOTE 3

**SIGNIFICANT FACTORS AFFECTING TRENDS
IN ACTUARIAL INFORMATION**

Statewide Death and Disability Plan

- The current Plan benefits provide an automatic Cost of Living Adjustment, COLA, to totally disabled members and their beneficiaries; but assumes no future COLA benefits to other members. COLAs can be paid only when funds are available.

Statewide Defined Benefit Plan

- There were no significant factors affecting trends during 1999.

Affiliated Local Plans

- There were no significant factors affecting trends during 1999.

Financial Section

Supporting Schedules for Financial Section Net Assets by Participant • December 31, 1999

Alamosa Volunteer Fire Department (Volunteer)	\$ 1,325,963
Aspen Fire Protection District (Volunteer)	1,508,713
Ault Fire Protection District (Volunteer)	339,244
Aurora Police	101,385,811
Aurora Police - DROP	4,992,885
Aurora Police-Rank Escalation	14,454,861
Aurora Fire	95,233,128
Aurora Fire - DROP	4,482,601
Aurora Fire-Rank Escalation	12,343,758
Bancroft Fire Protection District	17,387,130
Bancroft Fire Protection District-Rank Escalation	1,508,886
Basalt and Rural Fire Protection District (Volunteer)	1,462,663
Bennett Volunteer Fire	178,690
Berthoud Fire Protection District (Volunteer)	542,620
Black Hawk Fire Protection District (Volunteer)	18,726
Boone Volunteer Fire	38,693
Boulder Rural Fire Protection District (Volunteer)	596,004
Boulder Heights Fire Protection District (Volunteer)	371,231
Bow Mar Police	209,169
Brighton Fire (Volunteer)	3,499,292
Brush Volunteer Fire Department (Volunteer)	318,182
** Buena Vista Fire (Volunteer)	225,303
Burning Mountain Fire Protection District (Volunteer)	354,285
Calhan Fire (Volunteer)	13,575
Canon City Area Fire Protection District	4,325,789
Canon City Area Fire Protection District (Volunteer)	245,207
Carbondale & Rural Fire Protection District (Volunteer)	850,260
Cascade Fire (Volunteer)	211,545
Castle Rock Volunteer Fire Department (Volunteer)	993,607
Cedaredge Police	281,635
Central City Fire Department (Volunteer)	177,830
Central Orchard Mesa Fire Protection District (Volunteer)	123,297
Cherry Hills Fire Protection District	4,152,095
Cherryvale Fire Protection District (Volunteer)	187,276
Cheyenne City #1 Fire (Volunteer)	116,341
Clear Creek County Emergency Services District (Volunteer)	913,232
Clifton Fire Protection District (Volunteer)	1,843,014
Coal Creek Fire Protection District (Volunteer)	805,089
Colorado Sierra Fire Protection District (Volunteer)	32,977
Colorado Springs Exempt Police	90,285,387
Colorado Springs Exempt Fire-SRA Actuarial	55,283
Colorado Springs NH Police SRA-Master	50,460
Colorado Springs NH Police SRA-Actuarial	261,037
Colorado Springs OH Fire SRA-Master	11,255
Colorado Springs Police	89,616,816

** New Affiliation in 1999

See the accompanying independent auditor's report.

*Supporting Schedules for Financial Section
Net Assets by Participant • December 31, 1999*

Colorado Springs Police-Rank Escalation	13,149,864
Colorado Springs Exempt Fire	53,076,263
Colorado Springs Fire	106,699,664
Colorado Springs Fire-Rank Escalation	15,907,857
Cortez Police	1,283,724
Cripple Creek Fire Protection District (Volunteer)	222,303
Crowley Fire Department (Volunteer)	9,885
Crystal Lake Fire Department (Volunteer)	21,079
Del Norte Police	63,116
Denver Fire	386,510,969
Denver Fire-Rank Escalation	31,780,977
Denver Police	533,506,030
Denver Police-Rank Escalation	38,415,761
Denver Police-DROP	8,045,304
Denver Fire-DROP	5,861,838
** Dove Creek Fire (Volunteer)	51,738
Eads Volunteer Fire Department (Volunteer)	111,116
Eldorado Fire Department (Volunteer)	85,994
Elizabeth Fire Protection District (Volunteer)	1,014,343
** Englewood Police	10,474,274
** Englewood Fire Department	16,421,048
Englewood Fire Department (Volunteer)	641,815
Erie Police	332,349
Evans Volunteer Fire Department (Volunteer)	357,699
Evergreen Fire (Volunteer)	3,091,197
Falcon Fire Protection District (Volunteer)	745,167
Federal Heights Volunteer Fire Department (Volunteer)	1,396,394
Firestone Marshalls	46,356
Foothills Fire Protection District (Volunteer)	888,725
Fort Morgan Fire (Volunteer)	1,251,158
Fort Morgan Rural Fire (Volunteer)	299,059
Fort Morgan Police	1,000,549
Florence Fire (Volunteer)	250,287
Franktown Fire Protection District (Volunteer)	1,010,600
Frederick Area Fire Protection District (Volunteer)	281,918
Genesee Fire Protection District (Volunteer)	801,157
Glendale Volunteer Fire Department (Volunteer)	205,600
Glenwood Springs Fire Department (Volunteer)	814,692
Georgetown Fire (Volunteer)	166,370
Golden Volunteer Fire Department (Volunteer)	3,107,583
Golden Gate Fire Protection District (Volunteer)	107,732
Granby Police	101,278
** Grand Fire Protection District (Volunteer)	639,670
Grand Junction Fire	14,854,272
Grand Junction Police	2,104,540

** New Affiliation in 1999

See the accompanying independent auditor's report.

Financial Section

Supporting Schedules for Financial Section Net Assets by Participant • December 31, 1999

Grand Lake Fire (Volunteer)	1,039,650
Grand Valley Fire Protection District (Volunteer)	1,072,500
Greeley Police	2,516,818
Green Mountain Falls-Chipita Park Fire Protection District (Volunteer)	199,836
Gypsum Fire (Volunteer)	261,053
Hartsel Fire Protection District (Volunteer)	318,252
Haxtun Volunteer Fire Department (Volunteer)	138,273
Haxtun Police	285,945
Hermosa Cliff Fire Protection District (Volunteer)	669,250
High Country Fire Protection District (Volunteer)	918,629
Holyoke (City) Volunteer Fire Department (Volunteer)	137,207
Holyoke Fire Protection District (Volunteer)	291,640
Holyoke Police	87,259
Hot Sulphur Springs-Parshall Fire Protection District (Volunteer)	69,627
Idaho Springs Fire Protection District (Volunteer)	153,089
Indian Hills Fire Protection District (Volunteer)	277,406
Inter-Canyon Fire Protection District (Volunteer)	730,128
Jackson 105 Fire Protection District (Volunteer)	72,445
Jefferson-Como Fire Protection District (Volunteer)	402,328
Kiowa Fire Protection District (Volunteer)	315,402
Kremmling Fire Protection District (Volunteer)	449,664
Lafayette Volunteer Fire Department (Volunteer)	1,123,518
* Lake Dillon Fire (Volunteer)	1,529,155
Lake George Fire Protection District (Volunteer)	48,925
La Junta Police	1,485,659
La Junta Fire	1,221,637
La Junta Rural Fire Protection District (Volunteer)	331,903
Lakewood Fire Protection District	29,878,648
Lakewood Fire Protection District-Rank Escalation	5,878,802
Lamar Fire	930,019
Lamar Police	143,022
Lamar Fire Protection District (Volunteer)	139,523
Larkspur Fire Protection District (Volunteer)	907,639
Las Animas Police	783,972
** La Salle Police	311,044
La Salle Fire Protection District (Volunteer)	1,373,054
Leadville Fire	415,657
Left Hand Fire Protection District (Volunteer)	454,943
Lewis-Arriola Fire Protection District (Volunteer)	824,445
Limon Fire Department (Volunteer)	358,235
Log Hill Mesa Fire Protection District (Volunteer)	52,132

* Formerly Dillon Fire Protection District (Volunteer), Dillon Valley District (Volunteer), Frisco Fire Protection District (Volunteer), and Silverthorne Fire Protection District (Volunteer)

** New Affiliation in 1999

See the accompanying independent auditor's report.

*Supporting Schedules for Financial Section
Net Assets by Participant • December 31, 1999*

Louviers Fire Protection District (Volunteer)	516,613
Lower Valley Fire Protection District (Volunteer)	409,943
Manitou Springs Fire	526,987
Manitou Springs Volunteer Fire Department (Volunteer)	470,273
Manzanola Rural Fire Protection District (Volunteer)	63,195
Milliken Fire Protection District (Volunteer)	506,839
Montrose Fire Protection District	360,117
Montrose Fire Protection District (Volunteer)	782,622
Mountain View Fire Protection District	790,156
Mountain View Fire Protection District (Volunteer)	2,056,276
Nederland Fire Protection District (Volunteer)	84,716
Northeast Teller County Fire Protection District (Volunteer)	411,620
North Fork Fire Protection District (Volunteer)	41,513
North Routt Fire Protection District (Volunteer)	72,788
North Washington Fire Protection District	5,534,308
North Washington Fire Protection District-Rank Escalation	458,421
North Washington Fire Protection District (Volunteer)	228,654
Northwest Fire Protection District (Volunteer)	383,236
Northwest Conejos Fire Protection District (Volunteer)	328,872
Nunn Fire Protection District (Volunteer)	278,469
Oak Creek Fire Protection District (Volunteer)	206,230
Olathe Fire Protection District (Volunteer)	265,782
Olney Springs Volunteer Fire Department (Volunteer)	134,466
Ouray Volunteer Fire Department (Volunteer)	186,495
Pagosa Fire Protection District (Volunteer)	2,573,525
Palisade Volunteer Fire Department (Volunteer)	238,225
Palmer Lake Volunteer Fire Department (Volunteer)	48,161
Paonia Police	14,572
Parker Fire Protection District (Volunteer)	918,153
Pinebrook Hills Fire Protection District (Volunteer)	81,978
Platte Canyon Fire Protection District (Volunteer)	901,442
Platte Valley Fire Protection District (Volunteer)	1,699,148
Pleasant View Fire Protection District (Volunteer)	251,474
Pleasant View Metro Fire Protection District (Volunteer)	974,862
Poudre Valley Fire (Volunteer)	180,584
Pueblo Fire	43,875,019
Pueblo Fire-Rank Escalation	2,764,682
Pueblo Police	67,323,596
Pueblo Police-Rank Escalation	7,372,521
Pueblo Rural Fire Protection District	4,424,386
Pueblo Rural Fire Protection District-Rank Escalation	443,936
Rattlesnake Fire Protection District (Volunteer)	277,684
Red Feather Lakes Fire Protection District (Volunteer)	116,541
Rio Blanco Fire Protection District	811,882

** New Affiliation in 1999

See the accompanying independent auditor's report.

Financial Section

Supporting Schedules for Financial Section Net Assets by Participant • December 31, 1999

Rifle Fire (Volunteer)	820,636
Rocky Ford Police	685,595
Rocky Ford Fire	358,088
Rocky Ford Volunteer Fire Department (Volunteer)	27,674
Sable Altura Fire Protection District (Volunteer)	498,578
Salida Fire	453,009
Salida Police	1,459,140
Simla Volunteer Fire Department (Volunteer)	89,596
** Snake River Fire Protection District (Volunteer)	494,448
South Adams County Fire Protection District	841,886
South Adams County Fire Protection District (Volunteer)	3,830,520
South Arkansas Fire Protection District (Volunteer)	318,249
South Conejos Fire Protection District (Volunteer)	169,961
Springfield Police	595,347
** Springfield Fire (Volunteer)	106,211
Steamboat Springs Volunteer Fire Department (Volunteer)	1,226,084
Sterling Fire	1,149,027
Sterling Volunteer Fire Department (Volunteer)	353,331
Sterling Police	1,322,986
Stratton Fire Protection District (Volunteer)	44,792
Sugar City Fire Department (Volunteer)	75,632
Sugarloaf Fire Protection District (Volunteer)	292,629
Telluride Fire Protection District (Volunteer)	683,134
Thornton Fire	10,642,528
Trinidad Fire	602,560
Trinidad Fire-Rank Escalation	59,128
Trinidad Police	163,385
Union Colony Fire	10,095,958
Walsenburg Police	55,872
Wellington Fire Protection District (Volunteer)	600,176
West Cheyenne Fire Protection District (Volunteer)	42,398
West Douglas County Fire Protection District (Volunteer)	523,030
West Metro Fire (Volunteer)	920,943
West Routt Fire Protection District (Volunteer)	1,086,998
Wiley Rural Fire Protection District (Volunteer)	68,664
Woodmoor/Monument Fire	425,984
Yampa Fire Protection District (Volunteer)	245,628
Total Net Assets By Participant	\$ 1,965,959,259

** New Affiliation in 1999
See the accompanying independent auditor's report.

*Supporting Schedules for Financial Section
Payments to Consultants • December 31, 1999*

ACTUARIAL CONSULTANTS	
Buck Consultants	\$ 197,700
AUDITORS	
BONDI & Co. LLP	28,000
INVESTMENT COUNSEL	
Pension Consulting Alliance	90,000
ATTORNEYS	
Bulter, Fitzgerald, and Potter P.C.	42,708
Gorsuch Kirgis L.L.P.	48,778
Christensen, White, Miller, & Fink	21,212
MEDICAL CONSULTANT	
David Patron, M.D.	36,512

See the accompanying independent auditor's report.

Financial Section

*Schedule of Administration and Investment Expenses • December 31, 1999
(with comparative totals for December 31, 1998, 1997, 1996 and 1995)*

Expenditure Group	1999	1998	1997	1996	1995
INVESTMENT FEES					
Investment Counsel	\$ 90,000	\$ 90,000	\$ 90,305	\$ 80,897	\$ 64,738
Investment Mgmt. Fees	4,814,483	4,209,531	3,487,427	2,804,524	2,391,834
Real Estate Mgmt. Fees		72,722	22,554	55,653	
<i>Total Investment Fees</i>	<i>4,904,483</i>	<i>4,299,531</i>	<i>3,650,454</i>	<i>2,907,975</i>	<i>2,512,225</i>
PROFESSIONAL CONTRACTS					
Actuarial Contract	197,700	130,000	107,707	85,983	52,064
Audit Fees	28,000	27,000	28,000	32,200	29,700
Computer Maintenance & Lease	87,602	120,653	72,047	63,642	71,390
Insurance & Bonding	79,516	1,889	73,702	111,269	87,849
Legal & Legislative Counsel	148,777	158,573	95,046	70,031	88,237
Management Consulting	20,000	37,492	17,241	4,401	3,000
Medical Exam Fees	154,214	133,500	84,734	76,670	72,777
Hearing Officers - D&D	2,966	5,215	18,349		
Outside Svcs/Contract Help	4,934	1,296	949	690	987
Records Management	51,400	4,289	4,417	4,090	5,524
<i>Total Professional Contracts</i>	<i>775,109</i>	<i>709,907</i>	<i>502,192</i>	<i>448,976</i>	<i>411,528</i>
PERSONNEL SERVICES					
Salaries	1,373,899	1,254,737	1,038,733	1,110,351	1,006,165
Employee Benefits	330,316	287,588	250,929	252,370	224,213
Employment Programs	10,883	7,268	28,025	5,675	7,831
<i>Total Personnel Services</i>	<i>1,715,098</i>	<i>1,549,593</i>	<i>1,317,687</i>	<i>1,368,396</i>	<i>1,238,209</i>
STAFF EDUCATION					
Tuition Assistance Program	11,192	12,165	9,765	11,804	13,339
Conferences & Seminars	28,570	30,133	24,672	23,230	22,335
<i>Total Staff Education</i>	<i>39,762</i>	<i>42,298</i>	<i>34,437</i>	<i>35,034</i>	<i>35,674</i>
OTHER OPERATING EXPENSES					
Bank Fees	206,506	204,324	221,456	191,514	162,179
Company Vehicles	7,017	2,202	2,336	2,354	2,022
Board Expenses	86,765	80,390	68,401	52,083	48,136
Data Processing Supplies	13,198	10,467	8,288	9,700	7,610
Equipment Rental & Maint.	19,755	21,353	13,531	8,283	7,912
Meetings & Travel	28,138	21,296	10,031	10,836	12,153
Operating Exp. Two DTC	-	25,930	5,057	18,153	31,704
Other (misc.)	1,368	3,932	2,329	2,000	1,894
Postage	50,605	42,781	38,937	37,416	28,996
Printing & Mailing	88,099	90,916	54,837	92,993	69,195

continued on next page

See the accompanying independent auditor's report.

