Fire and Police Pension Association of Colorado
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Mission Statement

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.
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-
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,
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
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.

*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.
Board of Directors

Introductory Section

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 McConnel
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


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
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.
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.
### Statement of Plan Net Assets - December 31, 1999

**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>AFFILIATED LOCAL PLANS</th>
<th>STATEWIDE DEATH &amp; DEFINED PLANS</th>
<th>STATEWIDE DEATH &amp; DEFINED PLANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (Note 4)</td>
<td>$ 71,580,053</td>
<td>$ 8,868,755</td>
<td>$ 14,049,701</td>
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<tr>
<td>Investments (Note 4)</td>
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<tr>
<td>U.S. Government Agency Obligations</td>
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<td>36,464,726</td>
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<tr>
<td>Corporate Bonds</td>
<td>192,497,313</td>
<td>23,846,317</td>
<td>37,744,053</td>
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<tr>
<td>Domestic Equity Securities</td>
<td>719,369,316</td>
<td>89,114,535</td>
<td>141,050,869</td>
</tr>
<tr>
<td>International Equity Securities</td>
<td>552,014,887</td>
<td>68,362,886</td>
<td>108,236,726</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>76,823,188</td>
<td>9,516,757</td>
<td>15,063,163</td>
</tr>
<tr>
<td>Venture Capital</td>
<td>72,214,996</td>
<td>8,857,209</td>
<td>14,143,116</td>
</tr>
<tr>
<td>Real Estate</td>
<td>135,026,169</td>
<td>16,815,557</td>
<td>26,491,849</td>
</tr>
<tr>
<td>Securities Lending Investment Pool</td>
<td>126,937,775</td>
<td>15,724,886</td>
<td>24,889,418</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>2,060,856,304</td>
<td>255,296,198</td>
<td>404,083,920</td>
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<tr>
<td><strong>Total Cash and Investments</strong></td>
<td>2,132,436,357</td>
<td>264,164,953</td>
<td>418,133,621</td>
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<tr>
<td>Receivables</td>
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<tr>
<td>Other</td>
<td>4,187</td>
<td>518</td>
<td>821</td>
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<td>Assets Sold-Pending Trades</td>
<td>4,372,996</td>
<td>541,721</td>
<td>857,438</td>
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<td>Notes Receivable</td>
<td>58,534</td>
<td>7,251</td>
<td>11,477</td>
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<td>Contributions</td>
<td>90,511</td>
<td>1,271</td>
<td>3,984,450</td>
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<td>Accrued Interest and Dividends</td>
<td>9,402,725</td>
<td>1,164,797</td>
<td>3,984,450</td>
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<td><strong>Total Receivables</strong></td>
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<td>1,804,798</td>
<td>3,984,450</td>
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<td>Properties and Equipment, at Cost, Net of Accumulated Depreciation (Note 6)</td>
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<td>156,915</td>
<td>248,365</td>
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<td>Other Assets</td>
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**LIABILITIES**

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<th></th>
<th>AFFILIATED LOCAL PLANS</th>
<th>STATEWIDE DEATH &amp; DEFINED PLANS</th>
<th>STATEWIDE DEATH &amp; DEFINED PLANS</th>
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<tr>
<td>Payables</td>
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<tr>
<td>Funding Account Overdraft</td>
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<td></td>
<td></td>
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<tr>
<td>Accounts, Employee and Participants Payable</td>
<td>1,631,669</td>
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<td>15,724,886</td>
<td>24,889,418</td>
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<td>181,671,288</td>
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**NET ASSETS AVAILABLE FOR PENSION BENEFITS/FUND BALANCE RESERVED FOR WITHDRAWALS**

(A Schedule of Funding Progress for each Plan is presented on Page 40)

<table>
<thead>
<tr>
<th></th>
<th>AFFILIATED LOCAL PLANS</th>
<th>STATEWIDE DEATH &amp; DEFINED PLANS</th>
<th>STATEWIDE DEATH &amp; DEFINED PLANS</th>
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<tbody>
<tr>
<td></td>
<td>$ 1,965,959,259</td>
<td>$ 243,632,498</td>
<td>$ 386,762,568</td>
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The accompanying notes are an integral part of the financial statements.
## Financial Section

### Members' Statewide Defined Benefit Total Members' Statewide Defined Benefit

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<th></th>
<th>Total Defined Benefit</th>
<th>Members' Money Purchase</th>
<th>Members' Money Purchase</th>
<th>IRC 457 Expendable Trust</th>
<th>Combined Totals (Memorandum Only) 1999</th>
<th>Combined Totals (Memorandum Only) 1998</th>
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<td><strong>206,834,749</strong></td>
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<td>307,886</td>
<td>871,195</td>
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<td>972,926,901</td>
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<td>1,069,179</td>
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<td>168,726,580</td>
<td>206,530,531</td>
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<tr>
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<td><strong>15,656,380</strong></td>
<td><strong>3,411,836</strong></td>
<td><strong>19,196,073</strong></td>
<td><strong>2,758,500,711</strong></td>
<td><strong>2,329,605,026</strong></td>
</tr>
<tr>
<td>2,814,734,931</td>
<td>16,200,268</td>
<td>3,530,360</td>
<td>19,196,073</td>
<td>2,853,661,632</td>
<td>2,536,439,775</td>
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<td>19,960,750</td>
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<td>86,801</td>
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<td><strong>16,504,836</strong></td>
<td><strong>3,571,396</strong></td>
<td><strong>19,196,073</strong></td>
<td><strong>2,875,424,452</strong></td>
<td><strong>2,552,123,799</strong></td>
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<td>2,701</td>
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<td>67,912</td>
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<tr>
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<td>167,552,079</td>
<td>964,350</td>
<td>210,151</td>
<td>0</td>
<td>168,726,580</td>
<td>206,530,531</td>
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<td><strong>239,797,822</strong></td>
<td><strong>1,380,162</strong></td>
<td><strong>300,764</strong></td>
<td>0</td>
<td><strong>241,478,748</strong></td>
<td><strong>336,786,742</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$ 2,596,354,325</strong></td>
<td><strong>$ 15,124,674</strong></td>
<td><strong>$ 3,270,632</strong></td>
<td><strong>$ 19,196,073</strong></td>
<td><strong>$ 2,633,945,704</strong></td>
<td><strong>$ 2,215,337,057</strong></td>
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</tbody>
</table>
## Statement of Changes in Plan Net Assets Available for Benefits for the year ended December 31, 1999

### ADDITIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Affiliated Local Plans</th>
<th>Statewide Death &amp; Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions (Note 3)</td>
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<td></td>
</tr>
<tr>
<td>Employer</td>
<td>$38,699,045</td>
<td>$878,546</td>
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<td>Plan Member</td>
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<td>434,958</td>
</tr>
<tr>
<td>Affiliations</td>
<td>25,807,791</td>
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<tr>
<td>State Contributions</td>
<td>27,114,921</td>
<td></td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>114,263,838</td>
<td>1,313,504</td>
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</table>

<table>
<thead>
<tr>
<th>Investment Income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Appreciation in Fair Value of Investments</td>
<td>246,539,874</td>
<td>30,586,713</td>
</tr>
<tr>
<td>Interest</td>
<td>30,753,429</td>
<td>3,883,243</td>
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<tr>
<td>Dividends</td>
<td>8,418,975</td>
<td>1,063,506</td>
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<tr>
<td>Net Real Estate Investment Income</td>
<td>8,443,699</td>
<td>1,063,396</td>
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<tr>
<td>Securities Lending Income</td>
<td>8,052,929</td>
<td>997,586</td>
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<tr>
<td>Other Income</td>
<td>6,437,150</td>
<td>814,041</td>
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<tr>
<td><strong>Total Investment Income</strong></td>
<td>308,646,056</td>
<td>38,408,485</td>
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</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Less Investment Counsel</td>
<td>67,710</td>
<td>8,388</td>
</tr>
<tr>
<td>Less Investment Management Fees</td>
<td>3,622,072</td>
<td>448,698</td>
</tr>
<tr>
<td>Less Securities Lending Borrowers Rebates</td>
<td>7,112,423</td>
<td>881,078</td>
</tr>
<tr>
<td>Less Securities Lending Agent Fees</td>
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<td>29,153</td>
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<tr>
<td><strong>Net Investment Income</strong></td>
<td>297,608,518</td>
<td>37,041,168</td>
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</table>

| **Total Additions**                  | 411,872,356            | 38,354,672                     |

<table>
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<th>DEDUCTIONS</th>
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<th></th>
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<td>Benefit Payments</td>
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<td>6,837,607</td>
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<tr>
<td>Refunds of Contributions</td>
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</tr>
<tr>
<td>Administrative Costs</td>
<td>2,479,169</td>
<td>313,511</td>
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</tbody>
</table>

| **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

<table>
<thead>
<tr>
<th>Description</th>
<th>Affiliated Local Plans</th>
<th>Statewide Death &amp; Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning of Year</strong></td>
<td>1,663,255,210</td>
<td>212,428,944</td>
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</tbody>
</table>

| **End of Year**                      | $1,965,959,259         | $243,632,498                  |

