

FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

The logo for the Fire and Police Pension Association of Colorado (FPPA) is rendered in a large, bold, gold-colored font. The letters are thick and blocky, with a slight shadow effect. The 'F' and 'P's are particularly prominent. The 'A' is also large and blocky. The logo is positioned in the lower right quadrant of the page, partially overlapping the text 'ASSOCIATION OF COLORADO'.

Comprehensive Annual Financial Report

for the fiscal year ended

December 31, 2007

*FPPA Comprehensive Annual Financial Report
for the fiscal year ended December 31, 2007*

under the direction of the

FPPA Board of Directors

Leo J. Johnson, Chair

Kirk J. Miller, Vice Chair

Todd Bower

John Bramble

Monica Cortez-Sangster

Patty Fannin

L. Kristine Gardner

Stanley T. Sponsel

Mark Sunderhuse

and prepared by the FPPA Operations Division

Kim Collins, Chief Operations Officer

Melanie Winters, Accounting Manager

5290 DTC Parkway, Suite 100

Greenwood Village, Colorado 80111-2721

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www.FPPAco.org

FPPA

FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

*“Peace has its victories, but it takes brave
men and women to win them.”*

— Ralph Waldo Emerson

Table of Contents

Introductory Section

Letter of Transmittal	7
Board of Directors	13
Professional Consultants and Managers	14

Financial Section*

General Information	15
Independent Auditor's Report	16
Management's Discussion & Analysis	18
Basic Financial Statements	
Statement of Plan Net Assets Available for Pension Benefits	22
Statement of Changes in Plan Net Assets Available for Pension Benefits	23
Statement of Plan Net Assets Available for Pension Benefits (By Plan)	24
Statement of Changes in Plan Net Assets Available for Pension Benefits (By Plan)	26
Notes to the Financial Statements	28
Schedule of Funding Progress	50
Schedule of Employer and State Contributions	51
Net Assets by Participant	53
Payments to Consultants	59
Schedule of Administrative and Investment Expenses	60

Investment Section

General Information	65
Asset Allocation	67
"Top 20" Holdings	72
Fund Performance Summary	73
Schedule of Brokerage Commissions	74

Actuarial Section

Actuary's Certification Letter	76
General Information and Actuarial Assumptions	78
Summary of Plan Provisions	
Defined Benefit System – Statewide Defined Benefit Plan	81
Defined Benefit System – Statewide Hybrid Plan	85
Defined Benefit System – Exempt Plans	89
Statewide Death & Disability Plan	92
Affiliated Local Plans	96

Statistical Section

General Information	99
State Funding	100
Revenues: Source & Allocation	102
Expenses by Type – All Plans	102
Changes in Fiduciary Net Assets	103
Schedule of Average Benefit Payments	106
Principal Participating Employers	107
Employers	109
Schedule of Average Retirement Benefits Payable	110
Schedule of Benefits Disbursements by Type	111
Member Data	111

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

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.

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Colorado Fire and Police
Pension Association

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emmer

Executive Director



Public Pension Coordinating Council
Public Pension Standards
2007 Award

Presented to

Colorado Fire & Police Pension Association

In recognition of meeting professional standards for
plan design and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle

Alan H. Winkle
Program Administrator



Fire & Police Pension Association

Two DTC • 5290 DTC Parkway • Suite 100
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toll-free 800-332-3772 • fax 303-771-7622

www.FPPAco.org

June 30, 2008

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 & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund for the calendar year ended December 31, 2007.

The Fire & Police Members' Benefit Investment Fund includes the assets of those plans that fall under the complete investment authority of the FPPA Board of Directors. This fund includes the assets of the Defined Benefit System, the Statewide Death & Disability Plan, and numerous separate Local "Old Hire" police and fire plans, and Volunteer Fire pension plans. The Defined Benefit System comprises the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Exempt Plans.

The Fire & Police Members' Self-Directed Investment Fund consists of the assets in plans where members control their account by choosing from various mutual fund options selected by the Board of Directors. The Fire & Police Members' Self-Directed Investment Fund includes the assets in the Fire & Police Members' Statewide Money Purchase Plan, the Fire & Police Members' Money Purchase Plan (which includes the assets of affiliated local money purchase plans), and the Fire & Police Members' Deferred Compensation Plans. In addition, the Fire & Police Members' Self-Directed Investment Fund includes assets of certain Deferred Retirement Option Plans within the Defined Benefit System and Local "Old Hire" pension plans. This fund also includes the Money Purchase Component of the Defined Benefit System – Statewide Hybrid Plan.

The Fire & 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 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 193 employer plans participating in the Defined Benefit System - Statewide Defined Benefit Plan, 16 employer plans participating in the Defined Benefit System - Statewide Hybrid Plan, 2 employer plans participating in the Defined Benefit System - Exempt Plans, 33 employer plans with employees participating in the Fire & Police Members' Statewide Money Purchase Plan, 374 employer plans covered by the Statewide Death & Disability Plan, 54 affiliated Local "Old Hire" plans, 1 employer plan with employees participating in the Fire & Police Members' Money Purchase Plan, and 174 affiliated Local Volunteer Fire pension plans as of December 31, 2007.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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

Financial Highlights

General Economic Conditions

Despite a solid start, the global economy slowed and markets experienced significant volatility in the second half of 2007. A continued downturn in the U.S. housing market was fueled by problems in the sub-prime mortgage market which also led to further disruption in the credit markets. Real gross domestic product (GDP), a broad measure of the output of goods and services in the United States, grew at an estimated annual rate of 2.2% in 2007, compared to 2.9% in 2006. However, Q4 2007 only produced an annualized GDP growth rate of 0.6%, leading many economists to believe that the U.S. economy had a greater probability of entering a recession. Consumer spending and confidence waned in 2007. In the labor markets, non-farm payroll employment grew by over 1.5 million jobs during the year. The unemployment rate increased to 4.8% from 4.4% during 2007.

In the later part of 2007, the Federal Reserve lowered the targeted federal funds rate by a total of 100 basis points to a level of 4.25%, citing increased uncertainty and slowing growth in the economy. Largely due to higher energy costs, the consumer price index increased 2.8% in 2007 compared to a rate of 2.5% in 2006. The energy price index increased by 5.5% in 2007 compared to a (3.6%) decrease in 2006. Excluding food and energy, the consumer price index rose 2.3% in 2007 compared to a 2.6% increase in 2006.

After a volatile year in the financial markets, the U.S. stock market posted mixed results for the year. Large company stocks, as measured by the Russell 1000 Index, increased 5.77% in 2007 compared to a return of 15.78% in 2006. Smaller company stocks, as represented by the Russell 2000 Index, produced a return of (1.57%) in 2007 compared to a gain of 15.46% in 2006. Supported by a lower interest rate environment, the U.S. bond market posted solid returns. The Lehman Brothers Aggregate Bond Index produced a return of 6.97% in 2007 compared to a 4.33% return in 2006.

For the sixth consecutive year, international equity markets outperformed the U.S. equity market. Emerging markets continued to outperform developed markets, finishing 2007 with a return of 39.78% after increasing 32.59% in 2006. Within the developed international equity markets, the MSCI Europe Index rose 14.39% in 2007 following an increase of 33.72% in 2006. The MSCI Pacific Basin Index returned 5.30% in 2007 compared to a gain of 12.20% in 2006.

In the currency markets, the U.S. dollar depreciated in value against most major currencies in 2007. The dollar declined 9.6% against the Euro, closing at 0.6850 euros per dollar from 0.7577 at the end of 2006. Against the British Pound, the dollar declined 1.4% to 0.5033 from 0.5106 pounds per dollar at the end of 2006. The dollar declined 14.7% against the Canadian Dollar resulting in a rate of .9937 Canadian Dollars per U.S. dollar from 1.1652 at the end of 2006. The dollar depreciated 6.4% relative to the yen to 111.45 yen per dollar from 119.02 at the beginning of the year.

Investments

The investible portfolio totaled \$3.712 billion in market value as of December 31, 2007, which was comprised of the Fire & Police Members' Benefit Investment Fund (\$3.517 billion) and the Fire & Police Members' Self-Directed Investment Fund (\$195 million). The Members' Benefit Investment Fund had a total gross return of 9.68% for the one-year period ending December 31, 2007. At year-end, the Fire & Police Members' Benefit Investment Fund was allocated as follows: U.S. equities 37.9%; international equities 20.6%; domestic core plus bonds 25.9%; domestic high yield bonds 1.3%; real estate 6.0%; alternative investments 7.7%; and cash & short-term investments 0.6%. The FPPA Board of Directors has established investment policies and objectives to define acceptable levels of risk, asset allocation targets, asset class guidelines, investment performance objectives, and other guidelines governing the management of the Fire & Police Members' Benefit Investment Fund. The Board has adopted a separate statement of policies and objectives for the Fire & Police Members' Self-Directed Investment Fund which includes investment objectives, criteria for the selection of investment options and mutual fund guidelines.

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

Independent Audit

The accounting firm of Bondi & Co., LLC rendered an opinion as to the fairness of the Fund's 2007 financial statements. The audit was performed in accordance with auditing standards generally accepted in the United States of America. The Independent Auditors' Report is included on pages 16 and 17 of this report.

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 2007 amounted to \$578.2 million, a decrease of (\$28.3 million) or (4.7%) from 2006.

The net revenues for 2007 were comprised of \$76.3 million in member contributions, up 31.8% from \$57.9 million in 2006. Employer contributions totaled \$85.6 million in 2007, down (1.0%) from \$86.5 million in 2006. The State of Colorado contributed \$37.6 million to plans affiliated with the Association in 2007. The Association's investment gain for 2007 totaled \$306.6 million. Five volunteer fire pension plans elected to affiliate with the Association during 2007, bringing in \$6.0 million in assets. Two Old Hire fire plans elected to affiliate during 2007, adding \$1.0 million in assets. Two departments entered into the Statewide Hybrid Money Purchase Plan bringing in an additional \$63.7 million in assets.

Active membership is distributed as follows: 5,094 Defined Benefit System - Statewide Defined Benefit Plan members, up 9.4% from 4,617 in 2006; 396 Defined Benefit System - Statewide Hybrid Plan members, up 71.0% from 115 in 2006; 940 exempt plan members, down (16.8%) from 1,098 the prior year; 225 old hire members, down (34.7%) from 303 in 2006; 79 money purchase plan members, down (39.2%) from 110 last year; 4,289 volunteer fire members, up 2.9% from 4,163 in 2006; and 4,863 members covered for death & disability only, down (1.1%) from 4,917 last year. The members listed above are comprised of 39.7% police officers and 60.3% firefighters.

The net investment gains for 2007 amounted to \$306.6 million. Interest, dividends and other investment income increased by \$10.7 million over the prior year. Realized and unrealized gains on investment transactions decreased (\$127.2 million) for 2007 over those in 2006. The total market value of the investment portfolio increased to \$3.7 billion, or an increase of \$352.2 million from \$3.4 billion at the end of 2006.

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 2007 is included in that section.

Expenses

The primary expenses of the Association include the payment of benefits to retirees and beneficiaries, the refund of contributions to former members, and the cost of administering the numerous pension plans. Expenses for the year 2007 totaled \$226.0 million, which is an increase of \$21.5 million or 10.5% over 2006.

Benefit payments to retirees and beneficiaries totaled \$173.1 million in 2007, up 5.0% or \$8.3 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 Defined Benefit System of 3.0%. The number of retirees receiving benefit payments increased to 7,944 as of December 31, 2007, up 9.3% from 7,265 at the end of 2006.

Administration expenses of the Fund increased to \$23.9 million in 2007 from \$20.1 million in 2006. This represented an increase of 18.9%. Administrative expenses include money management fees, which make up 80.7% of total administrative expenses. Investment management fees are asset based and increase as the size of the fund increases. Refer to Note 3 for an expanded explanation on the change in accounting policy with regards to security lending fees and the corresponding increase in administrative expenses.

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, 2007 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, meet the requirements of GASB 25. While each of the plans administered by FPPA have been audited as a separate fund and identified separately in the auditor's opinion, they are combined on the financial statements for presentation purposes.

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, 2007 adequately safeguarded assets and provided reasonable assurance regarding the proper recording of financial transactions.

Other Programs and Services

Visitation Program

During 2007, FPPA's Benefits & Communication Division continued its communication programs with members, employers and retirees. Approximately 564 presentations were made to members from 169 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 ensure 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 that their retirement income is projected to replace. This provides a quick way for the members to see if they are saving adequately for retirement.

FPPA staff also presents benefit information at many department academy classes throughout the year. These meetings provide the new members an introduction to the FPPA benefit plans. The members are then able to stay abreast of the benefit plan provisions through the on-going department visitation program.

FPPA staff accepts many invitations to participate in employer sponsored retirement seminars or benefit fairs held at various departments and cities across the state.

FPPA Defined Benefit System Meetings

In 2003, legislation was enacted to allow departments who cover their firefighters and police officers in money purchase plans to elect coverage under the FPPA Defined Benefit System. In 2007, FPPA staff held 12 meetings to present information to departments who expressed interest in entering the FPPA Defined Benefit System. Three departments completed the entry process in 2007. Discussions are on-going with others on this matter. These meetings are conducted at the request of the members and/or employers.

FPPA Seminars

Year 2007 also marks FPPA's twentieth year of offering various seminars to help members plan for retirement, both financially and psychologically. FPPA hosted two seminars, on topics including wills, estate taxes, trusts, Medicare and Social Security information as it relates to the FPPA membership, identity theft and considerations when evaluating the need for long-term care insurance. The seminars continue to get excellent reviews by the attendees. FPPA strongly recommends these no-cost seminars to members, retirees and employers.

457 Deferred Compensation

FPPA's Section 457 Deferred Compensation program was developed in 1990 in response to member requests. By the end of 2007, there were 100 employer plans participating in the program. The program provides tax-deferred savings to help members meet their retirement needs and, with low management fees, more of the dollars invested are returned for the member's use in retirement.

Money Management Services – Money Purchase Plans

FPPA has offered its money management services since 1990 to departments that have provided money purchase plans to their members. FPPA had one remaining department affiliated for these services at year-end 2007, however this department was in the process of considering a move to the FPPA Defined Benefit System.

Statewide Money Purchase Plan

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. Currently there are 33 employer plans with members participating in this program. Some have exited to enter the FPPA

Defined Benefit System which offers added choice to the existing members. Department chiefs may also participate in this plan as an alternative to the Statewide Defined Benefit Plan.

Money Management Services – Volunteer Fire Plans

Since legislative approval in 1986, FPPA has offered the advantages of its money management services to volunteer fire department pension funds that choose to affiliate. At the end of 2007, there were a total of 174 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.

