

FIRE
AND
POLICE
PENSION
ASSOCIATION
OF COLORADO

1980
twenty years strong
2000



COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT
for the fiscal year ended
DECEMBER 31•2000

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THE FIRE & POLICE PENSION
ASSOCIATION OF COLORADO
IS COMMITTED TO
SAFEGUARDING RETIREMENT
FUNDS, ADMINISTERING
BENEFITS FAIRLY AND
PROVIDING SUPERIOR,
COST EFFECTIVE SERVICE
TO OUR MEMBERS.



*Top,
Blue River Hose
Company,
Breckenridge.
Circa 1920.*

*Bottom,
Denver Police
Department.
Circa 1905.*



GFOA award

PPCC award



Letter of Transmittal



Fire & Police Pension Association

Two DTC • 5290 DTC Parkway • Suite 100
Greenwood Village, Colorado 80111-2721

303/ **770-3772**
toll free 800/ 332-3772 • fax 303/ 771-7622
www.fppaco.org

June 1, 2001

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, 2000. 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 152 employers participating in the Statewide Defined Benefit Plan, 41 employers with employees covered by the Statewide Money Purchase Plan, 333 employers covered by the Statewide Death and Disability Plan, 53 affiliated local defined benefit plans, 4 affiliated local money purchase plans, and 143 affiliated volunteer fire pension plans as of December 31, 2000.

The annual report for the calendar year 2000 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

The robust U.S. economic expansion experienced for the previous 5 years ran into an increasing number of obstacles in the year 2000. This was precipitated by the convergence of a number of events arising some 6 – 18 months prior to the downturn in mid-2000: the run-up in oil prices

that began in early 1999, the Federal Reserve Bank (Fed) tightening from mid-1999 to mid-2000, the decline in the stock market starting in March 2000, the tightening of credit spreads (most notably for high yield debt starting in late 1999), and the tightening of bank credit standards since mid-1999.

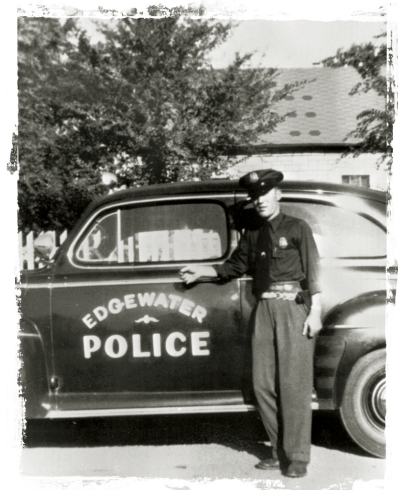
Fearing a continued overheating of the U.S. economy and increased inflation, the Fed raised interest rates three times in the first half of the year 2000. These rate increases came on the heels of an additional three 0.25% Fed interest rate increases in the second half of 1999. In the year 2000, rates were raised by 0.25% in February, 0.25% in March, and a further 0.50% in May. However, due in large part to the dramatic downturn of the U.S. stock market, which began late in the first quarter and never recovered, the Fed appeared to take a wait and see approach for the second half of 2000.

The overall year 2000 inflation rate of 3.2%, which rose from 1999's rate of 2.7%, while well below this economy's "high water mark" of 6.1% registered in 1990, seemed somewhat to confirm the Fed's inflationary fears. Economic growth, as measured by GDP, also slowed sharply in 2000. After expanding by more than 5% in the first half of 2000, GDP growth faded to approximately 1.6% in the 4th quarter. The slowdown that developed in the second half of 2000 was accompanied by a marked deceleration in employment growth, even though the unemployment rate remained stuck at a historical low 4.0% in Q4 2000 versus 4.1% at the same time in 1999.

As mentioned previously, the U.S. equity markets fell steadily beginning in March 2000. Bonds, in contrast, and despite the Fed interest rate increases, had a very good year buoyed by a flight to quality as investors fled the equity markets. 2000 was an almost complete reversal of the 1999 markets when the stock market seemed unstoppable and bonds posted negative returns. The S&P 500 Stock Index, representing the overall U.S. stock market, registered a -9.11% return in 2000 versus a 21.0% return in 1999. Smaller companies, as represented by the Russell 2000 Stock Index, did not fare much better, posting a -3.02% return in 2000 versus a 21.3% return in 1999. The headline story, however, just as in 1999, was the technology-heavy NASDAQ Index. Unlike in 1999, however, when the index soared 85.9%, the NASDAQ index posted an abysmal -38.83% return in 2000. Domestic bonds, despite the Fed interest rate increases and as a result of the flight to quality, posted a return of 11.63% return in 2000 versus a -0.82% return for 1999.

International markets, also performed poorly in 2000. European equity markets experienced a fate quite similar to that of the U.S. equity markets, which is reflected in the MSCI Europe Index return of -8.39% in 2000 versus a 15.9% return in 1999. Asian and emerging markets, which had rebounded strongly in 1999 after the Asian financial crisis, once again posted very poor returns. The MSCI Pacific Basin Index posted a -25.78% return in 2000 versus a 57.6% return in 1999. The MSCI Emerging Markets Free Index returned -30.61% in 2000 versus a remarkable 66.4% return in 1999. Non-U.S. bonds, however, did not follow the same course as the U.S. bond market and continued the lackluster performance that has been experienced over the last two years with a 1.59% return in 2000 versus a -4.27% return in 1999.

In the currency markets, the euro fell below parity with the dollar in late January, and fell as low as 82.9 U.S. cents on October 25th. It recovered in December, closing equivalent to 93.9 U.S. cents, a 7.0% loss for the year. The dollar gained 12.0% versus the Japanese yen, closing at 114.2 yen. Versus the British pound, the dollar closed equivalent to 0.67 pounds.



Jim Swann stands by the first Police car purchased by Edgewater Police Department. Circa 1946.

Introductory Section

Letter of Transmittal

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 actuarial accrued liability 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 2000 amounted to \$22.2 million, a decrease of \$509.1 million or 95.8% from 1999.

The net revenues for 2000 were comprised of \$38.0 million in member contributions, up 17.2% from \$32.4 million in 1999. Employer contributions totaled \$51.0 million in 2000, up 2.8% from \$49.6 million in 1999. The State of Colorado contributed \$27.1 million to plans affiliated with the Association in 2000. The Association's investment losses for 2000 totaled \$-77.7 million. Nine volunteer fire pension plans elected to affiliate with the Association during 2000, bringing in \$1.4 million in assets.

Active membership is distributed as follows: 2,977 new hire members, up 7.5% from 2,769 in 1999; 872 exempt new hire members, up 7.7% from 810 the prior year; 1,103 old hire members, down 11.1% from 1,241 in 1999; 192 money

purchase plan members, up 9.1% from 176 last year; 3,827 volunteer fire members, up 6.3% from 3,600; and 4,383 members covered for death and disability only. The paid members listed above are comprised of 40.8% police officers and 59.2% firefighters.

The net investment losses for 2000 amounted to \$-95.4 million. Interest, dividends and other investment income increased by \$1.8 million over the prior year. Realized and unrealized gains on investment transactions decreased \$490.4 million for 2000 over those in 1999. The total market value of the investment portfolio decreased to \$2.501 billion, or a decrease of \$114.1 million from \$2.615 billion at the end of 1999.

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 2000 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 including investment counsel and management fees. Expenses for the year 2000 totaled \$141.4 million, which is an increase of \$17.7 million or 14.3% over 1999.



8
Denver Police Department underwater equipment testing in City Park. Date unknown.

Benefit payments to retirees and beneficiaries totaled \$112.3 million in 2000, up 10.6% or \$10.8 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 Statewide Defined Benefit Plan of 2.2%. Other increases ranged from 0% to 10.6% among the various local old hire plans, with average increases of 4.0% for those departments that granted increases. The number of retirees receiving benefit payments increased to 5,698 as of December 31, 2000, up 7.0% from 5,324 at the end of 1999.

Administrative expenses of the fund increased to \$8.5 million in 2000 from \$8.2 million in 1999. This represented an increase of 3.2% in actual dollars, and .33% and .34% in 2000 and 1999, respectively, when expressed as a percentage of total assets. Administrative expenses include money management fees, which make up 60% of total administrative expenses. These fees are asset based and increase as the size of the fund increases.

Other Programs and Services

During 2000, FPPA's Association Services Department continued its communication programs with members, employers and retirees. Approximately 376 presentations were made to members from 158 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.

Year 2000 also marks FPPA's thirteenth year of offering various seminars to help members plan for retirement, both financially and psychologically. FPPA hosted three member seminars. Topics included financial fitness - a review of financial planning goals and investment strategies; wills, estates, taxes and trusts - practical information on developing financial strategies while planning for the future; and a pre-retirement seminar for members nearing retirement. They also hosted a retiree seminar covering covered long-term health care issues along with wills, estates, taxes and trusts. In addition, last year FPPA staff conducted an employer seminar featuring an overview of FPPA plans, the process and paperwork when hiring a new employee, and the refund and retirement process for an employee leaving service. The seminars continue to get excellent reviews by the attendees. FPPA strongly recommends these no-cost seminars to members, retirees and employers.

FPPA's Section 457 Deferred Compensation program was developed in 1990 in response to employee member requests. By the end of 2000, there were 53 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, 39 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 2000, there were a total of 142 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 1006 eliminates the possibility of reducing the Separate Retirement Accounts ("SRA's") of members of the SWDB Plan in order to make transfers to the Death and Disability Account for the Statewide Death and Disability Plan (D&D Plan). Such transfers are no longer needed, because the D&D Plan is now fully funded.

House Bill 1022 creates options for increasing contribution rates under the Statewide Money Purchase Plan above the statutory rates of eight percent from the employer and eight percent from the employee.

House Bill 1018 clarifies the standard of care applicable to the FPPA Board with respect to the administration, investment and management of the Fire and Police Members' Money Purchase Plan Benefit fund. The Bill recognizes that the Board was governed by the Uniform Prudent Investor Act only with respect to assets allocated to the Fire and Police Members' Benefit fund, which is an investment alternative for Fire and Police Member's Money Purchase Plan Benefit.

House Bill 1005 gives the FPPA Board discretion to waive the interest charge on delinquent contributions for new accounts in hardship cases.

House Bill 1017 restores the relocated sections of law relating to the FPPA Defined Benefit Plan to statutes addressing the Death and Disability Plan.

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, 2000 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, 2000 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, 1999. 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.

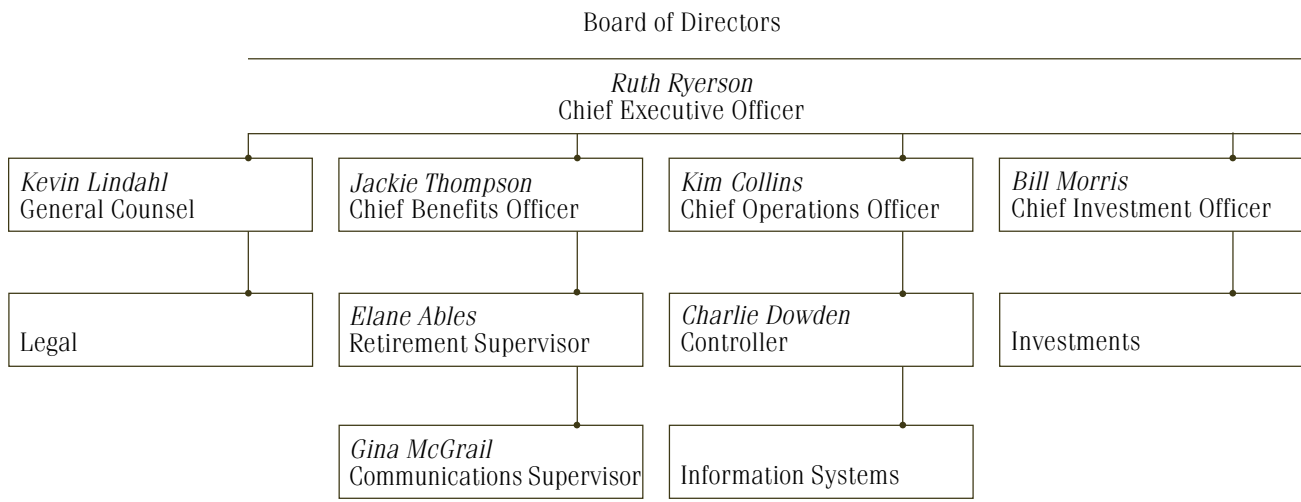
This report is being mailed to the State Auditor, the Joint Budget Committee, the State Pension Reform Commission, all participating employers, and other interested parties.

Respectfully submitted,



Ruth Ryerson
Chief Executive Officer

FPPA Administrative Organizational Chart



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 a Chief Executive Officer who is FPPA’s chief administrative officer. The Chief Executive Officer 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 Greenwood Village 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.

Left Column

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

Ronald M. Lappi
Vice Chair of the Board
Member since 2.11.91
Finance Director - Grand Junction
Current term expires 8.31.02

John Bramble
Member since 9.1.00
City Manager - Brighton
Current term expires 8.31.03

L. Kristine Gardner
Member since 10.20.88
Senior VP - Alpine Banks of Colorado,
Glenwood Springs
Current term expires 8.31.04

Center Column

Leo J. Johnson
Trustee, West Metro Fire Rescue District
Member since 6.16.00
Current term expires 8.31.03

Ed Lujan
Member since 10.20.88
Captain - Denver Police Department
Current term expires 8.31.04

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

Right Column

Raymond M. Mitchell
Member since 10.5.89
Principal - RIM Unlimited, Inc.,
Lakewood
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

Professional Consultants and Managers

Professional Consultants

Actuarial

Buck Consultants

Auditor

BONDI & Co., LLP

Board Medical Advisor

Dr. Roderic Gottula

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

**Venture Capital
& Alternative Investments**

ABS Capital Partners
Apollo Investment Fund
Arch Venture 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
Navis Partners
Nordic Capital
Oxford Partners
Pacific Corporate Group
Prince Ventures
SKM Equity Fund
Sprout Capital L.P.
TCW Special Credits Fund
TH Lee Equity Fund
TPG Partners
Vestar Capital Partners
Willis Stein & Partners, LP

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

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

The Statewide Death and Disability Plan; and

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

Affiliated plans of the Common Fund include:

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

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

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

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

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

Statewide Defined Benefit Plan

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

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



Monte Vista Fire Department.
Circa 1919.

Summary of FPPA Plan Information

employees who transfer to the plan.

Employers had the option to elect to withdraw from the plan until a change in state statute was 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% per year for each year of service up to ten years, then 2.5% per year for each year thereafter. This benefit is based on the average of the member's highest three years' base salary. 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% per year for each year of service up to ten years, then 2.5% per year for each year thereafter. The benefit is based on the average of the member's highest three years' base salary.

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, 2000 and 1999, the plan had an interest of 16.0% and 14.9%, 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, 2000, 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 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 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%.

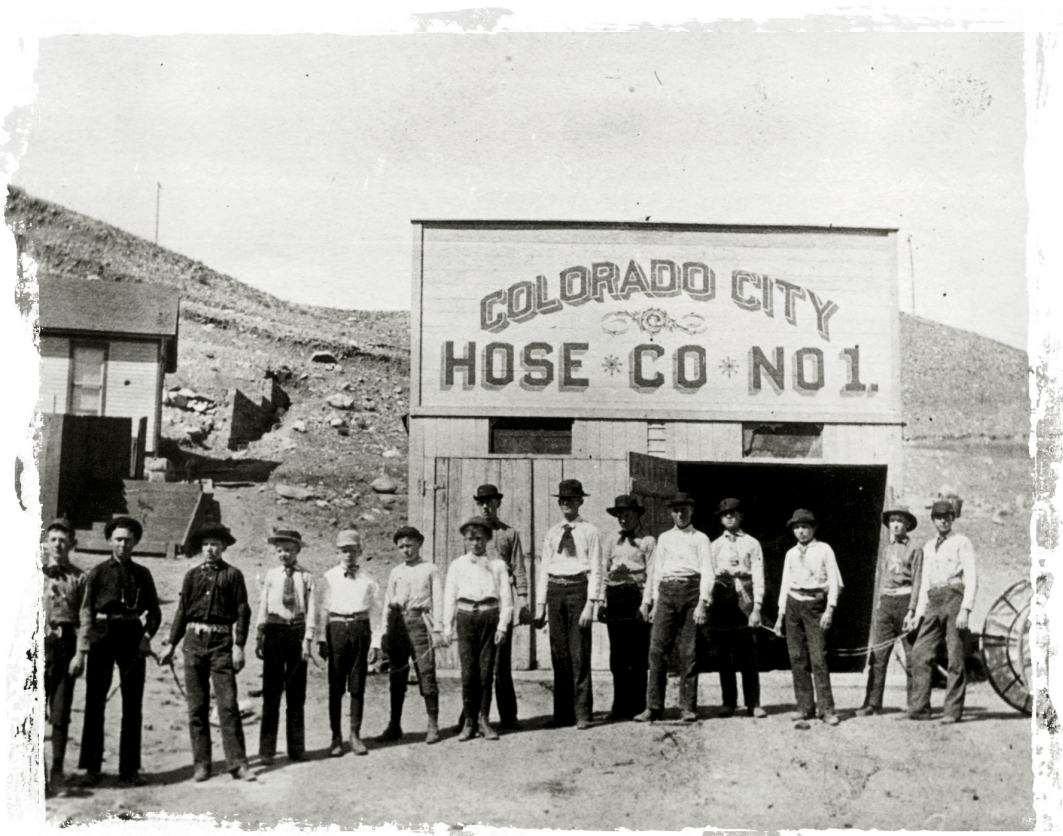
Interest in the Undivided Net Assets of the Common Fund

At December 31, 2000 and 1999, the plan had an interest of 9.4% and 9.4% 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.