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th>STATEWIDE DEFINED BENEFIT</th>
<th>TOTAL DEFINED BENEFIT</th>
<th>MEMBERS' MONEY PURCHASE</th>
<th>MEMBERS' STATEWIDE MONEY PURCHASE</th>
<th>COMBINED TOTALS (MEMORANDUM ONLY) 1999</th>
<th>COMBINED TOTALS (MEMORANDUM ONLY) 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 9,473,201</td>
<td>$ 49,050,792</td>
<td>$ 352,195</td>
<td>$ 233,340</td>
<td>$ 49,636,327</td>
<td>$ 58,500,005</td>
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<tr>
<td>8,554,481</td>
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<td>12,991,623</td>
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<td>25,807,791</td>
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<td>25,807,791</td>
<td>9,324,380</td>
</tr>
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<td>27,114,921</td>
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<td>41,735,847</td>
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<td>$ 15,124,674</td>
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</table>
**Statement of Revenues, Expenditures and Changes in Fund Balance**

*for the year ended December 31, 1999*

<table>
<thead>
<tr>
<th>IRC 457 EXPENDABLE TRUST</th>
</tr>
</thead>
</table>

**REVENUES**

Contributions

- **Plan Member**
  - Total Contributions
    - $2,144,922

Investment Income

- Net Appreciation in Fair Value of Investments
  - 3,361,043
- Dividends
  - 1,419,810
  - Total Investment Income
    - 4,780,853

**Total Revenues**

- 6,925,775

**EXPENDITURES**

Withdrawals

- 764,747

**Total Expenditures**

- 764,747

**EXCESS OF REVENUES OVER EXPENDITURES**

- 6,161,028

**FUND BALANCE RESERVED FOR WITHDRAWALS**

**BEGINNING OF YEAR**

- 13,035,045

**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 a 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.
(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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and office equipment</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
<tr>
<td>Furniture</td>
<td>10 years</td>
</tr>
<tr>
<td>Building and Improvements</td>
<td>30 years</td>
</tr>
</tbody>
</table>

(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 Statewide 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees and Beneficiaries Currently Receiving Benefits</td>
<td>4,232</td>
</tr>
<tr>
<td>Terminated Vested Employees Entitled to Benefits But Not Yet Receiving Them</td>
<td>411</td>
</tr>
<tr>
<td>Current Employees - Active</td>
<td>2,051</td>
</tr>
<tr>
<td>Current Volunteers - Active</td>
<td>3,600</td>
</tr>
<tr>
<td>Total Members</td>
<td>10,294</td>
</tr>
</tbody>
</table>
(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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees and beneficiaries receiving benefits</td>
<td>495</td>
</tr>
<tr>
<td>Active non-vested members</td>
<td>8,739</td>
</tr>
<tr>
<td><strong>Total Members</strong></td>
<td><strong>9,234</strong></td>
</tr>
</tbody>
</table>

(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 redetermined 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 ½ 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
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

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:

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

(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-
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.

<table>
<thead>
<tr>
<th>INVESTMENTS CATEGORIZED</th>
<th>Securities not Loaned</th>
<th>Securities Loaned</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Obligations (1)(3)</td>
<td>$185,633,761</td>
<td></td>
<td>$185,633,761</td>
</tr>
<tr>
<td>Domestic Corporate Bonds (3)</td>
<td>248,866,201</td>
<td>248,866,201</td>
<td>940,402,159</td>
</tr>
<tr>
<td>Domestic Stocks (3)</td>
<td></td>
<td>102,113,919</td>
<td></td>
</tr>
<tr>
<td>International Stocks (2)(3)</td>
<td>673,590,044</td>
<td>$3,486,797</td>
<td>677,076,841</td>
</tr>
<tr>
<td>International Fixed Income (3)</td>
<td>102,113,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>2,150,606,084</strong></td>
<td><strong>3,486,797</strong></td>
<td><strong>2,154,092,881</strong></td>
</tr>
</tbody>
</table>

(1) Secured by Tri-Party Collateral
(2) Secured by Letter of Credit Collateral
(3) Secured by Securities Collateral

<table>
<thead>
<tr>
<th>INVESTMENTS NOT CATEGORIZED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Venture Capital</td>
<td>95,876,871</td>
</tr>
<tr>
<td>Real Estate</td>
<td>179,589,538</td>
</tr>
<tr>
<td>Securities Lending Investment Pool</td>
<td>168,726,580</td>
</tr>
<tr>
<td>Investments Held by Broker - Dealers Under Securities Loans</td>
<td>U.S. Government Obligations 62,433,597</td>
</tr>
<tr>
<td></td>
<td>Domestic Fixed 7,522,109</td>
</tr>
<tr>
<td></td>
<td>Domestic Stocks 32,524,742</td>
</tr>
<tr>
<td></td>
<td>International Stocks 57,734,393</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,150,606,084</strong></td>
</tr>
</tbody>
</table>
(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:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, Bldgs., and Equip.</td>
<td>$ 3,030,712</td>
<td>$ 208,129</td>
<td>$(380,712)</td>
<td>$ 2,858,129</td>
</tr>
<tr>
<td>Accum. Depreciation</td>
<td>(1,427,196)</td>
<td>(127,966)</td>
<td>380,712</td>
<td>(1,174,450)</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,603,516</td>
<td>$ 80,163</td>
<td>$ 0</td>
<td>$ 1,683,679</td>
</tr>
</tbody>
</table>

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.
(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 parities 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
COMMITSMENTS 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.
### Required Supplementary Information

#### Schedule of Funding Progress (Unaudited) • December 31, 1999

<table>
<thead>
<tr>
<th>Statewide Defined Benefit Plan</th>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Accrued Liability</th>
<th>Unfunded (Surplus) Actuarial Liability</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>Unfunded (Surplus) Actuarial Liability as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>1/1/99</td>
<td>$311,057,177</td>
<td>$203,004,350</td>
<td>$(108,052,827)</td>
<td>153.2%</td>
<td>$108,851,702</td>
<td>-99.27%</td>
</tr>
<tr>
<td>1998</td>
<td>1/1/98</td>
<td>261,508,736</td>
<td>171,147,782</td>
<td>(90,360,954)</td>
<td>152.8%</td>
<td>97,101,652</td>
<td>-93.06%</td>
</tr>
<tr>
<td>1997</td>
<td>1/1/97</td>
<td>217,453,896</td>
<td>139,041,762</td>
<td>(78,412,134)</td>
<td>156.4%</td>
<td>85,955,603</td>
<td>-91.22%</td>
</tr>
<tr>
<td>1996</td>
<td>1/1/96</td>
<td>180,001,287</td>
<td>113,656,148</td>
<td>(66,345,139)</td>
<td>158.4%</td>
<td>78,398,964</td>
<td>-84.63%</td>
</tr>
<tr>
<td>1995</td>
<td>1/1/95</td>
<td>137,168,606</td>
<td>92,730,116</td>
<td>(44,438,490)</td>
<td>147.9%</td>
<td>71,709,917</td>
<td>-61.97%</td>
</tr>
<tr>
<td>1994</td>
<td>1/1/94</td>
<td>125,631,977</td>
<td>93,609,168</td>
<td>(32,022,809)</td>
<td>134.2%</td>
<td>65,745,436</td>
<td>-48.71%</td>
</tr>
<tr>
<td>1993</td>
<td>1/1/93</td>
<td>103,311,819</td>
<td>103,311,819</td>
<td>N/A</td>
<td>100.0%</td>
<td>55,907,812</td>
<td>N/A</td>
</tr>
<tr>
<td>1992</td>
<td>1/1/92</td>
<td>89,567,411</td>
<td>89,567,411</td>
<td>N/A</td>
<td>100.0%</td>
<td>50,517,390</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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

*Actuarial study completed every other year.
Financial Section

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

(A) Statewide Death and Disability Plan

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

State of Colorado Contributions

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

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

(B) Statewide Defined Benefit Plan

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

(C) Affiliated Local Plans

<table>
<thead>
<tr>
<th>Year Ended 12/31</th>
<th>Annual Required Contribution</th>
<th>Percentage Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>$ 66,161,860</td>
<td>100%</td>
</tr>
<tr>
<td>1993</td>
<td>66,161,860</td>
<td>100</td>
</tr>
<tr>
<td>1994</td>
<td>57,505,130</td>
<td>100</td>
</tr>
<tr>
<td>1995</td>
<td>57,505,130</td>
<td>100</td>
</tr>
<tr>
<td>1996</td>
<td>60,058,331</td>
<td>100</td>
</tr>
<tr>
<td>1997</td>
<td>60,058,331</td>
<td>100</td>
</tr>
<tr>
<td>1998</td>
<td>53,639,344</td>
<td>100</td>
</tr>
<tr>
<td>1999</td>
<td>51,599,353</td>
<td>100</td>
</tr>
</tbody>
</table>
Financial Section

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

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

(1) Plans not permitted to be un-funded 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.
## Supporting Schedules for Financial Section
### Net Assets by Participant • December 31, 1999

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

** New Affiliation in 1999

See the accompanying independent auditor’s report.
**Supporting Schedules for Financial Section**