Optional Insurance Benefit Programs

FPPA offers retirees access to a broad range of insurance products including health, dental, vision and long-term care. Some of these products are available to members and retirees by simply applying for coverage, while others require evidence of insurability. A group medical plan is available for retirees who are Medicare eligible through the Secure Horizons HMO Group Retiree plan offered by PacifiCare/United Health Care. Retirees who are not Medicare eligible can contact The Gemini Group, an insurance broker who partners with FPPA, to receive assistance in finding an individual medical insurance policy. The Gemini Group works with many companies and is able to assist FPPA members and retirees in comparing benefits and applying for coverage. Gemini can also assist with obtaining life insurance, long-term care and AFLAC supplemental benefit products. Many of these insurance premiums are deducted from the retiree's pension check and paid directly to the insurance provider, thus enabling eligible retirees to take advantage of the tax exclusion as permitted by the Healthcare Enhancement for Local Public Safety (HELPS) provision of the Federal Pension Protection Act of 2006.

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, 2006. 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. The comprehensive annual financial report 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.

In addition, FPPA received The Public Pension Standards Award for 2007 from the Public Pension Coordinating Council. The award recognizes the Association's conformance with professional standards for plan design and administration.

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.

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

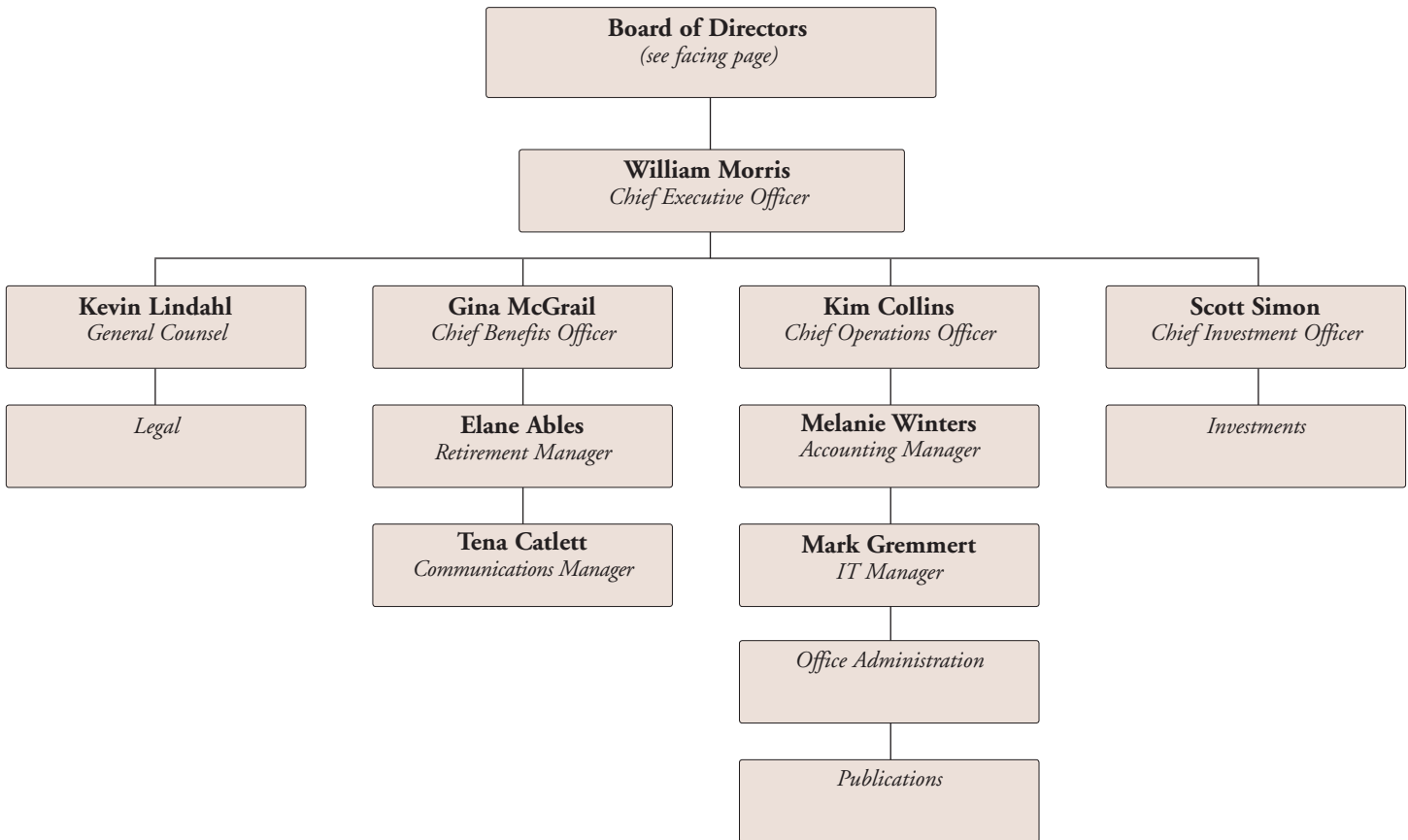
Respectfully submitted,



William Morris

Chief Executive Officer

FPPA Administrative Organizational Chart



By state statute, the management of the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (the Funds) 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 Funds, disbursing money from the Funds, 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 7:30 and 9 am and are open to the public.

Management fees are on pages 70 and 71. Brokerage commissions are listed on pages 74 and 75. Professional consultants and investment managers are listed on page 14.

FPPA

Board of Directors

as of December 31, 2007



Leo J. Johnson*

Board Chair
Trustee, West Metro Fire Rescue District
Member since 2000
Current term expires 9/1/07



Kirk J. Miller

Board Vice Chair
Active, Corporal,
Denver Police Department
Member since 2005
Current term expires 9/1/08

Todd Bower
Captain - Denver Fire Department
Member since 2001
Current term expires 9/1/09



John Bramble*
City Manager - Brighton
Member since 2000
Current term expires 9/1/07



Monica Cortez-Sangster
Director of Human Resources -
Colorado Department of
Personnel & Administration
Member since 2003
Current term expires 9/1/10



Patty Fannin
Pension Administrative Technician
Finance Department
City of Colorado Springs
Member since 2007
Current term expires 9/1/10

L. Kristine Gardner
Senior VP - Alpine Banks of
Colorado, Glenwood Springs
Member since 1988
Current term expires 9/1/08



Stanley T. Sponsel
Retired, Assistant Fire Chief,
Denver Fire Department
Member since 2005
Current term expires 9/1/09



Mark Sunderhuse
Principal - Foresight Capital
Member since 2002
Current term expires 9/1/10

*These members continue to serve until reappointed or replaced by the Governor.

Professional Consultants

Actuarial

Gabriel Roeder Smith & Co.

Auditor

BONDI & Co., LLC

Board Medical Advisor

Dr. Roderic Gottula

Investment Consultants

Abel/Noser Corporation
Hamilton Lane
Pension Consulting Alliance
RiskMetrics Group/ISS Governance
The Townsend Group

Master Custodian/Trustee

BNY Mellon Asset Servicing

Legal Counsel

Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP
Ice Miller LLP
Parsons Heiser & Paul LLP
Inman Flynn Biesterfeld Brentlinger & Mortitz, P.C.
Levett Rockwood P.C.
Bernstein Litowitz Berger & Grossmann LLP
Lieff, Cabraser, Heimann & Bernstein, LLP
Bingham McCutchen LLP
Day Pitney Hardin LLP
Pendleton Friedberg Wilson & Hennessey, P.C.
Bracewell & Giuliani LLP

Governmental Relations

Lombard & Clayton

Investment Managers

Domestic Equities

ClariVest Asset Management
Cortina Asset Management
Fiduciary Asset Management
Legg Mason Capital Management
State Street Global Advisors
Thomson Horstmann & Bryant, Inc.

Domestic Fixed Income

Pacific Investment Management Co.
Trust Company of the West
Western Asset Management Co.

International Equities

Baillie Gifford Overseas Ltd.
Julius Baer Investment Management
LSV Asset Management
Morgan Stanley Asset Management
Rexiter Capital Management

Real Estate

Apollo Real Estate Advisors
Blackrock, Inc.
Blackstone Real Estate
Dune Real Estate
Hancock Timber
JP Morgan Asset Management – Real Estate
Morgan Stanley Real Estate
Prudential Real Estate Investors
RREEF Alternative Investments

Funds of Hedge Funds

Fairfield Greenwich Group
Gottex Fund Management

Alternative Investments

ABS Capital Partners
Apollo Management LP
ARCH Venture Partners
Aurora Equity Partners
Avenue Capital Group
Birch Hill Equity Partners
Blackstone Capital Partners
Boston Ventures
Candover Partners
Catterton Partners
Centennial Ventures
Chisholm Partners
Coller Investment Management Limited
CVC European Equity Partners
Doughty Hanson & Company
Endeavour Capital
First Reserve Corporation
Focus Ventures
Granite Global Ventures
HarbourVest Partners
Harvest Partners
Heritage Partners
JMI Equity
Kayne Anderson Capital Advisors
Kelso Investment Associates
Kohlberg Investors
Larimer Venture
Leapfrog Ventures
Leonard Green & Partners
Lighthouse Capital Partners
LNK Partners
MatlinPatterson
MHR Institutional Partners
Nautic Partners
Nordic Capital
Oxford Bioscience
Permira
Providence Equity Partners
SKM Equity Fund
Sprout Capital Group
Texas Pacific Group
Thomas H Lee Partners
Thomas McNerney & Partners
Vestar Capital Partners
W Capital Partners
Willis Stein & Partners

FPPA administers the Fire & Police Members' Benefit Investment Fund which includes the assets of those plans that fall under the complete investment authority of the FPPA Board of Directors. This fund includes the assets of the Defined Benefit System, the Statewide Death & Disability Plan, and numerous separate Local "Old Hire" police and fire plans, and Volunteer Fire pension plans. The Defined Benefit System comprises the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Exempt Plans.

In addition, FPPA administers the Fire & Police Members' Self-Directed Investment Fund which consists of the assets of plans where members control their account by choosing from various mutual fund options selected by the Board of Directors. The Fire & Police Members' Self-Directed Investment Fund includes the assets in the Fire & Police Members' Statewide Money Purchase Plan, the Fire & Police Members' Money Purchase Plan (which includes the assets of affiliated local money purchase plans), and the Fire & Police Members' Deferred Compensation Plans. In addition, the Fire & Police Members' Self-Directed Investment Fund includes assets of certain Deferred Retirement Option Plans within the Defined Benefit System and Local "Old Hire" pension plans. This fund also includes the Money Purchase Component of the Defined Benefit System – Statewide Hybrid Plan.

An audit is performed annually on the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund.

General information about each Fund can be found in the Introductory Section of this annual report. A listing of employers by plan or plan type 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.

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



BONDI & Co. LLC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

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**Board of Directors
Fire and Police Pension Association of Colorado
Greenwood Village, Colorado**

Independent Auditors' Report

We have audited the accompanying financial statements of the Fire and Police Members' Benefit Investment Fund (consisting of the Affiliated Local Plans, the Statewide Death and Disability Plan, and the Defined Benefit System) and the Fire and Police Members' Self-Directed Investment Fund (consisting of the Fire and Police Members' Money Purchase Plan, the Fire and Police Members' Statewide Money Purchase Plan, the Self-Directed Assets for the Affiliated Local and Defined Benefit System Plans, and the IRC 457 Deferred Compensation Plan) of the Fire and Police Pension Association of Colorado, (FPPA), as of and for the year ended December 31, 2007, which collectively comprise the FPPA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of FPPA's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the FPPA's 2006 financial statements and, in our report dated March 23, 2007, we expressed an unqualified opinion on the respective financial statements of the Fire and Police Members' Benefit Investment Fund (consisting of the Affiliated Local Plans, the Statewide Death and Disability Plan, and the Defined Benefit System) and the Fire and Police Members' Self-Directed Investment Fund (consisting of the Fire and Police Members' Money Purchase Plan, the Fire and Police Members' Statewide Money Purchase Plan, the Self-Directed Assets for the Affiliated Local and Defined Benefit System Plans, and the IRC 457 Deferred Compensation Plan).

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



Affiliate Offices Worldwide

Board of Directors
Fire and Police Pension Association of Colorado
Greenwood Village, Colorado
Page 2

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets available for pension benefits of the Fire and Police Members' Benefit Investment Fund (consisting of the Affiliated Local Plans, the Statewide Death and Disability Plan, and the Defined Benefit System) and the Fire and Police Members' Self-Directed Investment Fund (consisting of the Fire and Police Members' Money Purchase Plan, the Fire and Police Members' Statewide Money Purchase Plan, the Self-Directed Assets for the Affiliated Local and Defined Benefit System Plans, and the IRC 457 Deferred Compensation Plan) of the FPPA as of December 31, 2007, and the related changes in plan net assets available for pension benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information and management's discussion and analysis included in the annual report are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the FPPA's basic financial statements. The supporting schedules for the financial section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

March 31, 2008


BONDI & Co. LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is an overview of the financial activities of the Fire & Police Pension Association for the year ended December 31, 2007. This is the second year reflecting the new fund structure adopted by the Colorado General Assembly in 2006.

FPPA administers two funds: the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund ("the Funds"). The Fire & Police Members' Benefit Investment Fund includes the assets of those plans that fall under the complete investment authority of the FPPA Board of Directors. This fund includes the assets of the Defined Benefit System, the Statewide Death & Disability Plan, and numerous separate Local "Old Hire" police and fire plans, and Volunteer Fire pension plans. The Defined Benefit System comprises the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Exempt Plans.

The Fire & Police Members' Self-Directed Investment Fund consists of the assets of plans where members control their account by choosing from various mutual fund options selected by the Board of Directors. The Fire & Police Members' Self-Directed Investment Fund includes the assets in the Fire & Police Members' Statewide Money Purchase Plan, the Fire & Police Members' Money Purchase Plan, (which includes the assets of affiliated local money purchase plans), and the Fire & Police Members' Deferred Compensation Plans. In addition, the Fire & Police Members' Self-Directed Investment Fund includes assets of certain Deferred Retirement Option Plans within the Defined Benefit System and Local "Old Hire" pension plans. This fund also includes the Money Purchase Component of the Defined Benefit System – Statewide Hybrid Plan.

Financial Highlights

Plan Net Assets for all plans administered by FPPA increased \$352,182,265 during the calendar year 2007.