*Hose Company No. 1
of El Paso County,
Colorado City.
Circa 1870.*

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 55 local defined benefit funds, four local money purchase funds and 142 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.

Bondi Letter

Financial Section

Statement of Plan Net Assets Available for Pension Benefits - December 31, 2000

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY	STATEWIDE DEFINED BENEFIT
ASSETS			
Cash and Cash Equivalents (Note 4)	\$ 64,916,076	\$ 7,971,427	\$ 13,621,106
Investments (Note 4)			
U.S. Government Agency Obligations	181,741,866	22,331,332	38,262,192
Corporate Bonds	217,805,809	26,762,648	45,854,750
Domestic Equity Securities	655,615,201	80,557,995	138,026,947
International Equity Securities	452,749,728	55,631,124	95,317,593
International Fixed Income	122,923,514	15,104,091	25,879,140
Venture Capital	108,115,160	13,284,531	22,761,531
Real Estate	115,498,114	14,191,704	24,315,867
Securities Lending Investment Pool	166,865,753	20,503,446	35,130,318
Total Investments	<u>2,021,315,145</u>	<u>248,366,871</u>	<u>425,548,338</u>
Total Cash and Investments	<u>2,086,231,221</u>	<u>256,338,298</u>	<u>439,169,444</u>
Receivables			
Other	8,127	998	1,705
Assets Sold-Pending Trades	15,141,121	1,859,267	3,177,007
Notes Receivable			
Contributions	1,087,297	133,516	228,144
Accrued Interest and Dividends	8,951,554	1,099,214	1,878,272
Total Receivables	<u>25,188,099</u>	<u>3,092,995</u>	<u>5,285,128</u>
Properties and Equipment, at Cost, Net of Accumulated Depreciation (Note 6)	<u>1,213,964</u>	<u>149,070</u>	<u>254,722</u>
Other Assets	81,085	9,957	17,014
TOTAL ASSETS	2,112,714,369	259,590,320	444,726,308
LIABILITIES			
Payables			
Accounts, Employee and Participants Payable	1,647,601	202,319	345,711
For Assets Purchased-Pending Trades	81,441,431	10,010,187	17,104,819
Amounts Owed for Securities Lending Transactions (Note 4)	166,895,190	20,503,558	35,035,272
TOTAL LIABILITIES	249,984,222	30,716,064	52,485,802
NET ASSETS AVAILABLE FOR PENSION BENEFITS / FUND BALANCE RESERVED FOR WITHDRAWALS			
(A Schedule of Funding Progress for each Plan is presented on Page 40)	\$ 1,862,730,147	\$ 228,874,256	\$ 392,240,506

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

TOTAL DEFINED BENEFIT	MEMBERS' MONEY PURCHASE	MEMBERS' STATEWIDE MONEY PURCHASE	IRC 457 EXPENDABLE TRUST	COMBINED TOTALS (MEMORANDUM ONLY) 2000	COMBINED TOTALS (MEMORANDUM ONLY) 1999
\$ 86,508,609	\$ 467,292	\$ 117,389	\$ 0	\$ 87,093,290	\$ 95,160,921
242,335,390	1,319,642	331,359	849,323	244,835,714	248,067,357
290,423,207	1,581,506	397,112	315,618	292,717,443	256,388,311
874,200,143	4,760,476	1,195,344	15,354,955	895,510,918	972,926,901
603,698,445	3,287,453	825,472	902,032	608,713,402	734,811,234
163,906,745	892,558	224,119	0	165,023,422	102,113,919
144,161,222	785,033	197,120	0	145,143,375	95,876,871
154,005,685	838,641	210,581	0	155,054,907	179,589,538
222,499,517	1,211,626	304,236	0	224,015,379	168,726,580
2,695,230,354	14,676,935	3,685,343	17,421,928	2,731,014,560	2,758,500,711
2,781,738,963	15,144,227	3,802,732	17,421,928	2,818,107,850	2,853,661,632
10,830	59	15	0	10,904	5,565
20,177,395	108,992	27,380	0	20,313,767	5,812,617
					77,804
1,448,957	7,827	1,966	0	1,458,750	1,566,596
11,929,040	64,437	16,187	0	12,009,664	12,498,168
33,566,222	181,315	45,548	0	33,793,085	19,960,750
1,617,756	8,739	2,195	0	1,628,690	1,683,679
108,056	584	147	0	108,787	118,391
2,817,030,997	15,334,865	3,850,622	17,421,928	2,853,638,412	2,875,424,452
2,195,631	11,860	2,979	0	2,210,470	2,168,826
108,556,437	649,402	162,320	0	109,368,159	70,583,342
222,434,020	1,264,532	316,827	0	224,015,379	168,726,580
333,186,088	1,925,794	482,126	0	335,594,008	241,478,748
\$ 2,483,844,909	\$ 13,409,071	\$ 3,368,496	\$ 17,421,928	\$ 2,518,044,404	\$ 2,633,945,704

Financial Section

Statement of Changes in Plan Net Assets Available for Benefits for the year ended December 31, 2000

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY
ADDITIONS		
Contributions (Note 3)		
Employer	\$ 37,986,502	\$ 1,465,861
Plan Member	25,172,131	592,087
Affiliations	1,426,317	0
State Contributions	<u>27,141,938</u>	<u>0</u>
<i>Total Contributions</i>	91,726,888	2,057,948
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	(123,135,835)	(15,109,736)
Interest	35,207,849	4,323,503
Dividends	7,383,288	906,663
Net Real Estate Investment Income	6,442,589	791,146
Securities Lending Income	10,009,295	1,229,102
Other Income	<u>6,796,738</u>	<u>834,613</u>
<i>Total Investment Income (Loss)</i>	(57,296,076)	(7,024,709)
Less Investment Counsel	106,214	13,043
Less Investment Management Fees	3,671,435	450,838
Less Securities Lending Borrowers Rebates	9,222,034	1,132,430
Less Securities Lending Agent Fees	<u>196,991</u>	<u>24,190</u>
<i>Net Investment Income (Loss)</i>	(70,492,750)	(8,645,210)
Total Additions	21,234,138	(6,587,262)
DEDUCTIONS		
Benefit Payments	103,912,835	7,855,192
Refunds of Contributions	17,978,836	0
Administrative Costs	2,571,579	315,788
Total Deductions	124,463,250	8,170,980
NET INCREASE (DECREASE) IN PLAN NET ASSETS	(103,229,112)	(14,758,242)
NET ASSETS AVAILABLE FOR PENSION BENEFITS		
<i>BEGINNING OF YEAR</i>	1,965,959,259	243,632,498
END OF YEAR	\$ 1,862,730,147	\$ 228,874,256

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

STATEWIDE DEFINED BENEFIT	TOTAL DEFINED BENEFIT	MEMBERS' MONEY PURCHASE	MEMBERS' STATEWIDE MONEY PURCHASE	COMBINED TOTALS (MEMORANDUM ONLY) 2000	COMBINED TOTALS (MEMORANDUM ONLY) 1999
\$ 10,911,237	\$ 50,363,600	\$ 416,093	\$ 248,425	\$ 51,028,118	\$ 49,636,327
11,313,156	37,077,374	548,226	385,453	38,011,053	32,428,830
0	1,426,317	0	0	1,426,317	25,807,791
0	27,141,938	0	0	27,141,938	27,114,921
<u>22,224,393</u>	<u>116,009,229</u>	<u>964,319</u>	<u>633,878</u>	<u>117,607,426</u>	<u>134,987,869</u>
(25,539,048)	(163,784,619)	(1,513,390)	(318,501)	(165,616,510)	324,795,107
7,387,746	46,919,098	0	0	46,919,098	40,571,326
1,549,253	9,839,204	0	0	9,839,204	11,110,266
1,351,864	8,585,599	0	0	8,585,599	11,158,276
2,100,269	13,338,666	72,051	18,066	13,428,783	10,704,009
1,426,172	9,057,523	48,926	12,267	9,118,716	12,594,864
<u>(11,723,744)</u>	<u>(76,044,529)</u>	<u>(1,392,413)</u>	<u>(288,168)</u>	<u>(77,725,110)</u>	<u>410,933,848</u>
22,287	141,544	765	192	142,501	90,000
770,384	4,892,657	26,429	6,627	4,925,713	4,814,483
1,935,077	12,289,541	66,384	16,645	12,372,570	9,453,863
41,335	262,516	1,418	356	264,290	312,807
<u>(14,492,827)</u>	<u>(93,630,787)</u>	<u>(1,487,409)</u>	<u>(311,988)</u>	<u>(95,430,184)</u>	<u>396,262,695</u>
7,731,566	22,378,442	(523,090)	321,890	22,177,242	531,250,564
413,135	112,181,162	97,174	4,945	112,283,281	101,496,836
1,300,892	19,279,728	1,095,339	219,081	20,594,148	14,051,611
539,601	3,426,968	0	0	3,426,968	3,254,498
2,253,628	134,887,858	1,192,513	224,026	136,304,397	118,802,945
5,477,938	(112,509,416)	(1,715,603)	97,864	(114,127,155)	412,447,619
386,762,568	2,596,354,325	15,124,674	3,270,632	2,614,749,631	2,202,302,012
\$ 392,240,506	\$ 2,483,844,909	\$ 13,409,071	\$ 3,368,496	\$ 2,500,622,476	\$ 2,614,749,631

Financial Section

Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 2000

	IRC 457 EXPENDABLE TRUST
REVENUES	
Contributions	
Plan Member	\$ 2,340,379
<i>Total Contributions</i>	<u>2,340,379</u>
Investment Income	
Net Appreciation in Fair Value of Investments	(1,764,355)
<i>Total Investment Income</i>	<u>(1,764,355)</u>
Total Revenues	576,024
EXPENDITURES	
Withdrawals	<u>2,350,169</u>
Total Expenditures	2,350,169
EXCESS OF REVENUES OVER EXPENDITURES	(1,774,145)
FUND BALANCE RESERVED FOR WITHDRAWALS BEGINNING OF YEAR	<u>19,196,073</u>
END OF YEAR	\$ 17,421,928

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 a cost sharing agent multiple-employer defined contribution plan.

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

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

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

NOTE 2

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

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

(b) Reporting Entity

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

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

(c) Investments

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

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

(d) Cash and Cash Equivalents

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

(e) Property and Equipment

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

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

(f) Income Taxes

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

(g) Member Transactions

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

Funds withdrawn by members include benefit payments to members, refunds paid to terminated employees, and withdrawals of deferred amounts.

(h) Estimates

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

(i) Reclassification of Prior Year Amounts

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

NOTE 3

PLAN DESCRIPTIONS

(A) Affiliated Local Plans

(1) Plan Description

This is an agent multiple-employer Public Employee Retirement System (PERS). There are 198 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 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, 2000, are comprised as follows:

Retirees and Beneficiaries Currently Receiving Benefits	4,434
Terminated Vested Employees Entitled to Benefits But Not Yet Receiving Them	518
Current Employees - Active	1,975
Current Volunteers - Active	3,827
<i>Total Members</i>	<i>10,754</i>

(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, 2000, 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, 2000, are comprised as follows:

Retirees and beneficiaries receiving benefits	528
Active non-vested members	9,038
<i>Total Members</i>	<i>9,566</i>

(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 133 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 2000 are \$10,454,826, representing 8.358% of base payroll.

(3) Benefits

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

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

The annual normal pension shall be 2% of the average of the member's highest three years' base salary multiplied by the member's years of service prior to age 60 (not to exceed 25) plus 2% of the average for each additional year worked after completing 25 years and reaching age 55 for maximum additional benefit of 20%. Benefits paid to retired members are evaluated and re-determined October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the Consumer Price Index or 3%. In addition, upon retirement a participant may receive additional benefits credited to the participant's "Separate Retirement" account each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and any earnings or losses thereon. Participants do not vest in amounts credited to their account until retirement and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. Following a Statewide Benefit Plan participant election in late 2000, the benefit structure will change somewhat beginning January 1, 2001.

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,

Notes to the Financial Statement

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, 2000, are comprised as follows:

Retirees and beneficiaries receiving benefits:	30
Terminated members entitled to benefits but not yet receiving such benefits:	87
Members	
Fully Vested:	6
Partially Vested:	1,103
Non-vested:	1,866
<i>Total Members</i>	<i>3,092</i>

(D) Members' Money Purchase Plan Benefit Fund

(1) Plan Description

The Fund is a 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, 2000.

(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 114 contributing employees (members) at December 31, 2000.

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	8
Members:	
Partially Vested	106
<i>Total Members</i>	<i>114</i>

(E) Members' Statewide Money Purchase Plan Benefit Fund

(1) Plan Description

The Fund is a 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 39 contributing employers as of December 31, 2000.

(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. As of July 1, 2001, employer contributions may be invested in funds at the discretion of members.

(3) Membership

The participating employees (members) of the Fund at December 31, 2000, are comprised as follows:

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	2
Members:	
Fully Vested	22
Partially Vested	48
Non-vested	6
<i>Total Members</i>	<i>78</i>

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).

Notes to the Financial Statement

At December 31, 2000, the Association's cash deposits had a carrying value, and a corresponding bank balance as follows:

	Carrying Value	Bank Balance
Cash on Hand	\$ 350	\$ n/a
Insured Deposits	100,000	100,000
Deposits Collateralized in Single Institution Pools (Category 2)	2,360	613,850
<i>Total Deposits</i>	<i>102,710</i>	<i>713,850</i>
Cash and Cash Equivalents held by the Respective Custodians (Category 2)	86,990,580	86,990,580
<i>Total Cash and Cash Equivalents</i>	<i>\$ 87,093,290</i>	<i>\$ 87,704,430</i>

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

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

Category 1

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

Category 2

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

Category 3

Uninsured and unregistered, with securities held by the counter-party 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.

Notes to the Financial Statement

	Securities not Loaned	Securities Loaned	Carrying Amount
INVESTMENTS CATEGORIZED			
U.S. Government Obligations (1)(3)	\$ 146,959,423	\$ 197,145	\$ 147,156,568
Domestic Corporate Bonds (3)	268,496,406	7,896	268,504,302
Domestic Stocks (3)	879,391,171		879,391,171
International Stocks (2)(3)	536,999,493	5,742,474	542,741,967
International Fixed Income (3)	164,960,103		164,960,103
<i>Sub-Total</i>	<i>\$ 1,996,806,596</i>	<i>\$ 5,947,515</i>	<i>\$ 2,002,754,111</i>
<i>(1) Secured by Tri-Party Collateral</i> <i>(2) Secured by Letter of Credit Collateral</i> <i>(3) Secured by Securities Collateral</i>			
INVESTMENTS NOT CATEGORIZED			
Venture Capital			145,143,375
Real Estate			155,054,907
Securities Lending Investment Pool			224,015,379
Investments Held by Broker -			
Dealers Under Securities Loans			
U.S. Government Obligations			97,679,147
Domestic Corporate Bonds			24,213,141
Domestic Stocks			16,119,747
International Stocks			65,971,534
International Fixed Income			63,219
<i>Total</i>	<i>\$ 1,996,806,596</i>	<i>\$ 5,947,515</i>	<i>\$ 2,731,014,560</i>
A summary of investments reflected on the Statement of Plan Net Assets Available for Benefits follows:			
U.S. Government Agency Obligations			\$ 244,835,714
Corporate Bonds			292,717,443
Domestic Equity Securities			895,510,918
International Equity Securities			608,713,402
International Fixed Income			165,023,422
Venture Capital			145,143,375
Real Estate			155,054,907
Securities Lending Investments Pool			224,015,379
<i>Total Investments</i>			<i>\$2,731,014,560</i>

(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, 2000, 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, 2000. 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, 2000, 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, 2000, the Association has no credit risk exposure to borrowers. The market value of the securities on loan for the Association as of December 31, 2000, was \$224,015,379.

(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 \$17,421,928 at December 31, 2000.

NOTE 6

PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2000, is comprised of the following:

	<i>Balance December 31, 1999</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance December 31, 2000</i>
General Fixed Assets				
Land, Bldgs. & Equipment	\$ 2,858,129	\$ 100,566	\$ (79,093)	\$ 2,879,602
Accumulated Depreciation	(1,174,450)	(155,555)	79,093	(1,250,912)
<i>Total</i>	<i>\$ 1,683,679</i>	<i>\$ (54,989)</i>	<i>\$ 0</i>	<i>\$ 1,628,690</i>

Depreciation expense totaled \$155,555 in 2000.

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%, the rate changed to 10.40% as of July 1, 2000, of covered salary. A portion of the Association's contribution is allocated for the Health Care Fund. The Association's contributions to SDTF for the years ending December 31, 2000, 1999, 1998, 1997, 1996, and 1995, were \$146,324, \$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

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, 2000, were \$15,153.

NOTE 10

FINANCIAL OBLIGATIONS WITH OFF BALANCE SHEET RISK

FORWARD FOREIGN EXCHANGE CONTRACTS

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

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

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

EQUITY INDEX FUTURES

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

*NOTE 11**COMMITMENTS AND CONTINGENCIES*

FPPA is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of FPPA's legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Common Fund. The Association has invested in certain venture capital partnerships and corporations. As part of these investments, FPPA has agreed to contribute additional funds at various times. At December 31, 2000, FPPA had committed approximately \$71.1 million in additional funds to these projects.