Schedule of Administration and Investment Expenses • December 31, 1999
(with comparative totals for December 31, 1998, 1997, 1996 and 1995)

Expenditure Group	1999	1998	1997	1996	1995
Retirement Services	\$ 16,619	\$ 4,562	\$ 9,383	\$ 10,152	\$ 13,273
Staff Expense	5,227	4,716	3,477	3,453	4,050
Subscriptions & Dues	15,858	14,088	13,828	13,733	14,178
Supplies	38,592	46,164	41,267	46,475	48,100
Telephone	18,815	18,557	17,315	17,404	22,210
<i>Total Other Operating Expenses</i>	<i>596,562</i>	<i>591,678</i>	<i>510,473</i>	<i>516,549</i>	<i>473,612</i>
TOTAL OPERATING EXPENSES	3,126,531	2,893,476	2,364,789	2,368,955	2,159,023
Depreciation Expense	127,967	131,092	129,996	163,309	147,093
TOTAL ADMINISTRATIVE EXPENSE	3,254,498	3,024,568	2,494,785	2,532,264	2,306,116
CAPITAL EXPENDITURES	71,113	53,638	105,886	94,120	79,137
TOTAL INVESTMENT FEES, ADMINISTRATIVE EXPENSE, AND CAPITAL	\$ 8,230,094	\$7,377,737	\$6,251,125	\$5,534,359	\$ 4,897,478

The mission of the
Fire and Police Pension Association -
to provide for the retirement needs
of police officers and firefighters
throughout the State of Colorado -
is facilitated by the management
of the various fund investment portfolios,
which totalled \$2.643 billion
in market value as of
December 31, 1999.

Investment Section, page 53

The mission of the Fire and Police Pension Association – to provide for the retirement needs of police officers and firefighters throughout the State of Colorado – is facilitated by the management of various fund investment portfolios, which totaled \$2.643 billion in market value as of December 31, 1999. Specifically, the Association is responsible for managing three separate retirement funds: the Members' Benefit Fund, the Members' Money Purchase Plan Benefit Fund, and the Members' Statewide Money Purchase Plan Benefit Fund ("the funds").

The Members' Benefit Fund includes the assets of various defined benefit plans designed to supply participants with a specified benefit after retirement, which is calculated as a percentage of the participant's salary. In contrast, The Members' Money Purchase Plan Benefit Fund and the Members' Statewide Money Purchase Plan Benefit Fund include the assets of various defined contribution plans. In these plans, members direct the investment of their contributions among various investment options. The amount received at retirement depends on the performance, over time, of those options chosen.

The Members of the Association's Board of Directors serve as the fiduciaries for the funds and are responsible for the investment of the funds, or the selection of investment options available to money purchase plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the fund, in addition to considering the risk/reward trade-offs of various investments.

The Association has established long range statements of investment objectives and policies for managing and monitoring the funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the funds, their investment authority under Colorado law, the level of acceptable risk for investments, statutory asset allocation restrictions, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Members' Benefit Fund are managed primarily by professional investment management firms. Similarly, investment options offered to money purchase plan members are typically pooled investment vehicles managed by professional money managers.

The Association's investment staff coordinates and monitors the investments and fund options, and assists the Board of Directors in the formulation and implementation of investment policies and long-term investment strategies. The investment staff is also responsible for the contents of this report. To the extent applicable, investment managers are required to report results in conformance with standards developed by the Association for Investment Management and Research (AIMR). In addition, however, both FPPA and its custodian bank independently calculate investment returns based upon market values and cash flows reported by the custodian bank. FPPA has utilized the returns calculated by its investment staff in this report.

Members' Benefit Fund

Summary of Investment Objectives

The Board, in developing investment objectives, asset allocation, and investment guidelines, recognizes that the Members' Benefit Fund ("the fund") includes the assets of nearly 200 different benefit plans, all having a different funded status. To manage these assets effectively and prudently, the Board has, in its planning process, considered, and will continue to consider, all of the plans'

Investment Section

General Information

liabilities, both present and projected.

The investment objectives of the Board represent desired results and are long-term in nature. Given assumptions about current and projected capital market conditions, a real rate of return objective for plan assets has been set. This objective may be modified based on changes in plan conditions or the nature of the capital markets.

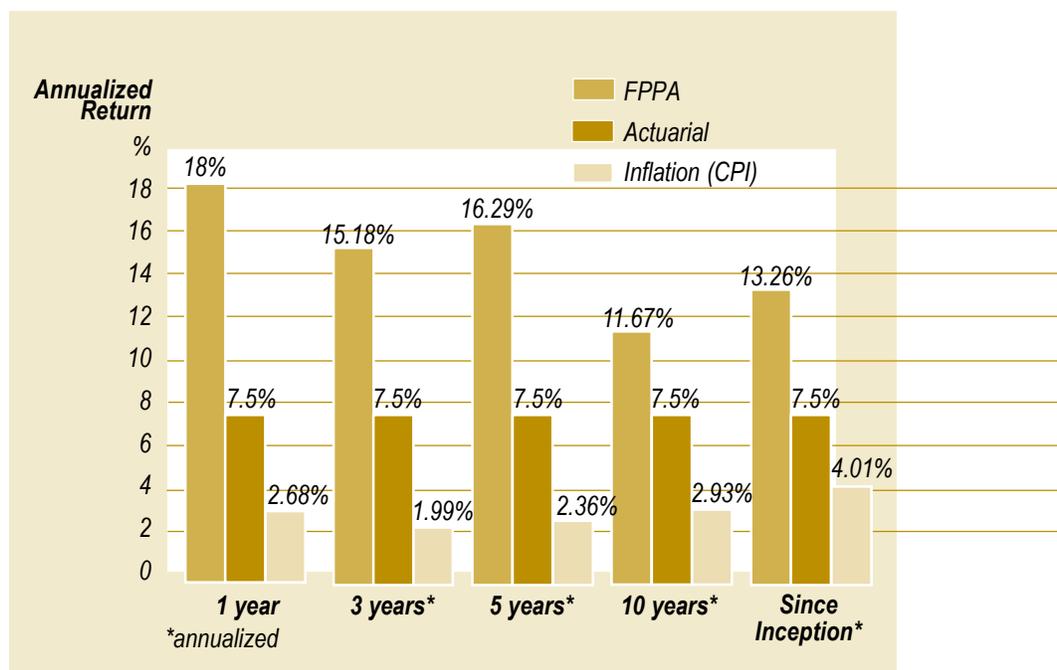
The overall objective of the Fund is to balance and prudently manage the investment needs (risks and return) of all plans participating in the fund, including the need to eliminate current unfunded liabilities and/or to protect surpluses, if possible. This objective is expected to be achieved over time and within any applicable statutory limits.

The Board has established the following minimum average annual real rate of return objectives for each asset class in which the fund is invested: Core Domestic Equities 6%, Small Cap. Domestic Equities 7.5%, Core Domestic Fixed Income 3%, High Yield Domestic Fixed Income 6%, International Equities 6%, Global Fixed Income 3%, Real Estate 4%, Alternative Investments 12%.

FPPA's investment objectives and policies are reviewed at least annually. Return targets are expected to be achieved "over time", meaning every successive 3-5 year period. Further, the Board expects the objectives to be fulfilled within levels of risk that a prudent investor, as defined by statute, would take under similar conditions. Additionally, the Board expects the actuarial soundness of the plans participating in the fund, as it relates to the achievement of the actuarial interest rate, will not be jeopardized.

Each professional investment management firm retained by the Board must execute an Investment

FPPA Fund Return vs. Inflation and Actuarial Requirements (inception - 1999)



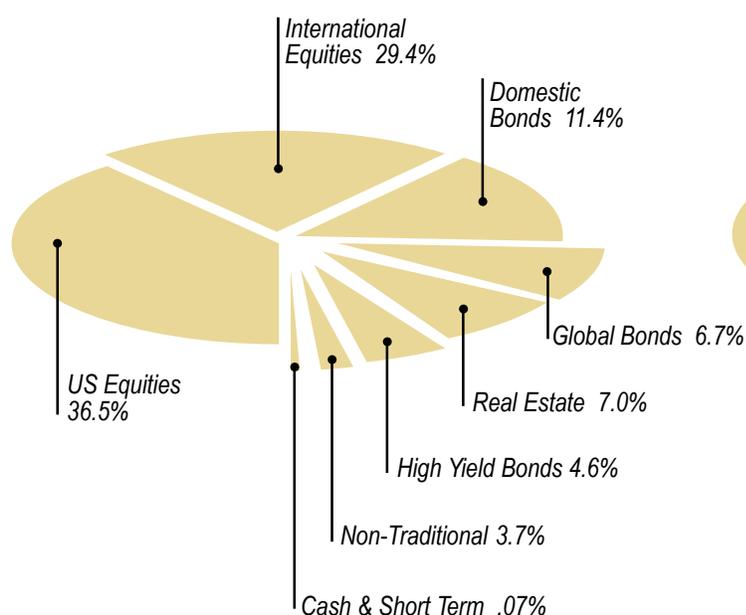
Manager Agreement, the form and substance of which is mutually agreed upon. Each firm must also agree, in writing, to abide by the policies and guidelines of the Association's investment policy and any additional instructions specific to that particular investment firm.

Investment management firms may be allowed sole discretion with respect to investment decision making, subject at all times to the standards and limitations set forth in CRS 31-31-302 and CRS 15-1.1-101, et seq. The management firm must follow its stated selling discipline, as presented to the Board. Each management firm must assume the responsibility of continued compliance with any changes in legislation approved in the State of Colorado that may impact the management of the fund.

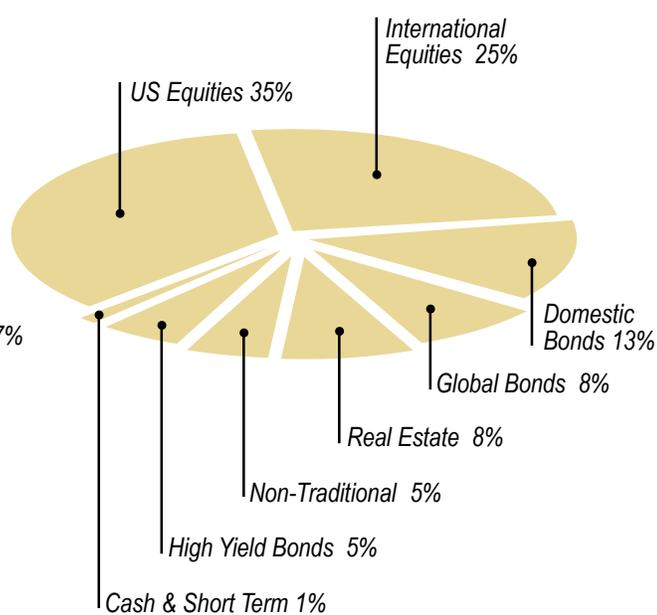
Cash equivalents, when utilized by an investment manager, are to be actively managed. In addition, unless agreed to between the Board and the manager, cash equivalent holdings are to be minimized. Commingled funds of any manager may not be used without prior approval of the Board. Securities that are assets of the fund may not be utilized in securities lending programs without prior approval of the Board.

It is the philosophy of the Board that the investment managers, the Board, the Chief Investment Officer, the Executive Director and the consultant retained by the Board, shall engage in an active partnership to focus on the long-term objectives and goals of the fund. Therefore, periodic review meetings are held to evaluate the managers' progress as it relates to achievement of long-term policies. Performance evaluations are constructed to provide a uniform and consistent basis for the evaluation of each manager as well as the total fund. The total fund results, as well as those of each manager, will be evaluated against several benchmarks including, but not limited to: the achievement of the real rate of return objective, comparison against the performance of other tax-exempt

1999 Asset Allocation



1999 Target Asset Allocation



General Information

funds, and evaluation against indices. Each manager is evaluated on an on-going basis with evaluations conducted for the most meaningful periods of time within the year, one-year, three-year, and five-year periods ending with the most recent quarter.

Asset Allocation

Asset allocation is a risk management process designed to determine an optimal long-term asset mix, which achieves a specific set of investment objectives. Of all the components of investment policies formulated by the FPPA Board of Directors, asset allocation will have the most impact on the long-term total rate of return. Therefore, the establishment of allocations across the major asset classes is a significant decision in the pension investment management process.

Diversification is the key to effective risk management. Management of asset class allocations and diversification of investment approaches (i.e.: index funds, active core, active specialty) is enabling the Association to more effectively control the fund's risk/reward parameters. The fund's assets are diversified in order to minimize the impact of large losses in individual investments in the total fund. The Board believes that diversification is, in part, accomplished through the selection of investment managers. The Board therefore stresses to each investment management firm that it not act as if it were the sole manager of the fund.

The Board's policy is to have an asset allocation study performed approximately every two to three years. The purpose of this study is to provide additional information regarding the rates of return by asset class, correlation coefficients between asset classes, and to provide a source of information for the Board to utilize in determining asset allocation ranges.

The Board is conscious of the need to evaluate the risk in the investment program and uses several gauges to monitor risk. They include, but are not limited to, variation in the asset mix from the policy, variability of returns, relative performance results, diversification measures, financial characteristics of the portfolio, and portfolio sensitivity to changes in the market. These measures are applied to the total fund, as well as individual managers, as appropriate.

The asset class allocation strategy developed by the Board during 1999 has the following target allocations: U.S. equities 35%, international equities 25%, domestic core bonds 13%, domestic high yield bonds 5%, global bonds 8%, real estate 8%, cash and short-term investments 1%, and non-traditional investments 5%.

The Association has established relationships with investment management firms with a diversity of management approaches. The managers have discretionary authority in the selection and retention of individual investments, subject to state statutory restrictions and the Association's investment policy guidelines.

For the Members' Benefit Fund, as of December 31, 1999, the Association employed the external investment managers listed in the table on page 58.

Members' Money Purchase Plan Benefit Fund and Members' Statewide Money Purchase Plan Benefit Fund

Summary of the Funds' Objectives

The Members' Money Purchase Plan Benefit Fund and the Members' Statewide Money Purchase Plan Benefit Fund ("the funds"), include the assets of the statewide money purchase plan and

affiliated local money purchase plans (“the plans”). Plan documents require that employer contributions to these plans be invested in the Members’ Benefit Fund, detailed in the previous section. Members of the plans, however, may direct their employee contributions to one or more of the investment options selected by the Board.

It is the Board’s intent to select well managed funds, across diversified asset classes, as investment options for members participating in the plans. In doing so, the Board will comply with the requirements of Colorado law governing its selection of investment options for such members, and pursuant to the funds’ master statement of investment policies and objectives, while at the same time seeking to delegate its fiduciary liability to the extent prudent.

In order to provide members with the opportunity to select risk/reward strategies to meet their savings and investment goals, the Board will provide fund options with distinctly different risk/reward trade-offs, each holding securities that are, in the majority, exclusive of the other managers. To this end, the Board’s policy is to have a study of investment options performed approximately every two years. The purpose of this study is to provide updated information regarding the risk/reward profiles of current fund options, as well as alternative fund options across various asset classes. This information will be utilized by the Board in determining appropriate fund options.

Members make their own decisions when directing the investment of their contributions and accumulated account balances among the investment options offered. Members assume the risk of investment results derived from both the options offered and the strategies they select. It is the member’s responsibility to allocate and reallocate assets among investment options as personal circumstances change. The options offered allow the members to address the risks and needs members face.

Fund Options for Members

As with any investment strategy, diversification is the key to effective risk management. Consequently, FPPA’s Board of Directors has selected a variety of funds across various asset classes from which members can select investment options. Within the funds, one or more pooled investment vehicles are offered in the following asset classes: Money Market, Stable Value (GIC), Domestic Bond, Domestic Balanced, Domestic Equity, Global Equity, and International Equity.

For the funds, as of December 31, 1999 the Association employed the investment managers and the investment options listed in the table on page 95.