Plan Net Assets

Affiliated Local Plans	\$ 108,541,974
Statewide Death & Disability Plan	21,923,197
Defined Benefit System	162,003,838
Fire & Police Members' Money Purchase Plan	(5,281,065)
Fire & Police Members' Statewide Money Purchase Plan	274,027
Self-Directed Assets for Affiliated Local and Defined Benefit System Plans	56,401,919
IRC 457 Deferred Compensation Plan	8,318,375
Total Increase in Plan Net Assets	\$ 352,182,265

For the year ended December 31, 2007, the gross rate of return on the Fire & Police Members' Benefit Investment Fund was a positive 9.68 percent, (9.21 percent, net of fees). This performance is less than the 15.34 percent gross return for the year ended December 31, 2006 (14.78 percent, net of fees). The net investment gain for all of the funds, including the Fire & Police Members' Self-Directed Investment Fund administered by FPPA, for the year ended December 31, 2007 was \$306,614,979. The overall financial position of FPPA improved due to better than expected returns on investment of the Fire & Police Members' Benefit Investment Fund. There are no current known facts, conditions or decisions that are expected to have a significant affect on the financial position or results of operations.

Net Investment Gain

Affiliated Local Plans	\$ 166,294,822
Statewide Death & Disability Plan	26,019,406
Defined Benefit System	102,819,801
Fire & Police Members' Money Purchase Plan	153,791
Fire & Police Members' Statewide Money Purchase Plan	417,710
Self-Directed Assets for Affiliated Local and Defined Benefit System Plans	6,163,503
IRC 457 Deferred Compensation Plan	4,745,946
Total Net Investment Gain	\$ 306,614,979

The members of the FPPA Board of Directors serve as the fiduciaries for the Funds and are responsible for the investment of the Funds. They also select the investment options available to self-directed plan members. As fiduciaries, the FPPA Board members are required to discharge their duties in the interest of fund participants and beneficiaries.

The table below shows the funding ratio (actuarial value of assets divided by actuarial accrued liability) for each of the plans in the Defined Benefit System and the Statewide Death & Disability Plan as of January 1, 2007 and January 1, 2006:

Funding Ratio

	1/1/2007	1/1/2006
Statewide Death & Disability Plan	106.1%	96.4%
Defined Benefit System – Statewide Defined Benefit Plan	122.5%	119.5%
Defined Benefit System – Statewide Hybrid Plan	152.8%	149.0%
Defined Benefit System – Colorado Springs New Hire Pension Plan – Police Component	98.7%	N/A
Defined Benefit System – Colorado Springs New Hire Pension Plan – Fire Component	99.1%	N/A

Affiliated Local Plans are not listed because the data necessary to calculate a gain/loss analysis on all Local Plans was not available as of the January 1, 2007 actuarial valuations.

FPPA's funding objective for the Fire & Police Members' Benefit Investment Fund is to meet long-term benefit promises through contributions and investment income. The funding ratios listed above gives an indication of how well this objective has been met to date. The higher the funding ratio, the better funded the plan is.

The Fire & Police Members' Money Purchase Plan saw its total contributions decrease from \$405,144 to \$178,321. The decrease of \$226,823 resulted from a large employer moving to the Statewide Hybrid Plan.

Contributions to the Fire & Police Members' Statewide Money Purchase Plan decreased from \$540,407 to \$500,400. The decrease of \$40,007 was primarily due to a change in the recognition of accrued contributions receivable at year end from 2006 to 2007.

The IRC 457 Deferred Compensation Plan increased from \$41,067,409 to \$49,385,784. This increase resulted from a net gain of \$8,318,375 in plan net assets due to member contributions and an appreciation in the fair value of member investments.

Overview of the Financial Statements

The management discussion and analysis is intended to serve as an introduction to FPPA's Financial Statements. The Financial Section for FPPA comprises four components: (1) Fund Financial Statements, (2) Notes to the Financial Statements, (3) Required Supplementary Information, and (4) Other Supplementary Schedules.

Fund Financial Statements. There are two financial statements presented for the Funds. The Statement of Plan Net Assets is a snapshot of account balances as of December 31, 2007. This statement reflects the net assets available to pay future pension benefits. The Statement of Changes in Plan Net Assets reflects all the activities that occurred during the year ended December 31, 2007. This statement shows the impact of those activities as additions and deductions to the Funds.

Notes to the Financial Statements. The notes are an integral part of the financial statements and provide additional information that is essential for a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 19-51 of this report.

Required Supplementary Information. The required supplementary information consists of a Schedule of Funding Progress and a Schedule of Employer Contributions.

Other Supplementary Schedules. The additional schedules (Net Assets by Participant, Payments to Consultants, Schedule of Administration and Investment Expenses) are presented for the purpose of additional analysis.

Comparative Financial Statements

Fire & Police Members' Benefit Investment Fund.

The defined benefit plans within this fund provide retirement, survivor and disability benefits to the employees of affiliated employers. Benefits are funded by member, employer and State of Colorado contributions and by earnings on investments.

Fire & Police Members' Benefit Investment Fund Net Assets

	12/31/2007	12/31/2006	%Change
Assets			
Cash	\$ 7,499,914	\$ 3,944,574	90.1%
Short Term Investments	93,796,779	118,329,157	(20.7)%
Securities Lending Pool	440,225,377	369,643,043	19.1%
Total Investments	3,568,102,260	3,243,478,429	10.0%
Receivables	69,908,211	231,698,175	(69.8)%
Other Assets	4,624,559	3,332,229	38.8%
Total Assets	4,184,157,100	3,970,425,607	5.4%
Liabilities			
Securities Lending Obligations	440,225,377	369,643,043	19.1%
Investment and Other Liabilities	226,550,724	375,870,574	(39.7)%
Total Liabilities	666,776,101	745,513,617	(10.6)%
Net Assets Available for Benefits	\$3,517,380,999	\$3,224,911,990	9.1%

Fire & Police Members' Self-Directed Investment Fund

	12/31/2007	12/31/2006	%Change
Assets			
Cash	\$ 221,925	\$ 91,692	142.0%
Total Investments	194,960,591	135,416,052	44.0%
Receivables	315,715	277,231	13.9%
Total Assets	195,498,231	135,784,975	44.0%
Net Assets Available for Benefits	\$195,498,231	\$135,784,975	44.0%

Total Fire & Police Members' Benefit Investment Fund Changes In Net Assets

	12/31/2007	12/31/2006	%Change
Additions			
Employer contributions	\$84,537,460	\$85,787,012	(1.5)%
Member contributions	52,723,168	36,199,146	45.6%
Affiliations	7,042,765	4,095,766	72.0%
State contributions	37,593,512	27,970,106	34.4%
Investment Income/Loss	295,134,029	414,473,661	(28.8)%
Securities Lending Income	1,372,794	1,225,365	12.0%
Total Additions	\$478,403,728	\$569,751,056	(16.0)%
Deductions			
Benefit payments	\$173,142,569	\$164,846,096	5.0%
Refund of contributions	8,594,814	10,745,973	(20.0)%
Administrative costs	4,197,336	4,203,557	(0.1)%
Total Deductions	185,934,719	179,795,626	3.4%
Change in Net Assets			
Available for Pension Benefits	\$292,469,009	\$389,955,430	(25.0)%

Total Fire & Police Members' Self-Directed Investment Fund Changes In Net Assets

	12/31/2007	12/31/2006	%Change
Additions			
Employer contributions	\$ 1,014,758	\$ 721,050	40.7%
Member contributions	23,597,685	21,732,253	8.6%
Affiliations	63,734,891	1,890,668	3,271.0%
Investment Income/Loss	11,480,950	12,372,141	(7.2)%
Total Additions	\$ 99,828,284	\$36,716,112	171.9%
Deductions			
Refund of contributions	\$40,115,028	\$24,763,541	62.0%
Total Deductions	\$40,115,028	\$24,763,541	62.0%
Change in Net Assets			
Available for Pension Benefits	\$59,713,256	\$11,952,571	399.6%

STATEMENT OF PLAN NET ASSETS AVAILABLE FOR PENSION BENEFITS

As of December 31, 2007, with Comparative Totals for 2006

	TOTAL MEMBERS' BENEFIT INVESTMENT FUND	TOTAL MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2007	COMBINED TOTALS 2006
ASSETS				
Cash (Note 5)	\$7,499,914	\$221,925	\$7,721,839	\$4,036,266
Investments (Note 5)				
Short Term Investments	93,796,779	15,275	93,812,054	118,329,157
U.S. Government Agency Obligations	451,316,257	29,090,304	480,406,561	499,629,169
Corporate Bonds	612,004,669	2,588,626	614,593,295	435,120,429
Domestic Equity Securities	1,308,197,036	149,712,775	1,457,909,811	1,370,073,933
International Equity Securities	704,636,287	13,553,611	718,189,898	697,970,030
International Fixed Income	9,188,506		9,188,506	9,863,628
Private Equity	271,092,604		271,092,604	209,021,544
Real Estate	211,666,901		211,666,901	157,215,748
Securities Lending Investment Pool	440,225,377		440,225,377	369,643,043
Total Investments	4,102,124,416	194,960,591	4,297,085,007	3,866,866,681
Total Cash and Investments	4,109,624,330	195,182,516	4,304,806,846	3,870,902,947
Receivables				
Other	14,277		14,277	16,654
Assets Sold-Pending Trades	61,487,408		61,487,408	221,156,146
Contributions	2,192,587	315,715	2,508,302	3,682,977
Accrued Interest and Dividends	6,213,939		6,213,939	7,119,629
Total Receivables	69,908,211	315,715	70,223,926	231,975,406
Properties and Equipment, at Cost, Net of				
Accumulated Depreciation (Note 7)	4,492,861		4,492,861	3,141,039
Other Assets	131,698		131,698	191,190
TOTAL ASSETS	4,184,157,100	195,498,231	4,379,655,331	4,106,210,582
LIABILITIES				
Payables				
Accounts, Employee and Participants Payable	4,648,912		4,648,912	2,433,396
For Assets Purchased-Pending Trades	221,901,812		221,901,812	373,437,178
Amounts Owed for Securities Lending Transactions (Note 5)	440,225,377		440,225,377	369,643,043
TOTAL LIABILITIES	666,776,101		666,776,101	745,513,617
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$3,517,380,999	\$195,498,231	\$3,712,879,230	\$3,360,696,965
(A Schedule of Funding Progress for each Plan is presented on Page 51)				

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

STATEMENT OF CHANGES IN PLAN NET ASSETS AVAILABLE FOR PENSION BENEFITS

For The Year Ended December 31, 2007, with Comparative Totals for 2006

	TOTAL MEMBERS' BENEFIT INVESTMENT FUND	TOTAL MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2007	COMBINED TOTALS 2006
ADDITIONS				
Contributions (Note 4)				
Employer	\$84,537,460	\$1,014,758	\$85,552,218	\$86,508,062
Plan Member	52,723,168	23,597,685	76,320,853	57,931,399
Affiliations (Withdrawals)	7,042,765	63,734,891	70,777,656	5,986,434
State Contributions	37,593,512		37,593,512	27,970,106
Total Contributions	181,896,905	88,347,334	270,244,239	178,396,001
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	164,935,419	11,480,950	176,416,369	303,587,109
Interest	39,627,778		39,627,778	33,227,640
Dividends	102,233,747		102,233,747	91,128,353
Net Real Estate Investment Income	8,066,698		8,066,698	13,100,613
Other Income	(75,438)		(75,438)	1,703,666
Total Investment Income (Loss)	314,788,204	11,480,950	326,269,154	442,747,381
Less Investment Counsel				
	361,512		361,512	310,500
Less Investment Management Fees				
	18,443,997		18,443,997	14,689,108
Less Alternative Investment Legal Fees				
	41,052		41,052	142,182
Less Bank Fees				
	807,614		807,614	759,789
Net Investment Income (Loss)	295,134,029	11,480,950	306,614,979	426,845,802
Securities Lending				
Income	19,128,484		19,128,484	15,613,076
Borrowers Rebates	(17,298,175)		(17,298,175)	(13,979,456)
Agent Fees	(457,515)		(457,515)	(408,255)
Net Securities Lending Income	1,372,794		1,372,794	1,225,365
Total Additions	478,403,728	99,828,284	578,232,012	606,467,168
DEDUCTIONS				
Benefit Payments	173,142,569		173,142,569	164,846,096
Refunds of Contributions	8,594,814	40,115,028	48,709,842	35,509,514
Administrative Costs	4,197,336		4,197,336	4,203,557
Total Deductions	185,934,719	40,115,028	226,049,747	204,559,167
NET INCREASE IN PLAN NET ASSETS	292,469,009	59,713,256	352,182,265	401,908,001
NET ASSETS AVAILABLE FOR PENSION BENEFITS				
BEGINNING OF YEAR	3,224,911,990	135,784,975	3,360,696,965	2,958,788,964
END OF YEAR	\$3,517,380,999	\$195,498,231	\$3,712,879,230	\$3,360,696,965

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

STATEMENT OF PLAN NET ASSETS AVAILABLE FOR PENSION BENEFITS (By Plan)

As of December 31, 2007

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY	DEFINED BENEFIT SYSTEM	TOTAL MEMBERS' BENEFIT INVESTMENT FUND
ASSETS				
Cash (Note 5)	\$4,121,827	\$657,504	\$2,720,583	\$7,499,914
Investments (Note 5)				
Short Term Investments	51,549,133	8,222,997	34,024,649	93,796,779
U.S. Government Agency Obligations	248,035,827	39,566,094	163,714,336	451,316,257
Corporate Bonds	336,347,477	53,653,361	222,003,831	612,004,669
Domestic Equity Securities	718,963,098	114,687,307	474,546,631	1,308,197,036
International Equity Securities	387,256,257	61,774,210	255,605,820	704,636,287
International Fixed Income	5,049,849	805,540	3,333,117	9,188,506
Private Equity	148,987,938	23,766,206	98,338,460	271,092,604
Real Estate	116,328,570	18,556,461	76,781,870	211,666,901
Securities Lending Investment Pool	241,940,466	38,593,776	159,691,135	440,225,377
Total Investments	2,254,458,615	359,625,952	1,488,039,849	4,102,124,416
Total Cash and Investments	2,258,580,442	360,283,456	1,490,760,432	4,109,624,330
Receivables				
Other	7,846	1,252	5,179	14,277
Assets Sold-Pending Trades	33,792,446	5,390,491	22,304,471	61,487,408
Contributions	544,611	362,097	1,285,879	2,192,587
Accrued Interest and Dividends	3,415,076	544,765	2,254,098	6,213,939
Total Receivables	37,759,979	6,298,605	25,849,627	69,908,211
Properties and Equipment, at Cost, Net of Accumulated				
Depreciation (Note 7)	2,469,201	393,881	1,629,779	4,492,861
Other Assets	72,379	11,546	47,773	131,698
TOTAL ASSETS	2,298,882,001	366,987,488	1,518,287,611	4,184,157,100
LIABILITIES				
Payables				
Accounts, Employee and Participants Payable	2,554,964	407,562	1,686,386	4,648,912
For Assets Purchased-Pending Trades	121,953,505	19,453,737	80,494,570	221,901,812
Amounts Owed for Securities Lending Transactions (Note 5)	241,940,466	38,593,776	159,691,135	440,225,377
TOTAL LIABILITIES	366,448,935	58,455,075	241,872,091	666,776,101
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$1,932,433,066	\$308,532,413	\$1,276,415,520	\$3,517,380,999