*Net Assets by Participant • December 31, 1999*

<table>
<thead>
<tr>
<th>Organization</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Springs Police-Rank Escalation</td>
<td>13,149,864</td>
</tr>
<tr>
<td>Colorado Springs Exempt Fire</td>
<td>53,076,263</td>
</tr>
<tr>
<td>Colorado Springs Fire</td>
<td>106,699,664</td>
</tr>
<tr>
<td>Colorado Springs Fire-Rank Escalation</td>
<td>15,907,857</td>
</tr>
<tr>
<td>Cortez Police</td>
<td>1,283,724</td>
</tr>
<tr>
<td>Cripple Creek Fire Protection District (Volunteer)</td>
<td>222,303</td>
</tr>
<tr>
<td>Crowley Fire Department (Volunteer)</td>
<td>9,885</td>
</tr>
<tr>
<td>Crystal Lake Fire Department (Volunteer)</td>
<td>21,079</td>
</tr>
<tr>
<td>Del Norte Police</td>
<td>63,116</td>
</tr>
<tr>
<td>Denver Fire</td>
<td>386,510,969</td>
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<tr>
<td>Denver Fire-Rank Escalation</td>
<td>31,780,977</td>
</tr>
<tr>
<td>Denver Police</td>
<td>533,506,030</td>
</tr>
<tr>
<td>Denver Police-Rank Escalation</td>
<td>38,415,761</td>
</tr>
<tr>
<td>Denver Police-DROP</td>
<td>8,045,304</td>
</tr>
<tr>
<td>Denver Fire-DROP</td>
<td>5,861,838</td>
</tr>
<tr>
<td><strong>Dove Creek Fire (Volunteer)</strong></td>
<td>51,738</td>
</tr>
<tr>
<td>Eads Volunteer Fire Department (Volunteer)</td>
<td>111,116</td>
</tr>
<tr>
<td>Eldorado Fire Department (Volunteer)</td>
<td>85,994</td>
</tr>
<tr>
<td>Elizabeth Fire Protection District (Volunteer)</td>
<td>1,014,343</td>
</tr>
<tr>
<td><strong>Englewood Police</strong></td>
<td>10,474,274</td>
</tr>
<tr>
<td><strong>Englewood Fire Department</strong></td>
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<td>Englewood Fire Department (Volunteer)</td>
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<td>Evans Volunteer Fire Department (Volunteer)</td>
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<td>Federal Heights Volunteer Fire Department (Volunteer)</td>
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<td>Firestone Marshalls</td>
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<td>Foothills Fire Protection District (Volunteer)</td>
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<td>Fort Morgan Fire (Volunteer)</td>
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<td>Fort Morgan Rural Fire (Volunteer)</td>
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<td>Fort Morgan Police</td>
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<td>Franktown Fire Protection District (Volunteer)</td>
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<td><strong>Grand Fire Protection District (Volunteer)</strong></td>
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<tr>
<td>Grand Junction Fire</td>
<td>14,854,272</td>
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<td>Grand Junction Police</td>
<td>2,104,540</td>
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**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**

<table>
<thead>
<tr>
<th>Net Assets by Participant</th>
<th>December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Lake Fire (Volunteer)</td>
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<td>Grand Valley Fire Protection District (Volunteer)</td>
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<td>Greeley Police</td>
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<td>Green Mountain Falls-Chipita Park Fire Protection District (Volunteer)</td>
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<td>Gypsum Fire (Volunteer)</td>
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<tr>
<td>High Country Fire Protection District (Volunteer)</td>
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<td>Holyoke Police</td>
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<td>Hot Sulphur Springs-Parshall Fire Protection District (Volunteer)</td>
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<td>Idaho Springs Fire Protection District (Volunteer)</td>
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<tr>
<td>Indian Hills Fire Protection District (Volunteer)</td>
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<td>Inter-Canyon Fire Protection District (Volunteer)</td>
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<td>Jackson 105 Fire Protection District (Volunteer)</td>
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<td>Jefferson-Como Fire Protection District (Volunteer)</td>
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<td>Kiowa Fire Protection District (Volunteer)</td>
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<td>Lafayette Volunteer Fire Department (Volunteer)</td>
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<td>Lake George Fire Protection District (Volunteer)</td>
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<td>Las Animas Police</td>
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<td>La Salle Police</td>
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<td>La Salle Fire Protection District (Volunteer)</td>
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<td>Leadville Fire</td>
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<td>Left Hand Fire Protection District (Volunteer)</td>
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<td>Lewis-Arriola Fire Protection District (Volunteer)</td>
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<td>Limon Fire Department (Volunteer)</td>
<td>358,235</td>
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<tr>
<td>Log Hill Mesa Fire Protection District (Volunteer)</td>
<td>52,132</td>
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</tbody>
</table>

* 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.
<table>
<thead>
<tr>
<th>Name of Fire Protection District (Volunteer)</th>
<th>Net Assets by Participant (December 31, 1999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louviers Fire Protection District (Volunteer)</td>
<td>516,613</td>
</tr>
<tr>
<td>Lower Valley Fire Protection District (Volunteer)</td>
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<tr>
<td>Manitou Fire</td>
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<td>Manitou Springs Volunteer Fire Department (Volunteer)</td>
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<td>Manzanola Rural Fire Protection District (Volunteer)</td>
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<td>Milliken Fire Protection District (Volunteer)</td>
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<tr>
<td>Montrose Fire Protection District</td>
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<td>Montrose Fire Protection District (Volunteer)</td>
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<td>Mountain View Fire Protection District</td>
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<td>Mountain View Fire Protection District (Volunteer)</td>
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<td>Northeast Teller County Fire Protection District (Volunteer)</td>
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<tr>
<td>North Fork Fire Protection District (Volunteer)</td>
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<td>North Routt Fire Protection District (Volunteer)</td>
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<tr>
<td>North Washington Fire Protection District</td>
<td>5,534,308</td>
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<td>North Washington Fire Protection District-Rank Escalation</td>
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<td>North Washington Fire Protection District (Volunteer)</td>
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<td>Northwest Fire Protection District (Volunteer)</td>
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<td>Northwest Conejos Fire Protection District (Volunteer)</td>
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<td>Nunn Fire Protection District (Volunteer)</td>
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<td>Oak Creek Fire Protection District (Volunteer)</td>
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<td>Olathe Fire Protection District (Volunteer)</td>
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<td>Olney Springs Volunteer Fire Department (Volunteer)</td>
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<tr>
<td>Ouray Volunteer Fire Department (Volunteer)</td>
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<td>Pagosa Fire Protection District (Volunteer)</td>
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<td>Palisade Volunteer Fire Department (Volunteer)</td>
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<td>Palmer Lake Volunteer Fire Department (Volunteer)</td>
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<tr>
<td>Paonia Police</td>
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<td>Parker Fire Protection District (Volunteer)</td>
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<tr>
<td>Pinebrook Hills Fire Protection District (Volunteer)</td>
<td>81,978</td>
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<tr>
<td>Platte Canyon Fire Protection District (Volunteer)</td>
<td>901,442</td>
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<td>Platte Valley Fire Protection District (Volunteer)</td>
<td>1,699,148</td>
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<td>Pleasant View Fire Protection District (Volunteer)</td>
<td>251,474</td>
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<td>Pleasant View Metro Fire Protection District (Volunteer)</td>
<td>974,862</td>
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<td>Poudre Valley Fire (Volunteer)</td>
<td>180,584</td>
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<td>Pueblo Fire</td>
<td>43,875,019</td>
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<td>Pueblo Fire-Rank Escalation</td>
<td>2,764,682</td>
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<td>Pueblo Police</td>
<td>67,323,596</td>
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<td>Pueblo Police-Rank Escalation</td>
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<tr>
<td>Rattlesnake Fire Protection District (Volunteer)</td>
<td>277,684</td>
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<tr>
<td>Red Feather Lakes Fire Protection District (Volunteer)</td>
<td>116,541</td>
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<tr>
<td>Rio Blanco Fire Protection District</td>
<td>811,882</td>
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** 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**