Changes Slated for 2000-2001

The Board is currently in the process of studying changes to the administration of the funds and the investment options offered to participants. It is likely that changes will be made to the investment lineup and that services to members will be expanded. Members will be fully apprised before changes are implemented. The Board hopes to complete this project in 2000, with any changes implemented no later than early 2001.

Investment Section

Asset Allocation by Category & Investment Manager

ASSET CLASS MANAGER	Investment Style	Management Fees	TOTAL ASSETS	% of Total Assets
Domestic Equities				
*** Oppenheimer TH&B	Lg. Cap. Value	\$ 327,561.38	\$ -0-	.00%
State Street Global Advisors	Sm. Cap. Growth	272,245.00	108,796,246.31	4.18%
State Street Global Advisors	Russell 1000 Growth Index	(772.14)**	159,236,114.75	6.12%
State Street Global Advisors	Russell 1000 Value Index	5,478.20 **	179,748,089.87	6.91%
Brandywine	S&P 500 Index	31,004.46 **	338,102,154.71	12.99%
J.P.Morgan	Sm. Cap. Value	194,360.87	45,040,372.31	1.73%
	S&P 500 Enhanced Index	162,753.14	<u>119,643,399.53</u>	<u>4.60%</u>
<i>Total Domestic Equities</i>			\$ 950,566,377.48	36.52%
International Equities				
State Street Global Advisors	EAFE Index	\$ 11,327.25 **	\$ 167,330,461.93	6.43%
Morgan Stanley	Active/Passive EAFE	544,721.87	188,812,050.87	7.25%
M.S.Emerging Markets	Active E.M.	*	52,483,436.83	2.02%
State Street Global Advisors	Passive E.M. Index	109,972.19	46,983,921.55	1.80%
Putnam	Active EAFE	857,320.63	<u>309,528,163.87</u>	<u>11.89%</u>
<i>Total International Equities</i>			\$ 765,138,035.05	29.39%
Domestic Fixed Income				
*** Putnam	Active Core	\$ 98,395.59	\$ -0-	.00%
Trust Company of the West	High Yield	467,536.35	118,541,978.60	4.55%
Bradford & Marzec	Active Core	185,805.03	98,977,883.36	3.80%
PIMCO	Active Core	141,027.00	99,821,647.51	3.83%
Western Asset Management	Active Core	130,402.47	<u>99,024,324.49</u>	<u>3.80%</u>
<i>Total Domestic Fixed Income</i>			\$ 416,365,833.96	16.00%
Global Fixed Income				
Deutsche Asset Management	Active Global Bonds	\$ 360,864.05	\$ 110,857,012.90	4.26%
Strategic Fixed Income	Active Global Bonds	235,024.44	<u>63,443,330.46</u>	<u>2.44%</u>
<i>Total Global Fixed Income</i>			\$ 174,300,343.36	6.70%
Real Estate & Natural Resources				
RREEF	Pooled	*	\$ 5,352,731.82	0.21%
PRISA	Pooled	*	15,670,902.19	0.60%
PM Realty	Directly Owned	*	95,599,062.11	3.67%
Apollo RE	Limited Partnership	*	10,400,026.79	0.40%
Internal	Directly Owned	*	2,129,547.98	0.08%
Hancock Timber	Timberlands	*	51,007,227.03	1.96%
Blackstone RE	Limited Partnership	*	<u>1,559,588.00</u>	<u>0.06%</u>
<i>Total Real Estate & Natural Resources</i>			\$ 181,719,085.92	6.98%
Alternative Investments				
Larimer Venture		*	\$ 1,585,078.70	0.06%
Charles River		*	1,184,715.47	0.05%
Columbine		*	3,154,622.06	0.12%
Glenwood		*	246,773.96	0.01%
Oxford Partners		*	10,681.17	0.00%
Prince Venture		*	641,002.20	0.02%
HarbourVest (Falcon)		*	629,362.25	0.02%
HarbourVest Intl.		*	2,717,973.28	0.11%
TCW Special Credits		*	598,777.19	0.02%
Doughty Hanson		*	2,876,336.49	0.11%

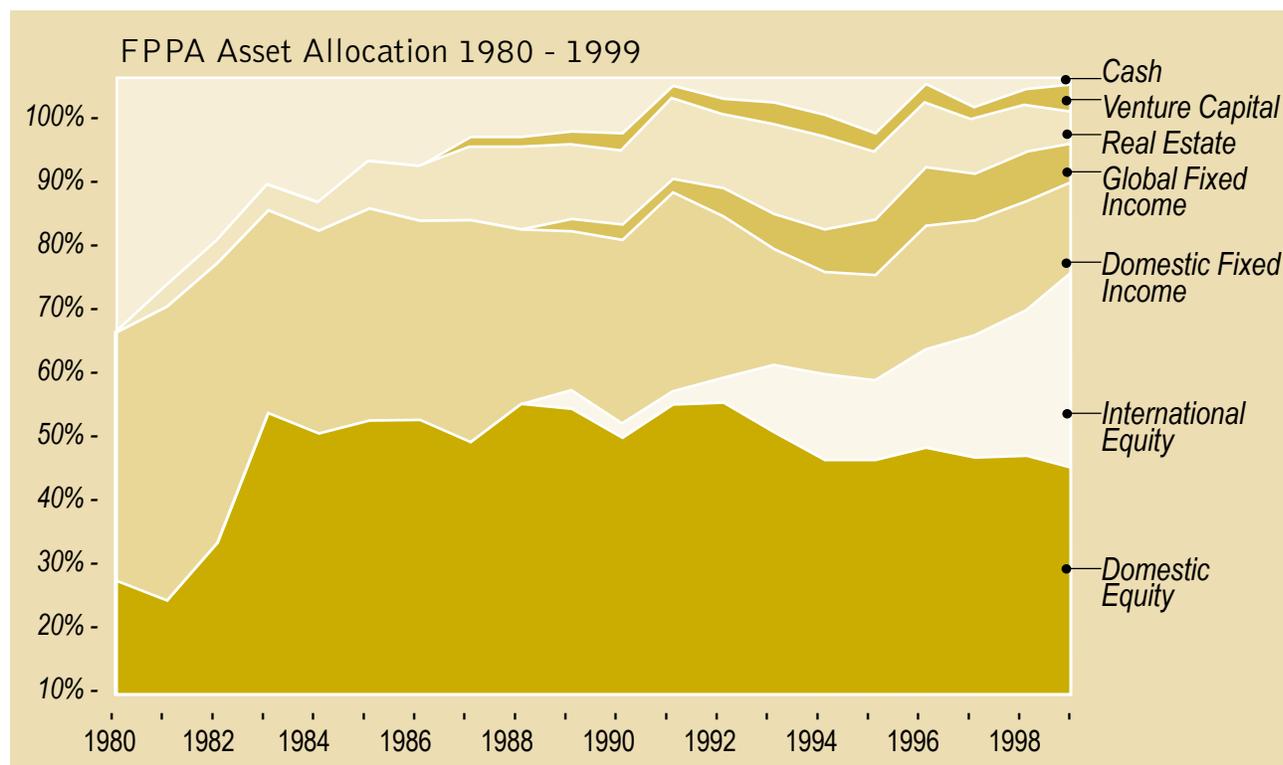
* Fees netted against trust fund income ** Fees net of securities lending income *** Terminated in 1999

Asset Allocation by Category & Investment Manager

ASSET CLASS MANAGER	Investment Style	Management Fees	TOTAL ASSETS	% of Total Assets
Centennial Fund		*	1,467,861.00	0.06%
Willis Stein		*	2,986,104.58	0.11%
ABS Capital Partners		*	3,499,409.05	0.13%
Boston Ventures		*	3,741,861.20	0.14%
SKM Equity Fund		*	6,418,502.20	0.25%
Vestar Capital Partners		*	7,748,054.18	0.30%
Heritage Fund		*	3,538,275.40	0.14%
Chisolm Partners		*	7,663,776.27	0.29%
TPG Partners		*	8,336,489.19	0.32%
Blackstone Partners		*	4,802,607.04	0.18%
Candover Partners		*	5,456,142.80	0.21%
Nordic Capital		*	3,269,630.03	0.13%
Apollo Investment Fund		*	6,628,823.36	0.25%
Aurora Equity Partners		*	2,544,827.09	0.10%
First Reserve Fund		*	3,493,999.87	0.13%
Harvest Partners		*	3,173,113.06	0.12%
Sprout Capital		*	2,739,920.46	0.11%
Thomas Lee Equity Fund		*	4,820,500.75	0.19%
Internal		*	127,080.62	0.00%
<i>Total Alternative Investments</i>			96,102,300.92	3.69%
<i>Cash Held at State Street Bank & Trust</i>			18,882,646.47	0.73%
TOTAL ASSETS			\$2,603,074,623.16	100.00%

* Fees netted against trust fund income

** Fees net of securities lending income



Investment Section

'Top 20 Holdings'

'Top 20' Equity Holdings *

<i>Company</i>	<i>Market Value</i>
SONY CORP	16,094,004.34
NOKIA AB OY	15,073,919.32
MANNESMANN AG	12,650,239.14
ERICSSON(LM) TEL	11,982,453.29
TOTAL FINA	10,480,364.74
SHELL TRNSPT+TRDG	9,785,876.23
KYOCERA CORP	9,746,650.10
NIPPON TEL+TEL CP	9,551,990.98
NIKKO SECURITIES	9,536,555.20
CHINA TELECOM	9,378,015.05
TOTAL FINA	9,049,258.39
TELECOM ITALIA MOB	8,559,809.99
BRITISH TELECOM	7,858,580.29
FRANCE TELECOM	7,651,001.51
PHILIPS ELEC(KON)	7,576,397.39
ING GROEP NV	6,618,008.69
MICROSOFT CORP	6,479,625.00
RICHEMONT(CIE FIN)	5,513,126.49
NEWS CORP LTD	5,498,169.75
GRANADA GROUP	5,136,662.65

'Top 20' Fixed Income Holdings *

<i>Company</i>	<i>Due</i>	<i>Market Value</i>
GNMA I TBA JAN 30 SINGLE FAM, 7.0%	15 Dec 2099	20,664,482.00
UNITED STATES TREAS NTS, 4.5%	31 Jan 2001	20,157,240.00
FNMA TBA JAN 30 SINGLE FAM, 7.5%	01 Dec 2099	14,682,937.50
UNITED STATES TREAS BDS, 14.0%	15 Nov 2011	14,229,000.00
JAPAN (GOVT OF), 0.9%	22 Dec 2008	11,465,963.47
FHLMC TBA JAN 30 GOLD SINGLE, 6.5%	01 Dec 2099	10,842,315.00
GERMANY(FED REP), 6.0%	04 Jan 2007	8,757,539.11
UNITED STATES TREAS NTS, 6.375%	30 Sep 2001	6,863,905.50
GERMANY(FED REP), 6.25%	04 Jan 2024	6,218,639.35
UNITED STATES TREAS BDS, 8.125%	15 Aug 2019	5,652,068.80
UNITED STATES TREAS NTS, 6.5%	31 May 2001	5,622,736.00
UNITED STATES TREAS BDS, 3.875%	15 Apr 2029	5,465,479.10
ITALY (REP OF), 6.0%	01 Nov 2007	5,383,491.03
FRANCE(GOVT OF), 4.0%	12 Jul 2000	5,090,496.26
GERMANY (FED REP), 6.0%	05 Jan 2006	4,963,221.67
UNITED STATES TREAS NTS, 3.625%	15 Jan 2008	4,926,743.32
GENERAL ELEC CAP CORP MTN, 6.32%	19 May 2000	4,918,750.00
GNMA I TBA JAN 30 SINGLE FAM, 6.5%	15 Dec 2099	4,598,356.00
ITALY (REP OF), 7.75%	01 Nov 2006	4,597,671.96
UNITED STATES TREAS NTS, 6.25%	15 Feb 2003	4,566,397.40

*Excludes Index Funds

Note: space and cost restrictions make it impractical to print the entire investment portfolio in this report. However, a portfolio listing is available for review at FPPA's office.

Fund Performance Summary as of December 31, 1999

Series Name benchmark indices	1 year return	3 years return*	5 years return*
FPPA Total Fund	18.00	15.18	16.29
Domestic Equity Accounts	17.16	21.61	24.73
<i>Russell 3000 Stock Index</i>	20.90	25.53	26.94
International Equity Accounts	45.06	16.40	13.75
<i>MSCI All Country World</i>			
<i>Free Ex U.S. Index</i>	31.79	15.21	12.10
All Equity Accounts	28.10	20.53	21.99
Domestic Fixed Inc. Accounts	0.87	6.10	7.87
<i>Lehman Brothers Aggregate Index</i>	(0.82)	5.73	7.73
Global Fixed Income Accounts	(5.91)	3.36	7.06
<i>SB World Government Bond Index</i>	(4.27)	3.43	6.42
All Fixed Inc. + Cash Eq.	(1.04)	5.17	7.34
All Real Estate Accounts	8.72	11.19	10.97
All Alternative Accounts	14.33	10.82	12.27

*Annualized

Investment Section

Schedule of Brokerage Commissions

<i>Broker Name</i>	<i>Commission</i>	<i>Shares</i>	<i>Per Share</i>
Merrill Lynch	256,165.92	8,403,803	0.03
Goldman Sachs	137,175.50	7,018,182	0.02
Warburg Dillon Reed	123,030.72	5,226,737	0.02
Credit Lyonnais	15,915.15	4,711,835	0.00
State Street Brokerage Services	125,582.01	3,742,450	0.03
Lehman Brothers	46,898.27	3,487,843	0.01
Dresdner Kleinwort Benson	68,645.79	3,164,713	0.02
Salomon Smith Barney	60,107.69	2,821,261	0.02
Deutsche Bank	39,006.49	2,399,125	0.02
Morgan Stanley	95,435.83	2,310,831	0.04
CS First Boston Corporation	90,104.23	2,232,220	0.04
Instinet Corp	50,295.76	2,051,277	0.02
UBS Ag	32,991.22	1,377,085	0.02
ABN Amro Securities	23,983.00	1,173,209	0.02
Furman, Selz, Magerditz & Birney	11,308.55	1,083,366	0.01
SG Cowen Securities Corp	19,287.84	1,072,258	0.02
Investment Technology Group Inc.	19,589.61	1,062,550	0.02
Nomura Securities Co Ltd	7,062.28	926,424	0.01
Jefferies & Co	27,487.02	912,793	0.03
J.P. Morgan	16,336.58	855,047	0.02
Robert Fleming	4,509.99	803,309	0.01
HSBC Securities Inc.	17,937.23	779,144	0.02
Jones & Associates	18,922.67	612,800	0.03
Wertheim Schroder	9,718.07	525,117	0.02
Cazenove & Co	7,731.72	508,693	0.02
Schroedermunchmeyer Hengst & Co.	14,714.94	478,373	0.03
Robert Baird & Co.	3,090.00	448,000	0.01
Blair, William, And Company	8,502.00	378,800	0.02
Friedman Billings & Ramsey	3,449.00	368,800	0.01
Goodbody Stockbrokers	6,325.99	363,187	0.02
Lewco Securities	16,019.06	356,071	0.04
Cantor Fitzgerald	19,461.10	342,065	0.06
Paine Webber Incorporated	18,324.16	337,556	0.05
Janney, Montgomery, Scott	16,152.00	269,200	0.06
Williams Capital Group	12,698.33	245,825	0.05
Capital Institutional Services	14,208.00	236,800	0.06
Howard, Weil, Labouisse, Friedrichs	12,269.00	231,800	0.05
NCB Stockbrokers	5,391.36	214,776	0.03
Davy (J&E)	3,451.43	191,259	0.02
Charterhouse Tilney Securities Ltd	4,607.92	181,722	0.03

continued on next page

Schedule of Brokerage Commissions

<i>Broker Name</i>	<i>Commission</i>	<i>Shares</i>	<i>Per Share</i>
Nationsbanc Montgomery Securities	2,755.90	177,950	0.02
Donaldson, Lufkin & Jenrette Secs	11,717.24	173,610	0.07
Enskilda Securities	7,127.71	145,531	0.05
Bank Of America Securities Llc	1,523.00	129,500	0.01
Wood Gundy	4,200.00	127,000	0.03
Bear Stearns Securities Corp	6,042.06	126,310	0.05
Societe Generale Securities Corp	923.60	112,560	0.01
Fiserv Correspondent Services Inc	3,587.00	110,500	0.03
CIBC Oppenheimer & Co.	6,491.00	109,900	0.06
Prudential Securities Incorporated	6,193.80	104,400	0.06
C.L.King & Associates	5,838.00	101,100	0.06
Keefe Bruyette & Woods Inc	3,709.00	89,300	0.04
SK International Securities	5,178.00	86,300	0.06
Mcdonald & Co	1,560.00	86,200	0.02
Macquariebank Limited	994.05	80,900	0.01
Punk Ziegel And Knoll	654.00	79,500	0.01
Weeden & Co.	1,347.00	78,200	0.02
Sanford Bernstein & Co Inc	5,408.28	77,211	0.07
Hoenig & Co.	4,068.30	74,512	0.05
Knight Securities L.P.	3,824.00	71,000	0.05
First Union Capital Markets	3,900.00	68,000	0.06
Sherwood Securities	3,049.00	65,600	0.05
BT Alex Brown	683.80	63,800	0.01
First Analysis Securities Corp	3,612.00	60,200	0.06
BNY ESI &Co - Alpha Division	3,264.00	54,400	0.06
All Other Brokerage Firms (Shares < 50,000)	89,326.38	1,413,756	0.06
Totals	1,670,870.55	67,773,546	0.02

As of December 31, 1999
the Members' Benefit Fund of
the Fire and Police Pension Association
was comprised of the following individual plans:
the Statewide Defined Benefit Plan,
the Statewide Death and Disability Plan,
the Statewide Money Purchase Plan,
56 local defined benefit pension plans,
4 local money purchase plans,
and 133 volunteer firefighters pension plans.