Financial Section

Required Supplementary Information Schedule of Funding Progress (Unaudited) • December 31, 2000

Statewide Defined Benefit Plan	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Surplus) Actuarial Accrued Liability as a Percentage of Covered Payroll
2000	1/1/00	\$ 367,003,914	\$ 230,422,395	\$ (136,581,519)	159.3%	\$ 125,090,112	(109.2%)
1999	1/1/99	311,057,177	203,004,350	(108,052,827)	153.2%	108,851,702	(99.3%)
1998	1/1/98	261,508,736	171,147,782	(90,360,954)	152.8%	97,101,652	(93.1%)
1997	1/1/97	217,453,896	139,041,762	(78,412,134)	156.4%	85,955,603	(91.2%)
1996	1/1/96	180,001,287	113,656,148	(66,345,139)	158.4%	78,398,964	(84.6%)
1995	1/1/95	137,168,606	92,730,116	(44,438,490)	147.9%	71,709,917	(62.0%)
1994	1/1/94	125,631,977	93,609,168	(32,022,809)	134.2%	65,745,436	(48.7%)
1993	1/1/93	103,311,819	103,311,819	N/A	100.0%	55,907,812	N/A
1992	1/1/92	\$ 89,587,411	\$ 89,587,411	N/A	100.0%	\$ 50,517,390	N/A

Affiliated Local Plans	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Surplus) Actuarial Accrued Liability as a Percentage of Covered Payroll
2000	1/1/00	\$ 1,824,520,033	\$ 1,958,959,749	\$ 134,439,716	93.1%	\$ 82,304,632	163.3%
1998	1/1/98	1,466,608,186	1,813,999,862	347,391,676	80.9%	104,522,694	332.4%
1996	1/1/96	1,121,444,504	1,593,927,538	472,483,034	70.4%	96,013,582	492.1%
1994	1/1/94	856,308,695	1,382,776,434	526,467,739	61.9%	102,422,653	514.0%
1992	1/1/92	\$ 687,407,249	\$ 1,321,304,664	\$ 633,897,416	52.0%	\$ 104,481,916	606.7%

Required Supplementary Information
Schedule of Employer and State Contributions (Unaudited) • December 31, 2000

(A) Statewide Death and Disability Plan*Employer Contributions*

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1991	\$ 15,348	100
1992	17,230	100
1993	21,201	100
1994	23,564	100
1995	29,500	100
1996	36,712	100
1997	28,289	100
1998	492,648	100
1999	878,546	100
2000	1,465,861	100

(B) Statewide Defined Benefit Plan*Employer Contributions*

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1991	\$ 3,989,037	100
1992	4,420,194	100
1993	4,926,158	100
1994	5,341,227	100
1995	6,008,223	100
1996	6,732,026	100
1997	6,876,448	100
1998	8,890,743	100
1999	9,473,201	100
2000	10,007,209	100

State of Colorado Contributions

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1991	\$ 1,200,000	100
1992	600,000	100
1993	3,717,048	100
1994	7,467,052	100
1995	7,500,000	100
1996	7,500,000	100
1997	39,000,000	100
1998	0*	N/A
1999	0*	N/A
2000	0*	N/A

(C) Affiliated Local Plans*Employer Contributions*

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
1992	\$ 66,161,860	100
1993	66,161,860	100
1994	57,505,130	100
1995	57,505,130	100
1996	60,058,331	100
1997	60,058,331	100
1998	53,639,344	100
1999	51,599,353	100
2000	37,986,502	100

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

Financial Section

Required Supplementary Information

Notes to the Required Supplementary Information (Unaudited) • December 31, 2000

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 198 Affiliated Local Plans has its own actuarial study. Data presented here is an aggregation of the data from each individual plan study. The data should not be interpreted as being indicative of the status of any individual plan.

NOTE 2

ACTUARIAL ASSUMPTIONS AND METHODS

	<i>Statewide Death & Disability</i>	<i>Statewide Defined Benefit</i>	<i>Affiliated Local Plans</i>
Valuation Date	1/1/00	1/1/00	1/1/00
Actuarial Method	Aggregate Funding(2)	Entry Age Normal	Entry Age Normal
Amortization Method	N/A(1)	N/A(1)	Various
Remaining Amortization Period	N/A(1)	N/A(1)	Various
Asset Valuation Method	3 Year Weighted Moving Average	3 Year Weighted Moving Average	3 Year Weighted Moving Average
Actuarial Assumptions:			
Investment Rate of Return	8%	8%	8%
Projected Salary Increase	4.5% - 13.0%	4.5% - 13.0%	4.5% - 13.0%
Includes Inflation at	4.0%	4.0%	4.0%
Cost of Living Adjustment	0% - 3%	0% - 3%	0% - 3%
Health Care	N/A	N/A	N/A
Inflation Factor	N/A	N/A	N/A

(1) Plans not permitted to be 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 2000.

Affiliated Local Plans

· There were no significant factors affecting trends during 2000.

Financial Section

Supporting Schedules for Financial Section Net Assets by Participant • December 31, 2000

Alamosa Volunteer Fire Department (Volunteer)	\$ 1,258,608
Aspen Fire Protection District (Volunteer)	1,416,925
Ault Fire Protection District (Volunteer)	325,083
Aurora Fire	87,646,223
Aurora Fire - DROP	4,979,431
Aurora Fire-Rank Escalation	11,766,202
Aurora Police	93,006,749
Aurora Police - DROP	6,251,319
Aurora Police-Rank Escalation	13,778,705
Bancroft Fire Protection District	12,215,296
Bancroft Fire Protection District-Rank Escalation	1,423,546
Basalt and Rural Fire Protection District (Volunteer)	1,397,229
Bennett Volunteer Fire (Volunteer)	223,278
Berthoud Fire Protection District (Volunteer)	500,480
Black Hawk Fire Protection District (Volunteer)	18,023
Boone Volunteer Fire (Volunteer)	35,465
Boulder Rural Fire Protection District (Volunteer)	567,970
Boulder Heights Fire Protection District (Volunteer)	345,065
Bow Mar Police	181,861
Brighton Fire (Volunteer)	3,350,998
Brush Volunteer Fire Department (Volunteer)	303,848
Buena Vista Fire (Volunteer)	221,355
Burning Mountains Fire Protection District (Volunteer)	380,598
Calhan Fire (Volunteer)	18,597
Canon City Area Fire Protection District	4,070,198
Canon City Area Fire Protection District (Volunteer)	239,635
Carbondale & Rural Fire Protection District (Volunteer)	924,026
Cascade Fire (Volunteer)	197,959
Castle Rock Volunteer Fire Department (Volunteer)	943,555
Cedaredge Police	257,026
Central City Fire Department (Volunteer)	178,551
Central Orchard Mesa Fire Protection District (Volunteer)	108,270
Cherry Hills Fire Protection District	3,773,201
Cherryvale Fire Protection District (Volunteer)	196,432
Cheyenne City #1 Fire (Volunteer)	118,664
Clear Creek County Emergency Services District (Volunteer)	1,198,122
Clifton Fire Protection District (Volunteer)	1,783,599
Coal Creek Fire Protection District (Volunteer)	752,009
Colorado Sierra Fire Protection District (Volunteer)	33,224
Colorado Springs Exempt Fire	53,228,676
Colorado Springs Exempt Fire SRA Actuarial	138,195
Colorado Springs Exempt Fire SRA Master	50,334
Colorado Springs Exempt Police	90,042,229
Colorado Springs Exempt Police SRA Actuarial	325,377
Colorado Springs Exempt Police SRA Master	98,567
Colorado Springs Fire	98,390,695

See the accompanying independent auditor's report.

*Supporting Schedules for Financial Section
Net Assets by Participant • December 31, 2000*

Colorado Springs Fire-Rank Escalation	\$ 15,060,026
Colorado Springs Fire SRA-Master	6,146
Colorado Springs Police	82,132,393
Colorado Springs Police-Rank Escalation	12,456,740
Cortez Police	312,822
Cripple Creek Fire Protection District (Volunteer)	217,592
Crowley Fire Department (Volunteer)	10,203
Crystal Lake Fire Department (Volunteer)	27,716
** Del Norte Fire (Volunteer)	353,485
Del Norte Police	54,900
Denver Fire	367,275,003
Denver Fire - DROP	10,211,180
Denver Fire - Rank Escalation	30,356,426
Denver Police	504,961,084
Denver Police - DROP	15,083,205
Denver Police - Rank Escalation	37,580,337
Dove Creek Fire (Volunteer)	66,385
Eads Volunteer Fire Department (Volunteer)	105,129
** Eckley Fire (Volunteer)	24,091
Eldorado Fire Department (Volunteer)	89,118
Elizabeth Fire Protection District (Volunteer)	992,020
Englewood Fire Department	14,805,098
Englewood Fire Department (Volunteer)	541,059
Englewood Fire DROP	217,311
Englewood Police	9,293,965
** Englewood Police-DROP	253,475
Erie Police	319,859
Evans Volunteer Fire Department (Volunteer)	335,129
Evergreen Fire (Volunteer)	2,957,282
Falcon Fire Protection District (Volunteer)	692,562
Federal Heights Volunteer Fire Department (Volunteer)	1,343,373
Firestone Marshalls	46,046
** Fisher's Peak Fire (Volunteer)	20,968
Foothills Fire Protection District (Volunteer)	877,108
Fort Morgan Fire (Volunteer)	1,205,954
Fort Morgan Police	1,006,305
Fort Morgan Rural Fire (Volunteer)	294,620
Florence Fire (Volunteer)	272,597
Franktown Fire Protection District (Volunteer)	1,014,251
Frederick Area Fire Protection District (Volunteer)	255,703
Genesee Fire Protection District (Volunteer)	758,207
Glendale Volunteer Fire Department (Volunteer)	195,376
Glenwood Springs Fire Department (Volunteer)	778,285
Golden Gate Fire Protection District (Volunteer)	106,129
Golden Volunteer Fire Department (Volunteer)	2,898,489
Grand Fire Protection District (Volunteer)	645,126

** *New Affiliation in 2000*

See the accompanying independent auditor's report.

Financial Section

Supporting Schedules for Financial Section Net Assets by Participant • December 31, 2000

Grand Junction Fire	\$ 13,986,875
Grand Junction Police	2,144,494
Grand Lake Fire (Volunteer)	1,012,616
Grand Valley Fire (Volunteer)	1,017,275
Greeley Police	2,249,539
Green Mountain Falls-Chipita Park Fire Protection District (Volunteer)	191,301
Gypsum Fire (Volunteer)	264,891
Hartsel Fire Protection District (Volunteer)	310,798
Haxtun Police	259,434
Haxtun Volunteer Fire Department (Volunteer)	128,407
Hermosa Cliff Fire Protection District (Volunteer)	638,354
High Country Fire Protection District (Volunteer)	891,779
Holyoke (City) Volunteer Fire Department (Volunteer)	121,909
Holyoke Fire Protection District (Volunteer)	267,003
Holyoke Police	83,152
Hot Sulphur Springs-Parshall Fire Protection District (Volunteer)	70,424
Indian Hills Fire Protection District (Volunteer)	269,316
Inter-Canyon Fire Protection District (Volunteer)	703,595
Jackson 105 Fire Protection District (Volunteer)	88,328
Jefferson-Como Fire Protection District (Volunteer)	394,330
Kiowa Fire Protection District (Volunteer)	312,814
Kremmling Fire Protection District (Volunteer)	419,987
Lafayette Volunteer Fire Department (Volunteer)	1,055,739
* Lake Dillon Fire (Volunteer)	1,589,116
Lake George Fire Protection District (Volunteer)	60,094
La Junta Fire	1,147,440
La Junta Police	1,367,740
La Junta Rural Fire Protection District (Volunteer)	316,459
Lakewood Fire Protection District	22,279,596
Lakewood Fire Protection District-Rank Escalation	5,618,861
Lamar Fire	848,707
Lamar Fire Protection District (Volunteer)	155,854
Lamar Police	132,907
Larkspur Fire Protection District (Volunteer)	899,455
Las Animas Police	727,621
La Salle Fire Protection District (Volunteer)	1,313,514
La Salle Police	325,306
Leadville Fire	372,778
Left Hand Fire Protection District (Volunteer)	461,080
Lewis-Arriola Fire Protection District (Volunteer)	779,583
Limon Fire Department (Volunteer)	328,354
Log Hill Mesa Fire Protection District (Volunteer)	47,342
Lower Valley Fire Protection District (Volunteer)	358,904
Manitou Springs Fire	483,707

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

See the accompanying independent auditor's report.

*Supporting Schedules for Financial Section
Net Assets by Participant • December 31, 2000*

Manitou Springs Volunteer Fire Department (Volunteer)	\$ 450,720
Manzanola Rural Fire Protection District (Volunteer)	62,918
Milliken Fire Protection District (Volunteer)	516,342
Montrose Fire Protection District	316,879
Montrose Fire Protection District (Volunteer)	719,891
Mountain View Fire Protection District	708,025
Mountain View Fire Protection District (Volunteer)	1,969,143
Nederland Fire Protection District (Volunteer)	89,441
Northeast Teller County Fire Protection District (Volunteer)	402,462
North Fork Fire Protection District (Volunteer)	44,292
North Routt Fire Protection District (Volunteer)	72,681
North Washington Fire Protection District	5,084,653
North Washington Fire Protection District-Rank Escalation	431,728
North Washington Fire Protection District (Volunteer)	208,082
Northwest Conejos Fire Protection District (Volunteer)	315,762
Northwest Fire Protection District (Volunteer)	352,350
Nunn Fire Protection District (Volunteer)	277,507
Oak Creek Fire Protection District (Volunteer)	190,872
Olathe Fire Protection District (Volunteer)	257,350
Olney Springs Volunteer Fire Department (Volunteer)	128,828
Ouray Volunteer Fire Department (Volunteer)	173,016
Pagosa Fire Protection District (Volunteer)	2,479,902
Palisade Volunteer Fire Department (Volunteer)	219,992
Palmer Lake Volunteer Fire Department (Volunteer)	43,869
Paonia Police	16,241
Parker Fire Protection District (Volunteer)	835,796
** Pawnee Fire (Volunteer)	9,858
Pinebrook Hills Fire Protection District (Volunteer)	91,076
Platte Canyon Fire Protection District (Volunteer)	864,552
Platte Valley Fire Protection District (Volunteer)	1,638,082
Pleasant View Fire Protection District (Volunteer)	237,772
Pleasant View Metro Fire Protection District (Volunteer)	937,810
Poudre Valley Fire (Volunteer)	163,907
Pueblo Fire	41,704,254
Pueblo Fire-Rank Escalation	2,668,232
Pueblo Police	62,107,360
Pueblo Police-Rank Escalation	7,111,989
Pueblo Rural Fire Protection District	3,074,066
Pueblo Rural Fire Protection District-Rank Escalation	418,421
** Rangeley Rural Fire (Volunteer)	505,738
Rattlesnake Fire Protection District (Volunteer)	280,152
Red Feather Lakes Fire Protection District (Volunteer)	117,029
** Ridgeway Fire (Volunteer)	231,662
Rio Blanco Fire Protection District (Volunteer)	799,616
Rifle Fire (Volunteer)	806,194

** *New Affiliation in 2000*

See the accompanying independent auditor's report.