<table>
<thead>
<tr>
<th>Participant (Volunteer)</th>
<th>Net Assets (1999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rifle Fire</td>
<td>820,636</td>
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<tr>
<td>Rocky Ford Police</td>
<td>685,595</td>
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<td>Rocky Ford Fire</td>
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<td>Rocky Ford Volunteer Fire Department (Volunteer)</td>
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<td>Sable Altura Fire Protection District (Volunteer)</td>
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<tr>
<td>Salida Fire</td>
<td>453,009</td>
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<tr>
<td>Salida Police</td>
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<tr>
<td>Simla Volunteer Fire Department (Volunteer)</td>
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<tr>
<td>** Snake River Fire Protection District (Volunteer)</td>
<td>494,448</td>
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<tr>
<td>South Adams County Fire Protection District</td>
<td>841,886</td>
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<td>South Adams County Fire Protection District (Volunteer)</td>
<td>3,830,520</td>
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<tr>
<td>South Arkansas Fire Protection District (Volunteer)</td>
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<tr>
<td>South Conejos Fire Protection District (Volunteer)</td>
<td>169,961</td>
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<tr>
<td>Springfield Police</td>
<td>595,347</td>
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<td>** Springfield Fire (Volunteer)</td>
<td>106,211</td>
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<td>Steamboat Springs Volunteer Fire Department (Volunteer)</td>
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<td>Sterling Fire</td>
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<td>Sterling Volunteer Fire Department (Volunteer)</td>
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<td>Sterling Police</td>
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<td>Stratton Fire Protection District (Volunteer)</td>
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<td>Sugar City Fire Department (Volunteer)</td>
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<td>Sugarloaf Fire Protection District (Volunteer)</td>
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<td>Telluride Fire Protection District (Volunteer)</td>
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<tr>
<td>Thornton Fire</td>
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<td>Trinidad Fire</td>
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<td>Trinidad Fire-Rank Escalation</td>
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<td>Trinidad Police</td>
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<td>Union Colony Fire</td>
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<td>West Cheyenne Fire Protection District (Volunteer)</td>
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<td>West Douglas County Fire Protection District (Volunteer)</td>
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<td>West Metro Fire (Volunteer)</td>
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<td>West Routt Fire Protection District (Volunteer)</td>
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<td>Wiley Rural Fire Protection District (Volunteer)</td>
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<tr>
<td>Woodmoor/Monument Fire</td>
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<tr>
<td>Yampa Fire Protection District (Volunteer)</td>
<td>225,628</td>
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</tbody>
</table>

**Total Net Assets By Participant**  $1,965,959,259

**New Affiliation in 1999**

See the accompanying independent auditor’s report.
## Payments to Consultants • December 31, 1999

<table>
<thead>
<tr>
<th>Category</th>
<th>Consultant</th>
<th>Amount</th>
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</thead>
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<td>BONDI &amp; Co. LLP</td>
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<tr>
<td>INVESTMENT COUNSEL</td>
<td>Pension Consulting Alliance</td>
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<td>ATTORNEYS</td>
<td>Bulter, Fitzgerald, and Potter P.C.</td>
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<td></td>
<td>Gorsuch Kirgis L.L.P.</td>
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<td></td>
<td>Christensen, White, Miller, &amp; Fink</td>
<td>21,212</td>
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<tr>
<td>MEDICAL CONSULTANT</td>
<td>David Patron, M.D.</td>
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See the accompanying independent auditor’s report.
### Schedule of Administration and Investment Expenses - December 31, 1999

#### Expenditure Group

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</thead>
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<td>$90,000</td>
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<td>$80,897</td>
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<td>4,209,531</td>
<td>3,487,427</td>
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<td>28,000</td>
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<td>72,047</td>
<td>63,642</td>
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<td>690</td>
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<td>502,192</td>
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<td><strong>PERSONNEL SERVICES</strong></td>
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<td>1,715,098</td>
<td>1,549,593</td>
<td>1,317,687</td>
<td>1,368,396</td>
<td>1,238,209</td>
</tr>
<tr>
<td><strong>STAFF EDUCATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition Assistance Program</td>
<td>11,192</td>
<td>12,165</td>
<td>9,765</td>
<td>11,804</td>
<td>13,339</td>
</tr>
<tr>
<td>Conferences &amp; Seminars</td>
<td>28,570</td>
<td>30,133</td>
<td>24,672</td>
<td>23,230</td>
<td>22,335</td>
</tr>
<tr>
<td><strong>Total Staff Education</strong></td>
<td>39,762</td>
<td>42,298</td>
<td>34,437</td>
<td>35,034</td>
<td>35,674</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Fees</td>
<td>206,506</td>
<td>204,324</td>
<td>221,456</td>
<td>191,514</td>
<td>162,179</td>
</tr>
<tr>
<td>Company Vehicles</td>
<td>7,017</td>
<td>2,202</td>
<td>2,336</td>
<td>2,354</td>
<td>2,022</td>
</tr>
<tr>
<td>Board Expenses</td>
<td>86,765</td>
<td>80,390</td>
<td>68,401</td>
<td>52,083</td>
<td>48,136</td>
</tr>
<tr>
<td>Data Processing Supplies</td>
<td>13,198</td>
<td>10,467</td>
<td>8,288</td>
<td>9,700</td>
<td>7,610</td>
</tr>
<tr>
<td>Equipment Rental &amp; Maint.</td>
<td>19,755</td>
<td>21,353</td>
<td>13,531</td>
<td>8,283</td>
<td>7,912</td>
</tr>
<tr>
<td>Meetings &amp; Travel</td>
<td>28,138</td>
<td>21,296</td>
<td>10,031</td>
<td>10,363</td>
<td>12,153</td>
</tr>
<tr>
<td>Operating Exp. Two DTC</td>
<td>-</td>
<td>25,930</td>
<td>5,057</td>
<td>18,153</td>
<td>31,704</td>
</tr>
<tr>
<td>Other (misc.)</td>
<td>1,368</td>
<td>3,932</td>
<td>2,329</td>
<td>2,000</td>
<td>1,894</td>
</tr>
<tr>
<td>Postage</td>
<td>50,605</td>
<td>42,781</td>
<td>38,937</td>
<td>37,416</td>
<td>28,996</td>
</tr>
<tr>
<td>Printing &amp; Mailing</td>
<td>88,099</td>
<td>90,916</td>
<td>54,837</td>
<td>92,993</td>
<td>69,195</td>
</tr>
</tbody>
</table>

*continued on next page*

See the accompanying independent auditor's report.
Financial Section

Schedule of Administration and Investment Expenses • December 31, 1999

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

- US Equities: 36.5%
- Domestic Bonds: 11.4%
- Global Bonds: 6.7%
- Real Estate: 7.0%
- High Yield Bonds: 4.6%
- Non-Traditional: 3.7%
- Cash & Short Term: 0.07%
- International Equities: 29.4%

1999 Target Asset Allocation

- US Equities: 35%
- Domestic Bonds: 13%
- Global Bonds: 8%
- Real Estate: 8%
- Non-Traditional: 5%
- High Yield Bonds: 5%
- Cash & Short Term: 1%
- International Equities: 25%
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.
## Asset Allocation by Category & Investment Manager