(A Schedule of Funding Progress for each Plan is presented on Page 51)

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

MEMBERS' LOCAL MONEY PURCHASE	MEMBERS' STATEWIDE MONEY PURCHASE	SELF-DIRECTED ASSETS FOR AFFIL. LOCAL & DB SYSTEM	IRC 457 DEFERRED COMPENSATION PLAN	TOTAL MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2007
\$0	\$7,127	\$214,798	\$0	\$221,925	\$7,721,839
		15,275		15,275	93,812,054
	189,732	26,383,617	2,516,955	29,090,304	480,406,561
18,941	272,034	1,454,113	843,538	2,588,626	614,593,295
477,994	4,058,194	105,462,824	39,713,763	149,712,775	1,457,909,811
5,227	391,169	7,095,386	6,061,829	13,553,611	718,189,898
					9,188,506
					271,092,604
					211,666,901
					440,225,377
502,162	4,911,129	140,411,215	49,136,085	194,960,591	4,297,085,007
502,162	4,918,256	140,626,013	49,136,085	195,182,516	4,304,806,846
					14,277
					61,487,408
	24,617	41,399	249,699	315,715	2,508,302
					6,213,939
	24,617	41,399	249,699	315,715	70,223,926
					4,492,861
					131,698
502,162	4,942,873	140,667,412	49,385,784	195,498,231	4,379,655,331
					4,648,912
					221,901,812
					440,225,377
					666,776,101
\$502,162	\$4,942,873	\$140,667,412	\$49,385,784	\$195,498,231	\$3,712,879,230

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

STATEMENT OF CHANGES IN PLAN NET ASSETS AVAILABLE FOR PENSION BENEFITS (By Plan)

For The Year Ended December 31, 2007

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY	DEFINED BENEFIT SYSTEM	TOTAL MEMBERS' BENEFIT INVESTMENT FUND
ADDITIONS				
Contributions (Note 4)				
Employer	\$47,549,603	\$7,522,862	\$29,464,995	\$84,537,460
Plan Member	1,238,824	2,372,335	49,112,009	52,723,168
Affiliations (Withdrawals)	7,042,765			7,042,765
State Contributions	37,593,512			37,593,512
Total Contributions (Withdrawals)	93,424,704	9,895,197	78,577,004	181,896,905
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	93,446,234	14,603,245	56,885,940	164,935,419
Interest	22,046,978	3,497,085	14,083,715	39,627,778
Dividends	56,943,856	9,012,597	36,277,294	102,233,747
Net Real Estate Investment Income	4,498,082	711,838	2,856,778	8,066,698
Other Income	304,935	(73,160)	(307,213)	(75,438)
Total Investment Income (Loss)	177,240,085	27,751,605	109,796,514	314,788,204
Less Investment Counsel	201,323	31,861	128,328	361,512
Less Investment Management Fees	10,271,325	1,625,541	6,547,131	18,443,997
Less Alternative Investment Legal Fees	22,861	3,619	14,572	41,052
Less Bank Fees	449,754	71,178	286,682	807,614
Net Investment Income (Loss)	166,294,822	26,019,406	102,819,801	295,134,029
Securities Lending				
Income	10,513,015	1,677,568	6,937,901	19,128,484
Borrowers Rebates	(9,507,077)	(1,517,050)	(6,274,048)	(17,298,175)
Agent Fees	(251,450)	(40,124)	(165,941)	(457,515)
Net Securities Lending Income	754,488	120,394	497,912	1,372,794
Total Additions	260,474,014	36,034,997	181,894,717	478,403,728
DEDUCTIONS				
Benefit Payments	146,375,432	13,741,872	13,025,265	173,142,569
Refunds of Contributions	3,219,143		5,375,671	8,594,814
Administrative Costs	2,337,465	369,928	1,489,943	4,197,336
Total Deductions	151,932,040	14,111,800	19,890,879	185,934,719
NET INCREASE (DECREASE) IN PLAN NET ASSETS	108,541,974	21,923,197	162,003,838	292,469,009
NET ASSETS AVAILABLE FOR PENSION BENEFITS				
BEGINNING OF YEAR	1,823,891,092	286,609,216	1,114,411,682	3,224,911,990
END OF YEAR	\$1,932,433,066	\$308,532,413	\$1,276,415,520	\$3,517,380,999

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

MEMBERS' LOCAL MONEY PURCHASE	MEMBERS' STATEWIDE MONEY PURCHASE	SELF-DIRECTED ASSETS FOR AFFIL. LOCAL & DB SYSTEM	IRC 457 DEFERRED COMPENSATION PLAN	TOTAL MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2007
\$80,039	\$250,200	\$684,519	\$0	\$1,014,758	\$85,552,218
98,282	250,200	16,815,374	6,433,829	23,597,685	76,320,853
(5,400,071)		69,134,962		63,734,891	70,777,656
					37,593,512
(5,221,750)	500,400	86,634,855	6,433,829	88,347,334	270,244,239
153,791	417,710	6,163,503	4,745,946	11,480,950	176,416,369
					39,627,778
					102,233,747
					8,066,698
					(75,438)
153,791	417,710	6,163,503	4,745,946	11,480,950	326,269,154
					361,512
					18,443,997
					41,052
					807,614
153,791	417,710	6,163,503	4,745,946	11,480,950	306,614,979
					19,128,484
					(17,298,175)
					(457,515)
					1,372,794
(5,067,959)	918,110	92,798,358	11,179,775	99,828,284	578,232,012
					173,142,569
213,106	644,083	36,396,439	2,861,400	40,115,028	48,709,842
					4,197,336
213,106	644,083	36,396,439	2,861,400	40,115,028	226,049,747
(5,281,065)	274,027	56,401,919	8,318,375	59,713,256	352,182,265
5,783,227	4,668,846	84,265,493	41,067,409	135,784,975	3,360,696,965
\$502,162	\$4,942,873	\$140,667,412	\$49,385,784	\$195,498,231	\$3,712,879,230

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

NOTE 1: ORGANIZATION

The Fire & Police Members' Benefit Investment Fund was established in 1980 pursuant to the Colorado Revised Statutes of 1973, as amended. (The fund was originally named the Fire & Police Members' Benefit Fund; the name was changed to the Fire & Police Members' Benefit Investment Fund as a result of legislation enacted in 2006.) The "Fire & Police Members' Self-Directed Investment Fund" was created by Colorado House Bill 1059 in 2006. It combined separate money purchase plan and self-directed plan funds that had been created by prior legislation. The 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. As trustee, the Fire & 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 within the "Fire & Police Members' Benefit Investment Fund" and the "Fire & Police Members' Self-Directed Investment Fund."

The Fire & Police Members' Benefit Investment Fund includes the assets of those plans that fall under the complete investment authority of the FPPA Board of Directors. This fund includes the assets of the Defined Benefit System, Local "Old Hire" police and fire plans, Volunteer Firefighter pension plans, and the Statewide Death & Disability plan.

The Fire & Police Members' Self-Directed Investment Fund consists of the assets of plans where members control their account by choosing from various mutual fund options selected by the Board of Directors. This fund includes the assets in the Fire & Police Members' Statewide Money Purchase Plan, affiliated Fire & Police Members' Money Purchase Plans, and the IRC 457 Deferred Compensation Plan. In addition, this fund includes assets of certain Deferred Retirement Option Plans ("DROP") within the Defined Benefit System and Local "Old Hire" pension plans. It also includes the money purchase component of the Defined Benefit System – Statewide Hybrid Plan.

The Affiliated Local Plans include defined benefit retirement plans for fire and police employees in the State of Colorado hired before April 8, 1978 (Old Hires), provided that such plans have affiliated with FPPA and the affiliated volunteer fire pension plans in the State of Colorado. This is an agent multiple-employer plan.

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

The Defined Benefit System comprises the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Colorado Springs New Hire Pension Plans. The Statewide Defined Benefit Plan covers fire and police employees hired in the State of Colorado by affiliated employers on or after April 8, 1978. The Statewide Hybrid Plan became effective January 1, 2004 and provides a combination of defined benefit and money purchase retirement benefits to the members of those employers who have either (1) established a local money purchase plan pursuant to C.R.S. § 31-30.5-801 or 31-31-601 or (2) withdrawn into the Statewide Money Purchase Plan pursuant to C.R.S. § 31-31-501 and subsequently elected to participate in the Statewide Hybrid Plan under C.R.S. § 31-31-1101. This system is presented as a single plan based on GASB Statement 25, paragraph 16 which states that on an "ongoing basis, all assets accumulated for the payment of benefits may legally be used to pay benefits, including refunds of member contributions to any of the plan members or beneficiaries, as defined by the terms of the plan." Two exempt plans joined the Defined Benefit System as of October 1, 2006. Upon joining the Defined Benefit System, these two plans merged into one plan document but with a fire and police component. This Colorado Springs New Hire pension plan covers firefighters and police officers who were hired by the City of Colorado Springs on or after April 8, 1978 but prior to October 1, 2006.

The Fire & Police Members' Money Purchase Plan 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 multiple-employer defined contribution plan.

The Fire & Police Members' Statewide Money Purchase Plan is a cost sharing multiple-employer defined contribution plan.

The Self-Directed Assets for Affiliated Local and Defined Benefit System Plans include supplemental benefits for the Deferred Retirement Option Plans ("DROP") and the money purchase component for the Statewide Hybrid Plan.

The IRC 457 Deferred Compensation Plan, created under Internal Revenue Code Section 457, 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 assets within the Fire & Police Members' Benefit Investment Fund for investment purposes. 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. Assets in the Fire & Police Members' Self-Directed Investment Fund are excluded from this allocation process.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Member and employer contributions are recognized in the period in which the contributions are due, and benefits and refunds are recognized when payable in accordance with the terms of each plan.

B. Reporting Entity

The Governmental Accounting Standards Board has specified the criteria that define a governmental entity for financial reporting purposes. 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 would be financially accountable for an outside entity if it appointed a voting majority of the organization's governing body and could impose its will on that organization. The same would hold true if FPPA might potentially accrue benefits or incur specific financial burdens on FPPA from an outside entity. Finally, FPPA may 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 carried at fair value using quoted market prices, with the following exceptions:

- Real estate is recorded at estimated fair value based upon periodic appraisals and valuations
- Investments in limited partnerships are recorded at estimated fair value as derived from the financial statements of the partnerships, and
- Guaranteed investment contracts are recorded at contract value.

Investment transactions are accounted for on the trade date.

Short-term investments refer to all investments with a maturity of less than one year, including short-term investment funds, repurchase agreements, commercial paper, certificates of deposit, treasury bills, and government agency issues.

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

Funds of hedge funds are valued based upon net asset values provided by each Fund of Hedge Fund's third-party administrator.

D. Cash and Cash Equivalents

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

E. Property and Equipment

FPPA has a \$5,000 capitalization threshold for tangible assets. The capitalization threshold for intangible assets, specifically internal use computer software, is \$100,000. Property and equipment are stated at cost, less any write-downs for impairment in value, and are depreciated/amortized using the straight-line method over estimated lives as follows:

Computer and office equipment	3 - 5 years
Vehicles	5 years
Furniture	10 years
Building and Improvements	5 - 30 years
Tenant Improvements	life of lease
Internal Use Computer Software	7 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 firefighters, contributions of affiliated employers on behalf of their police officers and firefighters, contributions from the State of Colorado, and contributions of plan assets by newly affiliated plans of formerly non-participating entities.

Funds withdrawn by members include benefit payments to members, refunds paid to terminated members, 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Actuarially determined future benefit payments require the use of significant estimates. FPPA believes that the techniques and assumptions used in establishing these estimates are appropriate.

I. Reclassification of Prior Year Amounts

The financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with FPPA's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

Certain amounts in prior-year financial statements have been reclassified to be consistent with the current year's presentation.

J. Allocation

Expenses and investments are allocated to each Plan according to its proportionate share of total assets. In the current year, Plan administration costs were financed by investment income.

NOTE 3: CHANGE IN ACCOUNTING POLICY

A. Security Lending Fees

Effective January 1, 2005, FPPA changed its accounting treatment for Security Lending fees. FPPA records its share of lending fees as an expense with a corresponding effect of recognizing security lending income earned.

NOTE 4: PLAN DESCRIPTIONS

A. Affiliated Local Plans

1. Plan Description

This is an agent multiple-employer Public Employee Retirement System (PERS). There are 228 local plans affiliated with FPPA.

The Affiliated Local Plans represent the assets of numerous separate plans that have been pooled for investment purposes. The pension plans (volunteer and paid) represented in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan "DROP" assets only) have elected to affiliate with FPPA for plan administration and investment only. Each plan has a separate plan document and actuarial valuation and is governed by its own local pension board.

2. Contributions and Benefit Provisions

As each affiliated employer 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: 1) fire and police employees of affiliated employers hired prior to April 8, 1978 (Old Hires) and 2) volunteer firefighters of affiliated plans. The memberships of these groups as of December 31, 2007, are as follows:

Deferred Retirement Option Plan (DROP) Participants -	
Active Old Hire	147
Retirees and Beneficiaries Currently Receiving Benefits	5,730
Terminated Vested Employees –	
Entitled To Benefits But Not Yet Receiving Them	517
Current Employees – Active Old Hire	78
Current Volunteers – Active	4,289
Total Members	10,761

4. Funded Status and Funding Progress

Actuarial studies are completed every other year for the Affiliated Local Plans. Each employer participating in the system is financially responsible for its own liabilities. Accordingly, the aggregate numbers presented are indicative only of the overall condition of the system and are not indicative of the status of any one employer. The funded status of the Affiliated Local Plans as of January 1, 2006, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
\$1,818,993,571	\$2,246,572,810	\$427,579,239	81.0%	\$75,130,892	569.1%

The funded status of the Affiliated Local Plans continue to trend favorably due to better than anticipated investment experience.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	1/1/06
Actuarial Method	Entry Age Normal
Amortization Method	Various
Amortization Period	Various
Asset Valuation Method	3 Year Smoothed Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return*	8.0%
Projected Salary Increases*	4.75% - 13.25%
Cost of Living Adjustment	0% - 4%
*Includes inflation at	3.5%

For financial reporting purposes, the projection of benefits for the Affiliated Local Plans does not explicitly incorporate the potential effects of the contractual limits on employer contributions, if applicable.