Actuarial Section, page 66

Buck Consultants Letter

General Information and Actuarial Assumptions

General Information

As of December 31, 1999 the Members' Benefit Fund of the Fire and Police Pension Association was comprised of the following individual plans: the Statewide Defined Benefit Plan, the Statewide Death and Disability Plan, the Statewide Money Purchase Plan, 56 local paid pension plans, 4 local money purchase plans, and 133 volunteer firefighters pension plans. An independent actuarial firm is hired by the Association to perform annual valuations on the two statewide plans, and to perform bi-annual valuations on the local plans. In 1999 the independent actuarial valuation was performed by Buck Consultants.

All of the local paid pension plans have a valuation performed as of January 1 of the even numbered years (1998, 2000, etc.). All of the affiliated volunteer firefighters plans have valuations performed as of January 1 of the odd numbered years (1999, 2001, etc.).

Each of the locally administered plans has a different benefit and member structure. All of the affiliated plans use the actuarial assumptions which have been established by FPPA's Board of Directors.

The following data covers detailed information on the two statewide plans as well as the other affiliated local plans.

Summary of Actuarial Assumptions

The Statewide Defined Benefit Plan was created by state statute to cover all members hired on and after April 8, 1978 for normal retirement benefits. The purpose of the creation of this plan was to close entry to all of the local plans, most of which had significant unfunded liabilities. The statewide plan is a multiple employer, cost-sharing public employee retirement system (PERS). As of December 31, 1999, 145 departments throughout the state were participating in the plan.

The Statewide Death and Disability Plan is a multiple employer cost sharing plan, funded almost exclusively by contributions from the state. This plan was created by state statute, and is designed to provide both on and off-duty coverage for death and disability for all members in the state who have not yet completed the age and service requirements for a normal retirement. As of December 31, 1999, 333 departments were participating in this plan.

The valuation for the Statewide Defined Benefit Plan is then used to determine the normal cost of the plan, and to determine any "excess" contribution amounts which may be allocated to the members' separate retirement accounts (SRAs) for the following year.

Data for the valuation is provided by FPPA's staff from the membership and payroll systems. The data was examined for general reasonableness and consistency with prior years' information by the independent consulting firm but was not audited.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA) and an Enrolled Actuary (EA).

The following economic and non-economic assumptions were adopted by the FPPA Board of Directors and were first used during the January 1, 1993 actuarial valuations.

Economic Assumptions

The investment rate of return for purposes of the actuarial valuation is 7.5% per annum, compounded annually and net of operating expenses. Future inflation is assumed to be 4.0% annually and is included in the active members' salary projections. Thus, the real investment rate of return,

net of inflation, is 3.5% per annum.

Active members' salary increases are composed of two pieces, inflation increases and merit increases. As stated above, inflation is assumed to be 4.0% annually. For the statewide plans, merit increases vary by the service of the member but decrease with service. For the other affiliated plans, merit increases vary by length of service of the member but also decrease with age. Retirees and beneficiaries are projected to receive annual cost-of-living increases of 3.0% per year, the maximum allowed under state statute.

Under the Statewide Defined Benefit Plan, social security benefits for supplemental social security departments are assumed to increase by 4.0% annually and the social security wage base is assumed to increase by 5.0% per year. Under the other affiliated plans, paid plan retirees and beneficiaries from limited rank escalation departments are projected to receive annual cost-of-living increases of 4% per annum, compounded annually for benefits accrued prior to January 1, 1980, and 3% per annum thereafter, (maximum permitted by law). Paid plan retirees and beneficiaries from full rank escalation departments are projected to receive annual cost-of-living increases of 4% per annum.

Assets are valued at current fair market value.

No new members are projected to be added to the plans.

Non-economic Assumptions

The 1983 Group Annuity Mortality (GAM) Table, loaded by .0005 for firefighters and police experience, is used in the valuation for active members. The 1983 GAM Table, unchanged, is used in the valuation of benefits. For the Statewide Defined Benefit Plan, those benefits are for retirees and their spouses. For the Statewide Death and Disability Plan, those benefits are for occupationally disabled retirees and surviving spouses. The 1983 Railroad Retirement Totally Disabled Annuity Mortality Table is used in the valuation of benefits for totally disabled retirees. And for the other affiliated plans, those benefits are for volunteer (actives and retirees) and paid retirees and their spouses.

The probabilities of separation from service and disablement are based on paid firefighter and police and volunteer experience, and for disablement reflect the increased probability of injury/disablement due to the hazardous nature of firefighter and police work.

The actuarial method used for the valuation of benefits is specified by state statute to be either the Entry Age Normal or Aggregate Cost Method, with experience gains or losses adjusting the unfunded actuarial accrued liability. State statute does also specify that the Statewide Defined Benefit Pension Fund is not allowed to have an unfunded liability. Therefore, the surplus in the fund is amortized over 30 years from the valuation date and 40 years from January 1, 1980 in the case of the Statewide Death and Disability Plan.

Pre-Retirement Assumptions

Years of Service	Increases in Earnings		
	(Merit)	(Inflation)	(Total)
<1	9.00%	4.00%	13.00%
1	8.50%	4.00%	12.50%
2	8.00%	4.00%	12.00%
3	7.50%	4.00%	11.50%
4	2.50%	4.00%	6.50%
5	2.00%	4.00%	6.00%
6	1.50%	4.00%	5.50%
7	1.00%	4.00%	5.00%
8	0.75%	4.00%	4.75%
9+	0.50%	4.00%	4.50%

Actuarial Section

General Information and Actuarial Assumptions

Pre-Retirement Assumptions

Sample Ages	Increases in Earnings			Disability Annual Rate Per 1,000 Members		Separation Annual Rate Per 1,000 Members			Death Annual Rate Per 1,000 Members	
	(Merit)	(Inflation)	(Total)	(Paid)	(Volunteer)	(Fire)	(Police)	(Volunteer)	(Male)	(Female)
20	9.0%	4.0%	13.00%	1.20	0.20	39.0	50.0	192.0	0.877	0.689
30	4.0%	4.0%	8.0%	1.52	0.52	19.6	35.0	160.0	1.107	0.842
40	1.5%	4.0%	5.5%	2.94	1.94	5.6	18.0	112.0	1.738	1.165
45	1.0%	4.0%	5.0%	8.00	7.00	9.0	15.0	96.0	2.683	1.510
50	0.75%	4.0%	4.75%	14.00	13.00	15.7	20.0	80.0	4.409	2.147
55	0.50%	4.0%	4.5%	17.20	16.20	22.4	30.0	96.0	6.631	3.041

For Statewide Death and Disability Plan:
Service Retirement:

- 1) Statewide Defined Benefit Plan members - Age 55 and 10 years of service, or current age and service, if greater.
- 2) Money purchase plan members - Age 65 or current age, if greater.
- 3) Denver Police local plan members - Age after 25 years of service, or current age if greater.
- 4) Denver Fire local plan members - Age 50 and 25 years of service or current age if greater.
- 5) All other plan members - Age 52 or current age, if greater.

Post Retirement Assumptions

Sample Ages	COLA Increases	Social Security (Benefit)(Wage Base)		Full Rank	Limited Rank (Pre 1980) (Post 1980)		Retiree/Surviving Spouse/ Occupational Disability Death Annual Rate Per 1,000 Members		Total Disability Death Annual Rate Per 1,000 Members (Unisex)
					(Male)	(Female)			
20	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	0.377	0.189	10.60
30	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	0.607	0.342	10.60
40	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	1.238	0.665	13.50
45	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	2.183	1.010	20.00
50	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	3.909	1.647	31.64
55	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	6.131	2.541	37.81
60	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	9.158	4.241	42.46
65	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	15.592	7.064	51.20
70	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	27.530	12.385	67.47

For Statewide Defined Benefit Pension Plan :
Service Retirement: Age 55 and 10 years of service, or current age and service if greater.

STATEWIDE DEFINED BENEFIT PLAN

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
1/1/99	2,513	\$102,400,344	\$40,748	3.69%
1/1/98	2,328	\$91,488,829	\$39,299	7.52%
1/1/97	2,202	\$80,484,109	\$36,550	5.14%
1/1/96	2,103	\$73,106,851	\$34,763	(3.67%)
1/1/95	1,867	\$67,372,004	\$36,086	4.36%
1/1/94	1,786	\$61,756,708	\$34,578	5.14%

Development of Actuarial Gain or Loss - 3% COLA for All Members

	Actuarial Accrued Liability (1)	Plan Assets (2)	Unfunded Actuarial Accrued Liability (1 - 2)
January 1, 1998	\$211,124,949	\$261,508,736	(\$50,383,787)
Normal Cost	\$12,699,925	N/A	\$12,699,925
Contributions	\$6,828,077	\$16,807,573	(\$9,979,496)
Benefit Payments	(\$1,422,766)	(\$1,422,766)	\$0
Interest on:			
January 1, 1998	\$15,834,371	\$19,613,155	(\$3,778,784)
Normal Cost	\$952,494	\$0	\$952,494
Contributions	\$256,053	\$630,284	(\$374,231)
Benefit Payments	(\$53,354)	(\$53,354)	\$0
	\$16,989,564	\$20,190,085	(\$3,200,521)
Expected January 1, 1999	\$246,219,749	\$297,083,628	(\$50,863,879)
Actual January 1, 1999	\$249,446,556	\$311,057,177	(\$61,610,621)
Gain or Loss	(\$3,226,807)	(\$13,973,549)	\$10,746,742
Excess Return on SRA	\$2,501,225	\$2,501,225	\$0
Net Gain or Loss	(\$ 725,582)	(\$11,472,324)	\$10,746,742
	Loss	Gain	Gain

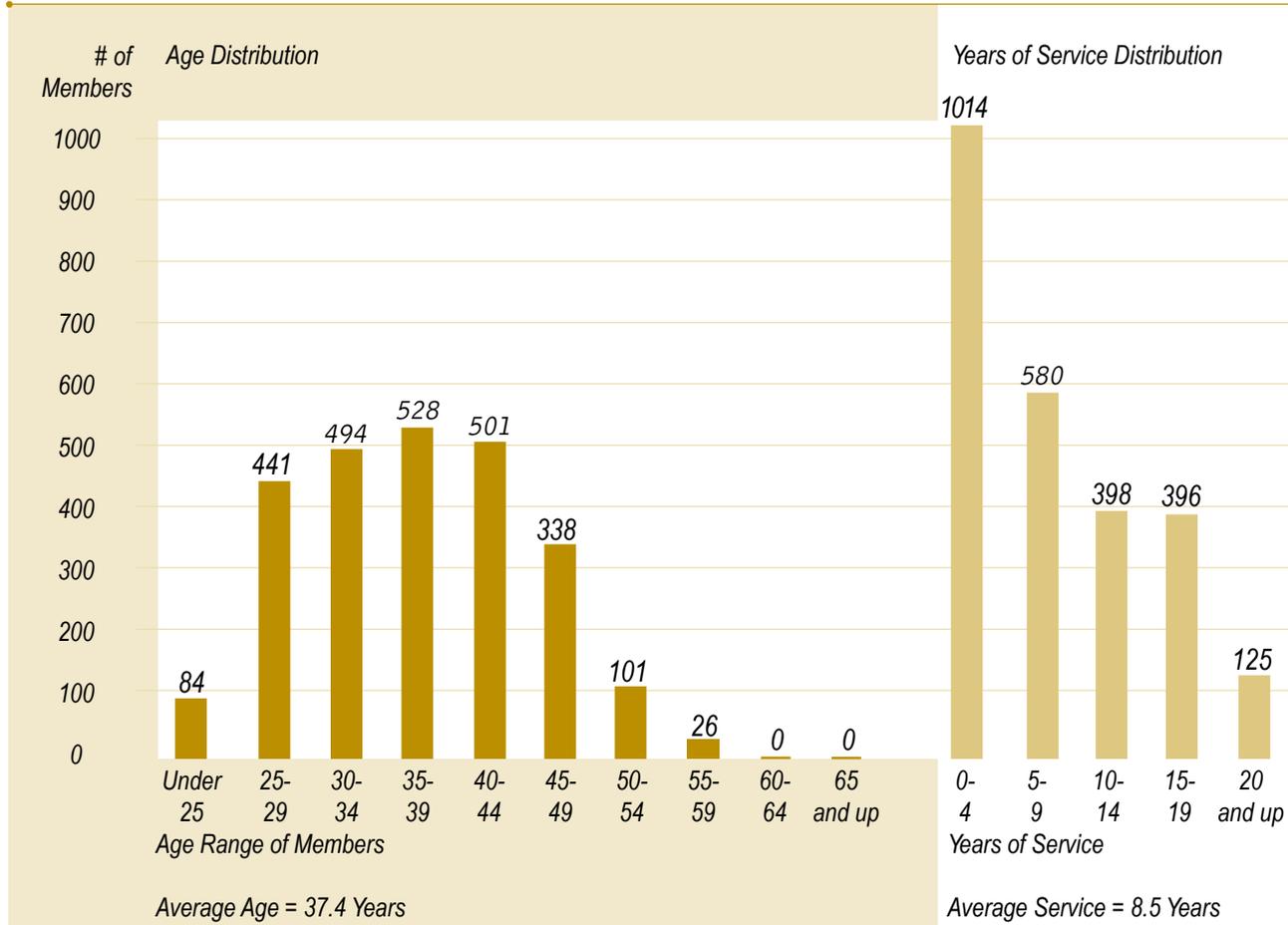
Schedule of Retirees and Beneficiaries Added to and Removed from Benefit Payroll

Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/99	5	\$61,039	0	\$0	25	\$253,185	61.77%	\$10,127
1/1/98	2	\$22,218	1	\$568	20	\$156,512	13.72%	\$7,826
1/1/97	8	\$54,955	1	\$568	19	\$137,627	53.59%	\$7,244
1/1/96	3	\$21,759	1	\$5,071	12	\$89,605	14.06%	\$7,467
1/1/95	3	\$22,458	1	\$4,740	10	\$78,559	17.56%	\$7,856
1/1/94	3	\$23,324	2	\$22,240	8	\$66,824	41.68%	\$8,353

Summary of Plan Provisions

STATEWIDE DEFINED BENEFIT PLAN

Age and Years of Service Distribution



The Statewide Defined Benefit Plan Solvency Test

The FPPA funding objective for the Statewide Defined Benefit Plan is to be able to pay the retirement benefits promised to the members including the granting of an annual cost-of-living increase to all retirees and beneficiaries. The objective is to entirely fund these promised benefits by 16% of pay, 8% from the employee and 8% from the employer.

A short-term solvency test is used to check FPPA’s funding progress towards its funding objective. In a short-term solvency test, the plan’s present assets are compared with: (1) liability for active member contributions on deposit, (2) liability for future benefits to present retired lives, (3) liability for service already rendered by active members.