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>MANAGER</th>
<th>Investment Style</th>
<th>Management Fees</th>
<th>TOTAL ASSETS</th>
<th>% of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic Equities</strong></td>
<td>*** Oppenheimer</td>
<td>Lg. Cap. Value</td>
<td>$327,561.38</td>
<td>-0-</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>TH&amp;B</td>
<td>Sm. Cap. Growth</td>
<td>272,245.00</td>
<td>108,796,246.31</td>
<td>4.18%</td>
</tr>
<tr>
<td></td>
<td>State Street Global Advisors</td>
<td>Russell 1000 Growth Index</td>
<td>(772.14)**</td>
<td>159,236,114.75</td>
<td>6.12%</td>
</tr>
<tr>
<td></td>
<td>State Street Global Advisors</td>
<td>Russell 1000 Value Index</td>
<td>5,478.20**</td>
<td>179,748,089.87</td>
<td>6.91%</td>
</tr>
<tr>
<td></td>
<td>State Street Global Advisors</td>
<td>S&amp;P 500 Index</td>
<td>31,004.46**</td>
<td>338,102,154.71</td>
<td>12.99%</td>
</tr>
<tr>
<td></td>
<td>Brandywine</td>
<td>Sm. Cap. Value</td>
<td>194,360.87</td>
<td>45,040,372.31</td>
<td>1.73%</td>
</tr>
<tr>
<td></td>
<td>J.P.Morgan</td>
<td>S&amp;P 500 Enhanced Index</td>
<td>162,753.14</td>
<td>119,643,399.53</td>
<td>4.60%</td>
</tr>
<tr>
<td></td>
<td>** Total Domestic Equities</td>
<td></td>
<td></td>
<td>$950,566,377.48</td>
<td>36.52%</td>
</tr>
<tr>
<td><strong>International Equities</strong></td>
<td>State Street Global Advisors</td>
<td>EAFE Index</td>
<td>$11,327.25**</td>
<td>167,330,461.93</td>
<td>6.43%</td>
</tr>
<tr>
<td></td>
<td>Morgan Stanley</td>
<td>Active/Passive EAFE</td>
<td>544,721.87</td>
<td>188,812,050.87</td>
<td>7.25%</td>
</tr>
<tr>
<td></td>
<td>M.S.Emerging Markets</td>
<td>Active E.M.</td>
<td>*</td>
<td>52,483,436.83</td>
<td>2.02%</td>
</tr>
<tr>
<td></td>
<td>State Street Global Advisors</td>
<td>Passive E.M. Index</td>
<td>109,972.19</td>
<td>46,983,921.55</td>
<td>1.80%</td>
</tr>
<tr>
<td></td>
<td>Putnam</td>
<td>Active EAFE</td>
<td>857,320.63</td>
<td>309,528,163.87</td>
<td>11.89%</td>
</tr>
<tr>
<td></td>
<td>** Total International Equities</td>
<td></td>
<td></td>
<td>$765,138,035.05</td>
<td>29.39%</td>
</tr>
<tr>
<td><strong>Domestic Fixed Income</strong></td>
<td>*** Putnam</td>
<td>Active Core</td>
<td>$98,395.59</td>
<td>-0-</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Trust Company of the West</td>
<td>High Yield</td>
<td>467,536.35</td>
<td>118,541,978.60</td>
<td>4.55%</td>
</tr>
<tr>
<td></td>
<td>Bradford &amp; Marzec</td>
<td>Active Core</td>
<td>185,805.03</td>
<td>98,977,883.36</td>
<td>3.80%</td>
</tr>
<tr>
<td></td>
<td>PIMCO</td>
<td>Active Core</td>
<td>141,027.00</td>
<td>99,821,647.51</td>
<td>3.83%</td>
</tr>
<tr>
<td></td>
<td>Western Asset Management</td>
<td>Active Core</td>
<td>130,402.47</td>
<td>99,024,324.49</td>
<td>3.80%</td>
</tr>
<tr>
<td></td>
<td>** Total Domestic Fixed Income</td>
<td></td>
<td></td>
<td>$416,365,833.96</td>
<td>16.00%</td>
</tr>
<tr>
<td><strong>Global Fixed Income</strong></td>
<td>Deutsche Asset Management</td>
<td>Active Global Bonds</td>
<td>$360,864.05</td>
<td>110,857,012.90</td>
<td>4.26%</td>
</tr>
<tr>
<td></td>
<td>Strategic Fixed Income</td>
<td>Active Global Bonds</td>
<td>235,024.44</td>
<td>63,443,330.46</td>
<td>2.44%</td>
</tr>
<tr>
<td></td>
<td>** Total Global Fixed Income</td>
<td></td>
<td></td>
<td>$174,300,343.36</td>
<td>6.70%</td>
</tr>
<tr>
<td><strong>Real Estate &amp; Natural Resources</strong></td>
<td>RREEF</td>
<td>Pooled</td>
<td>*</td>
<td>5,352,731.82</td>
<td>0.21%</td>
</tr>
<tr>
<td></td>
<td>PRISA</td>
<td>Pooled</td>
<td>*</td>
<td>15,670,902.19</td>
<td>0.60%</td>
</tr>
<tr>
<td></td>
<td>PM Realty</td>
<td>Directly Owned</td>
<td>*</td>
<td>95,599,062.11</td>
<td>3.67%</td>
</tr>
<tr>
<td></td>
<td>Apollo RE</td>
<td>Limited Partnership</td>
<td>*</td>
<td>10,400,026.79</td>
<td>0.40%</td>
</tr>
<tr>
<td></td>
<td>Internal</td>
<td>Directly Owned</td>
<td>*</td>
<td>2,129,547.98</td>
<td>0.08%</td>
</tr>
<tr>
<td></td>
<td>Hancock Timber</td>
<td>Timberlands</td>
<td>*</td>
<td>51,007,227.03</td>
<td>1.96%</td>
</tr>
<tr>
<td></td>
<td>Blackstone RE</td>
<td>Limited Partnership</td>
<td>*</td>
<td>1,559,588.00</td>
<td>0.06%</td>
</tr>
<tr>
<td></td>
<td>** Total Real Estate &amp; Natural Resources</td>
<td></td>
<td></td>
<td>$181,719,089.92</td>
<td>6.98%</td>
</tr>
<tr>
<td><strong>Alternative Investments</strong></td>
<td>Larimer Venture</td>
<td>*</td>
<td>1,585,078.70</td>
<td>0.06%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Charles River</td>
<td>*</td>
<td>1,184,715.47</td>
<td>0.05%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Columbine</td>
<td>*</td>
<td>3,154,622.06</td>
<td>0.12%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Glenwood</td>
<td>*</td>
<td>246,773.96</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oxford Partners</td>
<td>*</td>
<td>10,681.17</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prince Venture</td>
<td>*</td>
<td>641,002.20</td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HarbourVest (Falcon)</td>
<td>*</td>
<td>629,362.25</td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HarbourVest Intl.</td>
<td>*</td>
<td>2,717,973.28</td>
<td>0.11%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TCW Special Credits</td>
<td>*</td>
<td>598,777.19</td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Doughty Hanson</td>
<td>*</td>
<td>2,876,336.49</td>
<td>0.11%</td>
<td></td>
</tr>
</tbody>
</table>

* Fees netted against trust fund income  ** Fees net of securities lending income  *** Terminated in 1999
# Asset Allocation by Category & Investment Manager

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>Manager</th>
<th>Investment Style</th>
<th>Management Fees</th>
<th>TOTAL ASSETS</th>
<th>% of Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Centennial Fund</td>
<td></td>
<td></td>
<td>1,467,861.00</td>
<td>0.06%</td>
</tr>
<tr>
<td></td>
<td>Willis Stein</td>
<td></td>
<td></td>
<td>2,986,104.58</td>
<td>0.11%</td>
</tr>
<tr>
<td></td>
<td>ABS Capital Partners</td>
<td></td>
<td></td>
<td>3,499,409.05</td>
<td>0.13%</td>
</tr>
<tr>
<td></td>
<td>Boston Ventures</td>
<td></td>
<td></td>
<td>3,741,861.20</td>
<td>0.14%</td>
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<tr>
<td></td>
<td>SKM Equity Fund</td>
<td></td>
<td></td>
<td>6,418,502.20</td>
<td>0.25%</td>
</tr>
<tr>
<td></td>
<td>Vestar Capital Partners</td>
<td></td>
<td></td>
<td>7,748,054.18</td>
<td>0.30%</td>
</tr>
<tr>
<td></td>
<td>Heritage Fund</td>
<td></td>
<td></td>
<td>3,538,275.40</td>
<td>0.14%</td>
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<tr>
<td></td>
<td>Chisolm Partners</td>
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<td></td>
<td>7,663,776.27</td>
<td>0.29%</td>
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<tr>
<td></td>
<td>TPG Partners</td>
<td></td>
<td></td>
<td>8,336,489.19</td>
<td>0.32%</td>
</tr>
<tr>
<td></td>
<td>Blackstone Partners</td>
<td></td>
<td></td>
<td>4,802,807.04</td>
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<tr>
<td></td>
<td>Candover Partners</td>
<td></td>
<td></td>
<td>5,456,142.80</td>
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<tr>
<td></td>
<td>Nordic Capital</td>
<td></td>
<td></td>
<td>3,269,630.03</td>
<td>0.13%</td>
</tr>
<tr>
<td></td>
<td>Apollo Investment Fund</td>
<td></td>
<td></td>
<td>6,628,823.36</td>
<td>0.25%</td>
</tr>
<tr>
<td></td>
<td>Aurora Equity Partners</td>
<td></td>
<td></td>
<td>2,544,827.09</td>
<td>0.10%</td>
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<tr>
<td></td>
<td>First Reserve Fund</td>
<td></td>
<td></td>
<td>3,493,999.87</td>
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<tr>
<td></td>
<td>Harvest Partners</td>
<td></td>
<td></td>
<td>3,173,113.06</td>
<td>0.12%</td>
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<tr>
<td></td>
<td>Sprout Capital</td>
<td></td>
<td></td>
<td>2,739,920.46</td>
<td>0.11%</td>
</tr>
<tr>
<td></td>
<td>Thomas Lee Equity Fund</td>
<td></td>
<td></td>
<td>4,820,500.75</td>
<td>0.19%</td>
</tr>
<tr>
<td></td>
<td>Internal</td>
<td></td>
<td></td>
<td>127,080.62</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Total Alternative Investments</td>
<td></td>
<td></td>
<td>96,102,300.92</td>
<td>3.69%</td>
</tr>
</tbody>
</table>

|                      | Cash Held at State Street Bank & Trust | 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

---

**FPPA Asset Allocation 1980 - 1999**

- **Cash**
- **Venture Capital**
- **Real Estate**
- **Global Fixed Income**
- **Domestic Fixed Income**
- **International Equity**
- **Domestic Equity**
## Investment Section