5. Significant Factors Affecting Trends in Actuarial Information

There were no significant factors affecting trends as of the 1/1/06 actuarial valuation.

B. Statewide Death & 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. As of August 1, 2003, the Plan may include part-time police and fire employees. 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 and currently has 374 participating employer plans. Included in that number are 8 contributing employers as of December 31, 2007, who are covered by Social Security and have elected supplementary coverage by the Plan. The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund.

2. Contributions

Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund 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, began contributing 2.4 percent of payroll to this Plan as of January 1, 1997. The contribution increased to 2.6 percent of payroll as of January 1, 2007. This percentage can vary depending on actuarial experience.

3. Benefits

Benefits are established by Colorado statute.

If a member dies prior to retirement while off-duty, the surviving spouse is entitled to a benefit equal to 40 percent of the member's monthly base salary with an additional 10% of base salary if a surviving spouse has two or more dependent children. If the member was single at the time of death, but had one or two dependent children, the children are entitled to a benefit equal to 40% of base salary. If there are three or more dependent children without a surviving spouse, the children receive an additional 10 percent. As of October 15, 2002, if a member dies prior to retirement while on-duty, the surviving spouse is entitled to a benefit equal to 70 percent of the member's monthly base salary regardless of the number of dependent children. If there is no surviving spouse but there are dependent children living in the member's household, the children are entitled to a benefit equal to 70% of the member's base salary. If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40 percent for the first child and 15 percent for each additional child but not greater than the 70 percent total. Benefit eligibility 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. If the member is totally disabled, the member shall receive 70 percent of base salary preceding disability. If the member is occupationally disabled and the disability is determined to be a permanent occupational disability, he/she shall receive 50 percent of base salary preceding disability regardless of family status. If the member is occupationally disabled and the disability is determined to be a temporary occupational disability, the member shall receive 40 percent of base salary preceding disability for up to five years regardless of his family status.

Total disability and permanent occupational disability benefits are reduced by the amount of certain other benefits received.

Benefits paid to occupationally disabled members and their survivors are evaluated and may be re-determined on October 1 of each year. Any increase in the level of benefits cannot exceed 3 percent for any one year. Totally disabled members and their beneficiaries receive an automatic cost-of-living-adjustment each year of 3 percent, effective October 1.

4. Membership

The participating employees (members) of the Plan as of December 31, 2007, are as follows:

Retirees and beneficiaries receiving benefits	763
Active non-vested members	11,263
Total Members	12,026

5. Funded Status and Funding Progress

The funded status of the Statewide Death & Disability Plan as of January 1, 2007, the most recent actuarial valuation date, is as follows:

Results Using The Aggregate Funding Method

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
\$274,091,581	\$258,243,478	(\$15,848,103)	106.1%	\$631,667,107	(2.5%)

Since the Aggregate Funding Method presented in the previous chart does not identify or separately amortize unfunded actuarial liabilities, information about the Statewide Death & Disability Plan's funded status and funding progress has been prepared using the Entry Age Funding Method for that purpose. The information presented below is intended to serve as a surrogate for the funded status and funding progress of the plan.

Results using the Entry Age Normal Funding Method

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
\$274,091,581	\$194,159,323	(\$79,932,258)	141.2%	\$631,667,107	(12.7%)

The funded status of the Statewide Death & Disability Plan continues to trend favorably due to better than anticipated investment experience and better than anticipated incidence of disability.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	1/1/07
Actuarial Method.....	Aggregate Funding (1)
Amortization Method.....	N/A
Amortization Period	N/A
Asset Valuation Method.....	3 Year Smoothed Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return*	8.0%
Projected Salary Increases*.....	4.75% - 13.25%
Cost of Living Adjustment	0% - 3%
*Includes inflation at	3.5%

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

For financial reporting purposes, the projection of benefits for the Statewide Death & Disability Plan does not explicitly incorporate the potential effects of the legal limit on employer contributions.

6. Significant Factors Affecting Trends in Actuarial Information

There were no significant factors affecting trends as of the 1/1/07 actuarial valuation.

C. Defined Benefit System – 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. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and currently has 193 participating employer plans.

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

The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan “DROP” assets only).

2. Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members of the Statewide

Defined Benefit Plan. At present, state law requires employers and members to contribute 8 percent of the members' base salary to the Plan. As of January 1, 2004, employers that affiliate with the Defined Benefit System and have members selecting the Statewide Defined Benefit Plan tier shall contribute a total of 20 percent. The employer specifies how much of the required rate of contribution is paid by the employer and how much by the member. However, the employer and member shall each contribute at least 8 percent. In addition, certain employers who are covered by Social Security have elected to receive supplementary coverage under the statewide plan. Effective January 1, 2007, members currently covered under Social Security were transferred into the new FPPA Supplemental Social Security Program. The new plan is designed to give half the benefit of the Statewide Defined Benefit Plan for half the cost. The employer and member each contribute 4 percent.

3. 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 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, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal pension shall be 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and re-determined every October 1. The amount of increase is based on the Board's discretion and can range from 0 to 3 percent.

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. Effective August 1, 2007, the Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at .7 percent. For members who are subject to the continuing rate of contribution the SRA contribution rate was set at 3.5 percent.

A member shall be eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit shall equal the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

4. Membership

The participating employees (members) of the Plan as of December 31, 2007, are as follows:

Retirees and beneficiaries receiving benefits	199
Terminated members entitled to benefits but not yet receiving such benefits	156
DROP Participants	90
Fully Vested	290
Partially Vested	2,751
Non-vested	1,963
Total Members	5,449

5. Funded Status and Funding Progress

The funded status of the Defined Benefit System - Statewide Defined Benefit Plan as of January 1, 2007, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
\$801,426,848	\$654,097,657	(\$147,329,191)	122.5%	\$271,906,902	(54.2%)

The funded status of the Defined Benefit System – Statewide Defined Benefit Plan continues to trend favorably due to better than anticipated investment experience.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	1/1/07
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	3 Year Smoothed Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return*	8.0%
Projected Salary Increases*	4.75% - 13.25%
Cost of Living Adjustment.....	0%
*Includes inflation at.....	3.5%

For financial reporting purposes, the projection of benefits for the Defined Benefit System – Statewide Defined Benefit Plan does not explicitly incorporate the potential effects of the legal limit on employer contributions.

6. Significant Factors Affecting Trends in Actuarial Information

There were no significant factors affecting trends as of the 1/1/07 actuarial valuation.

D. Defined Benefit System – Statewide Hybrid Plan

1. Plan Description

The Plan was established January 1, 2004 as a multi-employer cost sharing pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection, as well as part-time police and fire employees. However, part-time members shall be limited to the Money Purchase Component in the Statewide Hybrid Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, employees have the option of choosing among various mutual funds offered by an outside investment manager. The Plan currently has 16 participating employer plans.

Employers may not withdraw from the Plan once elected. The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan “DROP” and the Statewide Hybrid Plan – Money Purchase Component assets).

2. Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. At present, both employers and members are required to contribute 8 percent of the members’ salary to the Plan, pursuant to C.R.S § 31-31-1102 (4) (a). Of that 16 percent, 10.25% currently (as of August 1, 2007) funds the Defined Benefit Component. If an employer has a higher mandatory contribution rate, the excess funds the Money Purchase Component of the Plan.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer’s contributions within the Money Purchase Component, and earnings on those contributions, occurs according to the vesting schedule set by the plan document. Employer and member contributions are invested in funds at the discretion of members.

A member may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan.

3. Benefits

The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time

after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component shall be 1.5 percent of the average of the member's average highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and re-determined annually on October 1. The amount of increase is based on the Board's discretion and can range from 0 to 3 percent.

A member shall be eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit shall equal the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the member's average highest three years base salary for each year of credited service. In addition, upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

4. Membership

The participating employees (members) of the Plan – Defined Benefit Component and Money Purchase Only Component as of December 31, 2007, are as follows:

Defined Benefit Component:	
retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving such benefits	2
Money Purchase Component:	
retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving such benefits	139
DROP Participants	3
Fully Vested	237
Partially Vested	83
Non-vested	73
Total Members	537

5. Funded Status and Funding Progress

The funded status of the Defined Benefit System - Statewide Hybrid Plan Defined Benefit Component as of January 1, 2007, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
\$9,624,239	\$6,299,422	(\$3,324,817)	152.8%	\$4,391,954	(75.7%)

The funded status of the Defined Benefit System – Statewide Hybrid Plan Defined Benefit Component continues to trend favorably due to better than anticipated investment experience.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	1/1/07
Actuarial Method.....	Entry Age Normal
Amortization Method.....	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method.....	3 Year Smoothed Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return*	8.0%
Projected Salary Increases*	4.75% - 13.25%
Cost of Living Adjustment	0%
*Includes inflation at	
	3.5%

For financial reporting purposes, the projection of benefits for the Defined Benefit System – Statewide Hybrid Plan Defined Benefit Component does not explicitly incorporate the potential effects of the legal limit on employer contributions.

6. Significant Factors Affecting Trends in Actuarial Information

There were no significant factors affecting trends as of the 1/1/07 actuarial valuation.

E. Defined Benefit System –Exempt Plans

1. Plan Description

Two exempt plans joined the Defined Benefit System as of October 1, 2006. They are now one defined benefit plan, but with a fire component and a police component for fire and police employees hired by the City of Colorado Springs on or after April 8, 1978 but prior to October 1, 2006. The plans are closed to new members as of October 1, 2006.

Employers may not withdraw from the Plan once elected. The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan assets only).

2. Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members within each exempt plan. At present, employers and members in the exempt fire plan are required to contribute 8.5 percent of the members’ salary. Effective January 1, 2008, the employer contribution is 8.228 percent of the members’ salary and the member portion is 8.125 percent. For the exempt police plan, the employer contribution for 2007 was 8.558 percent of the members’ salary and the member portion was 8.0 percent. Effective January 1, 2008, the employer contribution is 8.864 percent of the members’ salary and the employee portion is 8.0 percent.

3. Benefits

Police Component

The Plan document states that any member may retire and be eligible for a normal retirement pension at any time after age 50, if the member has at least 25 years of service.

The annual normal pension equals 2 percent of the member’s final average salary (past 18 months) for each full year of credited service up to ten years plus 2.75 percent for each full year thereafter with a maximum benefit of 75 percent. Cost-of-living-adjustments begin on October 1 immediately before the retiree turns 60, or 10 years after benefits payment commence, whichever is earlier. The amount of the cost-of-living adjustment cannot exceed 3 percent per year subject to limitations linked to the consumer price index.

In addition, upon retirement a participant may receive additional benefits credited to the member’s Separate Retirement Account. 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. Effective January 1, 2007, the Separate Retirement Account contribution rate for members of the Police Component was set at 0 percent. This rate will remain the same for calendar year 2008.

A member shall be eligible for an early retirement benefit after completion of 20 years of service and attainment of age 45. The early retirement benefit is reduced by 7.5 percent for each year that the member is less than age 50.

Upon termination, a member may elect to have all contributions, along with 5 percent per annum, 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 remain eligible for a retirement pension at age 50 equal to 2 percent of the member’s final average salary (past 18 months) for each full year of credited service

up to ten years plus 2.75 percent for each full year thereafter with a maximum benefit of 75 percent.

Fire Component

The Plan document states that any member may retire and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension shall be 2 percent of the member's final average salary (past 18 months) for each full year of credited service up to ten years plus 2.85 percent for each full year thereafter with a maximum benefit of 77 percent. Cost-of-living-adjustments begin on October 1 immediately before the retired firefighter turns 65 or 10 years after benefits payment commence, whichever is earlier. The amount of the cost-of-living adjustment cannot exceed 3 percent per year subject to limitations linked to the consumer price index.

In addition, upon retirement a participant may receive additional benefits credited to the participant's Separate Retirement Account. 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. Effective January 1, 2007, the Separate Retirement Account contribution rate for members of the Fire Component was set at 0 percent. This rate will remain the same for calendar year 2008.

A member shall be eligible for an early retirement benefit at age 50 and after completion of 20 years of service. The early retirement benefit is reduced by 4.615 percent for each year that the member is less than age 55.

Upon termination, a member may elect to have all contributions, along with 5 percent per annum, 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 remain eligible for a retirement pension at age 55 equal to 2 percent of the member's final average salary (past 18 months) for each full year of credited service up to ten years plus 2.85 percent for each full year thereafter with a maximum benefit of 77 percent.

4. Membership

The participating employees (members) of the Plan as of December 31, 2007, are as follows:

Retirees and beneficiaries receiving benefits	107
Terminated members entitled to benefits but not yet receiving such benefits	34
DROP Participants	57
Fully Vested	51
Partially Vested	372
Non-vested	460
Total Members	1,081

5. Funded Status and Funding Progress

The funded status of the Defined Benefit System – Exempt Plans as of January 1, 2007, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
Police Component	\$159,508,243	\$161,530,980	\$2,022,737	98.7%	\$40,438,034	5.0%
Fire Component	\$98,290,761	\$99,137,903	\$847,142	99.1%	\$26,867,827	3.2%

The funded status of the Defined Benefit System – Exempt Plans continue to trend favorably due to better than anticipated investment experience.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	1/1/07
Actuarial Method.....	Entry Age Normal
Amortization Method.....	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method.....	3 Year Smoothed Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return*	8.0%
Projected Salary Increases*	4.75% - 13.25%
Cost of Living Adjustment	0%
*Includes inflation at	
	3.5%

For financial reporting purposes, the projection of benefits for the Defined Benefit System – Exempt Plans does not explicitly incorporate the potential effects of the legal limit on employer contributions.

6. Significant Factors Affecting Trends in Actuarial Information

There were no significant factors affecting trends as of the 1/1/07 actuarial valuation.

F. Fire & Police Members’ Money Purchase Plan

1. Plan Description

The Plan is a multi-employer 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 Fire & Police Members’ Money Purchase Plan became effective on January 1, 1990. Participants can choose from various mutual funds offered by an outside money manager. There was 1 contributing employer plan as of December 31, 2007.

2. Contributions and Vesting

Contributions to the Plan are calculated as a percentage of the member’s base salary. The percentage is specified in each employer’s individual plan document. Current participants are contributing at the rate of 8 percent of salary, which is matched by the employer.

Employers may also allow members to make voluntary contributions, which are generally not matched by the employer. Members are always fully vested in their own contributions, and the earnings on those contributions. Vesting in the employer’s contributions and earnings on those contributions occurs according to each individual plan’s vesting schedule. Employer and member contributions are invested in funds at the discretion of members.