Financial Section

Supporting Schedules for Financial Section Net Assets by Participant • December 31, 2000

Rocky Ford Fire	\$ 325,259
Rocky Ford Police	620,469
Rocky Ford Volunteer Fire Department (Volunteer)	27,566
Sable Altura Fire Protection District (Volunteer)	469,323
Salida Fire	393,551
Salida Police	1,315,257
** Salida Police DROP	67,778
Simla Volunteer Fire Department (Volunteer)	82,706
Snake River Fire Protection District (Volunteer)	470,228
South Adams County Fire Protection District	759,437
South Adams County Fire Protection District (Volunteer)	3,514,543
South Arkansas Fire Protection District (Volunteer)	285,954
South Conejos Fire Protection District (Volunteer)	162,411
South Metro Fire Rescue (Volunteer)	481,942
Springfield Fire (Volunteer)	98,523
Springfield Police	549,600
Steamboat Springs Volunteer Fire Department (Volunteer)	1,171,764
Sterling Fire	1,047,252
Sterling Police	1,230,241
Sterling Volunteer Fire Department (Volunteer)	330,190
Stratton Fire Protection District (Volunteer)	45,301
Sugar City Fire Department (Volunteer)	73,590
Sugarloaf Fire Protection District (Volunteer)	285,540
** SW Washington Fire (Volunteer)	5,520
Telluride Fire Protection District (Volunteer)	624,953
Thornton Fire	9,936,990
Trinidad Fire	458,483
Trinidad Fire-Rank Escalation	54,521
Trinidad Police	172,236
Union Colony Fire	9,744,812
Walsenburg Police	54,434
** Walsh Fire (Volunteer)	3,719
Wellington Fire Protection District (Volunteer)	590,727
West Cheyenne Fire Protection District (Volunteer)	45,486
West Douglas County Fire Protection District (Volunteer)	497,241
West Metro Fire (Volunteer)	863,287
West Routt Fire Protection District (Volunteer)	1,117,310
Wiley Rural Fire Protection District (Volunteer)	68,343
Woodmoor - Monument Fire	391,900
Yampa Fire Protection District (Volunteer)	245,392
** Yuma Fire (Volunteer)	241,402
Total Net Assets By Participant	\$1,862,730,147

** New Affiliation in 2000
See the accompanying independent auditor's report.

*Supporting Schedules for Financial Section
Payments to Consultants • December 31, 2000*

ACTUARIAL CONSULTANTS	
Buck Consultants	\$ 141,352
AUDITORS	
BONDI & Co. LLP	29,000
INVESTMENT COUNSEL	
Pension Consulting Alliance	142,500
ATTORNEYS	
Gorsuch Kirgis L.L.P.	42,704
Christensen, White, Miller, & Fink	21,230
Ballard, Spahr, Andrews & Ingersoll	11,313
MEDICAL CONSULTANT	
David Patron, M.D.	4,538
Gerald Starkey, M.D.	29,531
	<hr/>
	\$ 422,168

Financial Section

*Schedule of Administration and Investment Expenses • December 31, 2000
(with comparative totals for December 31, 1999, 1998, 1997, 1996 and 1995)*

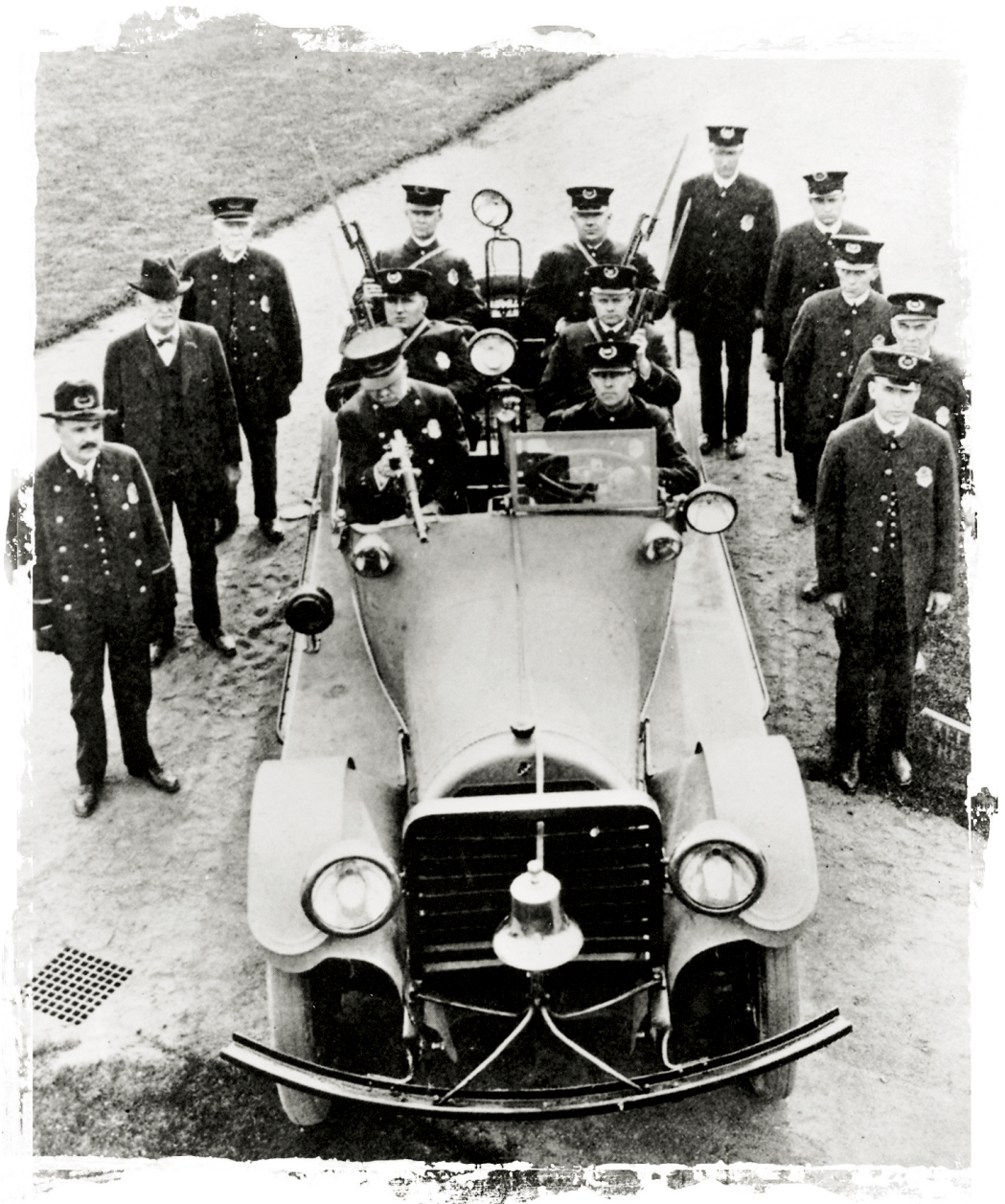
Expenditure Group	2000	1999	1998	1997	1996	1995
INVESTMENT FEES						
Investment Counsel	\$ 142,501	\$ 90,000	\$ 90,000	\$ 90,305	\$ 80,897	\$ 64,738
Investment Mgmt. Fees	4,925,713	4,814,483	4,209,531	3,487,427	2,804,524	2,391,834
Real Estate Mgmt. Fees	-	-	-	72,722	22,554	55,653
<i>Total Investment Fees</i>	<i>5,068,214</i>	<i>4,904,483</i>	<i>4,299,531</i>	<i>3,650,454</i>	<i>2,907,975</i>	<i>2,512,225</i>
PROFESSIONAL CONTRACTS						
Actuarial Contract	141,352	197,700	130,000	107,707	85,983	52,064
Audit Fees	29,000	28,000	27,000	28,000	32,200	29,700
Computer Maintenance & Lease	67,494	87,602	120,653	72,047	63,642	71,390
Insurance & Bonding	84,942	79,516	91,889	73,702	111,269	87,849
Legal & Legislative Counsel	113,730	148,777	158,573	95,046	70,031	88,237
Management Consulting	2,500	20,000	37,492	17,241	4,401	3,000
Medical Exam Fees	150,100	154,214	133,500	84,734	76,670	72,777
Hearing Officers - D&D	4,274	2,966	5,215	18,349	-	-
Outside Svcs/Contract Help	3,144	4,934	1,296	949	690	987
Records Management	6,313	51,400	4,289	4,417	4,090	5,524
<i>Total Professional Contracts</i>	<i>602,849</i>	<i>775,109</i>	<i>709,907</i>	<i>502,192</i>	<i>448,976</i>	<i>411,528</i>
PERSONNEL SERVICES						
Salaries	1,426,576	1,373,899	1,254,737	1,038,733	1,110,351	1,006,165
Employee Benefits	300,238	330,316	287,588	250,929	252,370	224,213
Employment Programs	15,553	10,883	7,268	28,025	5,675	7,831
<i>Total Personnel Services</i>	<i>1,742,367</i>	<i>1,715,098</i>	<i>1,549,593</i>	<i>1,317,687</i>	<i>1,368,396</i>	<i>1,238,209</i>
STAFF EDUCATION						
Tuition Assistance Program	16,466	11,192	12,165	9,765	11,804	13,339
Conferences & Seminars	32,762	28,570	30,133	24,672	23,230	22,335
<i>Total Staff Education</i>	<i>49,228</i>	<i>39,762</i>	<i>42,298</i>	<i>34,437</i>	<i>35,034</i>	<i>35,674</i>
OTHER OPERATING EXPENSES						
Bank Fees	384,146	206,506	204,324	221,456	191,514	162,179
Company Vehicles	7,200	7,017	2,202	2,336	2,354	2,022
Board Expenses	84,492	86,765	80,390	68,401	52,083	48,136
Data Processing Supplies	13,151	13,198	10,467	8,288	9,700	7,610
Equipment Rental & Maint.	37,524	19,755	21,353	13,531	8,283	7,912
Meetings & Travel	24,659	28,138	21,296	10,031	10,836	12,153
Operating Exp. Two DTC	13,418	25,930	5,057	18,153	31,704	
Other (misc.)	2,200	1,368	3,932	2,329	2,000	1,894
Postage	55,414	50,605	42,781	38,937	37,416	28,996
Printing & Mailing	131,646	88,099	90,916	54,837	92,993	69,195
Retirement Services	8,862	16,619	4,562	9,383	10,152	13,273

continued on next page

See the accompanying independent auditor's report.

*Schedule of Administration and Investment Expenses • December 31, 2000
(with comparative totals for December 31, 1999, 1998, 1997, 1996 and 1995)*

Expenditure Group	2000	1999	1998	1997	1996	1995
Staff Expense	5,255	5,227	4,716	3,477	3,453	4,050
Subscriptions & Dues	16,000	15,858	14,088	13,828	13,733	14,178
Supplies	54,249	38,592	46,164	41,267	46,475	48,100
Telephone	17,282	18,815	18,557	17,315	17,404	22,210
<i>Total Other Operating Expense</i>	<i>855,498</i>	<i>596,562</i>	<i>591,678</i>	<i>510,473</i>	<i>516,549</i>	<i>473,612</i>
TOTAL OPERATING EXPENSE	3,249,942	3,126,531	2,893,476	2,364,789	2,368,955	2,159,023
Depreciation Expense	155,555	127,967	131,092	129,996	163,309	147,093
TOTAL ADMINISTRATIVE EXPENSE	3,405,497	3,254,498	3,024,568	2,494,785	2,532,264	2,306,116
CAPITAL EXPENDITURES	21,471	71,113	53,638	105,886	94,120	79,137
TOTAL ADMINISTRATIVE EXPENSE	\$3,426,968	\$3,325,611	\$3,078,206	\$2,600,671	\$2,626,384	\$2,385,253



*Denver Police
Department Motor
Bandit Chaser.
Circa 1920.*

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 \$2.490 billion in market value as of December 31, 2000. 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,

Investment Section

General Information

the Board has, in its planning process, considered, and will continue to consider, all of the plans' liabilities, both present and projected.

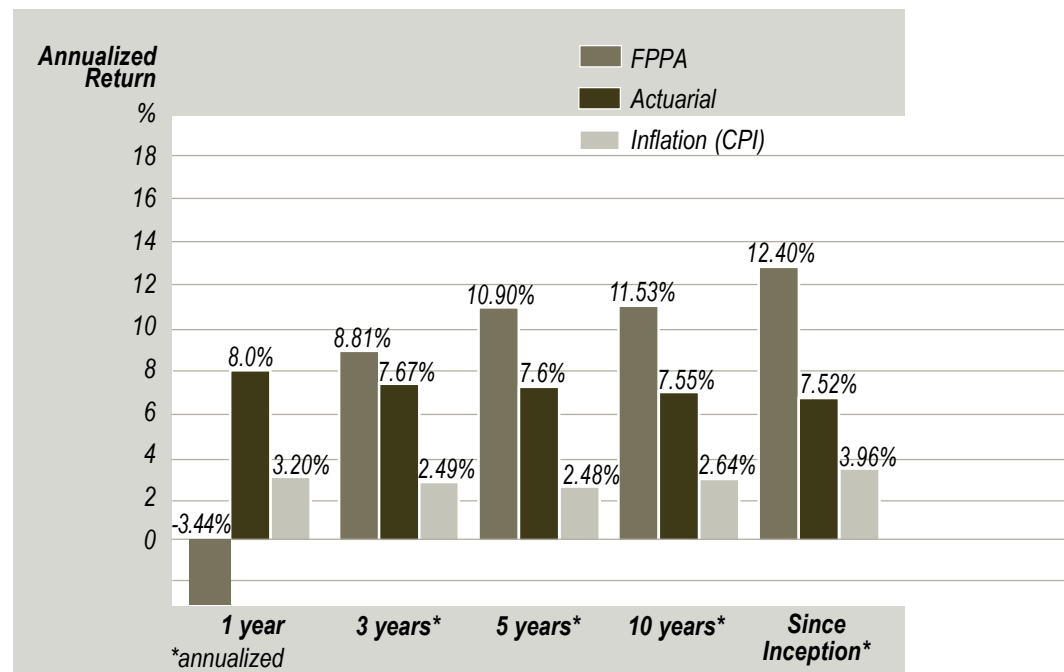
The investment objectives of the Board represent desired results and are long-term in nature. Given assumptions about current and projected capital market conditions, a real rate of return objective for plan assets has been set. This objective may be modified based on changes in plan conditions or the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

FPPA Fund Return vs. Inflation and Actuarial Requirements (inception - 2000)



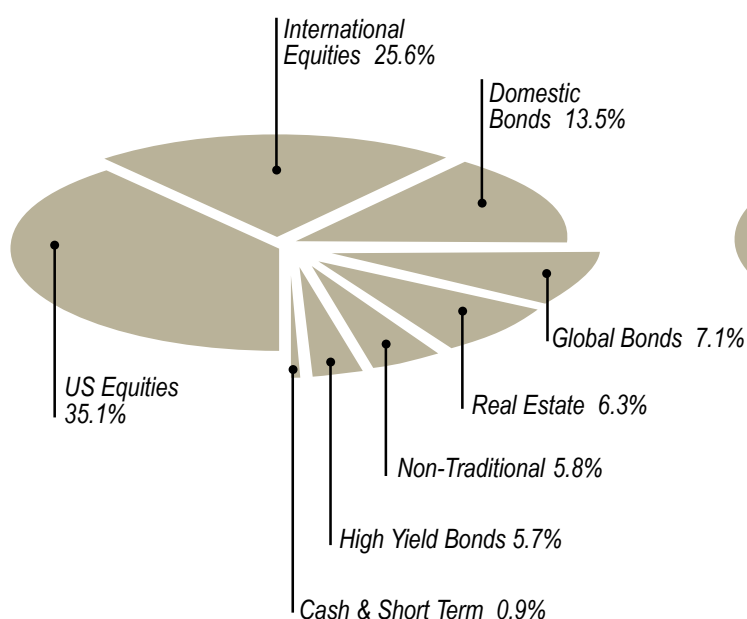
Each professional investment management firm retained by the Board must execute an Investment Manager Agreement, the form and substance of which is mutually agreed upon. Each firm must also agree, in writing, to abide by the policies and guidelines of the Association's investment policy and any additional 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.

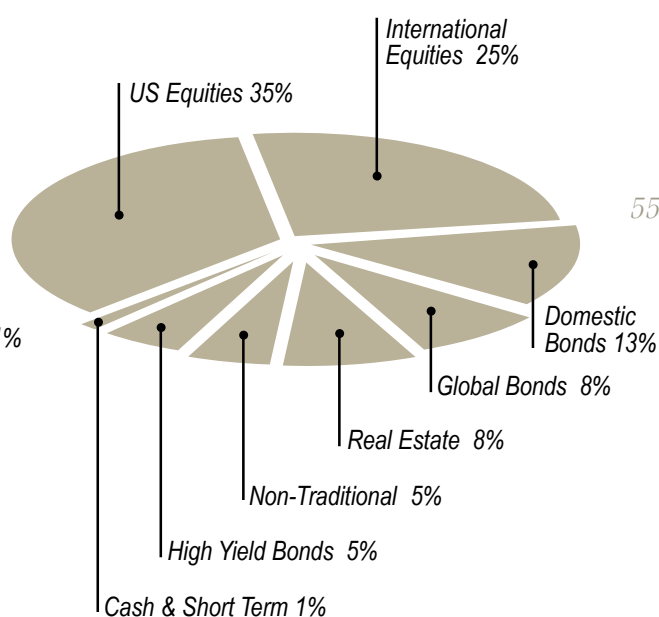
Cash equivalents, when utilized by an investment manager, are to be actively managed. In addition, unless agreed to between the Board and the manager, cash equivalent holdings are to be minimized. Commingled funds of any manager may not be used without prior approval of the Board. Securities that are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

2000 Asset Allocation



2000 Target Asset Allocation



ment of the real rate of return objective, comparison against the performance of other tax-exempt 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, 2000, 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 contri-

butions 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, 2000 the Association employed the investment managers and the investment options listed in the table on page 95.

Changes Slated for 2000-2001

In response to member request, FPPA will search for a service provider to enhance recordkeeping and investment options for FPPA's 457 Deferred Compensation Plan, Statewide Money Purchase Plan, and local money purchase plans affiliated with FPPA. With a service provider members will have new investment options, convenient access to account information, more flexibility, and increased access to investment education. (*Editors note. As of the printing of this report Fidelity Investments® has been chosen to provide these services beginning March 31, 2001.*)



Denver Fire Department Truck No. 6. Circa 1937.