### 'Top 20 Holdings'

### 'Top 20' Equity Holdings *

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

### 'Top 20' Fixed Income Holdings *

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

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

*Annualized
## Schedule of Brokerage Commissions

<table>
<thead>
<tr>
<th>Broker Name</th>
<th>Commission</th>
<th>Shares</th>
<th>Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merrill Lynch</td>
<td>256,165.92</td>
<td>8,403,803</td>
<td>0.03</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>137,175.50</td>
<td>7,018,182</td>
<td>0.02</td>
</tr>
<tr>
<td>Warburg Dillon Reed</td>
<td>123,030.72</td>
<td>5,226,737</td>
<td>0.02</td>
</tr>
<tr>
<td>Credit Lyonnais</td>
<td>15,915.15</td>
<td>4,711,835</td>
<td>0.00</td>
</tr>
<tr>
<td>State Street Brokerage Services</td>
<td>125,582.01</td>
<td>3,742,450</td>
<td>0.03</td>
</tr>
<tr>
<td>Lehman Brothers</td>
<td>46,898.27</td>
<td>3,487,843</td>
<td>0.01</td>
</tr>
<tr>
<td>Dresdner Kleinwort Benson</td>
<td>68,645.79</td>
<td>3,164,713</td>
<td>0.02</td>
</tr>
<tr>
<td>Salomon Smith Barney</td>
<td>60,107.69</td>
<td>2,821,261</td>
<td>0.02</td>
</tr>
<tr>
<td>Deutsche Bank</td>
<td>39,006.49</td>
<td>2,399,125</td>
<td>0.02</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>95,435.83</td>
<td>2,310,831</td>
<td>0.04</td>
</tr>
<tr>
<td>CS First Boston Corporation</td>
<td>90,104.23</td>
<td>2,232,220</td>
<td>0.04</td>
</tr>
<tr>
<td>Instinet Corp</td>
<td>50,295.76</td>
<td>2,051,277</td>
<td>0.02</td>
</tr>
<tr>
<td>UBS Ag</td>
<td>32,991.22</td>
<td>1,377,085</td>
<td>0.02</td>
</tr>
<tr>
<td>ABN Amro Securities</td>
<td>23,983.00</td>
<td>1,173,209</td>
<td>0.02</td>
</tr>
<tr>
<td>Furman, Selz, Magerdietz &amp; Birney</td>
<td>11,308.55</td>
<td>1,083,366</td>
<td>0.01</td>
</tr>
<tr>
<td>SG Cowen Securities Corp</td>
<td>19,287.84</td>
<td>1,072,258</td>
<td>0.02</td>
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<tr>
<td>Investment Technology Group Inc.</td>
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<tr>
<td>Nomura Securities Co Ltd</td>
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<td>Jefferies &amp; Co</td>
<td>27,487.02</td>
<td>912,793</td>
<td>0.03</td>
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<tr>
<td>J.P. Morgan</td>
<td>16,336.58</td>
<td>855,047</td>
<td>0.02</td>
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<tr>
<td>Robert Fleming</td>
<td>4,509.99</td>
<td>803,309</td>
<td>0.01</td>
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<td>HSBC Securities Inc.</td>
<td>17,937.23</td>
<td>779,144</td>
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<td>Jones &amp; Associates</td>
<td>18,922.67</td>
<td>612,800</td>
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<tr>
<td>Wertheim Schroder</td>
<td>9,718.07</td>
<td>525,117</td>
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<td>Cazenove &amp; Co</td>
<td>7,731.72</td>
<td>508,693</td>
<td>0.02</td>
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<tr>
<td>Schroedermunchmeyer Hengst &amp; Co.</td>
<td>14,714.94</td>
<td>478,373</td>
<td>0.03</td>
</tr>
<tr>
<td>Robert Baird &amp; Co.</td>
<td>3,090.00</td>
<td>448,000</td>
<td>0.01</td>
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<tr>
<td>Blair, William, And Company</td>
<td>8,502.00</td>
<td>378,800</td>
<td>0.02</td>
</tr>
<tr>
<td>Friedman Billings &amp; Ramsey</td>
<td>3,449.00</td>
<td>368,800</td>
<td>0.01</td>
</tr>
<tr>
<td>Goodbody Stockbrokers</td>
<td>6,325.99</td>
<td>363,187</td>
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<tr>
<td>Lewco Securities</td>
<td>16,019.06</td>
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<td>Cantor Fitzgerald</td>
<td>19,461.10</td>
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<td>0.06</td>
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<tr>
<td>Paine Webber Incorporated</td>
<td>18,324.16</td>
<td>337,556</td>
<td>0.05</td>
</tr>
<tr>
<td>Janney, Montgomery, Scott</td>
<td>16,152.00</td>
<td>269,200</td>
<td>0.06</td>
</tr>
<tr>
<td>Williams Capital Group</td>
<td>12,698.33</td>
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<td>0.05</td>
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<tr>
<td>Capital Institutional Services</td>
<td>14,208.00</td>
<td>236,800</td>
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<tr>
<td>Howard, Weil, Labouisse, Friedrichs</td>
<td>12,269.00</td>
<td>231,800</td>
<td>0.05</td>
</tr>
<tr>
<td>NCB Stockbrokers</td>
<td>5,391.36</td>
<td>214,776</td>
<td>0.03</td>
</tr>
<tr>
<td>Davy (J&amp;E)</td>
<td>3,451.43</td>
<td>191,299</td>
<td>0.02</td>
</tr>
<tr>
<td>Charterhouse Tilney Securities Ltd</td>
<td>4,607.92</td>
<td>181,722</td>
<td>0.03</td>
</tr>
</tbody>
</table>

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

Actuarial Section

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 Annuitant 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

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Increases in Earnings (Merit)</th>
<th>(Inflation)</th>
<th>(Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1</td>
<td>9.00%</td>
<td>4.00%</td>
<td>13.00%</td>
</tr>
<tr>
<td>1</td>
<td>8.50%</td>
<td>4.00%</td>
<td>12.50%</td>
</tr>
<tr>
<td>2</td>
<td>8.00%</td>
<td>4.00%</td>
<td>12.00%</td>
</tr>
<tr>
<td>3</td>
<td>7.50%</td>
<td>4.00%</td>
<td>11.50%</td>
</tr>
<tr>
<td>4</td>
<td>2.50%</td>
<td>4.00%</td>
<td>6.50%</td>
</tr>
<tr>
<td>5</td>
<td>2.00%</td>
<td>4.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>6</td>
<td>1.50%</td>
<td>4.00%</td>
<td>5.50%</td>
</tr>
<tr>
<td>7</td>
<td>1.00%</td>
<td>4.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>8</td>
<td>0.75%</td>
<td>4.00%</td>
<td>4.75%</td>
</tr>
<tr>
<td>9+</td>
<td>0.50%</td>
<td>4.00%</td>
<td>4.50%</td>
</tr>
</tbody>
</table>
## Actuarial Section

### General Information and Actuarial Assumptions

#### Pre-Retirement Assumptions

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

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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Actuarial Accrued Liabilities (1)</th>
<th>Plan Assets (2)</th>
<th>Unfunded Actuarial Accrued Liabilities (1 - 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1998</td>
<td>$211,124,949</td>
<td>$261,508,736</td>
<td>($50,383,787)</td>
</tr>
<tr>
<td>Normal Cost</td>
<td>$12,699,925</td>
<td>N/A</td>
<td>$12,699,925</td>
</tr>
<tr>
<td>Contributions</td>
<td>$6,828,077</td>
<td>$16,807,573</td>
<td>($9,979,496)</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>($1,422,766)</td>
<td>($1,422,766)</td>
<td>$0</td>
</tr>
</tbody>
</table>

Interest on:

|               | January 1, 1998 | Normal Cost | Contributions | Benefit Payments | Interest on:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,834,371</td>
<td>$952,494</td>
<td>$256,053</td>
<td>($53,354)</td>
<td>$16,989,564</td>
<td>$15,834,371</td>
</tr>
<tr>
<td>$19,613,155</td>
<td>$0</td>
<td>$630,284</td>
<td>($53,354)</td>
<td>$20,190,085</td>
<td>$19,613,155</td>
</tr>
</tbody>
</table>

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: ($3,887,892)
Excess Return on SRA: $2,501,225
Net Gain or Loss: ($7,387,117)

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

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Added to Payroll</th>
<th>Removed from Payroll</th>
<th>Payroll</th>
<th>% Increase in Annual Benefit</th>
<th>Average Annual Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Annual Benefit</td>
<td>Number</td>
<td>Annual Benefit</td>
<td></td>
</tr>
<tr>
<td>1/1/99</td>
<td>5</td>
<td>$61,039</td>
<td>0</td>
<td>$0</td>
<td>61.77%</td>
</tr>
<tr>
<td>1/1/98</td>
<td>2</td>
<td>$22,218</td>
<td>1</td>
<td>$0</td>
<td>13.72%</td>
</tr>
<tr>
<td>1/1/97</td>
<td>8</td>
<td>$54,955</td>
<td>1</td>
<td>$668</td>
<td>53.59%</td>
</tr>
<tr>
<td>1/1/96</td>
<td>3</td>
<td>$21,759</td>
<td>1</td>
<td>$5,071</td>
<td>14.06%</td>
</tr>
<tr>
<td>1/1/95</td>
<td>3</td>
<td>$22,458</td>
<td>1</td>
<td>$4,740</td>
<td>17.56%</td>
</tr>
<tr>
<td>1/1/94</td>
<td>3</td>
<td>$23,324</td>
<td>2</td>
<td>$22,240</td>
<td>41.68%</td>
</tr>
</tbody>
</table>
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.
### Summary of Plan Provisions

**Statewide Defined Benefit Plan - Solvency Test**

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

*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.
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.
### Summary of Plan Provisions

#### STATEWIDE DEATH & DISABILITY PLAN

**Schedule of Active Member Valuation Data**

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

*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

<table>
<thead>
<tr>
<th></th>
<th>Total Present Value of Benefits (1)</th>
<th>Plan Assets (2)</th>
<th>Unfunded Actuarial Accrued Liability (1 - 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1998</td>
<td>$191,620,571</td>
<td>$193,630,404</td>
<td>($2,009,833)</td>
</tr>
<tr>
<td>Normal Cost</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contributions</td>
<td>N/A</td>
<td>$714,911</td>
<td>($714,911)</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>($6,207,553)</td>
<td>($6,207,553)</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Interest on:**