3. Membership

The participating employees (members) of the Plan as of December 31, 2007, are as follows:

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	2
Partially Vested	10
Total Members	12

G. Fire & Police Members’ Statewide Money Purchase Plan

1. Plan Description

The Plan is a multi-employer defined contribution (money purchase) pension fund covering full-time employees of participating fire or police districts in Colorado. As of August 1, 2003, the Plan may include part-time police and fire employees. The Plan may also include clerical or other personnel from fire departments whose services are auxiliary to fire protection.

The Fire & Police Members’ Statewide Money Purchase Plan became effective on January 1, 1995. Participants can choose from various

mutual funds offered by an outside money manager. There were 33 contributing employer plans as of December 31, 2007.

2. Contributions and Vesting

Contributions to the Plan are calculated as a percentage of the member’s base salary, which is specified by state statute. Current participants contribute 8 percent of salary, which is matched by the employer. Members are always fully vested in their own contributions, and the earnings on those contributions. Vesting in the employer’s contributions and earnings on those contributions occurs according to the vesting schedule set by state statute. Employer and member contributions are invested in funds at the discretion of members.

3. Membership

The participating employees (members) of the Plan as of December 31, 2007, are as follows:

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	32
Fully Vested	29
Partially Vested	33
Non-vested Vested	7
Total Members	101

H. Self-Directed Assets for the Affiliated Local and Defined Benefit System Plans

1. Plan Description

Consists of the assets of plans where members control their account by choosing from various mutual fund options selected by the Board of Directors. The benefits in this group are of the defined benefit plans described above in Note 4.

The Deferred Retirement Option Plan (“DROP”) assets which fund a supplemental benefit within the Local “Old Hire” and Defined Benefit System Plans are included in the Fire & Police Members’ Self-Directed Investment Fund. In general, the DROP program allows a member to elect to participate in the supplemental benefit after reaching eligibility for normal retirement. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into the DROP. The member’s percentage of retirement benefit is frozen at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated until the member terminates service, at which time the DROP accumulated benefits can be paid as a lump sum, if desired.

Also included, is the money purchase component for the Defined Benefit System – Statewide Hybrid Plan. The Plan is described above in Note 4, Section D.

2. Contributions and Vesting

Within the DROP programs, the member continues contributing at the rate described in each plan, which is credited to the DROP. The member is vested 100 percent in their DROP account.

The Defined Benefit System – Statewide Hybrid Plan contributions and vesting are described above in Note 4, Section D.

3. Membership

Membership is listed within the defined benefit plans described above in Note 4.

NOTE 5: DEPOSITS AND INVESTMENTS

A. Cash Deposits

All non-investment related bank deposits are insured or collateralized with securities held by the pledging financial institution’s trust department or by an agent in FPPA’s name. The Operating Account at Wells Fargo Bank held a balance of \$8,523,338 as of December 31, 2007.

Investment related cash that is received after the custodian bank’s daily cutoff is invested in BNY Mellon Bank’s Late Money Deposit Account. The Late Money Deposit Account is insured for amounts up to \$100,000 but is not collateralized. At December 31, 2007, the balance held in the Late Money Deposit Account was \$5,334,543.

The Colorado Public Deposit Act (PDPA) requires that all units of local government deposit cash in eligible depositories. Deposit in excess of federal levels must be collateralized. The types of collateral are established by the PDPA. The PDPA also allows for the creation of a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

B. Investments

FPPA has established a long-range statement of investment objectives and policies for managing and monitoring the Fire & Police Members’ Benefit Investment Fund. The investment objective for the Fire & Police Members’ Benefit Investment Fund is to balance and prudently manage the investment needs (risk and return) of all plans participating in the Fund, including the need to eliminate current unfunded liabilities and/or to protect surpluses, if possible; in conjunction with this longer term objective, the objective of the Fund is to earn, over time, an average annual real rate of return of at least 4%. The investment policy also defines the fiduciaries’ responsibilities with respect to the Fire & Police Members’ Benefit Investment Fund, their investment authority under the prudent investor 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, FPPA, as trustee of the Fire & Police Members’ Benefit Investment Fund, has complete discretionary authority to invest and reinvest funds of the Fire & Police Members’ Benefit Investment Fund, subject to the prudent investor rule.

Investments are exposed to various investment risks including custodial credit risk, credit risk, interest rate risk, and foreign currency risk.

1. Custodial Credit Risk

In the event a counterparty fails, FPPA may not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. This is called custodial credit risk. FPPA does not have a formal policy for this risk. All investments for which securities serve as evidence are held by the custodian in book-entry form in the FPPA name. Investment related cash is swept daily by the custodian bank into the Employee Benefit Temporary Investment Fund, a collective investment fund sponsored by the custodian bank. Investments in external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. As of December 31, 2007, the following investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in FPPA’s name.

Investments in foreign currency	\$10,571,049
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2. Concentration of Credit Risk

FPPA does not have any investments representing five percent or more of the Fire & Police Members’ Benefit Investment Fund assets in any single issuer.

3. Credit Risk

Credit risk is the risk that an issuer of a debt instrument will not fulfill its obligations. Although FPPA does not have a specific policy relating to credit risk, in its Master Statement of Investment Policies and Objectives for the Fund, FPPA includes specific guidelines regarding the management of credit risk. FPPA manages its exposure to credit risk by monitoring the quality ratings in its fixed income portfolios and by requiring its fixed income managers to diversify by issuer. Domestic core plus fixed income managers may not invest more than 15 percent of the portfolio’s fair value in domestic high yield (non-investment grade) and/or U.S. dollar denominated emerging market fixed income securities. Other than investments in domestic high yield fixed income securities and dollar denominated emerging market debt, fixed income securities must meet the minimum investment grade ranking (Baa/BBB) of at least one major bond rating service, either Moody’s Investor Services or Standard & Poor’s. Unrated corporate bonds and commercial paper rated below A2/P2 are not permitted without prior written approval. Domestic high yield fixed income managers may not invest more than 25 percent of the portfolio in unrated securities and private placements (Rule 144A securities) combined. In addition, the exposure to any one high yield security is limited to 4 percent of the fair value of the portfolio and the allocation to any one industry is limited to 20 percent of the fair value of the portfolio.

The following table summarizes FPPA’s fixed income securities credit quality ratings as of December 31, 2007.

Credit Quality Rating	Core Plus Portfolio		High Yield Portfolio	
	Fair Value	%	Fair Value	%
Aaa/AAA	\$ 267,312,434.78	29.46%		
Aa/AA	53,623,602.83	5.91%		
A	63,189,902.28	6.96%		
Baa/BBB	102,179,483.66	11.26%	\$1,001,547.56	2.22%
Ba/BB	38,028,638.19	4.19%	10,580,143.93	23.48%
B	22,951,489.22	2.53%	26,299,826.55	58.37%
Caa/CCC	9,114,073.58	1.00%	3,956,163.21	8.78%
Ca/CC		0.00%		
C		0.00%		
D	124,958.62	0.01%		
Not Rated		0.00%		
Total Credit Risk Debt Securities	\$ 556,524,583.16	61.34%	\$ 41,837,681.25	92.86%
U.S. Government and Agency Securities	452,823,712.19	49.91%		
Total Fixed Income Securities	1,009,348,295.35	111.25%		
Cash Deposit Accounts	-120,498,380.84	-13.28%		
Temporary Investment Fund	18,468,677.94	2.04%	3,217,692.68	7.14%
Total Fixed Income Investments	\$ 907,318,592.45	100.00%	\$ 45,055,373.93	100.00%

FPPA invests in certain sectors of the fixed income market through its core plus fixed income managers' commingled fund vehicles. The weighted average rating of each commingled fund is shown in the table above. FPPA's investment in U.S. government agency securities includes \$58,913,392 of GNMA mortgage backed securities which are backed by the full faith and credit of the U.S. Government. The remaining allocation to U.S. government agency securities is invested primarily in FNMA and FHLMC securities that are subject to credit risk. The weighted average credit quality of these securities is AAA.

The short-term securities held in the Employee Benefit Temporary Investment Fund had an average rating of P-1; the long-term securities had an average rating of AA. Obligations of the U.S. government and obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Within the core plus fixed income portfolio, non-investment grade securities accounted for 19 percent of the total portfolio at December, 31, 2007. Within the high yield fixed income portfolio, there were no unrated securities, no security exceeded 4 percent of the portfolio, and no industry sector exceeded 20 percent of the portfolio.

4. Interest Rate Risk

The fair market value of fixed income investments fluctuates in response to changes in market interest rates. Generally, fair value decreases as interest rates increase. Although FPPA does not have a specific policy relating to interest rate risk, it manages its exposure to fair value losses from increasing interest rates by monitoring the duration and maturity of its portfolio and requiring its fixed income managers to diversify by issuer and by sector or industry. These monitoring policies are outlined in The Master Statement of Investment Policies and Objectives for the Fire & Police Members' Benefit Investment Fund.

Duration measures a fixed income security's sensitivity to price changes due to changing interest rates. The calculation uses the present value of cash flows, weighted according to the time to cash receipt. Effective (or option-adjusted) duration is the duration of a bond after adjusting for any embedded options such as calls, puts, or prepayment options for asset- or mortgage-backed securities. The longer the duration, the more sensitive the bond or portfolio of bonds should be to changes in interest rates.

FPPA limits the duration of its core plus fixed income managers to the duration of the Lehman Brothers Aggregate Bond Index plus or minus 20 percent. FPPA places no restrictions on the duration of the high yield fixed income portfolio. At December, 31, 2007, the effective duration of the Lehman Brothers Aggregate Bond Index was 4.41. The effective duration of the Citigroup High Yield Cash Pay Capped Index was 4.79 at December, 31, 2007. FPPA does not have a formal investment policy specifically related to interest rate risk.

FPPA uses analytical software provided by BNY Mellon to monitor effective duration at the security level, with supplemental account level data reported by the FPPA's fixed income investment managers.

The following table summarizes the effective duration of the FPPA's fixed income portfolios at December 31, 2007.

Security Type	Core Plus Portfolio		High Yield Portfolio	
	Fair Value	Effective Duration	Fair Value	Effective Duration
Asset Backed Securities	\$ 5,007,030.22	4.226		
Puts/Calls/Options	2,621,155.92	N/A		
Commercial Paper	14,198,423.06	0.005		
Corporate Bonds	177,273,484.28	4.107	\$34,780,755.06	2.609
Fixed Income Swaps	-1,705,308.69	-0.716		
Government & Agency	65,404,103.93	10.712		
Mortgages	590,797,731.66	2.228		
International Bonds	58,309,426.26	0.096		
Revenue Bonds	2,395,904.80	11.229		
TIPS	41,053,319.87	7.146		
Private Placements	46,053,312.38	3.335	7,056,926.19	2.623
Temporary Investment Fund	18,468,751.78	0.059	3,217,692.68	0.083
Pending Activity	-112,558,743.02	0.001		
Total	\$907,318,592.45	3.642	\$45,055,373.93	2.431

FPPA invests in various securities that have embedded options and thus are sensitive to changes in interest rates. Mortgage related securities (which include mortgage pass-through securities, collateralized mortgage obligations, and commercial mortgage-backed securities) are moderately sensitive to changes in market interest rates because they are backed by mortgage loans and subject to prepayment risk. Asset-backed securities, (i.e. securities backed by assets such as automobile loans, credit card receivables, and home equity loans), are somewhat sensitive to changes in interest rates which might lead to principal repayments.

FPPA may invest in stripped U.S. Treasury securities, asset-backed securities, and mortgage-backed securities. When a Treasury security is stripped, each interest payment and the principal payment become a separate zero-coupon security. Zero coupon securities are subject to greater interest rate risk than interest paying securities of similar maturities. When an asset- or mortgage-backed security is stripped, one class of securities receives all the interest from the assets, while the other class receives all the principal payments. Interest-only securities are extremely sensitive to the rate of principal prepayments, which may result from a decline in interest rates. Principal-only strips are sensitive to decreasing prepayments that may result from interest rate increases, thus increasing the average maturity of the investment.

5. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. FPPA's exposure to foreign currency risk derives from its allocations to non-U.S. dollar denominated international equity, fixed income, and private equity investments. Through its asset allocation policy, FPPA has set a target asset allocation of 20.3 percent to developed and emerging market international equities. Core plus fixed income managers may invest up to 10 percent of the portfolio in non-U.S. dollar denominated investment grade fixed income securities. Within the private equity portfolio, FPPA has a target allocation range of 5 to 15 percent to non-U.S. funds.

International equity and core plus fixed income managers may use forward currency contracts as a defensive hedge against periods of relative strength of the U.S. dollar. For international equity managers, the total nominal exposure of all forward currency contracts may not exceed 50 percent of the portfolio's fair value. International equity and core plus fixed income managers may use currency options for hedging purposes.

The fair value of FPPA's exposure to foreign currency risk at December 31, 2007 is summarized in the following table.

Currency:	Cash	Equities	Fixed Income	Private Equity	Total
Australian Dollar	\$ 379,820.03	\$31,538,776.84			\$ 31,918,596.87
Brazilian Real		7,767,819.31			7,767,819.31
British Pound	(7,120,351.10)	105,507,553.15	\$ 6,375,293.20	\$240,407.00	105,002,902.25
Canadian Dollar	122,083.49	35,475,900.70		2,508,169.00	38,106,153.19
Chinese Yuan		10,669,149.33			10,669,149.33
Danish Kroner	24,945.30	5,139,016.98			5,163,962.28
Euro Currency	(1,641,665.25)	204,091,002.87	(55,400.67)	27,896,739.00	230,290,675.95
Hong Kong Dollar	1,265,296.55	20,522,422.60			21,787,719.15
Indian Rupee		8,495,971.51			8,495,971.51
Indonesian Rupiah		2,786,294.83			2,786,294.83
Japanese Yen	(4,305,227.78)	86,745,194.30	5,458,122.65		87,898,089.17
Korean Won		14,741,911.93			14,741,911.93
Malaysian Ringgit		3,464,549.82			3,464,549.82
Mexican Peso		2,712,470.57			2,712,470.57
New Zealand Dollar	11,238.49	1,509,990.92			1,521,229.41
Norwegian Krone	14,871.09	12,181,274.42			12,196,145.51
Russian Ruble		7,303,443.04			7,303,443.04
Singapore Dollar	80,145.53	7,212,782.62			7,292,928.15
South African Rand		3,925,028.40			3,925,028.40
Swedish Krona	16,391.67	13,614,291.57		2,203,286.00	15,833,969.24
Swiss Franc	581,403.06	38,549,625.73			39,131,028.79
Taiwan Dollar		9,377,181.59			9,377,181.59
Thai Baht					-
Turkish Lira					-
Subtotal	(10,571,048.92)	633,331,653.04	11,778,015.18	32,848,601.00	667,387,220.30
Other (less than \$2 million in holdings)		10,503,863.58			10,503,863.58
Total Excluding USD	\$ (10,571,048.92)	\$ 643,835,516.62	\$ 11,778,015.18	\$ 32,848,601.00	\$ 677,891,083.88

FPPA invests in emerging market debt, primarily through commingled fund vehicles valued in U.S. Dollars. Commingled emerging market funds invest in non-U.S. dollar denominated Securities issued by emerging market countries. Regarding Emerging Market Debt, substantially all of the non-U.S. currency exposure is hedged at all times.