Investment Section

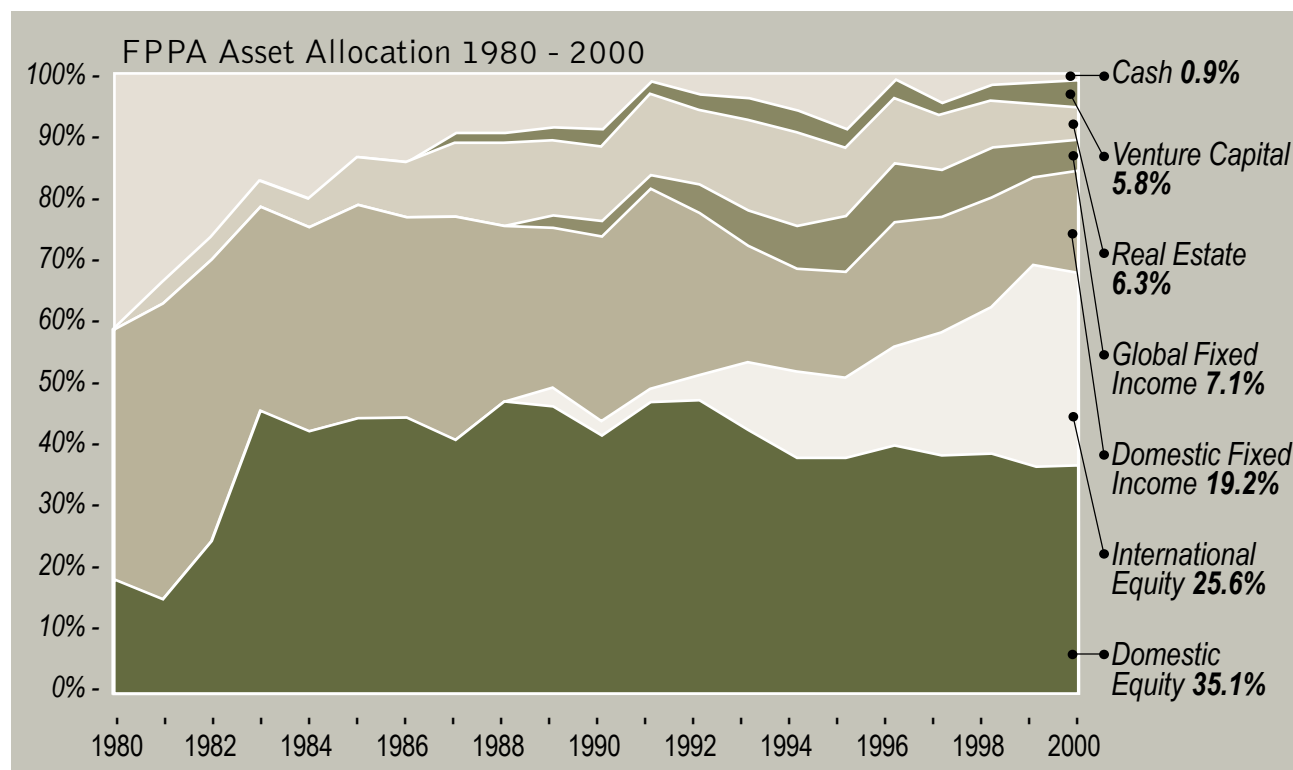
Asset Allocation by Category & Investment Manager

ASSET CLASS MANAGER	Investment Style	Management Fees	TOTAL ASSETS	% of Total Assets
Domestic Equities				
TH&B	Small Cap Core	\$334,005.00	\$117,580,614.65	4.72%
SSGA S&P/Barra Growth	S&P/Barra Growth Index	1,613.69**	161,575,373.45	6.49%
SSGA S&P/Barra Value	S&P/Barra Value Index	-45,988.60**	136,463,181.73	5.48%
SSGA S&P 500	S&P 500 Index	1,216.06**	307,458,380.69	12.35%
Brandywine	Small Cap Value	301,399.86	49,477,112.56	1.99%
JP Morgan	Enhanced S&P 500 Index	231,533.55	102,144,361.00	4.10%
<i>Total Domestic Equities</i>			\$874,699,024.08	35.13%
Domestic Fixed Income				
Bradford & Marzec	Active Corp./Govt.	235,792.61	111,746,530.22	4.49%
TCW-HiYield	High Yield	717,194.75	141,429,873.66	5.68%
PIMCO	Active Corp./Govt.	352,641.00	112,139,317.27	4.50%
Western Asset Mgmt	Active Corp./Govt.	303,838.11	<u>112,099,173.92</u>	<u>4.50%</u>
<i>Total Domestic Fixed</i>			\$477,414,895.07	19.18%
International Equities				
Morgan Stanley	Active/Passive EAFE	527,735.00	163,769,695.78	6.58%
Morgan Stanley-EM	Active Emerging Markets	*	32,300,638.39	1.30%
State Street-EMI	Active/Passive Emerging Markets	150,413.15	32,890,229.96	1.32%
SSGA-EAFE	EAFE Index	62,346.25**	144,007,404.06	5.78%
Putnam International	Active EAFE	954,126.32	<u>264,390,744.69</u>	<u>10.62%</u>
<i>Total International Equities</i>			\$637,358,712.88	25.60%
International Fixed Income				
Deutsche Asset Management	Active EAFE	356,197.70	111,868,410.46	4.49%
Strategic Fixed Inc.	Active EAFE	236,356.57	<u>63,901,069.09</u>	<u>2.57%</u>
<i>Total Intl. Fixed</i>			\$175,769,479.55	7.06%
Real Estate				
PM Realty	Directly Owned	*	68,161,359.49	2.74%
PRISA	Pooled	*	16,839,906.51	0.68%
RREEF	Pooled	*	4,903,816.00	0.20%
Hancock Timber	Timberlands	*	49,290,113.90	1.98%
Apollo RE	Opportunistic	*	11,119,986.38	0.45%
Blackstone RE	Opportunistic	*	4,739,724.30	0.19%
Internal	Directly Owned	*	<u>2,305,800.92</u>	<u>0.09%</u>
<i>Total Real Estate</i>			\$157,360,707.50	6.32%
Alternative Investments				
ABS Capital Partners II		*	4,387,624.24	0.18%
Apollo Investment Fund IV		*	9,100,035.97	0.37%
ARCH Venture V		*	916,067.10	0.04%
Aurora Equity Partners II		*	5,146,053.41	0.21%
Blackstone Capital Partners III		*	7,188,052.13	0.29%
Boston Ventures V		*	6,452,252.93	0.26%
Candover Partners		*	5,760,332.64	0.23%
Centennial Fund VI		*	3,508,675.50	0.14%
Charles River Partnership VI		*	512,816.24	0.02%
Chisholm Funds		*	17,285,666.99	0.69%
Columbine Venture Fund II		*	2,672,206.56	0.11%
Doughty Hanson & Co. Funds		*	4,968,584.57	0.20%
<i>continued on next page</i>				
* Fees netted against trust fund income		** Fees net of securities lending income		

Asset Allocation by Category & Investment Manager

ASSET CLASS MANAGER	Management Fees	TOTAL ASSETS	% of Total Assets
First Reserve Fund VIII	*	8,980,007.08	0.36%
Glenwood Ventures II	*	233,021.00	0.01%
HarbourVest Partners, Inc.	*	2,469,774.82	0.10%
HarbourVest Partners, Inc.	*	443,993.18	0.02%
Harvest Partners III	*	5,917,977.12	0.24%
Heritage Funds	*	4,808,780.34	0.19%
Larimer Venture II	*	1,438,469.83	0.06%
Navis Fund V	*	173,715.67	0.01%
Nordic Capital III	*	3,699,146.99	0.15%
Oxford Venture Fund III	*	10,681.17	0.00%
Prince Ventures III	*	285,396.35	0.01%
SKM Equity Fund II	*	7,582,717.17	0.30%
Sprout Capital Partners Funds	*	8,192,034.82	0.33%
TCW Special Credits Fund III	*	403,085.05	0.02%
Thomas H. Lee Equity Fund IV	*	7,508,539.14	0.30%
TPG Partners	*	12,854,527.43	0.52%
Vestar Funds	*	9,175,421.15	0.37%
Willis Stein Partners	*	2,916,469.70	0.12%
<i>Total Alternative Investments</i>		\$144,992,126.29	5.82%
<i>Cash Held at State Street</i>		22,180,724.54	0.89%
TOTAL ASSETS		\$2,489,775,669.91	100.00%

* Fees netted against trust fund income



Investment Section

'Top 20 Holdings'

'Top 20' Equity Holdings *

<i>Company</i>	<i>Market Value</i>
TOTAL FINA ELF	\$ 15,041,915
VODAFONE GROUP	13,019,351
NESTLE SA	9,451,761
BP AMOCO	9,380,624
NOKIA (AB) OY	9,280,582
ENI	8,569,377
AVENTIS SA	8,394,613
SHELL TRNSPT & TRDG	8,368,339
ASTRAZENECA	6,391,151
SANOFI SYNTHELABO	6,265,467
NIPPON TEL& TEL CP	5,959,902
PHILIPS ELECTRONICS NV	5,751,290
ALLIANZ AG	5,085,795
GRANADA COMPASS	4,963,712
MUNCHENER RUCKVERS	4,818,070
GLAXOSMITHKLINE	4,539,694
VIVENDI UNIVERSAL	4,422,963
AKZO NOBEL NV	4,381,122
NIKKO SECURITIES	4,277,757
ZURICH FIN SVS GRP	4,265,525

'Top 20' Fixed Income Holdings *

<i>Company</i>	<i>Due</i>	<i>Market Value</i>
GNMA I TBA JAN 30 SINGLE FAM	15 Dec 2099	\$ 22,276,461.00
GNMA I TBA JAN 30 SINGLE FAM	15 Dec 2099	17,659,642.00
UNITED STATES TREAS NTS	15 Aug 2009	16,600,832.28
UNITED STATES TREAS NTS	15 Nov 2004	11,555,825.58
FHLMC TBA JAN 30 GOLD SINGLE	01 Dec 2099	11,349,120.00
TENNESSEE VALLEY AUTH	13 Nov 2008	10,181,925.00
GNMA I TBA JAN 30 SINGLE FAM	31 Dec 2099	9,284,040.00
UNITED STATES TREAS BDS	15 May 2017	8,677,898.32
UNITED STATES TREAS NTS	15 Jul 2002	8,201,550.55
SWEDEN KINGDOM OF	28 Jan 2009	7,503,708.85
JAPAN GOVT OF	20 Jun 2006	7,337,503.52
UNITED STATES TREAS BDS	15 Aug 2019	7,187,189.60
UNITED STATES TREAS BDS	15 Nov 2026	6,761,182.40
UNITED STATES TREAS NTS	30 Apr 2002	6,597,500.00
FHLMC TBA JAN 30 GOLD SINGLE	01 Dec 2099	6,414,016.00
UNITED STATES TREAS BDS	15 Aug 2022	6,374,112.94
UNITED STATES TREAS NTS	15 Aug 2010	6,350,698.20
JAPAN (GOVT)	21 Nov 2005	6,223,562.45
GERMANY(FED REP)	04 Jan 2024	6,091,060.70
UNITED STATES TREAS BDS	15 Aug 2021	6,015,236.00

*Excludes Index Funds

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

Fund Performance Summary as of December 31, 2000

Series Name benchmark indices	1 year return %	3 years return* %	5 years return* %
FPPA Total Fund	-3.44%	8.81%	10.90%
Domestic Equity Accounts	-6.92	8.99	15.66
<i>Russell 3000 Stock Index</i>	-7.46	11.57	17.39
International Equity Accounts	-13.81	10.87	8.58
<i>MSCI All Country World Free Ex U.S. Index</i>	-15.09	8.36	6.73
All Equity Accounts	-9.93	9.87	13.62
Domestic Fixed Inc. Accounts	8.00	5.39	6.04
<i>Lehman Brothers Aggregate Index</i>	11.63	6.36	6.46
Global Fixed Income Accounts	0.84	3.28	3.22
<i>SB World Government Bond Index</i>	1.59	3.89	3.10
All Fixed Inc. + Cash Eq.	6.05	4.84	5.35
All Real Estate Accounts	6.71	8.35	9.96
All Alternative Accounts	26.56	13.61	12.30

*Annualized



Bartholf Hose Team,
Loveland.
Circa 1915.

Investment Section

Schedule of Brokerage Commissions

<i>Broker Name</i>	<i>Commission</i>	<i>Shares</i>	<i>Per Share</i>
Merrill Lynch	\$ 340,747.49	11,227,527	0.03
Lehman Brothers Inc	79,609.80	6,156,489	0.01
Warburg Dillon Reed Llc	181,987.26	6,134,868	0.03
Goldman Sachs	111,442.85	4,944,734	0.02
Credit Lyonnais	19,802.31	4,622,237	0.00
Salomon Smith Barney	66,518.06	3,695,931	0.02
Credit Suisse First Boston	98,412.77	2,733,427	0.04
Morgan Stanley and Co, Inc	91,816.09	2,161,664	0.04
Instinet Corp	39,807.40	1,715,244	0.02
Investment Technology Group Inc.	24,189.89	1,217,724	0.02
Jones and Associates	34,120.70	1,184,278	0.03
Deutsche Bank	25,930.38	1,109,939	0.02
Hsbc Securities Inc.	9,836.86	989,219	0.01
Dresdner Kleinwort Benson	23,759.26	668,886	0.04
Sg Cowen Securities Corp	14,423.37	617,622	0.02
Abn Amro Securities	20,580.88	608,163	0.03
Jefferies and Co	16,806.30	602,320	0.03
Friedman Billings and Ramsey	5,991.00	442,000	0.01
Robert Fleming	6,039.82	389,600	0.02
Howard, Weil, Labouisse, Friedrichs	18,187.00	352,300	0.05
Banque National De Paris	1,924.03	344,000	0.01
Donaldson, Lufkin & Jenrette	11,011.23	335,113	0.03
J.P. Morgan Securities Inc	39,188.12	250,411	0.16
William Blair and Company	6,501.00	245,900	0.03
Janney, Montgomery, Scott	13,260.00	224,100	0.06
Cantor Fitzgerald	12,292.32	219,612	0.06
Robert Baird and Co.	4,138.00	204,500	0.02
Williams Capital Group	11,145.40	200,676	0.06
Bear Stearns Securities Corp	5,036.70	194,700	0.03
Bny Esi Securities Company	11,451.90	191,215	0.06
Capital Institutional Services	10,331.00	177,800	0.06
Mcdonald and Co	1,302.00	172,800	0.01
B-Trade Services Llc	5,334.00	171,100	0.03
Allen and Company	7,989.00	168,700	0.05
Bank America Security Llc	2,759.00	157,919	0.02
Cibc World Markets Corp	6,662.97	142,585	0.05
Punk Ziegel and Knoll	690.00	130,200	0.01
West Lb Securities	3,070.22	128,500	0.02
Sanford Bernstein	2,958.50	127,191	0.02
Herzog Heine Geduld Inc	0.00	126,100	0.00

continued on next page

Schedule of Brokerage Commissions

<i>Broker Name</i>	<i>Commission</i>	<i>Shares</i>	<i>Per Share</i>
Nomura Securities Co Ltd	\$ 4,198.16	119,657	0.04
Wachovia Securities	5,501.00	108,800	0.05
Ndb Capital Markets	4,445.00	102,900	0.04
Schroedermunchmeyer Hengst & Co.	4,207.22	102,583	0.04
Lazard Freres & Co.	2,917.42	88,644	0.03
Factset Data Systems	4,342.00	83,000	0.05
Prudential Securities Incorporated	2,062.30	82,400	0.03
Paine Webber Incorporated	1,794.51	79,736	0.02
Thomas Weisel Partners	24.00	77,500	0.00
Euromobiliare Sim S.P.a.	1,213.10	73,600	0.02
Sk International Securities	4,182.00	69,700	0.06
Jackson Partners and Associates	1,662.38	68,287	0.02
Sandler Oneil	640.00	65,700	0.01
Ryan Beck and Co	1,686.00	62,800	0.03
Needham & Company	309.40	60,200	0.01
Santander Investment Securities	472.69	59,500	0.01
Ing Baring Securities	1,998.42	57,700	0.03
Cazenove & Co	1,385.46	54,313	0.03
All Other Brokerage Firms (Shares < 50,000)	37,908.14	928,408	0.04
Totals	\$ 1,468,004.08	57,832,722	0.03



*Aspen Fire Department
horse-drawn fire sleigh.
Circa 1886.*

Buck Consultants Letter

General Information

As of December 31, 2000 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, 53 local paid pension plans, 4 local money purchase plans, and 143 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 2000 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 (2000, 2002, etc.). All of the affiliated volunteer firefighters plans have valuations performed as of January 1 of the odd numbered years (2001, 2003, 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, 2000, 152 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, 2000, 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, 2000 actuarial valuations.

Economic Assumptions

The investment rate of return for purposes of the actuarial valuation is 8.0% per annum (increased from 7.5%), 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

General Information and Actuarial Assumptions

rate of return, net of inflation, is 4.0% per annum (increased from 3.5%).

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.

Beginning with the January 1, 2000 valuation, assets are valued at an actuarial value of assets. The actuarial value of assets is based on a three-year moving average of expected and actual market values.

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

Non-economic Assumptions

The 1994 Group Annuity Mortality (GAM) Table, loaded by .0004 for firefighters and police experience, is used in the valuation for active members. The 1994 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. Previously, the 1983 GAM Table was used in place of the 1994 GAM Table. 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. These assumptions have been updated as of January 1, 2000 based on recent experience.