<table>
<thead>
<tr>
<th></th>
<th>January 1, 1998</th>
<th>$14,371,543</th>
<th>$14,522,280</th>
<th>($150,737)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Cost</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$0</td>
<td>$26,809</td>
<td>$26,809</td>
<td></td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>($232,783)</td>
<td>($232,783)</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

**January 1, 1998:**

<table>
<thead>
<tr>
<th>Total Present Value of Benefits (1)</th>
<th>Plan Assets (2)</th>
<th>Unfunded Actuarial Accrued Liability (1 - 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected January 1, 1999</td>
<td>$199,551,778</td>
<td>$202,454,068</td>
</tr>
<tr>
<td>Actual January 1, 1999</td>
<td>$228,522,127</td>
<td>$212,356,890</td>
</tr>
<tr>
<td>Gain or Loss</td>
<td>($28,970,349)</td>
<td>($9,902,822)</td>
</tr>
</tbody>
</table>

*Gain or Loss = Loss* + Gain*

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

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

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Added to Payroll</th>
<th>Removed from Payroll</th>
<th>Payroll</th>
<th>% Increase in Annual Benefit</th>
<th>Average Annual Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Annual Benefit</td>
<td>Number</td>
<td>Annual Benefit</td>
<td></td>
</tr>
<tr>
<td>1/1/99</td>
<td>51</td>
<td>$651,000</td>
<td>11</td>
<td>$79,000</td>
<td>7.87%</td>
</tr>
<tr>
<td>1/1/98</td>
<td>31</td>
<td>$419,000</td>
<td>12</td>
<td>$152,000</td>
<td>9.17%</td>
</tr>
<tr>
<td>1/1/97</td>
<td>58</td>
<td>$542,000</td>
<td>24</td>
<td>$364,000</td>
<td>8.77%</td>
</tr>
<tr>
<td>1/1/95</td>
<td>33</td>
<td>$383,000</td>
<td>20</td>
<td>$241,000</td>
<td>7.42%</td>
</tr>
<tr>
<td>1/1/94</td>
<td>46</td>
<td>$375,000</td>
<td>26</td>
<td>$159,000</td>
<td>12.93%</td>
</tr>
</tbody>
</table>
### Summary of Plan Provisions

#### Actuarial Section

#### Age and Years of Service Distribution

<table>
<thead>
<tr>
<th>Age Range of Members</th>
<th># of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>190</td>
</tr>
<tr>
<td>25-29</td>
<td>1175</td>
</tr>
<tr>
<td>30-34</td>
<td>1400</td>
</tr>
<tr>
<td>35-39</td>
<td>1540</td>
</tr>
<tr>
<td>40-44</td>
<td>1600</td>
</tr>
<tr>
<td>45-49</td>
<td>1450</td>
</tr>
<tr>
<td>50-54</td>
<td>906</td>
</tr>
<tr>
<td>55-59</td>
<td>198</td>
</tr>
<tr>
<td>60-64</td>
<td>16</td>
</tr>
<tr>
<td>65 and up</td>
<td>1</td>
</tr>
</tbody>
</table>

Average Age = 39.7 Years

<table>
<thead>
<tr>
<th>Years of Service Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
</tr>
<tr>
<td>5-9</td>
</tr>
<tr>
<td>10-14</td>
</tr>
<tr>
<td>15-19</td>
</tr>
<tr>
<td>20 and up</td>
</tr>
</tbody>
</table>

Average Service = 11.5 Years

---

### 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.
**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

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

*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.*

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**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.
Summary of Plan Provisions

<table>
<thead>
<tr>
<th>Number of Dependent Children</th>
<th>Additional Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. With Surviving Spouse</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>15% of base salary</td>
</tr>
<tr>
<td>2 or more</td>
<td>25% of base salary</td>
</tr>
<tr>
<td>Total Benefit</td>
<td></td>
</tr>
<tr>
<td>2. Without Surviving Spouse</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>25% of base salary</td>
</tr>
<tr>
<td>2</td>
<td>40% of base salary</td>
</tr>
<tr>
<td>3 or more</td>
<td>50% of base salary</td>
</tr>
</tbody>
</table>

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.
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

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

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

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Added to Payroll</th>
<th>Removed from Payroll</th>
<th>Payroll</th>
<th>% Increase in Annual Benefit</th>
<th>Average Annual Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (000's)</td>
<td>Annual Benefit</td>
<td>Number (000's)</td>
<td>Annual Benefit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/1/98</td>
<td>604</td>
<td>$8,510,136</td>
<td>253</td>
<td>$4,018,824</td>
<td>3,762</td>
</tr>
<tr>
<td>1/1/96</td>
<td>154</td>
<td>$2,842,536</td>
<td>104</td>
<td>$1,622,616</td>
<td>3,411</td>
</tr>
</tbody>
</table>

Affiliated Local Plans - Solvency Test

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Valuation Assets (000's)</th>
<th>Aggregate Accrued Liabilities For</th>
<th>Funded Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(1) Active Member Contributions (000's)</td>
<td>(2) Retirees and Beneficiaries (000's)</td>
</tr>
<tr>
<td>1/1/98</td>
<td>$1,466,608</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>1/1/96</td>
<td>$1,121,445</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

*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.
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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>1999 Distribution</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death and Disability Fund</td>
<td>$ 0</td>
<td></td>
</tr>
<tr>
<td>Volunteer Fire Pension Plans*</td>
<td>3,361,937</td>
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<tr>
<td>Old Hire Plans for Unfunded Liabilities*</td>
<td>25,321,079</td>
<td></td>
</tr>
<tr>
<td><strong>Total Monies Distributed</strong></td>
<td>$ 28,683,016</td>
<td></td>
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</tbody>
</table>

*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

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Aurora Fire</td>
<td>344,179</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 2,502,878</td>
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<td>1,014,624</td>
<td>1,032,476</td>
<td>1,032,476</td>
<td>9,175,314</td>
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<tr>
<td>Colo Spgs Fire</td>
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<td>437,820</td>
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<td>0</td>
<td>9,947,115</td>
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<tr>
<td>Colo Spgs Police</td>
<td>1,548,085</td>
<td>635,127</td>
<td>635,127</td>
<td>646,302</td>
<td>646,302</td>
<td>11,496,947</td>
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<td>Denver Fire</td>
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<td>9,013,527</td>
<td>9,172,120</td>
<td>9,172,120</td>
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<td>Grand Jct Fire</td>
<td>555,080</td>
<td>309,112</td>
<td>309,112</td>
<td>314,551</td>
<td>314,551</td>
<td>4,252,048</td>
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<td>Grand Jct Police</td>
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<td>261,284</td>
<td>265,881</td>
<td>265,881</td>
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<td>Greeley Fire</td>
<td>858,347</td>
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<td>595,560</td>
<td>606,039</td>
<td>606,039</td>
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<td>Pueblo Police</td>
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<td>1,699,753</td>
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<td>Rocky Ford Fire</td>
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<td>10,525</td>
<td>10,525</td>
<td>10,710</td>
<td>10,710</td>
<td>131,044</td>
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<td>Lakewood FPD</td>
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<td>614,795</td>
<td>625,612</td>
<td>625,612</td>
<td>7,555,465</td>
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<td>Lamar Fire</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>23,293</td>
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<td>Leadville Fire</td>
<td>4,620</td>
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<td>0</td>
<td>44,719</td>
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<tr>
<td>N. Washington FPD</td>
<td>239,709</td>
<td>141,933</td>
<td>141,933</td>
<td>144,430</td>
<td>144,430</td>
<td>1,551,647</td>
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<td>All Other</td>
<td>203,389</td>
<td>7,819</td>
<td>7,819</td>
<td>7,957</td>
<td>7,957</td>
<td>4,378,989</td>
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State Funding

State Funds Distributed to Volunteer Fire Departments (By Year)

<table>
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<tr>
<th>Year</th>
<th>Number of Departments Receiving Funds</th>
<th>Total Amount Distributed</th>
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<td>1989</td>
<td>185</td>
<td>2,266,161</td>
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<tr>
<td>1990</td>
<td>189</td>
<td>2,045,671</td>
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<tr>
<td>1991</td>
<td>183</td>
<td>2,185,908</td>
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<td>1992</td>
<td>193</td>
<td>2,342,084</td>
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<tr>
<td>1993</td>
<td>191</td>
<td>2,484,638</td>
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<tr>
<td>1994</td>
<td>189</td>
<td>2,219,058</td>
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<tr>
<td>1995</td>
<td>204</td>
<td>2,454,399</td>
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<tr>
<td>1996</td>
<td>199</td>
<td>2,599,572</td>
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<tr>
<td>1997</td>
<td>211</td>
<td>3,026,834</td>
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<tr>
<td>1998</td>
<td>206</td>
<td>3,148,492</td>
</tr>
<tr>
<td>1999</td>
<td>207</td>
<td>3,361,937</td>
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State Funds Distributed to the Death & Disability Fund (By Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount Distributed</th>
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</thead>
<tbody>
<tr>
<td>1989</td>
<td>2,400,000</td>
</tr>
<tr>
<td>1990</td>
<td>1,800,000</td>
</tr>
<tr>
<td>1991</td>
<td>1,200,000</td>
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<tr>
<td>1992</td>
<td>600,000</td>
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<tr>
<td>1993</td>
<td>3,717,048</td>
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<tr>
<td>1994</td>
<td>7,467,052</td>
</tr>
<tr>
<td>1995</td>
<td>7,500,000</td>
</tr>
<tr>
<td>1996</td>
<td>7,500,000</td>
</tr>
<tr>
<td>1997</td>
<td>39,000,000</td>
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<tr>
<td>1998</td>
<td>-0-</td>
</tr>
<tr>
<td>1999</td>
<td>-0-</td>
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</table>
Revenues by Source - All Plans