Expressing the net assets available for benefits as a percentage of the different liability measures provides one indication of the funding status on a going-concern basis. Generally the greater the percentages, the stronger the public employee retirement system.

The schedule below illustrates the progress in funding the various liability measures. As can be seen by the funded percentages, the liabilities continue to be 100% covered by current assets. This plan does not have any unfunded liability and current contributions exceed the cost of annual benefit accruals.

Statewide Defined Benefit Plan - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1)	(2)	(3)	(1)	(2)	(3)
		Active Member Contributions (000's)	Retirees and Beneficiaries (000's)	Active Members (Employer Financed Portion) (000's)*			
1/1/99	\$311,057	\$58,232	\$8,539	\$182,676	100%	100%	100%
1/1/98	\$261,509	\$51,092	\$6,521	\$153,512	100%	100%	100%
1/1/97	\$217,454	\$47,439	\$5,056	\$119,448	100%	100%	100%
1/1/96	\$180,001	*	\$3,083	\$137,531	N/A	100%	100%
1/1/95	\$137,169	*	\$2,500	\$113,328	N/A	100%	100%
1/1/94	\$125,632	*	\$1,717	\$95,994	N/A	100%	100%

*Included in Column 3

SUMMARY OF PLAN PROVISIONS

Statewide Defined Benefit Plan

Members Included

Members included are active employees who are full-time salaried employees of a participating municipality or fire protection district normally serving at least 1,600 hours in a calendar year and whose duties are directly involved with the provision of police or fire protection.

Compensation Considered

Base salary, including member contributions to the Statewide Defined Benefit Plan which are "picked up" by the employer, longevity, sick and vacation pay and shift differential.

Normal Retirement Date

A member's Normal Retirement Date shall be the date on which the member has completed at least twenty-five years of credited service and has attained the age of 55.

Normal Retirement Benefit

The annual Normal Retirement Benefit shall be two percent of the average of the member's highest three years base salary multiplied by the member's years of credited service, not to exceed twenty-five years.

Summary of Plan Provisions

STATEWIDE DEFINED BENEFIT PLAN

The benefit for members of affiliated social security employers will be reduced by the amount of the social security income the member receives annually.

Early Retirement Benefit

A vested member shall be eligible for an Early Retirement Benefit after completion of thirty years of service or attainment of age 50. The Early Retirement Benefit shall be the Normal Retirement Benefit reduced by one half of one percent for each month that the benefit commences prior to age 60.

The benefit for members of affiliated social security employers will be reduced by the amount of social security income the member receives annually.

Late Retirement Benefit

The Normal Retirement Benefit for members who continue to work after their normal retirement date will be increased by 2% of the member's highest average three years base salary, multiplied by the member's years of service after their Normal Retirement Date. The maximum benefit which will be paid by the plan is 70% of average pay.

Terminated Vested Benefit

A member who terminates with at least ten years of active service may leave his contributions in the fund and when the member attains age 55 be eligible to receive an annual benefit equal to two percent (2%) of the average of his highest three years base salary multiplied by his years of active service not to exceed twenty-five years. In the event that the member dies prior to the commencement of payments, his designated beneficiary shall receive either a refund of member contributions or a 50% joint and survivor annuity payable when the member would have been eligible for a benefit, whichever is greater. If the member's designated beneficiary dies prior to the time the member would have been eligible to receive a benefit, a refund of the member's employee contribution shall be paid to the beneficiary's estate.

The benefit for members of affiliated social security employers will be reduced by the amount of social security income the member receives annually.

Severance Benefits

In lieu of a future pension, a member may upon termination elect to have the member's accumulated contributions refunded in a lump sum. In addition to receiving the accumulated contributions, the member shall receive five percent of the total accumulated contributions as interest.

Cost-of-Living Increases for Benefits in Pay Status

If adopted by the municipality prior to January 1, 1980, benefits are increased annually on October 1 to reflect increases in the Consumer Price Index. The amount of increase is based on the Board's discretion and can range from 0-3%. For all other municipalities, benefits may be adjusted annually to reflect increases in the Consumer Price Index at the Board's discretion. Benefits may not be increased by more than 3% for any one year.

Contribution Rates

Members of this fund and their employers are currently each contributing at the rate of 8% of base salary.

Contributions from members and employers of affiliated social security employers are annually set by the Board of Directors.

Stabilization Reserve Account (SRA)

Annually, at the discretion of the Board of Directors, the difference between the combined member/ employer contribution and the actuarially determined contribution rate may be allocated to the stabilization reserve account. Amounts set aside in the SRA are allocated to individual accounts for each new hire member. A member may receive the amounts in his individual account only upon election of normal, early, disability, or vested retirement. If the cost of the defined benefit plan exceeds the combined member/employer contribution rate, funds from the SRA will make up the shortfall. If the member quits with less than 10 years of service, the SRA account is forfeited.

Death Benefits

At the death of a member, the member's beneficiary shall receive the greater of the refund of the member's contributions or the survivor benefit under the statewide death and disability plan. If the beneficiary dies before the benefit commencement date, the beneficiary's estate will receive a refund of the member's contributions.

Changes in Plan Provisions

None.

Actuarial Section

Summary of Plan Provisions

STATEWIDE DEATH & DISABILITY PLAN

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
1/1/99	8,443	\$371,257	\$43,972	1.21%
1/1/98	8,374	\$363,820	\$43,446	6.01%
1/1/97	8,310	\$340,587	\$40,985	3.64%
1/1/95	7,534	\$297,930	\$39,545	3.25%
1/1/94	7,401	\$283,455	\$38,300	3.63%

Note: An actuarial valuation was not performed in 1996 on the Statewide Death & Disability Plan.

Development of Actuarial Gain or Loss - 3% COLA for All Members

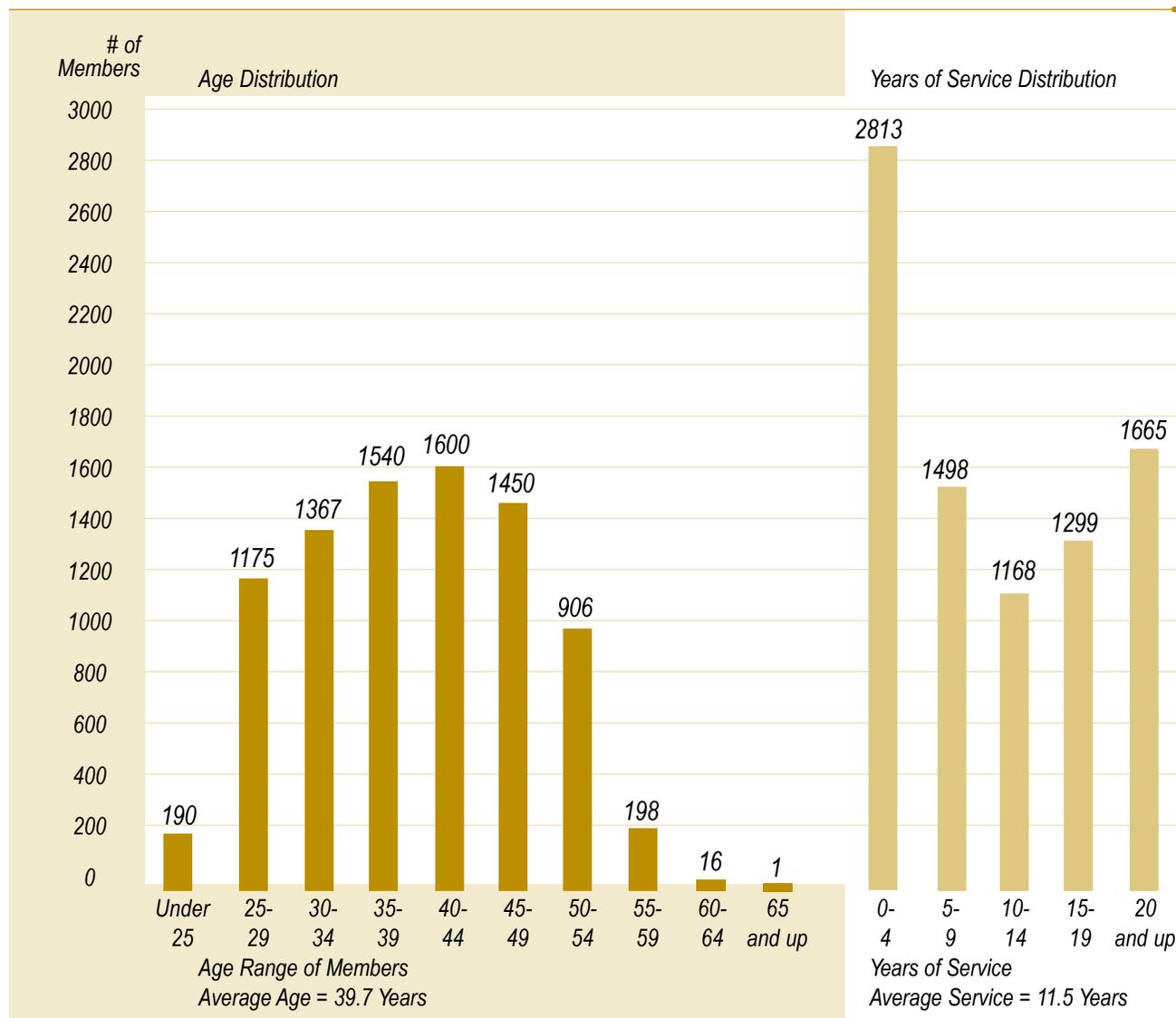
	Total Present Value of Benefits (1)	Plan Assets (2)	Unfunded Actuarial Accrued Liability (1 - 2)
January 1, 1998	\$191,620,571	\$193,630,404	(\$2,009,833)
Normal Cost	N/A	N/A	N/A
Contributions	N/A	\$714,911	(\$714,911)
Benefit Payments	(\$6,207,553)	(\$6,207,553)	\$0
Interest on:			
January 1, 1998	\$14,371,543	\$14,522,280	(\$150,737)
Normal Cost	\$0	\$0	\$0
Contributions	\$0	\$26,809	(\$26,809)
Benefit Payments	(\$232,783)	(\$232,783)	\$0
	\$14,138,760	\$14,316,306	(\$177,546)
Expected January 1, 1999	\$199,551,778	\$202,454,068	(\$2,902,290)
Actual January 1, 1999	<u>\$228,522,127</u>	<u>\$212,356,890</u>	<u>\$16,165,237</u>
Gain or Loss	(\$28,970,349)	(\$9,902,822)	(\$19,067,527)
	Loss*	Gain	Loss*

*Includes impact of total disability benefit plan improvement effective 1/1/2000.

Schedule of Retirees and Beneficiaries Added to and Removed from Benefit Payroll

Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/99	51	\$651,000	11	\$79,000	458	\$6,207,553	7.87%	\$13,554
1/1/98	31	\$419,000	12	\$152,000	418	\$5,754,726	9.17%	\$13,767
1/1/97	58	\$542,000	24	\$364,000	399	\$5,271,191	8.77%	\$13,211
1/1/95	33	\$383,000	20	\$241,000	365	\$4,846,288	7.42%	\$13,278
1/1/94	46	\$375,000	26	\$159,000	352	\$4,511,411	12.93%	\$12,817

Age and Years of Service Distribution



The Statewide Death and Disability Plan Solvency Test

The FPPA funding objective for the Statewide Death and Disability Plan is to be able to pay the death and disability benefits promised to the members including the granting of an annual cost-of-living increase to all retirees and beneficiaries.

A short-term solvency test is used to check FPPA’s funding progress towards its funding objective. In a short-term solvency test, the plan’s present assets are compared with: (1) liability for active member contributions on deposit, (2) liability for future benefits to present retired lives, (3) liability for service already rendered by active members.

Actuarial Section

Summary of Plan Provisions

STATEWIDE DEATH & DISABILITY PLAN

Expressing the net assets available for benefits as a percentage of the different liability measures provides one indication of the funding status on a going-concern basis. Generally the greater the percentages, the stronger the public employee retirement system.

The schedule below illustrates the progress in funding the various liability measures. As can be seen by the funded percentages, the liabilities continue to be 100% covered by current assets.

Statewide Death & Disability Plan - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1)	(2)	(3)	(1)	(2)	(3)
		Active Member Contributions (000's)	Retirees and Beneficiaries (000's)	Active Members (Employer Financed Portion) (000's)*			
1/1/99	\$212,357	\$0	\$81,573	\$100,293	100%	100%	100%
1/1/98	\$193,630	\$0	\$71,957	\$75,942	100%	100%	100%
1/1/97	\$175,364	\$0	\$67,734	\$73,781	100%	100%	100%
1/1/95	\$94,273	\$0	\$50,455	\$21,278	100%	100%	100%
1/1/94	\$90,422	\$0	\$49,721	\$20,148	100%	100%	100%

An actuarial valuation was not performed in 1996.

*As of 1/1/97 the Plan is fully funded. The liability reported is the Present Value of all projected benefits, without regard to future cost-of-living increases. Prior to this date, liabilities are reported on the entry age normal actuarial method.

SUMMARY OF PLAN PROVISIONS

Statewide Death and Disability Plan

Members Included

Members included are active employees who are full-time salaried employees of a participating municipality or fire protection district normally serving at least 1,600 hours in a calendar year and whose duties are directly involved with the provision of police or fire protection. Former members and beneficiaries of former members who have died or become disabled are also included.

Compensation Considered

Base salary for members of the plan.

Pre-Retirement Death Benefits

If a member dies prior to retirement, the surviving spouse shall receive a benefit (including payments made from local defined contribution plans) equal to 25% of the monthly base salary paid to the member prior to death. Benefits will be paid to dependent children according to the schedule outlined below. Benefits will be paid to the spouse until death and to dependent children until death, marriage or other termination of dependency. These benefits are offset by Money Purchase account balances and SRA accounts, converted to annuities.

	Number of Dependent Children	Additional Benefit
1. With Surviving Spouse	1	15% of base salary
	2 or more	25% of base salary
		Total Benefit
2. Without Surviving Spouse	1	25% of base salary
	2	40% of base salary
	3 or more	50% of base salary

Disability Benefits

A member who becomes disabled prior to retirement shall be eligible for disability benefits. If the member is totally disabled, he shall receive 40% of his base salary preceding disability reduced by Social Security disability benefits derived from employment as a member, if applicable. Benefits are also reduced by 25% of certain additional earned income. Disability Benefits are offset by the Money Purchase account balances and SRA accounts, converted to annuities. If a member is occupationally disabled, the above benefit will be 30% in lieu of 40%. The benefits will be increased by 10% of base salary if the member has a spouse and an additional 10% of base salary if the member has any dependent children. Disability benefits cease if the member recovers from disability. The disability benefits to the spouse and dependent children outlined above continue after death of the member. Benefits will be paid to the spouse until death or remarriage and to dependent children until death, remarriage or other termination of dependency.

Effective January 1, 2000, totally disabled members will receive 70% of base salary regardless of family status. Offsets still apply.

Cost-of-Living Increases for Benefits in Pay Status

Benefits to members and spouses are increased to reflect increases in the consumer price index annually if approved by the Board, but in no case may benefits be increased by more than 3% for any one year. Totally disabled members and their beneficiaries receive an automatic COLA each year based on the lesser of 3% or CPI increases.

Contributions

Members hired after 1996 contribute 2.3% of pay.

Offsets for SRA and Money Purchase

Death and disability benefits are reduced by the actuarially equivalent annuities of the SRA and Money Purchase account balances. A maximum of 16% of the annual Money Purchase contributions apply for this purpose.

Changes in Plan Provisions

None.

Actuarial Section

Summary of Plan Provisions

AFFILIATED LOCAL PLANS

Note: Data compilation began with the 1/1/96 actuarial valuation. Actuarial studies are completed every other year. Each employer participating in the system is financially responsible for its own liabilities. Accordingly, the aggregate numbers presented in this section are indicative only of the overall condition of the system and are not indicative of the status of any one employer.

Schedule of Active Member Valuation Data

Valuation Date	Number of Participating Employers	Number of Paid and Volunteer Members	Annual Payroll of Paid Members	Annual Average Pay of Paid Members	% Increase in Average Pay
1/1/98	177	5,278	\$104,552,694	\$48,697	28.83%
1/1/96	154	5,033	\$96,013,582	\$37,801	N/A

Development of Actuarial Gain or Loss

Note: Data to calculate a gain/loss analysis on all local plans was not available as of the 1/1/98 actuarial valuations.