A summary of investments reflected on the Statement of Plan Net Assets Available for Benefits at December 31, 2007 are summarized in the following table:

Cash	\$ 7,721,839
Investments	
Short Term Investments	93,812,054
U.S. Government Agency Obligations	480,406,561
Corporate Bonds	614,593,295
Domestic Equity Securities	1,457,909,811
International Equity Securities	718,189,898
International Fixed Income	9,188,506
Private Equity	271,092,604
Real Estate	211,666,901
Securities Lending Investment Pool	440,225,377
Total Investments	\$4,297,085,007
Total Cash and Investments	\$4,304,806,846

C. Securities Lending

Colorado statute allows FPPA to participate in securities lending transactions. FPPA has, via a Securities Lending Authorization Agreement, authorized BNY Mellon Bank to lend the securities it holds as custodian to broker-dealers and banks.

During the year ended December, 31, 2007, FPPA received as collateral U.S. and foreign dollar cash, U.S. government securities, foreign sovereign debt and irrevocable bank letters of credit. FPPA 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 102 percent of the market value of the loaned securities with respect to U.S. securities and 105 percent of the market value of loaned securities with respect to foreign securities. FPPA did not impose any restrictions on the amounts of loans that BNY Mellon Bank made on its behalf. BNY Mellon Bank indemnified FPPA by agreeing to purchase replacement securities, or to credit FPPA with the market value of unreturned loaned securities, in the event a borrower failed to return the loaned securities or failed to pay distributions. There were no defaults by any borrowers to return loaned securities or pay distributions during the year ended December 31, 2007. Accordingly, there were no losses during the fiscal year resulting from a default of the borrowers or BNY Mellon Bank.

During the fiscal year, FPPA 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. The market value of the securities on loan for FPPA as of December 31, 2007, was \$439,663,187. The market value of the collateral received as of December 31, 2007 was \$456,493,132.

The following table presents the fair value of the underlying securities and the fair value of the collateral pledged at December 31, 2007:

Securities Lent	Fair Value	Cash Received Value
<i>Lent for Cash Collateral:</i>		
U.S. Government and Agency Securities	\$52,167,708	\$53,635,335
Corporate Bonds	14,506,151	14,872,100
Domestic Stocks	290,195,913	301,048,689
International Stocks	67,172,040	70,669,252
<i>Lent for Securities Collateral:</i>		
U.S. Government and Agency Securities	15,621,375	16,267,755
Total	\$439,663,187	\$456,493,132

NOTE 6: IRC 457 DEFERRED COMPENSATION PLAN

The IRC 457 Deferred Compensation Plan, created under Internal Revenue Code Section 457, collects amounts deferred by participants of affiliated plans and employees of FPPA. The assets are held in trust for the exclusive benefit of participants. Plan participation is voluntary and contributions are separate from the defined benefit or money purchase contributions made to FPPA.

All contributions are invested in the Fire & Police Members' Self-Directed Investment Fund. This plan allows employees to defer of a portion of their salary until future years. Participants in the plan are allowed to transfer account balances among 22 investment funds, or change the contribution percentages designated to each fund on a daily basis. The 22 investment funds are: Fidelity Freedom 2000 Fund, Fidelity Freedom 2005 Fund, Fidelity Freedom 2010 Fund, Fidelity Freedom 2015 Fund, Fidelity Freedom 2020 Fund, Fidelity Freedom 2025 Fund, Fidelity Freedom 2030 Fund, Fidelity Freedom 2035 Fund, Fidelity Freedom 2040 Fund, Fidelity Freedom Income Fund, Fidelity Retirement Government Money Market Portfolio, Managed Income Portfolio, Fidelity U.S. Bond Index Fund, PIMCO Total Return Fund - Institutional Class, American Beacon Large Cap Value Fund - Plan Ahead Class, Spartan Total Market Index Fund - Investor Class, Spartan U.S. Equity Index Fund - Investor Class, Fidelity Growth Company Fund, Janus Mid Cap Value Fund, Artisan Mid Cap Fund – Investor Class, The Boston Company Small Cap Value Fund, and Fidelity Diversified International Fund. 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. As of December 31, 2007, there were 1,949 participants with account balances within the plan.

In 2007, participants could contribute \$15,500 into the plan. Catch-up contributions up to \$5,000 in 2007 were allowed for participants who had attained age 50 before the close of the plan year. As an alternative to the age 50+ catch-up provisions, participants could defer up to twice the contribution limit in a given year for the three years prior to normal retirement age if the maximum contributions have not been made previously. If the "double limit" or Enhanced Contribution Limit is used, the participant cannot use the age 50+ catch-up provision with the same year. A participant may trigger the Enhanced Contribution Limit by electing a normal retirement age. "Normal Retirement Age" means age 70 1/2 or some other earlier age specified in writing by the participant. In no event shall normal retirement age be earlier than the earliest date at which one may retire under the employer's basic pension plan without the employer's consent and receive immediate retirement benefits, without incurring an actuarial or similar reduction in benefits. The Enhanced Contribution Limit is available to a participant only during one three-year period. If a participant uses the Enhanced Contribution Limit and then postpones normal retirement age or returns to work after retiring, the limitation shall not be available again before a subsequent retirement.

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, FPPA has modified its trust agreement with respective affiliates; to place this plan's activity within the Fire & Police Members' Self-Directed Investment Fund for the purposes of financial statement presentation. Fund balance reserved for withdrawals at December 31, 2007 is \$49,385,784.

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2007, is comprised of the following:

General Assets	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Nondepreciable Assets:				
Land	\$ 1,937,742			\$ 1,937,742
Depreciable Assets:				
Building & Improvements	1,413,873			1,413,873
Tenant Finish	185,298	\$ 66,012		251,310
Equipment	836,673		(10,570)	826,103
Work in Progress	536,216	1,406,328		1,942,544
Totals at Historical Cost	\$ 4,909,802	\$ 1,472,340	(\$10,570)	\$ 6,371,572
Less Accumulated				
Depreciation for:				
Buildings & Improvements	(1,024,497)	(79,965)		(1,104,462)
Equipment	(744,265)	(40,553)	10,570	(774,248)
Total Accumulated Depreciation	(1,768,762)	(120,518)	10,570	(1,878,710)
Total Net Assets	\$ 3,141,040	\$ 1,351,822	0	\$ 4,492,862

NOTE 8: RISK MANAGEMENT

FPPA 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 9: EMPLOYEE RETIREMENT PLAN

A. Plan Description

FPPA 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 FPPA are members of SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, authorizes the Colorado Legislature to establish benefit provisions. 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 303-837-6250 within the Denver metro area.

B. 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.

C. Funding Policy

Plan members and FPPA are required to contribute at a rate set by statute. The contribution requirements of plan members and FPPA are established under Title 24, Article 51, Part 4 of the CRS, as amended. Members contribute 8.0 percent of covered salary and for FPPA 11.15 percent. A portion of FPPA's contribution is allocated for the Health Care Fund. FPPA's contributions to SDTF for the years ending December 31, 2007, 2006, and 2005 were \$231,999, \$205,303, and \$180,082, respectively, equal to their required contributions for each year.

NOTE 10: OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

FPPA administers a single-employer defined benefit healthcare plan ("FPPA Staff Healthcare Subsidy Plan"). The plan provides a healthcare premium subsidy to all full time employees who leave FPPA and have completed at least ten years of service with the FPPA. Currently, 13 employees meet those eligibility requirements.

B. Benefit provisions

FPPA provides a health care premium subsidy to eligible retirees. The subsidy period is limited to the number of years actually worked at FPPA and further limited to the maximum subsidy paid by the Public Employees Retirement Association of Colorado (PERA). The subsidy is \$11.50 per month for each year of PERA covered service with a maximum of 20 years. This amount decreases to \$5.75 per month for each year of PERA covered service when the beneficiary becomes Medicare eligible. Currently, the maximum subsidy paid by PERA is \$230 per month pre-Medicare and \$115 per month Medicare covered. The PERA subsidy can be increased by an act of the Colorado General Assembly. The retiree health plan does not issue a publicly available financial report.

C. Funding Policy

FPPA contributes 100 percent of the present value of future health care premium subsidies for eligible retired plan members. For 2007, FPPA contributed \$8,600 to the Plan.

NOTE 11: DEFINED CONTRIBUTION PENSION PLAN

A. Plan Description

The SDTF members of FPPA may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(k) defined contribution plan administered by 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, authorizes the Colorado Legislature to establish VIP provisions.

The VIP is funded by voluntary member contributions. The maximum contribution level is set by the Internal Revenue Service and changes annually. No employer contributions are required. The VIP member contributions from FPPA employees for the year ended December 31, 2007 was \$74,543.

NOTE 12: FINANCIAL OBLIGATIONS WITH OFF BALANCE SHEET RISK

A. Forward Foreign Exchange Contracts

FPPA through its various money managers has entered into forward foreign exchange contracts to hedge against changes in currency prices relative to the U. S. dollar. FPPA's investment policies permit such contracts subject to a limit of 50 percent 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) 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.

B. Equity Index Futures

FPPA through one money manager has invested in un-leveraged international equity index futures. These future positions are used solely to provide liquidity and market exposure. FPPA's investment policies permit such contracts 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 percent of the total portfolio market value.

C. Financial Futures, Options

FPPA, through its various money managers, has entered into exchange traded financial futures. The purpose of these contracts is for hedging, as an alternative to investments in the cash market and as an additional yield curve management strategy. These futures included U.S. agency, bond and treasury futures and options. In addition, contracts include Euro dollar and interest rate swap futures. Money managers may also invest in forward contracts. These transactions relate to a forward commitment strategy in cash equivalents or short duration securities with an effective duration of one year or less.

NOTE 13: 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 Fire & Police Members' Benefit Investment Fund. FPPA has invested in certain private equity partnerships and corporations. As part of these investments, FPPA has agreed to contribute additional funds at various times. At December 31, 2007, FPPA had committed approximately \$271.5 million in additional funds to these investments.

Schedule of Funding Progress

Year	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 % of Covered Payroll
Defined Benefit System – Statewide Defined Benefit Plan							
2007	1/1/07	\$801,426,848	\$654,097,657	\$(147,329,191)	122.5%	\$271,906,902	(54.2%)
2006	1/1/06	681,193,087	569,819,934	(111,373,153)	119.5%	246,693,626	(45.1%)
2005	1/1/05	557,949,693	495,915,617	(62,034,076)	112.5%	217,752,582	(28.5%)
2004	1/1/04	473,006,658	426,673,675	(46,332,983)	110.9%	189,359,234	(24.5%)
2003	1/1/03	424,088,589	371,056,405	(53,032,184)	114.3%	172,625,858	(30.7%)
2002	1/1/02	428,388,591	337,391,594	(90,996,997)	127.0%	156,808,953	(58.0%)
2001	1/1/01	405,598,652	305,500,209	(100,098,443)	132.8%	141,154,007	(70.9%)
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	(91.2%)

Defined Benefit System – Statewide Hybrid Plan

2007	1/1/07	\$9,624,239	\$6,299,422	\$(3,324,817)	152.8%	\$4,391,954	(75.7%)
2006	1/1/06	7,998,356	5,366,912	(2,631,444)	149.0%	4,053,146	(64.9%)
2005	1/1/05	\$5,040,067	\$4,035,894	\$(1,004,173)	124.9%	\$2,587,830	(38.8%)

The first actuarial valuation completed on the Defined Benefit System – Statewide Hybrid Plan was in 2005.

Defined Benefit System – Exempt Plan Police Component

2007	1/1/07	\$159,508,243	\$161,530,980	\$2,022,737	98.7%	\$40,438,034	5.0%
2006	1/1/06	N/A	N/A	N/A	N/A	N/A	N/A

The first actuarial valuation completed on the Defined Benefit System – Exempt Plan was in 2007 as the program began 10/1/2006.

Defined Benefit System – Exempt Plan Fire Component

2007	1/1/07	\$98,290,761	\$99,137,903	\$847,142	99.1%	\$26,867,827	3.2%
2006	1/1/06	N/A	N/A	N/A	N/A	N/A	N/A

The first actuarial valuation completed on the Defined Benefit System – Exempt Plans was in 2007 as the program began 10/1/2006.

Affiliated Local Plans

2006	1/1/06	\$1,818,993,571	\$2,246,572,810	\$427,579,239	81.0%*	\$75,130,892	569.1%
2004	1/1/04	1,642,270,820	2,160,729,353	518,458,533	76.0%*	70,053,951	740.1%
2002	1/1/02	1,902,729,069	2,086,914,286	184,185,217	91.2%	74,373,501	247.6%
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%

* State Contributions were suspended for 2 years and recommenced as of 4/30/2006.

Statewide Death & Disability Plan

2007	1/1/07	\$274,091,581	\$258,243,478	\$(15,848,103)	106.1%**	\$631,667,107	(2.5%)
2006	1/1/06	249,299,173	258,726,894	9,427,721	96.4%**	610,620,208	1.5%
2005	1/1/05	223,389,097	231,252,507	7,863,410	96.6%	567,949,536	1.4%
2004	1/1/04	212,273,124	241,966,436	29,693,312	87.7%	547,190,145	5.4%
2003	1/1/03	218,151,921	261,133,007	42,981,086	83.5%	515,529,441	8.3%
2002	1/1/02	239,456,347	239,793,687	337,340	99.9%	484,328,830	0.1%
2001	1/1/01	240,575,733	209,233,639	(31,342,094)	115.0%	441,924,703	(7.1%)
2000	1/1/00	229,537,083	182,268,906	(47,268,177)	125.9%	413,510,444	(11.4%)
1999	1/1/99	212,356,890	179,953,848	(32,403,042)	118.0%	394,666,053	(8.2%)
1998	1/1/98	\$193,630,404	147,898,674	(45,731,730)	130.9%	375,057,167	(12.2%)

** This plan is valued under the Aggregate Funding Method, where the Actuarial Accrued Liability is set equal to the assets, resulting in no Unfunded Actuarial Accrued Liability and a Funded Ratio of 100%. The Actuarial Accrued Liability reported here is the Present Value of Projected Benefits, less the Present Value of Projected Member Contributions.