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

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

Actuarial Section

General Information and Actuarial Assumptions

Pre-Retirement Assumptions

Sample Ages	Increases in Earnings			Disability Annual Rate Per 1,000 Members		Separation Annual Rate Per 1,000 Members			Death Annual Rate Per 1,000 Members	
	(Merit)	(Inflation)	(Total)	(Paid)	(Volunteer)	(Fire)	(Police)	(Volunteer)	(Male)	(Female)
20	9.0%	4.0%	13.00%	1.20	0.20	58.5	75.0	192.0	0.91	0.68
30	4.0%	4.0%	8.0%	1.52	0.52	29.4	52.5	160.0	1.20	0.75
40	1.5%	4.0%	5.5%	2.94	1.94	8.4	27.0	112.0	1.47	1.11
45	1.0%	4.0%	5.0%	4.00	7.00	13.5	22.5	96.0	1.98	1.37
50	0.75%	4.0%	4.75%	14.00	13.00	23.6	30.0	80.0	2.98	1.83
55	0.50%	4.0%	4.5%	34.40	16.20	33.6	45.0	96.0	4.82	2.69

For Statewide Death and Disability Plan:
Service Retirement:

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

Post Retirement Assumptions

Sample Ages	COLA Increases	Social Security (Benefit)(Wage Base)		Full Rank	Limited Rank (Pre 1980) (Post 1980)		Retiree/Surviving Spouse/ Occupational Disability Death Annual Rate Per 1,000 Members		Total Disability Death Annual Rate Per 1,000 Members (Unisex)
					(Male)	(Female)			
20	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	0.38	0.19	10.60
30	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	0.61	0.34	10.60
40	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	1.24	0.66	13.50
45	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	2.18	1.01	20.00
50	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	2.58	1.43	31.64
55	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	4.42	2.29	37.81
60	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	7.98	4.44	42.46
65	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	14.54	8.64	51.20
70	3.0%	4.0%	5.0%	4.0%	4.0%	3.0%	23.73	13.73	67.47

For Statewide Defined Benefit Pension Plan :

Service Retirement: Age 55 and 10 years of service, or current age and service if greater.

STATEWIDE DEFINED BENEFIT PLAN

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll*	Annual Average Pay	% Increase in Average Pay
1/1/00	2,768	\$114,579,015	\$41,394	1.59%
1/1/99	2,513	\$102,400,344	\$40,748	3.69%
1/1/98	2,328	\$91,488,829	\$39,299	7.52%
1/1/97	2,202	\$80,484,109	\$36,550	5.14%
1/1/96	2,103	\$73,106,851	\$34,763	(3.67%)
1/1/95	1,867	\$67,372,004	\$36,086	4.36%

* The 'Annual Payroll' column reports the total, actual payroll from the prior year.

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

	Actuarial Accrued Liability (1)	Plan Assets (2)	Unfunded Actuarial Accrued Liability (1 - 2)
January 1, 1999	\$249,446,556	\$311,057,177	(\$ 61,610,621)
Normal Cost	\$14,282,432	N/A	\$14,282,432
Contributions	\$7,618,155	\$18,752,381	(\$11,134,226)
Benefit Payments	(\$1,676,836)	(\$1,676,836)	\$0
Interest on:			
January 1, 1999	\$18,708,492	\$23,329,288	(\$4,620,796)
Normal Cost	\$1,071,182	NA	\$1,071,182
Contributions	\$285,681	\$703,214	(\$417,533)
Benefit Payments	(\$62,881)	(\$62,881)	\$0
	\$20,002,474	\$23,969,621	(\$3,967,147)
Expected January 1, 2000	\$289,672,781	\$352,102,343	(\$62,429,562)
Actual January 1, 2000	\$296,529,953	\$385,165,109	(\$88,635,156)
Preliminary Gain or Loss	(\$6,857,172)	(\$33,062,766)	\$26,205,594
Gain Due to Changes in Assumptions	\$14,272,272	\$0	\$14,272,272
Loss Due to Change to Actuarial Value of Assets	\$0	\$18,161,195	(\$18,161,195)
Excess Return on SRA	\$5,820,975	\$5,820,975	\$0
Net Gain or Loss	\$13,236,075	(\$ 9,080,596)	\$22,316,671
	Gain	Gain	Gain

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

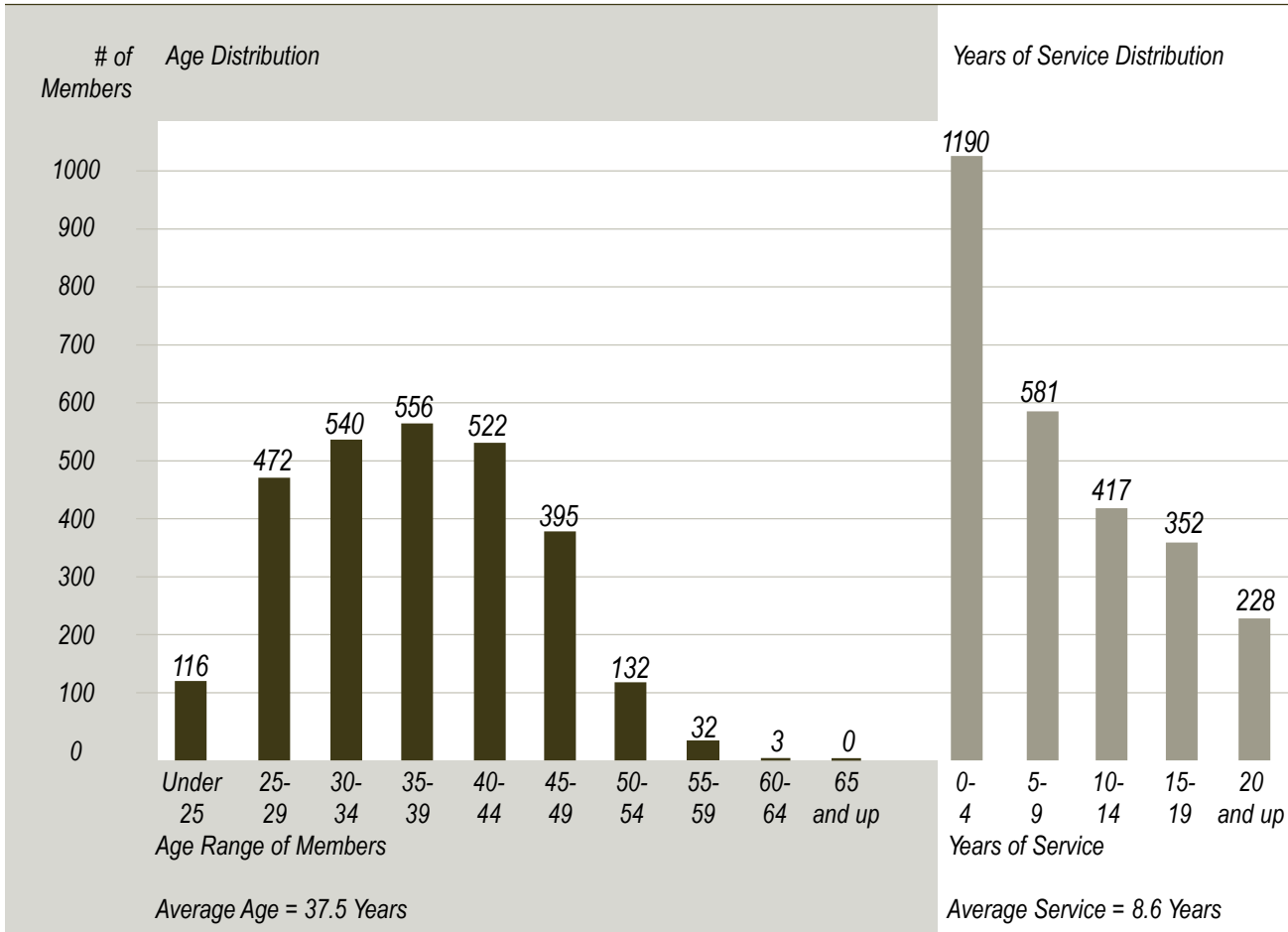
Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/00	4	\$56,252	1	\$6,592	28*	\$311,906*	23.19%	\$11,140
1/1/99	5	\$61,039	0	\$0	25*	\$253,185	61.77%	\$10,127
1/1/98	2	\$22,218	1	\$568	20*	\$156,512	13.72%	\$7,826
1/1/97	8	\$54,955	1	\$568	19*	\$137,627	53.59%	\$7,244
1/1/96	3	\$21,759	1	\$5,071	12	\$89,605	14.06%	\$7,467
1/1/95	3	\$22,458	1	\$4,740	10	\$78,559	17.56%	\$7,856

* These end-of-year counts include two beneficiaries with a deferred vested benefit. Information for these two beneficiaries is not available for years ended before December 31, 1996. The total annual benefits as of December 31, 1999 excluding these two beneficiaries is \$297,926.

Summary of Plan Provisions

STATEWIDE DEFINED BENEFIT PLAN

Age and Years of Service Distribution



The Statewide Defined Benefit Plan Solvency Test

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

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

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

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

Statewide Defined Benefit Plan - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1)	(2)	(3)	(1)	(2)	(3)
		Active Member Contributions (000's)	Retirees and Beneficiaries (000's)	Active Members (Employer Financed Portion) (000's)*			
1/1/00	\$367,004	\$66,204	\$10,263	\$205,791	100%	100%	100%
1/1/99	\$311,057	\$58,232	\$8,539	\$182,676	100%	100%	100%
1/1/98	\$261,509	\$51,092	\$6,521	\$153,512	100%	100%	100%
1/1/97	\$217,454	\$47,439	\$5,056	\$119,448	100%	100%	100%
1/1/96	\$180,001	*	\$3,083	\$137,531	N/A	100%	100%
1/1/95	\$137,169	*	\$2,500	\$113,328	N/A	100%	100%

*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, shift differential, and mandatory overtime that is part of the member's fixed periodic compensation.

Normal Retirement Date

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

Normal Retirement Benefit

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

Summary of Plan Provisions

STATEWIDE DEFINED BENEFIT PLAN

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

Early Retirement Benefit

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

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

Late Retirement Benefit

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

Terminated Vested Benefit

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

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

Severance Benefits

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

Cost-of-Living Increases for Benefits in Pay Status

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

Contribution Rates

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

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

Stabilization Reserve Account (SRA)

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

Death Benefits

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

Changes in Plan Provisions

The definition of pensionable compensation has been amended to include mandatory overtime pay that is part of the member's fixed, periodic compensation.



*Member of Star
Hook and Ladder
Company,
Georgetown.
Circa 1920.*

Actuarial Section

Summary of Plan Provisions

STATEWIDE DEATH & DISABILITY PLAN

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
1/1/00	8,629	\$392,479	\$45,484	3.44%
1/1/99	8,443	\$371,257	\$43,972	1.21%
1/1/98	8,374	\$363,820	\$43,446	6.01%
1/1/97	8,310	\$340,587	\$40,985	3.64%
1/1/95	7,534	\$297,930	\$39,545	3.25%

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

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

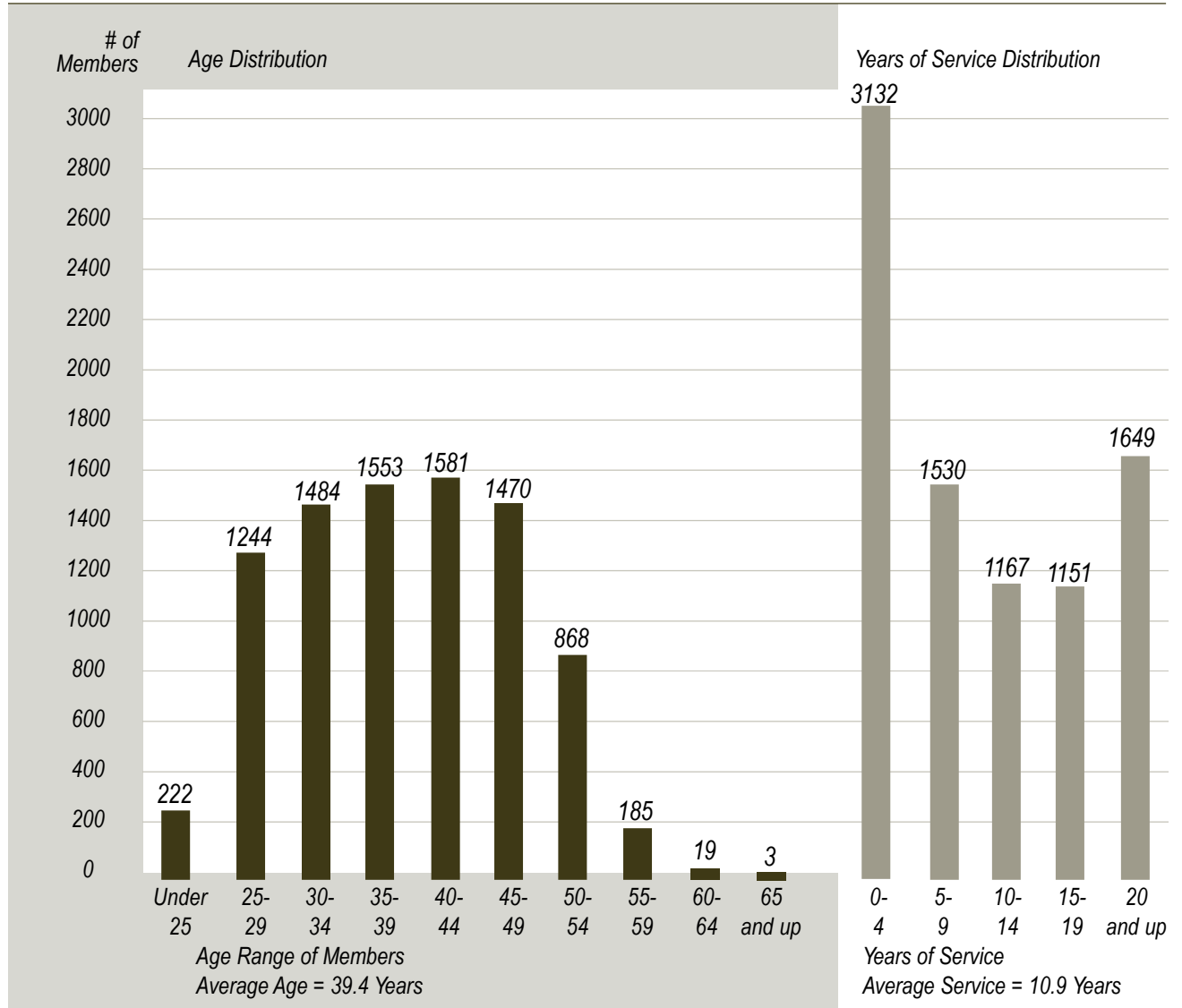
	Total Present Value of Benefits (1)	Plan Assets (2)	Unfunded Actuarial Accrued Liability (1 - 2)
January 1, 1999	\$228,522,127	\$212,356,890	\$16,165,237
Normal Cost	\$0	N/A	\$0
Contributions	\$0	\$1,295,043	(\$1,295,043)
Benefit Payments	(\$6,836,274)	(\$6,836,274)	\$0
Interest on:			
January 1, 1999 Balance	\$17,139,160	\$15,926,767	\$1,212,393
Normal Cost	\$0	N/A	\$0
Contributions	\$0	\$48,564	(\$48,564)
Benefit Payments	(\$256,360)	(\$256,360)	\$0
	\$16,882,800	\$15,718,971	\$1,163,829
Expected January 1, 2000	\$238,568,653	\$222,534,630	\$16,034,023
Actual January 1, 2000	\$235,286,869	\$243,541,987	(\$8,255,118)
Preliminary Gain or Loss	\$3,281,784	(\$21,007,357)	\$24,289,141
Gain or Loss due to Changes in Assumptions	(\$4,538,782)	\$0	(\$4,538,782)
Loss due to Change to Actuarial Value of Assets	\$0	\$14,004,904	(\$14,004,904)
Net Gain or Loss	(\$1,256,998) Loss	(\$7,002,453) Gain	\$5,745,455 Gain

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

Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/00	42	\$732,000	16	\$62,000	484	\$6,836,274	10.13%	\$14,125
1/1/99	51	\$651,000	11	\$79,000	458	\$6,207,553	7.87%	\$13,554
1/1/98	31	\$419,000	12	\$152,000	418	\$5,754,726	9.17%	\$13,767
1/1/97	58	\$542,000	24	\$364,000	399	\$5,271,191	8.77%	\$13,211
1/1/95	33	\$383,000	20	\$241,000	365	\$4,846,288	7.42%	\$13,278

Age and Years of Service Distribution



The Statewide Death and Disability Plan Solvency Test

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

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

Summary of Plan Provisions

STATEWIDE DEATH & DISABILITY PLAN

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

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

Statewide Death & Disability Plan - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1)	(2)	(3)	(1)	(2)	(3)
		Active Member Contributions (000's)	Retirees and Beneficiaries (000's)	Active Members (Employer Financed Portion) (000's)*			
1/1/00	\$229,537	\$0	\$82,344	\$101,830	100%	100%	100%
1/1/99	\$212,357	\$0	\$81,573	\$100,293	100%	100%	100%
1/1/98	\$193,630	\$0	\$71,957	\$75,942	100%	100%	100%
1/1/97	\$175,364	\$0	\$67,734	\$73,781	100%	100%	100%
1/1/95	\$94,273	\$0	\$50,455	\$21,278	100%	100%	100%

An actuarial valuation was not performed in 1996.

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

SUMMARY OF PLAN PROVISIONS

Statewide Death and Disability Plan

Members Included

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

Compensation Considered

Base salary, including member contribution to the fund which are "picked up" by the employer, longevity, sick and vacation pay, shift differential, and mandatory overtime that is part of the member's fixed periodic compensation.

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.

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

Disability Benefits

A member who becomes disabled prior to retirement shall be eligible for disability benefits. If the member is occupationally disabled, he shall receive 30% 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. The occupationally disabled 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. All disability benefits cease if the member recovers from disability. The occupational 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. Either the employer pays the entire 2.3% or it may be split between the employer and the member.

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

Effective January 1, 2000, total disability benefits have been increased to a flat 70% of pay, and survivor benefits payable to the spouse of a member who dies prior to retirement shall no longer cease upon remarriage of the surviving spouse.