Schedule of Retirees and Beneficiaries Added to and Removed from Benefit Payroll

Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/98	604	\$8,510,136	253	\$4,018,824	3,762	\$70,089,060	6.85%	\$18,631
1/1/96	154	\$2,842,536	104	\$1,622,616	3,411	\$59,864,784	2.08%	\$17,551

Affiliated Local Plans - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1) Active Member Contributions (000's)	(2) Retirees and Beneficiaries (000's)	(3) Active Members (Employer Financed Portion) (000's)*	(1)	(2)	(3)
1/1/98	\$1,466,608	*	*	\$1,814,000	N/A	N/A	81%
1/1/96	\$1,121,445	*	*	\$1,593,928	N/A	N/A	70%

*Included in Column 3

SUMMARY OF PLAN PROVISIONS

Affiliated Local Plans

Members Included

Members included are active police officers and paid firefighters hired prior to April 8, 1978, electing to remain covered under the provisions of their local plan, and volunteer firefighters.

Compensation Considered

Base salary, including longevity, sick and vacation pay.

Volunteer members are not compensated. Their benefit is generally based on the total assets in the plan.

Normal Retirement Date

A member's Normal Retirement Date varies with each plan. Several plans are based on the date a member has completed years of credited service, usually 20-25 years. Most plans require the member to complete 20-25 years of credited service and attain the age of 50-55.

Normal Retirement Benefit

The annual Normal Retirement Benefit varies with each plan. The benefit calculation ranges from 50-74% of salary. Several plans offer a lump sum actuarial equivalent benefit.

Volunteer plans offer a flat dollar benefit from \$0 - \$600 per month.

Deferred Vested Benefit

Some plans allow a member to leave their contributions in the fund and be eligible to receive a vested benefit based on salary times years of credited service at termination, usually with a maximum benefit of 50% of pay. The benefit is payable at normal retirement age, typically age 50 or 55. The minimum eligibility for this benefit is usually 10 or 20 years of service at termination. Most plans do not offer deferred vested benefits.

Volunteer plans offer a flat dollar benefit that ranges from 50-100% of the normal retirement benefit depending on the years of credited service at termination. The benefit is usually payable at age 50.

Severance Benefits

In lieu of a future pension, several plans offer their members upon termination an election to have accumulated contributions refunded in a lump sum. In addition to receiving accumulated contributions, the member may receive interest on the total accumulated contributions. Most plans do not offer severance benefits.

Volunteer plans are restricted by statute and cannot offer severance benefits.

Cost-of-Living Increases for Benefits in Pay Status

Several plans offer a cost-of-living increase to their retirees and beneficiaries. Some only offer an ad-hoc cost-of-living increase. Others offer an escalation benefit based on the rank at which the member retired.

Volunteer plans are restricted by statute and cannot offer a cost-of-living increase.

Summary of Plan Provisions

AFFILIATED LOCAL PLANS

Contribution Rates

The contribution rate varies for each plan. Paid member rates range from 0-10%.

Volunteer members do not contribute to their plan.

Pre-Retirement Death and Disability Benefits

The paid members are covered by the Statewide Death and Disability Plan.

Some volunteer plans offer a 50% benefit. All volunteer plans are required to pay at least a \$100 lump sum funeral benefit.

Post-Retirement Death Benefits

Most plans offer a 50-66% benefit to the surviving spouse until death or remarriage.

Delayed Retirement Option Plan (DROP)

Several plans allow a member to participate in the DROP after reaching eligibility for normal or delayed retirement. A member can continue to work while participating in the DROP, but must terminate employment within a given time frame, generally between 3-5 years of entry into the DROP. The member's percentage of retirement benefit is frozen at the time of entry into DROP. The monthly payments go into the DROP and are accumulated until the member terminates service, at which time the DROP and accumulated benefits can be paid as a lump sum or periodic payments, if desired. The member continues contributing the employee percentage of pay which is credited to the DROP.

Changes in Plan Provisions

The provisions of the local plans will vary from plan to plan, as will the periodic changes made to the plans.

The Statistical Section
of the FPPA annual report
contains a variety of information
concerning FPPA's operations
including legislative history,
member demographics
and disbursement of state funds
to municipalities.

Statistical Section, page 82

General Information

The Statistical Section of the FPPA annual report contains a variety of information concerning FPPA's operations including legislative history, member demographics and disbursement of state funds to municipalities.

This information is presented in narrative, graphical and tabular forms which staff hopes will assist individuals desiring a more comprehensive understanding of the Association's functions.

While the material in this section is intended to supplement the independent auditor's report contained elsewhere, none of the information within the Statistical Section has been reviewed or certified as to its accuracy by FPPA's auditors.

History of State Involvement in Fire and Police Pension Plans

1978

Senate Bill 46 is enacted, adopting the Policemen's and Firemen's Pension Reform Act and creating the Policemen's and Firemen's Pension Reform Commission. It also freezes old hire plan provisions.

1979

Senate Bill 79 results from the activities of the Policemen's and Firemen's Pension Reform Commission created the previous year. S.B. 79 establishes the Fire and Police Pension Association, and creates a new statewide pension plan and the new Statewide Death and Disability Plan.

1983

Senate Bill 64 gives the FPPA Board of Directors authority to lower the statewide plan retirement age to 55 if actuarially supportable, and makes other miscellaneous changes to Part 10.

1987

Senate Bill 18 establishes a Stabilization Reserve Account, gives FPPA the ability to negotiate group retiree health insurance, and makes other miscellaneous changes to Part 10.

1989

House Bill 1196 grants FPPA the authority to administer 457 Deferred Compensation Plans; and House Bill 1033 grants FPPA the authority to administer and manage money purchase plan funds.

1991

House Bill 1015 grants FPPA the authority to modify statewide pension plan benefits and service requirements for normal retirement without prior approval from the legislature. Any modifications must be approved by 65 percent of the active members in the plan and more than 50 percent of the employers having active members covered by the plan.

1993

Senate Bill 142 amends several aspects of the Statewide Death and Disability Plan including clarifying responsibilities of employers to employees found not disabled by the FPPA Board, and lengthens the reexamination and redetermination of disability period from three to five years.

House Bill 1243 authorizes FPPA to establish a Statewide Money Purchase Plan as an alternative to the Statewide Defined Benefit Plan for departments meeting certain criteria.

1995

House Bill 1012 increases the time from three years to five years within which FPPA may investigate a member retired for disability from the Statewide Death and Disability Plan.

Senate Bill 12 grants the FPPA Board the authority to adopt procedural rules in regard to local employers having money purchase plans for their police officers or firefighters and who wish to terminate those plans and cover their members under the Statewide Money Purchase Plan administered by FPPA. Any such election is voluntary and requires the approval of the employer and at least 65% of the members of the local money purchase plan.

Senate Bill 228 accelerates the payments by state and local governments to those "old hire" plans currently receiving state assistance for unfunded accrued liabilities. The bill increases the state's contribution to these plans and establishes a level dollar employer contribution projected to pay off the unfunded liabilities by the year 2009.

1996

House Bill 1016 establishes a separate statutory condition under the Statewide Death and Disability Plan for those members whose disabilities are the result of an on-duty injury or occupational disease.

House Bill 1370 addresses the future funding of benefits provided under the Statewide Death and Disability Plan. It provides that the state will fund the benefits of members hired prior to January 1, 1997, through the payment of a one time lump sum amount of \$39,000,000. For those members hired on or after January 1, 1997, the bill requires funding by the members and/or their employers. On the benefit side, the bill provides a guaranteed cost of living adjustment for those members who are found to be totally disabled. The bill permits an employer, within a limited time window, to withdraw from the Statewide Death and Disability Plan and establish its own disability and survivor benefit plan.

1997

House Bill 1213 authorizes FPPA to offer a supplemental disability benefit program to members of the Statewide Death and Disability Plan.

House Bill 1006 applies the provisions of the Uniform Prudent Investor Act to FPPA with respect to the investment of assets in the Fire and Police Members' Benefit Fund.

House Bill 1022 extends an employer's authority to use excess funds in its old hire fire or police pension plan for other pension and public safety purposes. The bill now permits an employer to utilize excess funds if there are no active members of the plan and the employer takes certain steps to guarantee payment to persons still receiving benefits from the fund.

House Bill 1111 authorizes local boards to increase pension benefits for volunteer firefighters who are already retired.

Senate Bill 81 amends the statute providing for the division of public employees' retirement benefits upon divorce to clarify which legal actions are subject to the statute.

1998

House Bill 1024 authorizes survivors of police and fire members of the Statewide Death and Disability Plan to seek relief from state and federal income taxes when the plan member's death was in the line of duty or the result of an occupational disease.

Senate Bill 5 mandates that each deferred compensation plan's assets be held for the exclusive benefit of the plan participants. This protection was enacted on the federal level as a part of the Small Business Job Protection Act of 1996.

House Bill 1024 authorizes survivors of police and fire members of the Statewide Death and Disability Plan to seek relief from state and federal income taxes when the plan member's death was in the line of duty or the result of an occupational disease. Also, survivors of members who died prior to the effective date of the bill were granted a two-year period to apply to the Board for a "death-in-the-line-of-duty" determination.

1999

Senate Bill 5 mandates that each deferred compensation plan's assets be held for the exclusive benefit of the plan participants. This protection was enacted on the federal level as a part of the Small Business Job Protection Act of 1996. Senate Bill 5 also establishes minimum requirements for ensuring that appropriate investment options are made available to deferred compensation plan participants. Specifically, the FPPA Board is required to select at least three investment alternatives, to allow the member to change investments at least once each calendar year, and to provide the member with useful information concerning the investment alternatives. These minimum requirements are consistent with those adopted by the General Assembly in 1997 for the statewide money purchase plan.

House Bill 1022 updates provisions needed to maintain police and fire pension plans as "qualified plans" under the Internal Revenue Code. These amendments were required by federal tax law in order for employers and employees to continue to benefit from the favorable tax treatment available under these pension plans. Specifically, technical statutory changes were made for old hire pension plans, the volunteer pension plans, and the statewide defined benefit plan.

Senate Bill 114 authorizes parties in domestic relations actions to use additional methods for dividing public employee retirement benefits on divorce, legal separation, or declaration of invalidity of marriage. Most significantly, the parties can now use the "time-rule formula" for dividing benefits, a method which is recognized in Colorado case law but which was not available to the parties under prior statutory law for dividing pensions. The "time-rule" formula is a method for estimating the community interest in retirement benefits when the defined benefit plan member is uncertain as to the ultimate date of distribution of the benefits.

1999 Distribution of State Funds

Death and Disability Fund	\$ 0
Volunteer Fire Pension Plans*	3,361,937
Old Hire Plans for Unfunded Liabilities*	25,321,079
Total Monies Distributed	\$ 28,683,016

*FPPA serves as a flow-through entity for state funding to non-affiliated departments. State funding to FPPA affiliates was \$27 million. State funding to non-affiliates was \$1.7 million.

State Funds Allocated to Cities to Reduce Unfunded Liabilities

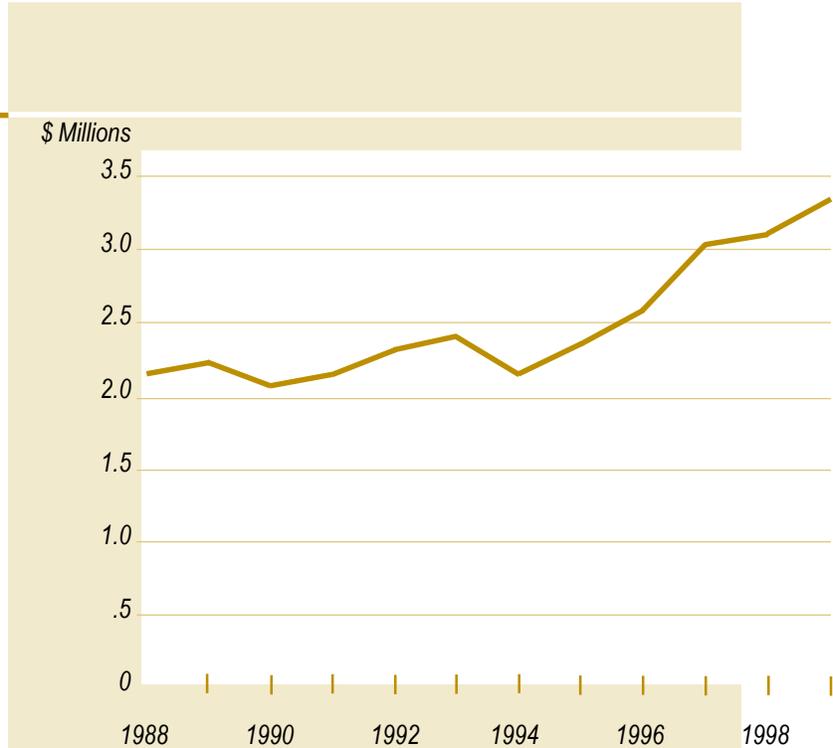
	1995	1996	1997	1998	1999	Total (1980-99)
Aurora Fire	\$ 344,179	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,502,878
Aurora Police	1,466,465	1,014,624	1,014,624	1,032,476	1,032,476	9,175,314
Colo Spgs Fire	1,449,296	437,820	437,820	0	0	9,947,115
Colo Spgs Police	1,548,085	635,127	635,127	646,302	646,302	11,496,947
Denver Fire	17,429,905	9,013,527	9,013,527	9,172,120	9,172,120	124,839,057
Denver Police	23,295,232	11,403,843	11,403,843	11,604,493	11,604,493	166,617,867
Grand Jct Fire	555,080	309,112	309,112	314,551	314,551	4,252,048
Grand Jct Police	494,793	261,284	261,284	265,881	265,881	3,623,730
Greeley Fire	858,347	595,560	595,560	606,039	606,039	5,836,283
Greeley Police	4,785	0	0	0	0	192,075
Pueblo Fire	1,706,086	875,110	875,110	890,508	890,508	13,589,873
Pueblo Police	128,984	0	0	0	0	1,699,753
Rocky Ford Fire	10,525	10,525	10,525	10,710	10,710	131,044
Rocky Ford Police	407	0	0	0	0	14,005
Lakewood FPD	1,081,192	614,795	614,795	625,612	625,612	7,555,465
Lamar Fire	0	0	0	0	0	23,293
Leadville Fire	4,620	0	0	0	44,719	
N. Washington FPD	239,709	141,933	141,933	144,430	144,430	1,551,647
All Other	203,389	7,819	7,819	7,957	7,957	4,378,989
Total	\$50,821,079	\$25,321,079	\$25,321,079	\$25,321,079	\$25,321,079	\$367,472,102

Statistical Section

State Funding

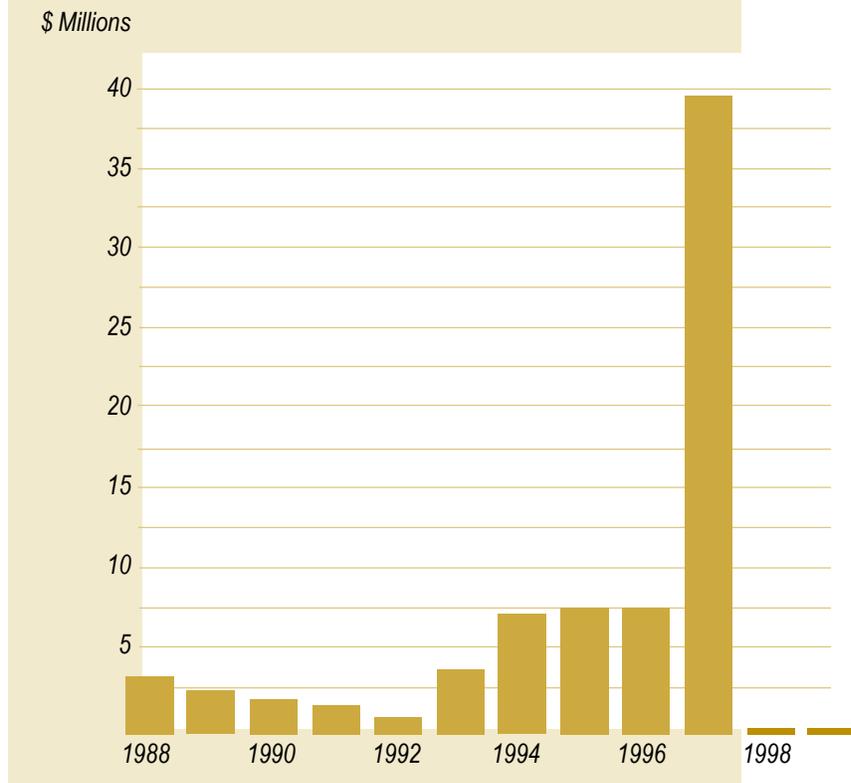
State Funds Distributed to Volunteer Fire Departments (By Year)