<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Investment Earnings</td>
<td>$13,109,864</td>
<td>$252,493,483</td>
<td>$194,545,550</td>
<td>$235,801,497</td>
<td>$250,900,298</td>
<td>$396,262,695</td>
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<tr>
<td>State Funding</td>
<td>27,034,450</td>
<td>59,111,585</td>
<td>35,420,651</td>
<td>65,595,405</td>
<td>26,989,691</td>
<td>27,114,921</td>
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<tr>
<td>Employers</td>
<td>43,866,395</td>
<td>41,825,381</td>
<td>47,728,402</td>
<td>49,516,051</td>
<td>58,500,005</td>
<td>49,636,327</td>
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<tr>
<td>Employees</td>
<td>14,271,587</td>
<td>14,793,874</td>
<td>15,962,145</td>
<td>16,552,238</td>
<td>12,991,623</td>
<td>32,428,830</td>
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<tr>
<td>Affiliations</td>
<td>3,034,267</td>
<td>699,945</td>
<td>2,616,094</td>
<td>6,141,898</td>
<td>9,324,380</td>
<td>25,807,791</td>
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<tr>
<td><strong>Total</strong></td>
<td>$101,316,563</td>
<td>$369,242,268</td>
<td>$296,272,842</td>
<td>$373,607,089</td>
<td>$358,705,997</td>
<td>$531,250,564</td>
</tr>
</tbody>
</table>

Revenue Allocation - All Plans

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Additions to Fund Balance</td>
<td>$42,326,899</td>
<td>$306,033,003</td>
<td>$225,768,240</td>
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<td>$263,184,561</td>
<td>$412,447,619</td>
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<tr>
<td>Benefit Payments</td>
<td>56,221,099</td>
<td>60,016,993</td>
<td>65,375,899</td>
<td>73,393,878</td>
<td>82,533,683</td>
<td>101,496,836</td>
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<td>Administrative Expense</td>
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<td>2,143,936</td>
<td>2,532,264</td>
<td>2,494,785</td>
<td>3,024,568</td>
<td>3,254,498</td>
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<tr>
<td>Refunds &amp; Withdrawals</td>
<td>619,069</td>
<td>730,336</td>
<td>2,596,439</td>
<td>8,152,601</td>
<td>9,963,185</td>
<td>14,051,611</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$101,316,563</td>
<td>$369,242,268</td>
<td>$296,272,842</td>
<td>$373,607,089</td>
<td>$358,705,997</td>
<td>$531,250,564</td>
</tr>
</tbody>
</table>
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
- Manassas Police
- Manitou Springs Police and Fire
- Minturn Fire*
- Montrose FPD
- Mountain View FPD
- Mountain View Police
- Northeast Teller County FPD
- North Metro Fire Rescue / Thornton
- 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
- 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 Affiliated Old Hire Pension Plan Members

- Alma Police*
- Blackhawk Fire
- Blue River Police
- Brighton 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 Statewide Money Purchase Plan Members

- Alma Police*
- Blackhawk Fire
- Blue River Police
- Brighton 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*

*currently inactive, with no employees
### Employers

<table>
<thead>
<tr>
<th>Grand Junction Police and Fire</th>
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<tbody>
<tr>
<td>Greeley Police</td>
</tr>
<tr>
<td>Haxtun Police</td>
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<tr>
<td>Holyoke Police</td>
</tr>
<tr>
<td>La Junta Police and Fire</td>
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<tr>
<td>LaSalle Police</td>
</tr>
<tr>
<td>Lakewood FPD</td>
</tr>
<tr>
<td>Lamar Police and Fire</td>
</tr>
<tr>
<td>Las Animas Police</td>
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<tr>
<td>Leadville Fire</td>
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<tr>
<td>Manitou Springs Fire</td>
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<tr>
<td>Montrose FPD</td>
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<td>Mountain View FPD</td>
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<td>North Washington FPD</td>
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<td>Pueblo Police and Fire</td>
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<td>Pueblo Rural FPD</td>
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<td>Rocky Ford Police and Fire</td>
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<td>Trinidad Police and Fire</td>
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<td>Walsenburg Police</td>
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<td>Woodmoor-Monument FPD</td>
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<td>Colorado Springs Police and Fire</td>
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<td>Affiliated Volunteer Fire Departments (as of 12/31/99)</td>
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<td>Alamosa VFD</td>
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<td>Aspen FPD</td>
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<td>Ault FPD</td>
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<tr>
<td>Basalt &amp; Rural FPD</td>
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<tr>
<td>Bennett VFD</td>
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<td>Brush VFD</td>
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<td>Calhan FPD</td>
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<tr>
<td>Canon City Area FPD</td>
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<td>Carbondale and Rural FPD</td>
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<td>Cascade FPD</td>
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<td>Castle Rock VFD</td>
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<td>Central City FD</td>
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<td>Clifton FPD</td>
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<td>Colorado Sierra FPD</td>
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<td>Cripple Creek FPD</td>
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<td>Crowley FD</td>
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<td>Dove Creek FPD</td>
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<td>Eads VFD</td>
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*Employers Affiliated for Supplemental Pension and/or Death and Disability Coverage*

- Cedaredge Police
- Debeque Police
- Estes Park Police
- Haxtun Police
- Holyoke Police
- Johnstown Police
- Kremmling Police
- Springfield Police
- Monument Police

*Employers Affiliated for Money Purchase Plan Administration*

- Canon City Police
- Dacono Police

*currently inactive, with no employees*
## FPPA Active Members by Plan Type (1995-1999)

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<td>3,093</td>
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## FPPA Retired Members by Plan Type (1995-1999)

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### Total Members

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### Statewide Defined Benefit Plan Membership by Status

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**for the year**

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### Death and Disability Plan Membership by Status

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<td>Beneficiaries</td>
<td>83</td>
<td>119</td>
<td>127</td>
<td>124</td>
<td>123</td>
</tr>
<tr>
<td>Non-vested Actives</td>
<td>7,534</td>
<td>8,310</td>
<td>8,529</td>
<td>8,850</td>
<td>8,739</td>
</tr>
</tbody>
</table>

**for the year**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Members</td>
<td>14,422</td>
<td>14,755</td>
<td>15,917</td>
<td>17,099</td>
<td>18,035</td>
</tr>
<tr>
<td>by the following occupations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retired Firefighters</td>
<td>2,226</td>
<td>2,349</td>
<td>2,618</td>
<td>2,921</td>
<td>3,231</td>
</tr>
<tr>
<td>Active Firefighters</td>
<td>5,875</td>
<td>5,864</td>
<td>6,583</td>
<td>7,228</td>
<td>7,479</td>
</tr>
<tr>
<td>Retired Police</td>
<td>1,488</td>
<td>1,558</td>
<td>1,677</td>
<td>1,788</td>
<td>2,015</td>
</tr>
<tr>
<td>Active Police</td>
<td>4,833</td>
<td>4,984</td>
<td>5,039</td>
<td>5,162</td>
<td>5,310</td>
</tr>
</tbody>
</table>

**for the year**

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Member Data

Statistical Section


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(000)</td>
<td>1,423,783</td>
<td>1,649,551</td>
<td>1,939,117</td>
<td>2,202,302</td>
<td>2,614,749</td>
</tr>
</tbody>
</table>

Revenues/Inflows
- 1995: 117,474
- 1996: 101,727
- 1997: 137,806
- 1998: 107,805
- 1999: 134,987

Withdrawals/Outflows
- 1995: (62,891)
- 1996: (70,504)
- 1997: (84,041)
- 1998: (95,521)
- 1999: (118,802)

Return on Investments
- 1995: 252,493
- 1996: 194,545
- 1997: 235,801
- 1998: 250,900
- 1999: 396,262

Beginning Asset for the year
- 1995: 1,116,707
- 1996: 1,423,783
- 1997: 1,649,551
- 1998: 1,939,117
- 1999: 2,202,302

*IRC 457 Plan Assets not included

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

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

Reported by the Board of Trustees of the Retirement Plan of State Employees of the State of New York, December 31, 1999.
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.
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

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### Employers Participating in FPPA’s 457 Deferred Compensation Plan

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

### 457 Deferred Compensation Plan & Money Purchase Plan

#### 1999 Rates of Return and Selected Multi-year Average Returns

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