The definition of pensionable compensation has been amended to include mandatory overtime pay that is part of the member's fixed, periodic compensation.

Actuarial Section

Summary of Plan Provisions

AFFILIATED LOCAL PLANS

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

Schedule of Active Member Valuation Data

Valuation Date	Number of Participating Employers	Number of Paid and Volunteer Members	Annual Payroll of Paid Members	Annual Average Pay of Paid Members	% Increase in Average Pay
1/1/00	191	5,687	\$100,141,943	\$50,146	2.98%
1/1/98	177	5,278	\$104,552,694	\$48,697	28.83%
1/1/96	154	5,033	\$96,013,582	\$37,801	N/A

Development of Actuarial Gain or Loss

Note: Data to calculate a gain/loss analysis on all local plans was not available as of the 1/1/00 actuarial valuations.

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

Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/00	1,372	\$10,741,140	265	\$4,122,768	4,869	\$101,013,468	7.01%	\$20,746
1/1/98	604	\$8,510,136	253	\$4,018,824	3,762	\$70,089,060	6.85%	\$18,631
1/1/96	154	\$2,842,536	104	\$1,622,616	3,411	\$59,864,784	2.08%	\$17,551

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Affiliated Local Plans - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1)	(2)	(3)	(1)	(2)	(3)
		Active Member Contributions (000's)	Retirees and Beneficiaries (000's)	Active Members (Employer Financed Portion) (000's)*			
1/1/00	\$1,824,520	*	*	\$1,958,960	N/A	N/A	93%
1/1/98	\$1,466,608	*	*	\$1,814,000	N/A	N/A	81%
1/1/96	\$1,121,445	*	*	\$1,593,928	N/A	N/A	70%

*Included in Column 3

SUMMARY OF PLAN PROVISIONS

Affiliated Local Plans

Members Included

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

Compensation Considered

Base salary, including longevity, sick and vacation pay.

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

Normal Retirement Date

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

Normal Retirement Benefit

The annual Normal Retirement Benefit varies with each plan. The benefit calculation ranges from 50-75% of salary. Several plans offer a lump sum actuarial equivalent benefit.

Volunteer plans offer a flat dollar benefit from \$0 - \$900 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. Some plans also offer actuarially equivalent post-retirement death benefits.

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.



Gramm Truck, the first motor apparatus for Company No. 2 of the Colorado Springs Fire Department. Circa 1912.

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. 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.

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.

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.

2000

House Bill 1006 eliminates the possibility of reducing the Separate Retirement Accounts ("SRA's") of members of the SWDB Plan in order to make transfers to the Death and Disability Account for the Statewide Death and Disability Plan (D&D Plan). Such transfers are no longer needed, because the D&D Plan is now fully funded.

House Bill 1022 creates options for increasing contribution rates under the Statewide Money Purchase Plan above the statutory rates of eight percent from the employer and eight percent from the employee.

House Bill 1018 clarifies the standard of care applicable to the FPPA Board with respect to the administration, investment and management of the Fire and Police Members' Money Purchase Plan Benefit fund. The Bill recognizes that the Board was governed by the Uniform Prudent Investor Act only with respect to assets allocated to the Fire and Police Members' Benefit fund, which is an investment alternative for Fire and Police Member's Money Purchase Plan Benefit.

House Bill 1005 gives the FPPA Board discretion to waive the interest charge on delinquent contributions for new accounts in hardship cases.

House Bill 1017 restores the relocated sections of law relating to the FPPA Defined Benefit Plan to statutes addressing the Death and Disability Plan.

2000 Distribution of State Funds

Death and Disability Fund	\$ 0
Volunteer Fire Pension Plans*	3,390,678
Old Hire Plans for Unfunded Liabilities*	25,321,079
<i>Total Monies Distributed</i>	<i>\$ 28,711,757</i>

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

State Funds Allocated to Cities to Reduce Unfunded Liabilities

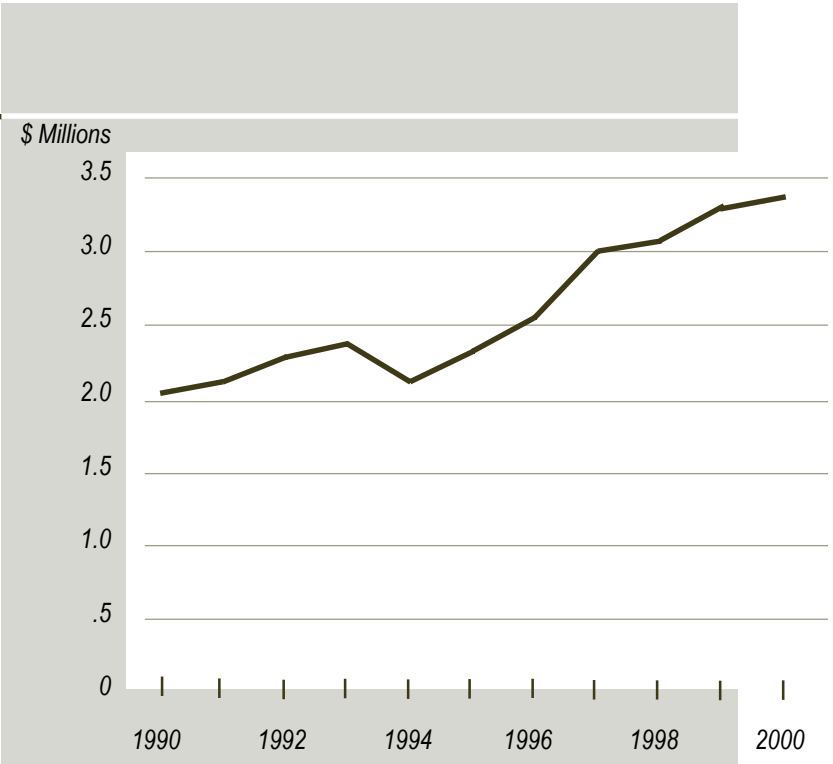
	1995	1996	1997	1998	1999	2000	Total (1980-00)
Aurora Fire	\$ 344,179	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 2,502,878
Aurora Police	1,466,465	1,014,624	1,014,624	1,032,476	1,032,476	0	9,175,314
Colo Spgs Fire	1,449,296	437,820	437,820	0	0	0	9,947,115
Colo Spgs Police	1,548,085	635,127	635,127	646,302	646,302	0	11,496,947
Denver Fire	17,429,905	9,013,527	9,013,527	9,172,120	9,172,120	9,827,860	134,666,917
Denver Police	23,295,232	11,403,843	11,403,843	11,604,493	11,604,493	12,434,131	179,051,998
Grand Jct Fire	555,080	309,112	309,112	314,551	314,551	337,039	4,589,087
Grand Jct Police	494,793	261,284	261,284	265,881	265,881	284,890	3,908,620
Greeley Fire	858,347	595,560	595,560	606,039	606,039	649,366	6,485,649
Greeley Police	4,785	0	0	0	0	0	192,075
Pueblo Fire	1,706,086	875,110	875,110	890,508	890,508	954,172	14,544,045
Pueblo Police	128,984	0	0	0	0	0	1,699,753
Rocky Ford Fire	10,525	10,525	10,525	10,710	10,710	0	131,044
Rocky Ford Police	407	0	0	0	0	0	14,005
Lakewood FPD	1,081,192	614,795	614,795	625,612	625,612	670,339	8,225,804
Lamar Fire	0	0	0	0	0	0	23,293
Leadville Fire	4,620	0	0	0	0	0	44,719
N. Washington FPD	239,709	141,933	141,933	144,430	144,430	154,756	1,706,403
All Other	203,389	7,819	7,819	7,957	7,957	8,526	4,387,515
<i>Total</i>	<i>\$50,821,079</i>	<i>\$25,321,079</i>	<i>\$25,321,079</i>	<i>\$25,321,079</i>	<i>\$25,321,079</i>	<i>\$25,321,079</i>	<i>\$392,793,181</i>

Statistical Section

State Funding

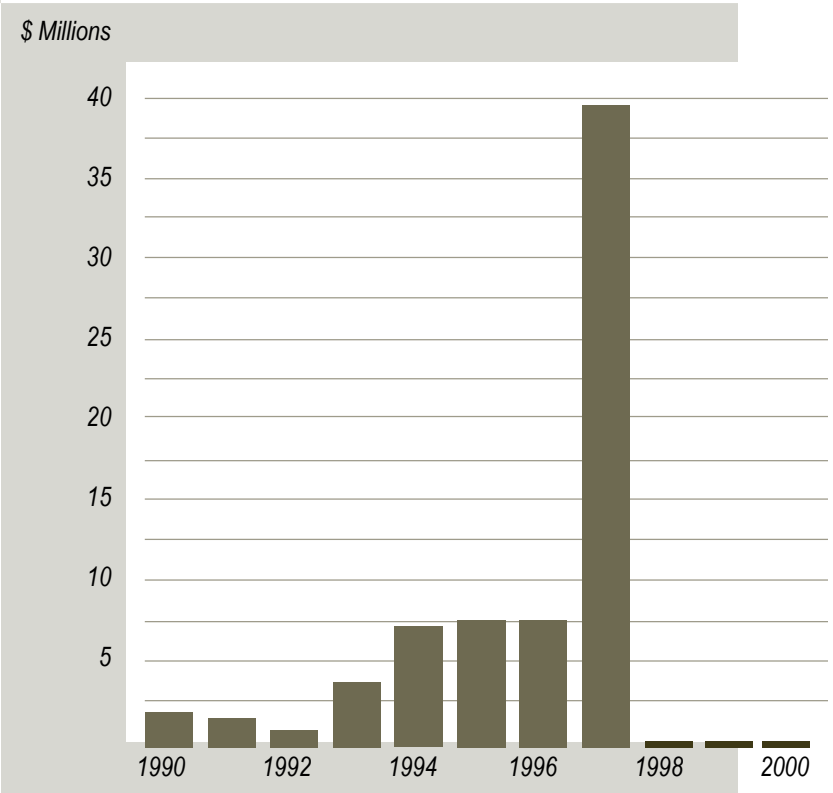
State Funds Distributed to Volunteer Fire Departments (By Year)

	<i>Number of Departments Receiving Funds</i>	<i>Total Amount Distributed</i>
1990	189	2,045,671
1991	183	2,185,908
1992	193	2,342,084
1993	191	2,484,638
1994	189	2,219,058
1995	204	2,454,399
1996	199	2,599,572
1997	211	3,026,834
1998	206	3,148,492
1999	207	3,361,937
2000	202	3,390,678



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

	<i>Total Amount Distributed</i>
1990	1,800,000
1991	1,200,000
1992	600,000
1993	3,717,048
1994	7,467,052
1995	7,500,000
1996	7,500,000
1997	39,000,000
1998	-0-
1999	-0-
2000	-0-



Revenues by Source - All Plans

	1995	1996	1997	1998	1999	2000
Investment Earnings	\$ 252,493,483	\$ 194,545,550	\$ 235,801,497	\$ 250,900,298	\$396,262,695	(\$95,430,184)
State Funding	59,111,585	35,420,651	65,595,405	26,989,691	27,114,921	27,141,938
Employers	41,825,381	47,728,402	49,516,051	58,500,005	49,636,327	51,028,118
Employees	14,793,874	15,962,145	16,552,238	12,991,623	32,428,830	38,011,053
Affiliations	699,945	2,616,094	6,141,898	9,324,380	25,807,791	1,426,317
<i>Total</i>	<i>\$ 368,924,268</i>	<i>\$ 296,272,842</i>	<i>\$ 373,607,089</i>	<i>\$ 358,705,997</i>	<i>\$531,250,564</i>	<i>\$22,177,242</i>

Revenue Allocation - All Plans

	1995	1996	1997	1998	1999	2000
Additions to Fund Balance	\$306,033,003	\$225,768,240	\$289,565,825	\$263,184,561	\$412,447,619	(\$114,127,155)
Benefit Payments	60,016,993	65,375,899	73,393,878	82,533,683	101,496,836	112,283,281
Administrative Expense	2,143,936	2,532,264	2,494,785	3,024,568	3,254,498	3,426,968
Refunds & Withdrawals	730,336	2,596,439	8,152,601	9,963,185	14,051,611	20,594,148
<i>Total</i>	<i>\$ 368,924,268</i>	<i>\$ 296,272,842</i>	<i>\$ 373,607,089</i>	<i>\$ 358,705,997</i>	<i>\$531,250,564</i>	<i>\$22,177,242</i>

Employers

**Employers of
Statewide Defined
Benefit Pension Plan
Members**

Aguilar Police*
Alma Police
Animas FPD
Antonito Police
Arvada FPD
Aspen FPD*
Ault Police
Basalt Police
Basalt & Rural FPD
Bayfield Police
Bennett FPD #7
Berthoud FPD
Black Forest FPD
Blackhawk FPD
Blanca Police
Blue River Police*
Boulder Rural FPD
Boulder Mountain FA*
Bowmar Police
Greater Brighton FPD
Brush Police
Castle Rock Fire
Center Police
Central City Fire
Cherryvale FPD
Cimarron Hills FPD
Clear Creek FA
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 Firestone FPD
Frisco Police
Genesee FPD
Georgetown Police
Gilcrest Police*
Granada Police
Grand Valley FPD*
Greater Eagle FPD
Green Mountain Falls/
Chipita Park Fire
Gypsum FPD
Hartsel FPD
Hermosa Cliff FPD
Holly Police
Hugo Police
Idaho Springs Police
Ignacio Police
Jefferson-Como FPD
Kiowa FPD
La Jara Police
La Salle FPD
La Salle Police
La Veta Police
Lake Dillon FPD
Lake George FPD*
Lakeside Police
Larkspur FPD
Las Animas Police
Leadville Police and Fire
Lefthand FPD*
Lochbuie Police
Log Lane Village Police
Los Pinos FPD
Louisville Fire*
Lower Valley FPD
Manassa Police
Manitou Springs Police and Fire
Minturn Fire
Montrose FPD
Mountain View FPD
Mountain View Police
Northeast Teller County FPD
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 Metro 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
Thornton Fire
Tri Lakes FPD
Union Colony Fire Rescue
Upper Pine River FPD
West Routt FPD
Wiggins Police
Windsor-Severance FPD
Woodland Park Fire*
Woodmoor-Monument FPD
Wray Police
Yuma Police

**Employers of
Statewide Money
Purchase Plan
Members**

Alma Police*
Arvada FPD
Blackhawk Fire
Blue River Police
Greater Brighton FPD
Boulder Mountain Fire Authority
Brush Police*