	<i>Number of Departments Receiving Funds</i>	<i>Total Amount Distributed</i>
1989	185	2,266,161
1990	189	2,045,671
1991	183	2,185,908
1992	193	2,342,084
1993	191	2,484,638
1994	189	2,219,058
1995	204	2,454,399
1996	199	2,599,572
1997	211	3,026,834
1998	206	3,148,492
1999	207	3,361,937



State Funds Distributed to the Death & Disability Fund (By Year)

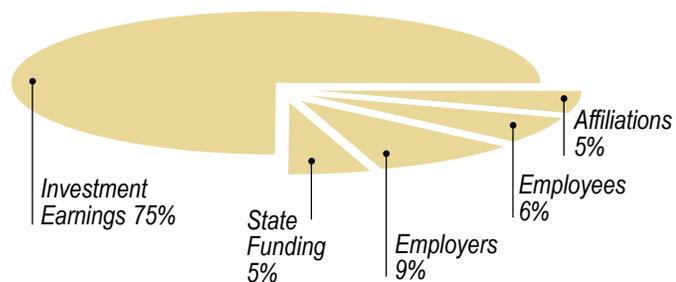
	<i>Total Amount Distributed</i>
1989	2,400,000
1990	1,800,000
1991	1,200,000
1992	600,000
1993	3,717,048
1994	7,467,052
1995	7,500,000
1996	7,500,000
1997	39,000,000
1998	-0-
1999	-0-



Revenues by Source - All Plans

	1994	1995	1996	1997	1998	1999
Investment Earnings	\$ 13,109,864	\$ 252,493,483	\$ 194,545,550	\$ 235,801,497	\$ 250,900,298	\$396,262,695
State Funding	27,034,450	59,111,585	35,420,651	65,595,405	26,989,691	\$ 27,114,921
Employers	43,866,395	41,825,381	47,728,402	49,516,051	58,500,005	\$ 49,636,327
Employees	14,271,587	14,793,874	15,962,145	16,552,238	12,991,623	\$ 32,428,830
Affiliations	3,034,267	699,945	2,616,094	6,141,898	9,324,380	\$ 25,807,791
Total	\$ 101,316,563	\$ 368,924,268	\$ 296,272,842	\$ 373,607,089	\$ 358,705,997	\$531,250,564

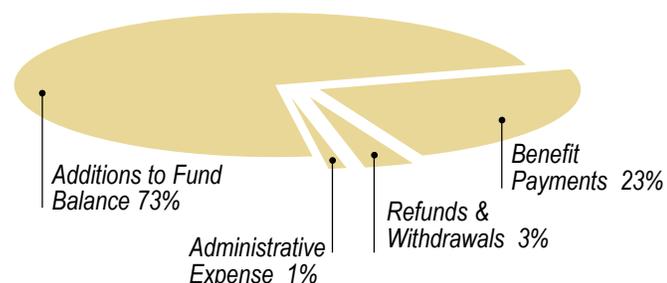
Revenues by Source All Plans



Revenue Allocation - All Plans

	1994	1995	1996	1997	1998	1999
Additions to Fund Balance	\$ 42,326,899	\$306,033,003	\$ 225,768,240	\$289,565,825	\$263,184,561	\$412,447,619
Benefit Payments	56,221,099	60,016,993	65,375,899	73,393,878	82,533,683	\$101,496,836
Administrative Expense	2,149,496	2,143,936	2,532,264	2,494,785	3,024,568	\$ 3,254,498
Refunds & Withdrawals	619,069	730,336	2,596,439	8,152,601	9,963,185	\$ 14,051,611
Total	\$ 101,316,563	\$ 368,924,268	\$ 296,272,842	\$ 373,607,089	\$ 358,705,997	\$531,250,564

Revenues Allocation All Plans



Statistical Section

Employers

Employers of Statewide Defined Benefit Pension Plan Members

Aguilar Police
Alma Police
Animas FPD
Antonito Police
Arvada Fire
Aspen FPD*
Ault Police
Basalt Police
Basalt & Rural FPD
Bayfield Police
Bennett FPD #7
Berthoud FPD
Black Forest FPD
Blackhawk FPD
Blanca Police
Boulder Rural FPD
Bowmar Police
Brighton Fire
Brush Police
Castle Rock Fire
Center Police
Central City Fire
Cherryvale FPD
Cimarron Hills FPD
Clifton FPD
Collbran Marshalls*
Columbine Valley Police
Copper Mountain Fire
Cripple Creek Fire
Cunningham FPD
Denver Police and Fire
Dinosaur Police
Dolores Police*
Donald Wescott FPD
Eads Police
East Grand FPD #4*
Elizabeth Police
Elk Creek FPD
Empire Police*
Englewood Fire
Erie Police
Evans Fire
Fairmount FPD
Fairplay Marshalls
Falcon FPD*
Firestone Marshalls

Fort Lupton FPD
Fowler Police
Franktown FPD
Frederick Area FPD
Frisco Police
Genesee FPD
Georgetown Police
Gilcrest Police
Granada Police
Grand Valley FPD*
Greater Eagle Fire
Green Mountain Falls/
Chipita Park Fire
Gypsum FPD
Hartsel Fire
Hermosa Cliff FPD
Holly Police
Hugo Police
Idaho Springs Police
Ignacio Police
Jefferson-Como FPD
La Jara Police
La Salle FPD*
La Salle Police
La Veta Police
Lake Dillon FA
Lake George FPD*
Lakeside Police
Larkspur FPD
Larkspur Police*
Las Animas Police
Leadville Police and Fire
Lefthand FPD*
Lochbuie Police
Log Lane Village Police
Los Pinos FPD*
Louisville Fire*
Louviers FPD
Lower Valley FPD
Manassa Police
Manitou Springs Police and Fire
Mintum Fire*
Montrose FPD
Mountain View FPD
Mountain View Police
Northeast Teller County FPD
North Metro Fire Rescue / Thorton
North Washington FPD
Northwest FPD
Oak Creek Police

Olathe Police
Otis Police*
Pagosa FPD
Pagosa Springs Police
Palisade Police and Fire
Palmer Lake Police
Paonia Police
Parachute Police
Parker Police
Pierce Police*
Platte Canyon FPD
Platteville Police
Platteville FPD*
Pueblo Police and Fire
Pueblo Rural FPD
Pueblo West FPD
Red, White & Blue FPD
Rifle FPD
Saguache Police*
Salida Police and Fire
Sanford Police
Silt Police
Silverton Police*
Skyline FPD
South Adams County FPD
South Fork Police
Steamboat Springs Fire
Sterling Police and Fire
Stratmoor Hills FPD
Stratton Police
Telluride FPD
Tri Lakes FPD
Union Colony FPD
Upper Pine River FPD
West Routt FPD
Wiggins Police
Windsor-Severance FPD
Woodland Park Fire*
Woodmoor-Monument FPD
Wray Police
Yuma Police

Employers of Statewide Money Purchase Plan Members

Alma Police*
Blackhawk Fire
Blue River Police
Oak Creek Fire

Boulder Mountain
Castle Rock Fire
Central City Police
Cherryvale FPD
Cripple Creek Fire
Elizabeth FPD
Elk Creek FPD
Empire Police
Evans Police and Fire
Falcon FPD
Fowler Police*
Frederick Area FPD
Georgetown Police*
Grand Valley Fire
Ignacio Police*
Lake George FPD
Louviers FPD
Montrose Fire
Mountain View Fire
Mountain Village Police
Palisade Police
Parker Police
Salida Fire
Snake River Fire
South Fork Police
Stratton Police*
South Park County Fire*
Sterling Fire
Wiggins Police*

Employers of Affiliated Old Hire Pension Plan Members

Aurora Police and Fire
Bancroft FPD
Bowmar Police
Canon City Area FPD
Cedaredge Police
Cherry Hills FPD
Colorado Springs
Police and Fire
Cortez Police
Del Norte Police
Denver Police and Fire
Englewood Police and Fire
Erie Police*
Firestone Marshalls
Fort Morgan Police
Granby Police

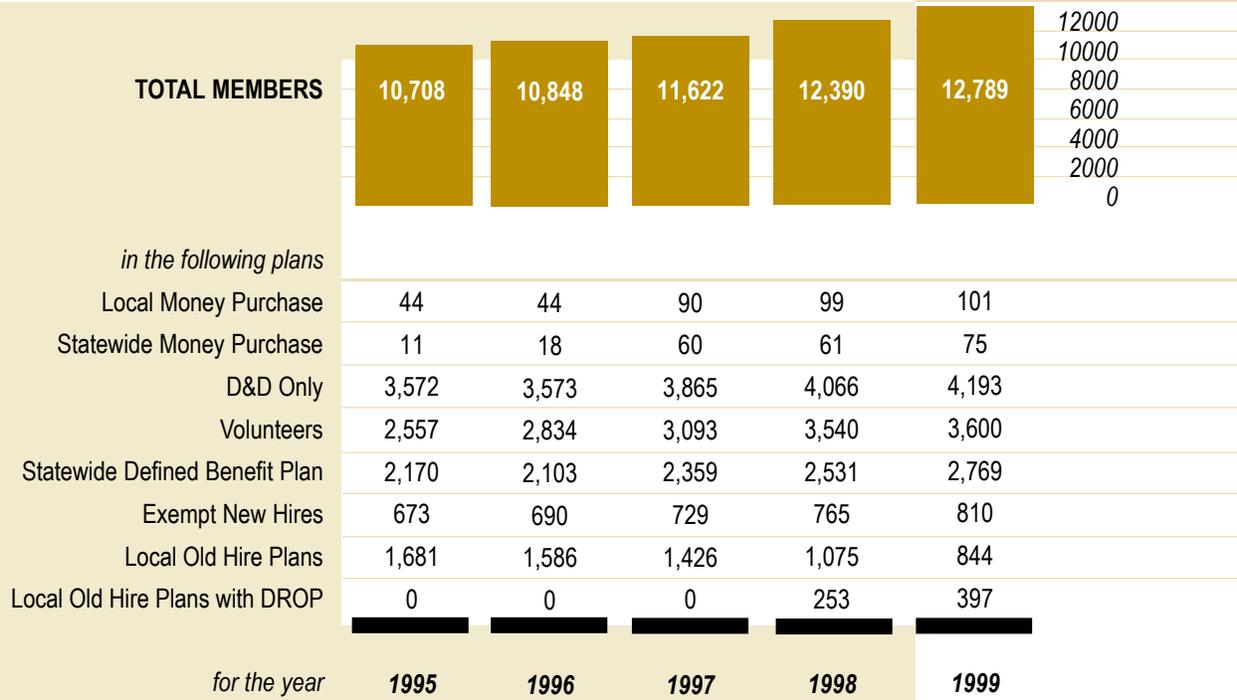
Grand Junction Police and Fire	North Metro FRD	Florence FPD	Nederland FPD
Greeley Police	Trinidad Fire	Foothills FPD	Northeast Teller County FPD
Haxtun Police		Fort Morgan FPD	North Fork FPD
Holyoke Police	<i>Employers of Affiliated</i>	Fort Morgan Rural FPD	North Routt FPD
La Junta Police and Fire	<i>Exempt New Hires</i>	Franktown FPD	North Washington FPD
LaSalle Police	Colorado Springs Police and Fire	Frederick Area FPD	Northwest FPD
Lakewood FPD		Genesee FPD	Northwest Conejos FPD
Lamar Police and Fire	<i>Affiliated Volunteer</i>	Georgetown Vol. FD	Nunn VFD
Las Animas Police	<i>Fire Departments</i>	Glendale VFD	Oak Creek FPD
Leadville Fire	<i>(as of 12/31/99)</i>	Glenwood Springs VFD	Olathe FPD
Manitou Springs Fire	Alamosa VFD	Golden VFD	Olney Springs VFD
Montrose FPD	Aspen FPD	Golden Gate FPD	Ouray VFD
Mountain View FPD	Ault FPD	Grand FPD #1	Pagosa FPD
North Washington FPD	Basalt & Rural FPD	Grand Lake FPD	Palisade VFD
Paonia Police	Bennett VFD	Grand Valley FPD	Palmer Lake VFD
Pueblo Police and Fire	Berthoud FPD	Green Mountain Falls/ Chipita Park FPD	Parker FPD
Pueblo Rural FPD	Blackhawk FPD	Gypsum FPD	Pinebrook Hills FPD
Rocky Ford Police and Fire	Boulder Heights FPD	Hartsel FPD	Platte Canyon FPD
Salida Police and Fire	Boulder Rural FPD	Haxtun VFD	Platte Valley FPD
South Adams County FPD	Boone VFD	Hermosa Cliff FPD	Pleasant View FPD
Springfield Police	Brighton FPD	High Country FPD	Pleasant View Metro FPD
Sterling Police and Fire	Brush VFD	Holyoke - City VFD	Poudre Valley FPD
Thornton Fire	Buena Vista FPD	Holyoke FPD	Rattlesnake FPD
Trinidad Police and Fire	Burning Mountains FPD	Hot Sulphur Springs/Parshall FPD	Red Feather Lakes FPD
Union Colony Fire Rescue	Calhan FPD	Idaho Springs VFD	Rifle FPD
Walsenburg Police	Canon City Area FPD	Indian Hills FPD	Rio Blanco FPD
Woodmoor-Monument FPD	Carbondale and Rural FPD	Inter-Canyon FPD	Rocky Ford VFD
	Cascade FPD	Jackson 105 FPD	Sable-Altura FPD
<i>Employers Affiliated</i>	Castle Rock VFD	Jefferson-Como FPD	Snake River FPD
<i>for Supplemental</i>	Central City FD	Kiowa FPD	Simla VFD
<i>Pension and/or</i>	Central Orchard Mesa FPD	Kremmling FPD	South Adams County FPD
<i>Death and Disability</i>	Cherryvale FPD	La Junta Rural FPD	South Arkansas FPD
<i>Coverage</i>	Cheyenne County FPD #1	La Salle FPD	South Conejos FPD
	Clear Creek County ESD	Lafayette VFD	Springfield FPD
Cedaredge Police	Clifton FPD	Lake Dillon FPD	Steamboat Springs VFD
Debeque Police	Coal Creek Canyon FD	Lake George FPD	Sterling VFD
Estes Park Police	Colorado Sierra FPD	Lamar VFD	Stratton FPD
Haxtun Police	Cripple Creek FPD	Larkspur FPD	Sugar City FD
Holyoke Police	Crowley FD	Left Hand FPD	Sugarloaf FPD
Johnstown Police	Crystal Lake FD	Lewis-Arriola FPD	Telluride FPD
Kremmling Police	Dove Creek FPD	Limon VFD	Wellington FPD
Springfield Police	Eads VFD	Log Hill Mesa FPD	West Cheyenne FPD
Monument Police	Eldorado VFD	Louviers FPD	West Douglas County FPD
	Elizabeth FPD	Lower Valley FPD	West Metro FPD
<i>Employers Affiliated</i>	Englewood VFD	Manitou Springs VFD	West Routt FPD
<i>for Money Purchase Plan</i>	Evans VFD	Manzanola Rural FPD	Wiley Rural FPD
<i>Administration</i>	Evergreen FPD	Milliken FPD	Yampa FPD
Canon City Police	Falcon FPD	Montrose FPD	
Dacono Police	Federal Heights VFD	Mountain View FPD	

*currently inactive, with no employees

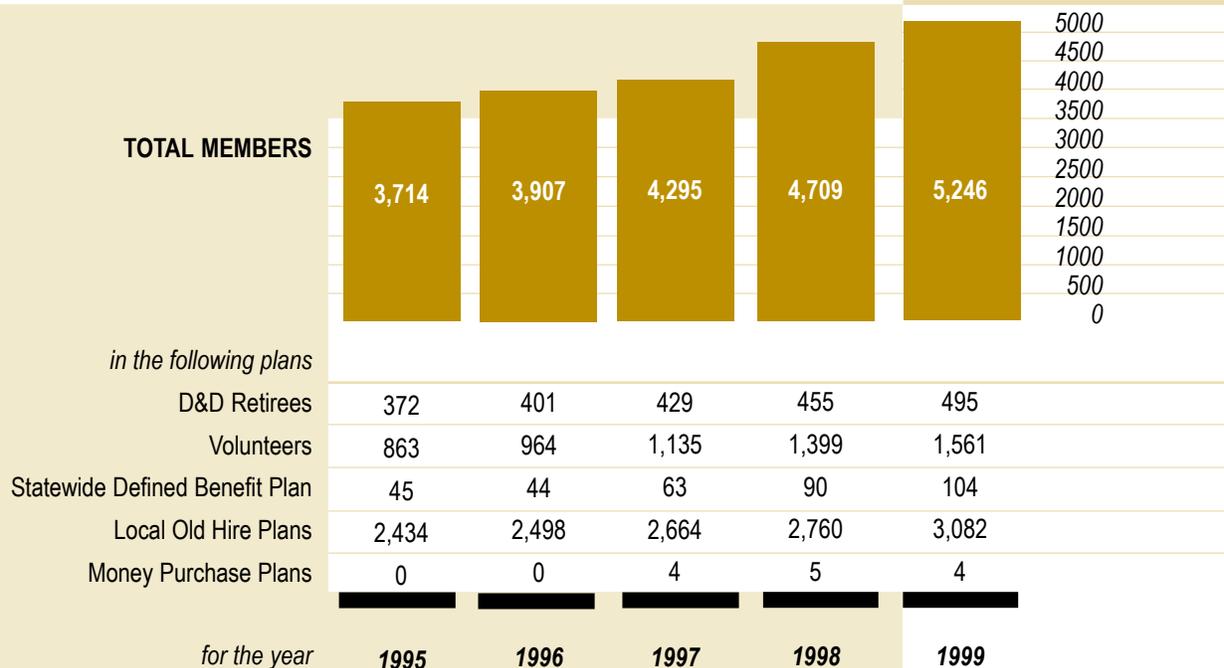
Statistical Section

Member Data

FPPA Active Members by Plan Type (1995-1999)



FPPA Retired Members by Plan Type (1995-1999)



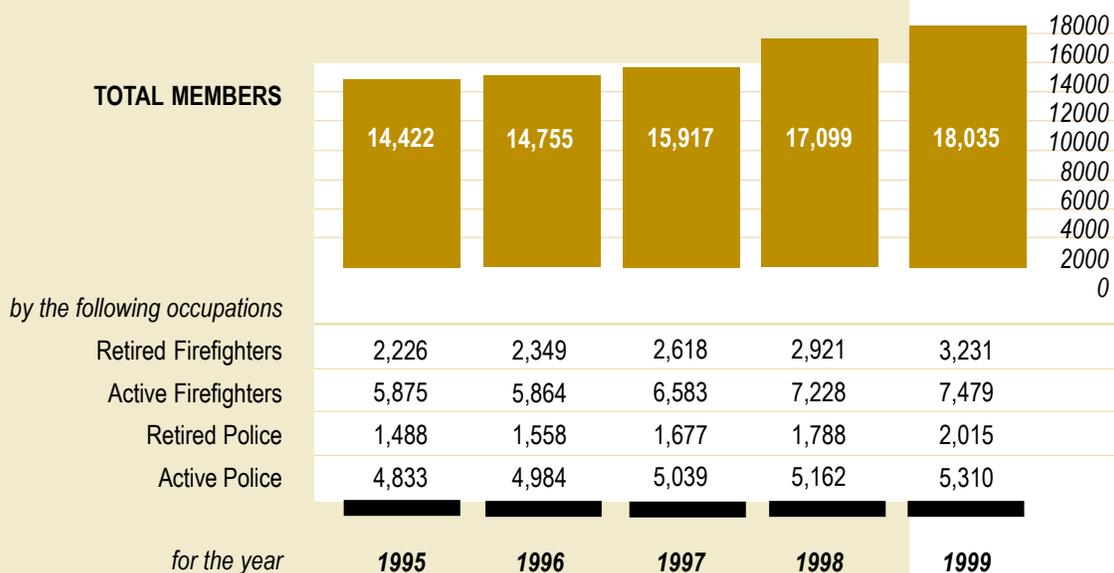
Statewide Defined Benefit Plan Membership by Status

Terminated Vested	26	32	44	67	76
Retired & Beneficiaries	10	12	19	23	28
Non-vested Actives	1,217	1,382	1,407	1,614	1,771
Partially Vested Actives	650	721	795	896	995
Fully Vested Actives	0	0	0	1	2
<i>for the year</i>	1995	1996	1997	1998	1999

Death and Disability Plan Membership by Status

Disabled Retirees	289	282	302	331	372
Beneficiaries	83	119	127	124	123
Non-vested Actives	7,534	8,310	8,529	8,850	8,739
<i>for the year</i>	1995	1996	1997	1998	1999

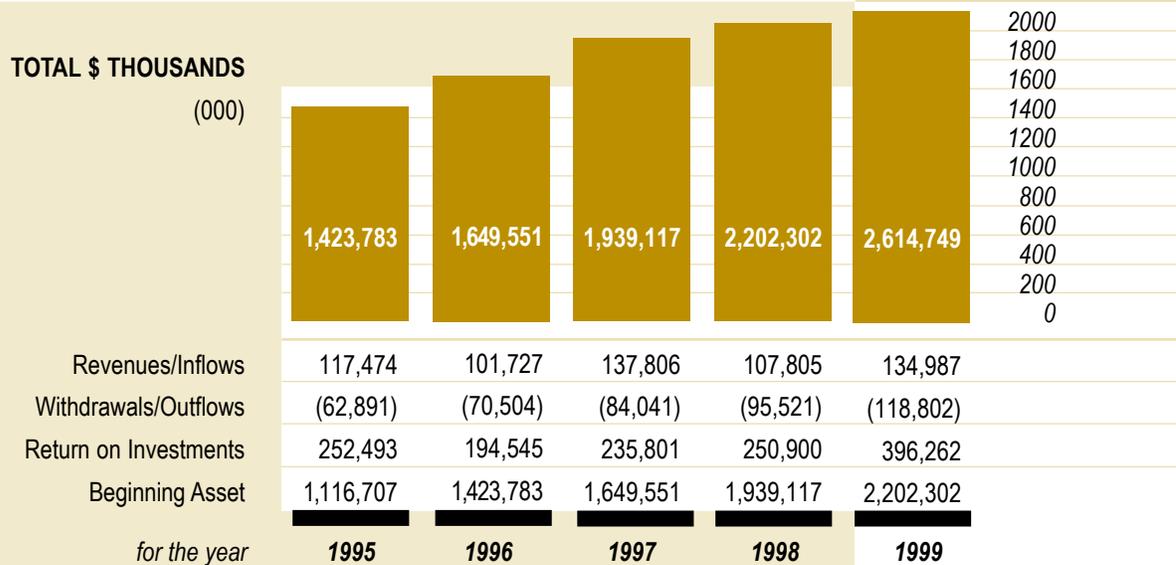
FPPA Active and Retired Members by Occupation (1995 - 1999)



Statistical Section

Member Data

Growth of Total Pension Fund Assets (1995 - 1999)



*IRC 457 Plan Assets not included

Schedule of Retired Members by Type of Benefit as of December 31, 1999

BENEFIT AMOUNT	\$0-\$500	\$501-\$1000	\$1001-\$1500	\$1501-\$2000	\$2001-\$2500	\$2500 and up
Statewide Death & Disability Plan						
Occupational Disability	18	66	165	69	8	1
Occupational Disability - Survivor	2	11	1	0	0	0
Total Disability	2	9	14	17	2	1
Total Disability - Survivor	7	12	3	2	0	0
Survivor of Active	7	46	22	10	0	0
Money Purchase Normal						
	1	1	0	0	0	2
Statewide Defined Benefit Plan						
Normal	0	4	5	1	1	0
Vested	36	18	6	3	17	11
Retiree - Survivor	0	2	0	0	0	0
Local Plan						
Disability	10	19	11	31	392	292
Disability - Survivor	11	7	119	172	13	0
Normal Retiree	1061	40	50	210	494	463
Normal - Survivor	226	41	64	94	1	0
Early Retiree	2	1	4	12	29	18
Vested Retiree	268	3	9	25	37	3
DROP Retiree	0	0	0	0	49	362
Totals	1,651	280	473	646	1,043	1,153

FPPA representatives visit
firefighters and police officers from
every department in the State of Colorado
once every two years.

The purpose of these visits
is to cover the information
concerning retirement benefits,
disability benefits and survivor benefits,
as well as any pending legislation
or other related information
which could affect benefits.

Other Programs, page 94.

Other Programs

General Information

Visitations

FPPA representatives visit firefighters and police officers from every department in the State of Colorado once every two years. The purpose of these visits is to cover information concerning retirement benefits, disability benefits and survivor benefits, as well as any pending legislation or other related information which could affect benefits.

Following the presentation, FPPA staff calculates projected retirement benefits for individual members using a computerized program which uses income information provided by the member. A hard copy printout of the projected retirement benefit and other information is then provided to the member at no charge.

Educational Seminars

FPPA offers various educational seminars to its members and their spouses. The goal of these seminars is to assist in the members' overall preparation for retirement, both financially and psychologically. FPPA continues to offer Preretirement Planning Seminars. These seminars' topics include financial planning, taking advantage of favorable tax programs, evaluating and monitoring investment alternatives, determining retirement income needs, planning for retirement years, and distribution options.

In addition, FPPA offers investment and tax planning workshops. FPPA also holds in-depth estate planning workshops to discuss why members should develop estate plans and how to identify strategies to reduce estate taxes.

Employer Services

FPPA offers a number of services to assist municipalities and fire protection districts in administering pension plans for those police officers and firefighters not covered by the Statewide Defined Benefit and Statewide Money Purchase Pension Plans.

Employers who elect to affiliate their local money purchase plans or volunteer fire pension funds with FPPA for investment and management purposes can expect competitive rates of return on the invested funds for substantially lower administration costs than are usually available from private pension fund managers. Annual audits of the funds and periodic actuarial studies are also provided.

FPPA also administers the state volunteer matching funds program for all volunteer departments statewide, regardless of affiliation, and serves as an information resource to assist departments with questions relating to their pension plans.

Internet Access

In 2000, FPPA will launch a web site containing member and employer information. Links to information will include, events, benefits, forms, newsletters and investments. Located at www.fppaco.org, the site will also include an opportunity to e-mail FPPA staff directly.

457 Deferred Compensation Plan

The FPPA Deferred Compensation Plan is governed by the provisions of Internal Revenue Code Section 457, and is therefore often called a "457 plan." Contributions to the plan consist of employee salary reduction deferrals which are not subject to federal and state income tax withholding.

The FPPA 457 Deferred Compensation Plan offers a convenient way for members to set aside money for future needs - and get a tax break today.

457 Deferred Compensation Plan Advantages to FPPA Members:

Lower current income taxes - money is invested before federal taxes are calculated and withheld

Choose from a variety of investment options

Enjoy tax-deferred growth on account earnings

Invest through convenient payroll deductions

Investment options that range from conservative to aggressive.

Employers Participating in FPPA's 457 Deferred Compensation Plan

Alamosa Police	Glendale Police & Fire	Platteville Police
Arvada Police	Greeley Police	Poudre Fire Authority
Arvada FPD	Green Mountain Falls/Chipita Park FPD	Pueblo Police & Fire
Aurora Police & Fire	Hermosa Cliff FPD	Pueblo Rural FPD
Basalt & Rural FPD	Hugo Police	Red, White, & Blue FPD
Berthoud FPD	Ignacio Police	Salida Police & Fire
Boulder Rural FPD	Lake Dillon FPD	Snake River FPD
Brush Police	Loveland Police & Fire	South Adams County FPD
Canon City Area FPD	Manitou Springs Police & Fire	Sterling Police & Fire
Cherryvale FPD	Montrose FPD	Stratmoor Hills FPD
Cimarron Hills FPD	Mountain View FPD	Telluride FPD
Colorado Springs Police & Fire	Mountain Village Police	Trinidad Fire
Cripple Creek Police & Fire	North Metro F.R.A.	Union Colony Fire
Cunningham FPD	North Washington FPD	Vail Police & Fire
Elizabeth FPD	Northeast Teller County FPD	Woodmoore-Monument FPD
Federal Heights Police & Fire	Palisade Police & Fire	Wray Police
Fire & Police Pension Association	Parker FPD	Yuma Police
Fort Collins Police	Platte Canyon FPD	

457 Deferred Compensation Plan & Money Purchase Plan

1999 Rates of Return and Selected Multi-year Average Returns

<i>Fund</i>	<i>1 Year</i>	<i>3 Year</i>	<i>5 Year</i>	<i>10 Year</i>	<i>457 Plan 1999 Year End Balances</i>	<i>MP Plan 1999 Year End Balances</i>
FPPA Total Fund	18.00%	15.18%	16.29%	11.67%		\$29,623,141
Putnam						
George Putnam Fund	0.31%	10.52%	15.45%	11.56%	\$1,398,097	\$681,446
Growth & Income Fund	1.46%	13.41%	19.50%	14.28%	\$1,438,028	\$1,116,934
Vista Fund	53.66%	31.49%	31.29%	20.82%	\$3,834,746	\$2,673,232
Voyager Fund	56.49%	34.96%	31.32%	22.27%	\$7,208,893	\$4,475,543
Global Growth Fund	64.84%	34.24%	26.60%	16.52%	\$1,069,179	\$473,319
Stable Value Fund (GIC)	5.56%	5.75%	5.77%	5.76%	\$871,195	\$53,721
State Street Global Advisors						
Daily Bond Fund	-0.89%	5.70%	7.70%	7.67%	\$519,533	\$347,101
S&P 500 Index	20.73%	27.41%	28.41%	18.06%	\$2,786,620	\$2,046,320
Daily EAFE Index Fund	26.70%	15.61%	12.70%	6.88%	\$69,783	\$94,357

Other Programs

Insurance

Health Insurance

FPPA offers a variety of individual and group health insurance programs for retirees and their families.

Retirees under age 65 may apply for individual coverage. A particular health insurance plan is selected based on several criteria: Doctor and hospital networks, cost and affordability, and plan design.

FPPA also offers group Medicare plans for retirees over age 65. The PacifiCare Medicare + Choice Plan - Secure Horizons Group Retiree Plan is an enhancement to Medicare. The plan is totally responsible to cover the retirees health care costs. In addition the plan also provides retirees additional programs to promote healthy living. Currently, Secure Horizons provides coverage in 15 Colorado counties.

For more information, please contact Palladium Partners at (303) 430-8300. Palladium Partners is FPPA's insurance service agency for retirees and active members.

Dental Insurance

DentalGuard, the voluntary dental insurance program that was started in 1992, now covers over 300 pensioners. The program is available to any retired police officer, firefighter or surviving spouse and dependents who are currently receiving a monthly pension payment from FPPA. The premiums are deducted from the pension payment each month at a rate of \$10.24 for single coverage, \$18.53 for a member plus one (spouse or dependent), and \$32.66 for family coverage. The open enrollment period for joining the plan is during March of each year. The coverage is effective May 1st. DentalGuard is an HMO plan that is underwritten by Blue Cross and Blue Shield. For more information, please contact the Retiree Payroll Department of FPPA.

Vision Insurance

FPPA's vision care program is offered through Vision Service Plan and entitles plan members to one comprehensive eye examination every 12 months (subject to a \$10 deductible).

The premiums are deducted from the pension payment each month at a rate of \$11.61 for single coverage, \$20.59 for a member plus one (spouse or dependent), and \$33.15 for family coverage.

New lenses are covered once during a 12-month period (if need is indicated by the exam) and new frames are provided every 24 months. Lenses and frame are subject to an additional \$10 deductible.

Contact lenses are fully covered if required as the result of certain medical conditions and surgical procedures. A \$110 allowance is paid for 'elective' purchase of contact lenses. For additional information, contact the Retiree Payroll Department of FPPA.