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

**Employers of
Affiliated Old Hire
Pension Plan
Members**

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

*currently inactive, with no employees

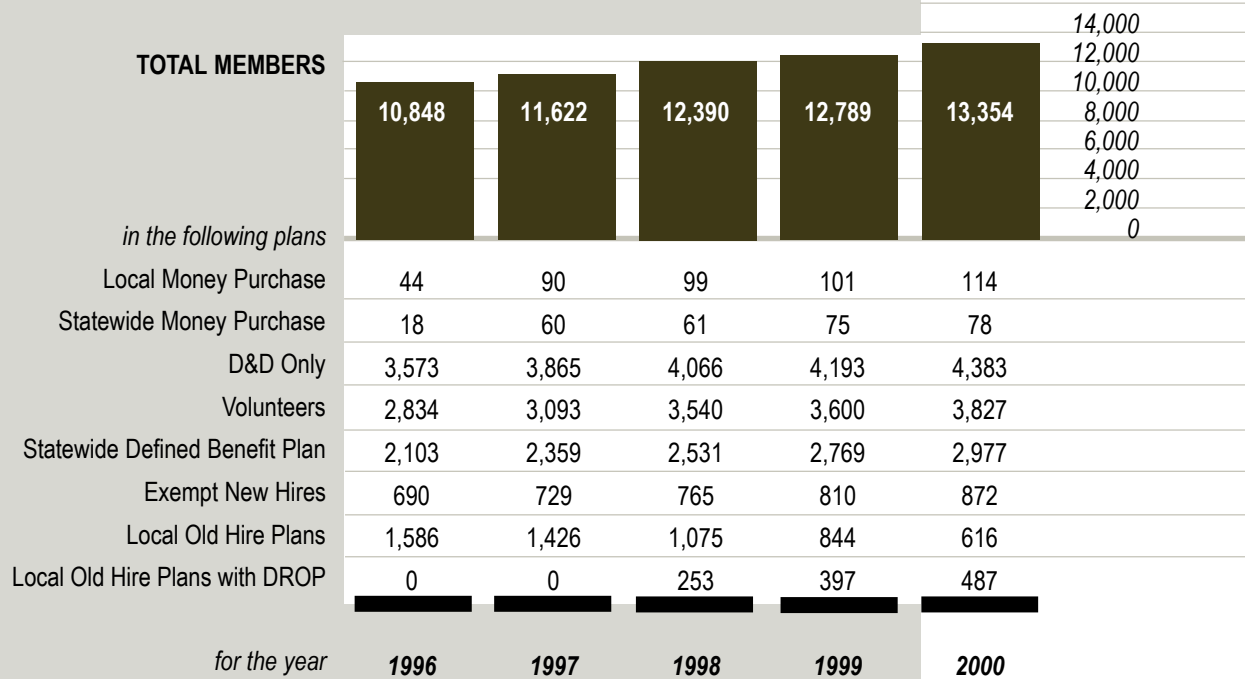
Fort Morgan Police	<i>Employers of Affiliated Exempt New Hires</i>	Fort Morgan	Northwest FPD
Grand Junction Police and Fire	Colorado Springs Police and Fire	Fort Morgan Rural	Northwest Conejos County FPD
Greeley Police		Franktown FPD	Nunn Volunteer FPD
Haxtun Police		Frederick Firestone FPD	Oak Creek FPD
Holyoke Police	<i>Affiliated Volunteer Fire Departments (as of 12/31/00)</i>	Genesee FPD	Olathe FPD
La Junta Police and Fire	Alamosa VFD	Glendale VFD	Olney Springs VFD
LaSalle Police	Aspen FPD	Glenwood Springs VFD	Ouray Volunteer FPD
Lakewood FPD	Ault FPD	Golden VFD	Pagosa FPD
Lamar Police and Fire	Basalt & Rural FPD	Golden Gate Fire	Palisade VFD
Las Animas Police	Bennett FPD	Grand FPD #1	Palmer Lake VFD
Leadville Fire	Berthoud FPD	Grand Lake FPD	Parker FPD
Manitou Springs Fire	Blackhawk FPD	Grand Valley FPD	Pawnee FPD
Montrose FPD	Boone VFD	Green Mountain Falls/Chipita Park FPD	Pinebrook Hills FPD
Mountain View FPD	Boulder Heights FPD	Gypsum FPD	Platte Canyon FPD
North Washington FPD	Boulder Rural FPD	Hartsel FPD	Platte Valley FPD
Paonia Police	Brighton VFD	Haxtun VFD	Pleasant View FPD
Pueblo Police and Fire	Brush VFD	Hermosa Cliff FPD	Pleasant View Metro
Pueblo Rural FPD	Buena Vista VFD	High Country FPD	Poudre FA
Rocky Ford Police and Fire	Burning Mountains FPD	Holyoke - City VFD	Rangely Rural FPD
Salida Police and Fire	Calhan FPD	Holyoke FPD	Rattlesnake FPD
South Adams County FPD	Canon City Area FPD	Hot Sulphur Springs/Parshall FPD	Red Feather Lakes
Springfield Police	Carbondale and Rural FPD	Indian Hills FPD	Ridgway FPD
Sterling Police and Fire	Cascade FPD	Inter-Canyon FPD	Rifle FPD
Thornton Fire	Castle Rock VFD	Jackson 105 FPD	Rio Blanco FPD
Trinidad Police and Fire	Central City VFD	Jefferson-Como FPD	Rocky Ford VFD
Union Colony Fire Rescue	Central Orchard Mesa	Kiowa FPD	Sable-Altura FPD
Walsenburg Police	Cherryvale FPD	Kremmling	Simla FD
Woodmoor-Monument FPD	Cheyenne County FPD #1	Kremmling FPD	Snake River FPD
<i>Employers Affiliated for Supplemental Pension and/or Death and Disability Coverage</i>	Clear Creek FA	La Junta	South Adams County FPD
Cedaredge Police	Clifton FPD	La Salle FPD	South Arkansas FPD
Debeque Police	Coal Creek Canyon FD	Lafayette VFD	South Conejos FPD
Estes Park Police	Colorado Sierra FPD	Lake Dillon FPD	South Metro Fire Rescue
Haxtun Police	Cripple Creek	Lake George FPD	Southwest Washington County FPD
Holyoke Police	Crowley FD	Lamar VFD	Springfield
Johnstown Police	Crystal Lakes FPD	Larkspur FPD	Steamboat Springs VFD
Kremmling Police	Del Norte FPD	Left Hand FPD	Sterling VFD
Monument Police	Dove Creek FPD	Lewis-Arriola FPD	Stratton FPD
Springfield Police	Eads VFD	Limon VFD	Sugar City
<i>Employers Affiliated for Money Purchase Plan Administration</i>	Eckley VFD	Log Hill Mesa FPD	Sugarloaf FPD
Canon City Police	Eldorado Springs/Marshall VFD	Lower Valley FPD	Telluride FPD
Dacono Police	Elizabeth FPD	Manitou Springs VFD	Walsh FD
North Metro FRD	Englewood VFD	Manzanola Rural FPD	Wellington FPD
Trinidad Fire	Evans VFD	Milliken FPD	West Cheyenne FPD
	Evergreen VFD	Montrose FPD	West Douglas County FPD
	Falcon FPD	Mountain View FPD	West Metro FPD
	Federal Heights VFD	Nederland FPD	West Routt FPD
	Fisher's Peak FPD	Northeast Teller County FPD	Wiley Rural FPD
	Florence FPD	North Fork VFD	Yampa FPD
	Foothills Fire & Rescue	North Routt County	Yuma
		North Washington FPD	

*currently inactive, with no employees

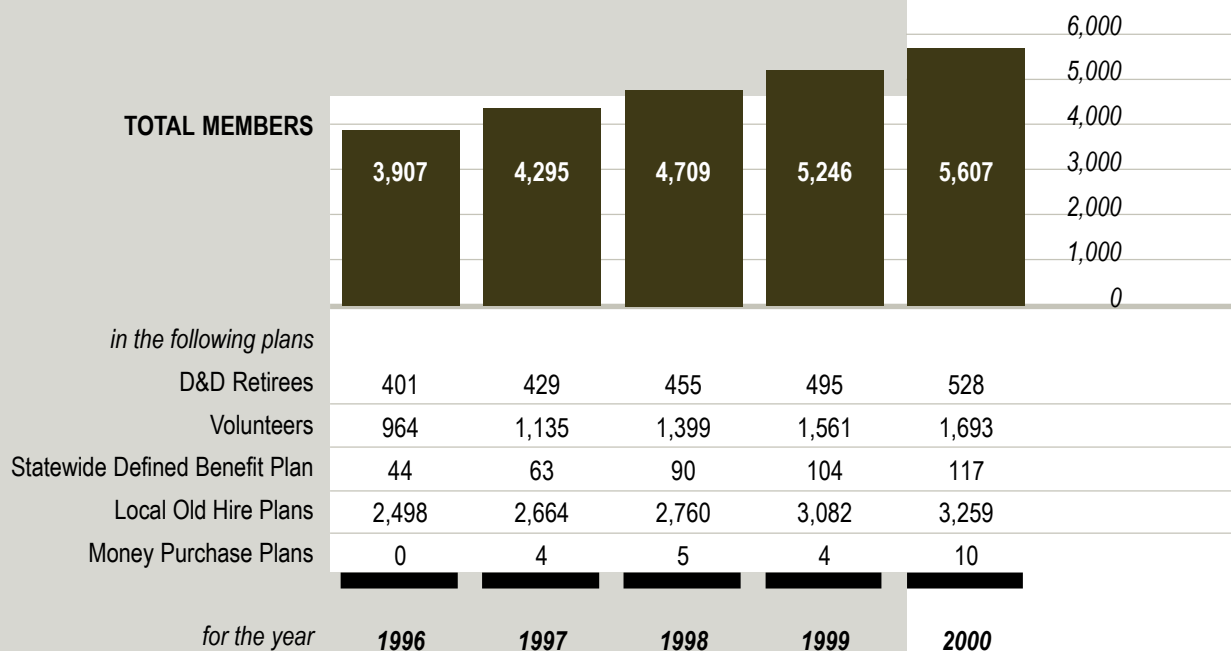
Statistical Section

Member Data

FPPA Active Members by Plan Type (1996-2000)



FPPA Retired Members by Plan Type (1996-2000)



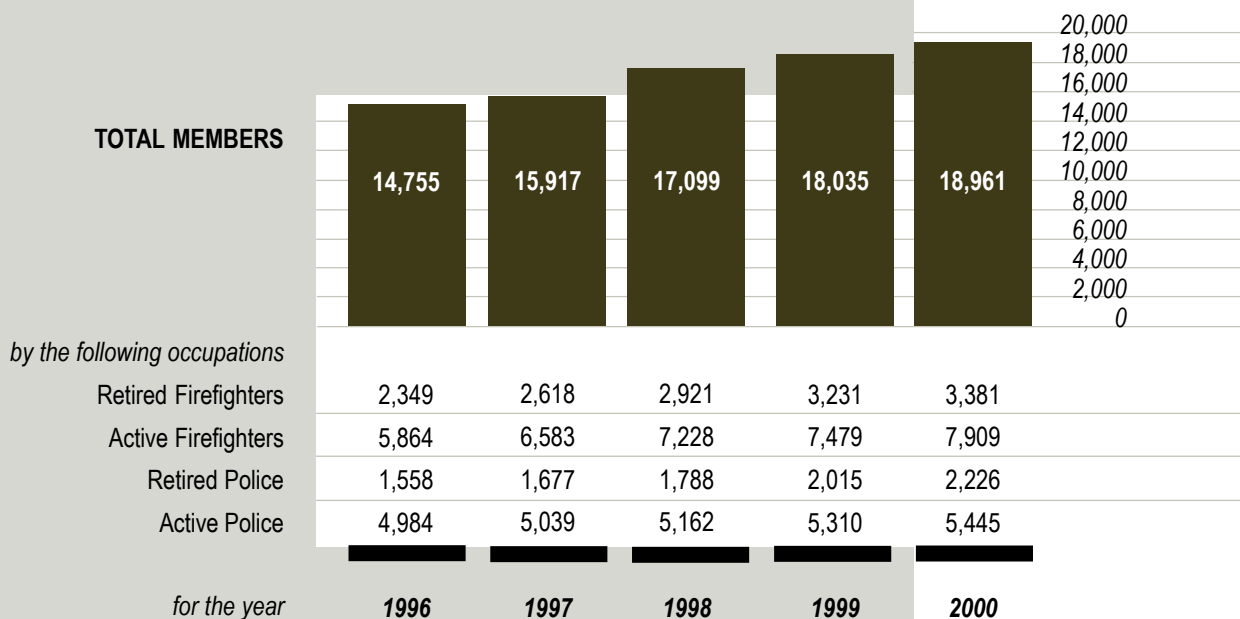
Statewide Defined Benefit Plan Membership by Status

Terminated Vested	32	44	67	76	87
Retired & Beneficiaries	12	19	23	28	30
Non-vested Actives	1,382	1,407	1,614	1,771	1,866
Partially Vested Actives	721	795	896	995	1,103
Fully Vested Actives	0	0	1	2	6
<i>for the year</i>	1996	1997	1998	1999	2000

Death and Disability Plan Membership by Status

Disabled Retirees	282	302	331	372	402
Beneficiaries	119	127	124	123	126
Non-vested Actives	8,310	8,529	8,850	8,739	9,038
<i>for the year</i>	1996	1997	1998	1999	2000

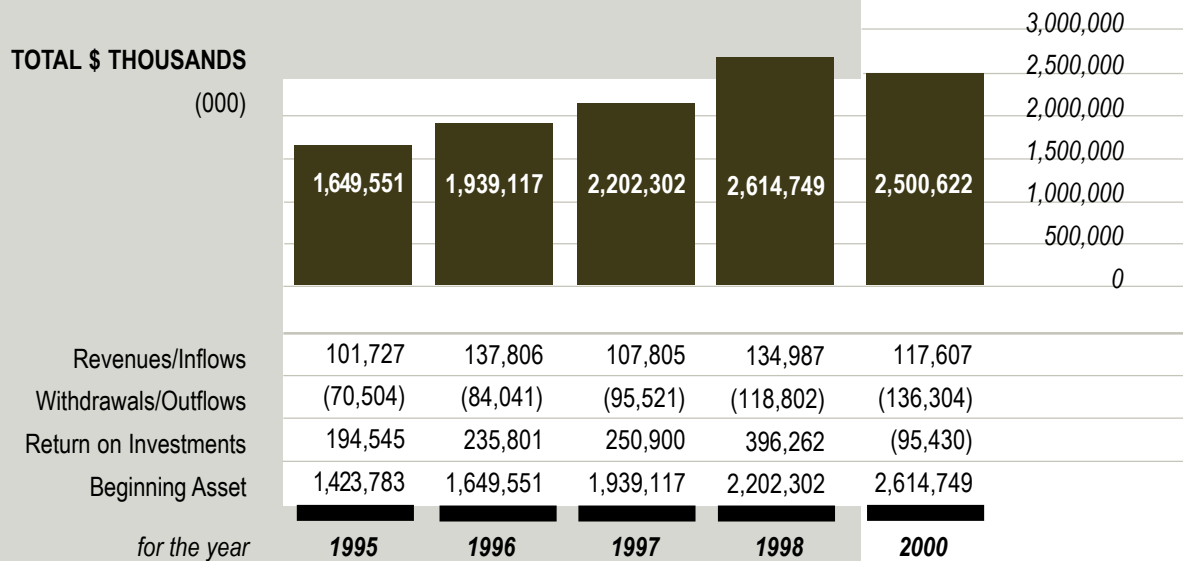
FPPA Active and Retired Members by Occupation (1996 - 2000)



Statistical Section

Member Data

Growth of Total Pension Fund Assets (1996 - 2000)



*IRC 457 Plan Assets not included

Schedule of Retired Members by Type of Benefit as of December 31, 2000

BENEFIT AMOUNT	\$0-\$500	\$501-\$1000	\$1001-\$1500	\$1501-\$2000	\$2001-\$2500	\$2501 and up
Statewide Death & Disability Plan						
Occupational Disability	20	70	179	77	10	2
Occupational Disability - Survivor	2	12	1	0	0	0
Total Disability	2	9	13	17	2	1
Total Disability - Survivor	7	12	5	2	0	0
Survivor of Active	7	46	22	10	0	0
Money Purchase Normal	1	1	4	2	0	2
Statewide Defined Benefit Plan						
Normal	0	3	4	1	1	0
Vested	47	20	6	3	17	11
Retiree - Survivor	0	4	0	0	0	0
Local Plan						
Disability	10	19	11	29	385	289
Disability - Survivor	11	7	118	170	13	0
Normal Retiree	1153	44	57	213	523	467
Normal - Survivor	235	43	66	99	1	0
Early Retiree	2	1	4	13	35	19
Vested Retiree	289	4	13	37	50	4
DROP Retiree	0	0	0	0	83	435
Totals	1,786	295	503	673	1,120	1,230



*First paid Grand
Junction Fire
Department.
Date unknown.*

457 Deferred Compensation Plan Advantages to FPPA Members:

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

Choose from a variety of investment options

Enjoy tax-deferred growth on account earnings

Invest through convenient payroll deductions

Investment options that range from conservative to aggressive.

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. Staff gave approximately 376 presentations to members from 158 fire and police departments.

Educational Seminars

Year 2000 also marks FPPA's thirteenth year of offering various seminars to help members plan for retirement, both financially and psychologically. FPPA hosted three member seminars. Topics included financial fitness - a review of financial planning goals and investment strategies; wills, estates, taxes and trust - practical information on developing financial strategies while planning for the future; and a pre-retirement seminar for members nearing retirement. They also hosted a retiree seminar covering covered long-term health care issues along with wills, estates, taxes and trusts. In addition, last year FPPA staff conducted an employer seminar featuring an overview of FPPA plans, the process and paperwork when hiring a new employee, and the refund and retirement process for an employee leaving service. The seminars continue to get excellent reviews by the attendees. FPPA strongly recommends these no-cost seminars to members, retirees and employers.

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 April 2000 FPPA launched its first web presence at www.fppaco.org. The site includes sections about; benefits, publications, e-mail links and a site map. Throughout the rest of the year the site continued to grow with the additions of; plan summary brochures, FPPA related Colorado State Statutes, FPPA Rules & Regulations, annual reports, newsletters, financial and investment information.

457 Deferred Compensation Plan

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

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

Employers Participating in FPPA's 457 Deferred Compensation Plan

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

457 Deferred Compensation Plan & Money Purchase Plan

2000 Rates of Return and Selected Multi-year Average Returns

<i>Fund</i>	<i>1 Year</i>	<i>3 Year</i>	<i>5 Year</i>	<i>10 Year</i>	<i>457 Plan 2000 Year End Balances</i>	<i>MP Plan 2000 Year End Balances</i>
FPPA Total Fund	-3.44%	8.81%	10.90%	11.53%		\$41,593,930
Putnam						
George Putnam Fund	9.61%	6.84%	11.51%	12.69%	\$1,347,302	\$447,496
Growth & Income Fund	8.27%	8.26%	14.03%	14.92%	\$1,332,026	\$1,116,873
Vista Fund	-3.75%	21.02%	21.87%	21.24%	\$4,491,380	\$3,917,554
Voyager Fund	-16.53%	17.56%	18.34%	20.42%	\$5,791,766	\$3,770,783
Global Growth Fund	-29.55%	14.48%	14.80%	13.60%	\$902,032	\$906,759
Stable Value Fund (GIC)	6.18%	6.01%	6.04%	6.04%	\$849,322	\$348,767
State Street Global Advisors						
Daily Bond Fund	10.89%	5.92%	6.09%	7.59%	\$315,618	\$305,301
S&P 500 Index	-9.14%	12.12%	18.32%	17.45%	\$2,343,320	\$1,478,165
Daily EAFE Index Fund	-15.32%	8.90%	6.56%	7.67%	\$49,161	\$8,798

Health Insurance

State law authorizes FPPA to enter into contracts with carriers to provide group health insurance plans for its retirees. All premiums and other costs associated with any of the plans are to be paid by the individual participants and not FPPA.

Health insurance for retirees is continually changing and expensive. Because it can also be very difficult to obtain, FPPA contracts with a service agency to help retirees locate individual insurance policies.

For more information, call FPPA at 303-770-3772 or 800-332-3772 if outside the Denver area.

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, \$19.46 for a member plus one (spouse or dependent), and \$34.29 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.