Schedule of Employer & State Contributions (unaudited)

A. Statewide Death and Disability Plan

Employer Contributions:

Year Ended 12/31	Annual Required Contribution*	Percentage Contribution
2007	0%	100%
2006	0%	100
2005	0%	100
2004	0%	100
2003	0%	100
2002	0%	100
2001	0%	100
2000	0%	100
1999	0%	100
1998	0%	100%

*All contributions are made by members or on behalf of members

B. Defined Benefit System - Statewide Defined Benefit Plan

Employer Contributions:

Year Ended 12/31	Annual Required Contribution Rate	Percentage Contribution
2007	8.00%	100%
2006	8.00%	100
2005	8.00%	100
2004	8.00%	100
2003	8.00%	100
2002	8.00%	100
2001	8.00%	100
2000	8.00%	100
1999	8.00%	100
1998	8.00%	100
1997	8.00%	100%

C. Defined Benefit System – Statewide Hybrid Plan Defined Benefit Component

The first actuarial valuation completed on the Defined Benefit System – Statewide Hybrid Plan was in 2005.

Employer Contributions:

Year Ended 12/31	Annual Required Contribution Rate	Percentage Contribution
2007	8.00%	100%
2006	8.00%	100
2005	8.00%	100%

D. Defined Benefit System – Exempt Plans

The first actuarial valuation on the Defined Benefit System Exempt Plans occurred in 2007.

Employer Contributions:

Year Ended 12/31	Police Component Annual Required Contribution Rate	Fire Component Annual Required Contribution Rate	Percentage Contribution
2007	8.00%	8.169%	100%
2006	N/A	N/A	N/A

E. Affiliated Local Plans

Employer Contributions:

Year Ended 12/31	Annual Required Contribution	Percentage Contribution
2007	\$ 77,438,443	100%
2006	79,726,307	100
2005	97,547,567	100
2004	96,995,192	100
2003	42,835,929	100
2002	40,986,770	100
2001	32,779,006	100
2000	35,097,807	100
1999	51,599,353	100
1998	\$ 53,639,344	100%

Net Assets by Participant — December 31, 2007

Alamosa Volunteer Fire Department (Volunteer)	\$1,642,357
* Alamosa County Fire Protection District (Volunteer)	494,599
Allenspark Fire (Volunteer)	315,139
Aspen Fire Protection District (Volunteer)	1,902,543
Ault Fire Protection District (Volunteer)	496,773
Aurora Police	114,904,298
Aurora Fire	106,736,867
Bancroft Fire Protection District	1,996,031
Basalt and Rural Fire Protection District (Volunteer)	1,837,106
Bennett Volunteer Fire (Volunteer)	631,627
Berthoud Fire Protection District (Volunteer)	616,635
Big Sandy Fire Protection District (Volunteer)	95,599
Big Thompson Canyon Fire (Volunteer)	269,984
Black Forest Fire Protection District (Volunteer)	1,271,972
Blanca Volunteer Fire (Volunteer)	114,576
Boone Volunteer Fire (Volunteer)	35,008
Boulder Mountain Fire Protection District (Volunteer)	738,247
Boulder Rural Fire Protection District (Volunteer)	680,135
Bow Mar Police	94,944
Brighton Fire (Volunteer)	4,280,686
Brush Volunteer Fire Department (Volunteer)	854,375
Buena Vista Fire (Volunteer)	343,059
Burning Mountain Fire Protection District (Volunteer)	1,037,239
Calhan Fire (Volunteer)	87,539
Canon City Area Fire Protection District	4,005,272
Canon City Area Fire Protection District (Volunteer)	275,610
Carbondale & Rural Fire Protection District (Volunteer)	2,316,280
Cascade Fire (Volunteer)	286,960
Castle Rock Volunteer Fire Department (Volunteer)	1,053,266
Cedaredge Police	259,082
Central City Fire Department (Volunteer)	395,116
Central Orchard Mesa Fire Protection District (Volunteer)	130,341
Cherry Hills Fire Protection District	3,111,354
Cheyenne County #1 Fire (Volunteer)	245,429
Clear Creek County Emergency Services District (Volunteer)	1,848,969
Clifton Fire Protection District (Volunteer)	2,433,945
Coal Creek Fire Protection District (Volunteer)	967,272
Colorado Sierra Fire Protection District (Volunteer)	69,268
Colorado Springs Police	93,329,626
Colorado Springs Fire	111,132,748
Cortez Police	351,041
Crested Butte Fire Protection District (Volunteer)	1,715,538
Cripple Creek Fire Protection District (Volunteer)	421,407
Crowley Fire Department (Volunteer)	23,128
Crystal Lake Fire Department (Volunteer)	137,010
Del Norte Police	26,351
Del Norte Fire (Volunteer)	699,181
Denver Fire	491,789,624
Denver Police	630,783,998
Divide Volunteer Fire (Volunteer)	185,133
Donald Westcott Volunteer Fire (Volunteer)	413,460
Dove Creek Fire (Volunteer)	154,299
Durango Police	2,675,361
Durango Police - DROP	\$201,426

See the accompanying independent auditor's report.

Durango Fire	\$1,859,872
Durango Firce - DROP	204,565
Durango Fire & Rescue Authority	5,821,979
Eads Volunteer Fire Department (Volunteer)	137,902
* East Grand Fire Protection District #4 (Volunteer)	1,702,424
Eaton Volunteer Fire Department (Volunteer)	977,043
Eckley Fire (Volunteer)	22,241
Elbert Fire (Volunteer)	112,166
Elizabeth Fire Protection District (Volunteer)	1,378,085
Englewood Police	7,643,058
Englewood Fire Department	12,150,672
Englewood Fire Department (Volunteer)	249,999
Evans Volunteer Fire Department (Volunteer)	447,983
Evergreen Fire (Volunteer)	4,086,984
Falcon Fire Protection District (Volunteer)	768,857
Federal Heights Volunteer Fire Department (Volunteer)	2,107,682
Firestone Marshalls Police	32,032
Fisher's Peak Fire (Volunteer)	77,883
Florence Fire (Volunteer)	870,842
Foothills Fire Protection District (Volunteer)	1,140,885
* Fort Lewis-Mesa Fire Protection District (Volunteer)	237,516
Fort Morgan Fire (Volunteer)	1,432,696
Fort Morgan Rural Fire (Volunteer)	540,259
Fort Morgan Police	870,123
Franktown Fire Protection District (Volunteer)	1,929,307
Frederick Area Fire Protection District (Volunteer)	218,282
Galeton Fire (Volunteer)	378,894
Genesee Fire Protection District (Volunteer)	1,116,939
Glacier View Fire (Volunteer)	114,503
Glendale Volunteer Fire Department (Volunteer)	258,846
Glenwood Springs Fire Department (Volunteer)	1,020,802
Golden Volunteer Fire Department (Volunteer)	3,384,463
Golden Gate Fire Protection District (Volunteer)	250,534
Grand Fire Protection District (Volunteer)	1,376,013
Grand Junction Fire	13,347,429
Grand Junction Police	3,454,223
Grand Lake Fire (Volunteer)	1,680,739
Grand Valley Fire (Volunteer)	1,745,046
Greeley Police	1,703,008
Green Mountain Falls-Chipita Park Fire Protection District (Volunteer)	230,706
Gypsum Fire (Volunteer)	479,198
Hartsel Fire Protection District (Volunteer)	412,631
Haxtun Volunteer Fire Department (Volunteer)	158,436
Haxtun Police	241,058
High Country Fire Protection District (Volunteer)	1,424,342
Hillrose Rural Fire (Volunteer)	145,324
Holyoke (City) Volunteer Fire Department (Volunteer)	166,270
Holyoke Fire Protection District (Volunteer)	286,065
Hot Sulphur Springs-Parshall Fire Protection District (Volunteer)	166,812
Hygiene Fire (Volunteer)	758,097
Indian Hills Fire Protection District (Volunteer)	363,082
Inter-Canyon Fire Protection District (Volunteer)	1,124,946
Jackson 105 Fire Protection District (Volunteer)	217,605
Jefferson-Como Fire Protection District (Volunteer)	747,129
Kiowa Fire Protection District (Volunteer)	\$560,902

See the accompanying independent auditor's report.

Kremmling Fire Protection District (Volunteer)	\$430,202
La Junta Police	1,232,326
La Junta Fire	1,168,851
La Junta Rural Fire Protection District (Volunteer)	463,653
Lafayette Volunteer Fire Department (Volunteer)	1,316,511
Lake City Fire (Volunteer)	39,099
Lake Dillon Fire (Volunteer)	3,942,227
Lake George Fire Protection District (Volunteer)	221,376
Lakewood Fire Protection District	18,146,139
Lamar Fire	892,777
Lamar Fire Protection District (Volunteer)	438,461
Larkspur Fire Protection District (Volunteer)	1,619,837
Las Animas Police	616,577
La Salle Police	836,689
La Salle Fire Protection District (Volunteer)	2,239,826
Leadville Fire	307,077
Left Hand Fire Protection District (Volunteer)	950,544
Lewis-Arriola Fire Protection District (Volunteer)	1,084,519
Limon Fire Department (Volunteer)	372,875
Livermore Fire Protection District (Volunteer)	83,505
Log Hill Mesa Fire Protection District (Volunteer)	109,799
* Loveland Fire	476,085
* Loveland & Rural Consolidated Volunteer Fire	3,101,897
Lower Valley Fire Protection District (Volunteer)	651,270
* Lyons Fire Protection District (Volunteer)	750,543
Mancos Fire Protection District (Volunteer)	550,129
Manitou Springs Fire	500,755
Manitou Springs Volunteer Fire Department (Volunteer)	481,487
Manzanola Rural Fire Protection District (Volunteer)	118,751
Milliken Fire Protection District (Volunteer)	684,548
Montrose Fire Protection District	222,158
Montrose Fire Protection District (Volunteer)	689,518
Mountain View Fire Protection District	546,587
Mountain View Fire Protection District (Volunteer)	2,858,594
Nederland Fire Protection District (Volunteer)	399,613
New Raymer-Stoneham Fire (Volunteer)	101,449
North Fork Fire Protection District (Volunteer)	164,386
North Routt Fire Protection District (Volunteer)	153,647
North Washington Fire Protection District	4,524,589
North Washington Fire Protection District (Volunteer)	204,266
*North Washington Fire Protection District - DROP	-
Northeast Teller County Fire Protection District (Volunteer)	580,803
Northwest Fire Protection District (Volunteer)	401,868
Northwest Conejos Fire Protection District (Volunteer)	454,729
Norwood Fire Protection District (Volunteer)	166,597
Nucla-Naturita Fire (Volunteer)	448,034
Nunn Fire Protection District (Volunteer)	525,672
Oak Creek Fire Protection District (Volunteer)	193,834
Olathe Fire Protection District (Volunteer)	461,569
Olney Springs Volunteer Fire Department (Volunteer)	183,353
Ordway Fire (Volunteer)	186,216
Ouray Volunteer Fire Department (Volunteer)	227,608
Palisade Volunteer Fire Department (Volunteer)	427,462
Palmer Lake Volunteer Fire Department (Volunteer)	15,646
Parker Fire Protection District (Volunteer)	\$712,739

See the accompanying independent auditor's report.

Pawnee Fire (Volunteer)	\$81,347
Pinewood Springs Fire (Volunteer)	79,004
Plateau Valley Fire (Volunteer)	273,307
Platte Canyon Fire Protection District (Volunteer)	1,202,629
Platte Valley Fire Protection District (Volunteer)	2,632,781
Platteville/Gilcrest Fire Protection District (Volunteer)	2,614,235
Pleasant View Fire Protection District (Volunteer)	281,018
Pleasant View Metro Fire Protection District (Volunteer)	1,459,712
Poudre Valley Fire (Volunteer)	151,932
Pueblo Fire	44,674,022
Pueblo Fire - DROP	6,825,861
Pueblo Police	70,892,830
Pueblo Rural Fire Protection District	3,131,727
Rangelley Rural Fire (Volunteer)	627,719
Rattlesnake Fire Protection District (Volunteer)	672,891
Red Feather Lakes Fire Protection District (Volunteer)	228,640
* Red, White & Blue Fire Protection District	481,050
Red, White & Blue Fire Protection District (Volunteer)	1,502,980
Ridgway Fire (Volunteer)	441,018
Rio Blanco Fire Protection District (Volunteer)	1,555,235
Rifle Fire (Volunteer)	2,537,958
Rocky Ford Police	543,947
Rocky Ford Fire	349,762
Rocky Ford Volunteer Fire Department (Volunteer)	52,174
Rocky Mountain Fire Protection District (Volunteer)	534,130
Sable Altura Fire Protection District (Volunteer)	632,864
Salida Fire	304,492
Salida Police	1,086,062
Sheridan Fire (Volunteer)	639,739
Silverton Fire (Volunteer)	181,950
South Adams County Fire Protection District	653,845
South Adams County Fire Protection District (Volunteer)	4,471,988
South Arkansas Fire Protection District (Volunteer)	264,648
South Conejos Fire Protection District (Volunteer)	208,957
South Metro Fire Rescue (Volunteer)	497,280
Springfield Police	620,967
Springfield Fire (Volunteer)	121,725
Steamboat Springs Volunteer Fire Department (Volunteer)	1,323,389
Sterling Fire	951,612
Sterling Volunteer Fire Department (Volunteer)	428,863
Sterling Police	1,476,474
Stonewall Fire (Volunteer)	184,288
Stratton Fire Protection District (Volunteer)	86,350
Sugar City Fire Department (Volunteer)	117,741
Sugarloaf Fire Protection District (Volunteer)	422,977
SW Washington Fire (Volunteer)	66,402
Telluride Fire Protection District (Volunteer)	916,039
Thornton Fire	9,373,807
Thornton Fire DROP STIF	740,712
Trinidad Fire	743,836
Trinidad Police	172,954
Union Colony Fire	11,671,987
Walsenburg Police	24,551
Walsh Fire (Volunteer)	36,236
Wellington Fire Protection District (Volunteer)	\$1,024,590

See the accompanying independent auditor's report.

West Cheyenne Fire Protection District (Volunteer)	\$109,090
West Douglas County Fire Protection District (Volunteer)	621,630
West Metro Fire (Volunteer)	911,697
West Routt Fire Protection District (Volunteer)	2,245,519
Westminster Fire (Volunteer)	3,437,831
Wet Mountain Fire (Volunteer)	1,063,288
Wiggins Fire (Volunteer)	634,936
Wiley Rural Fire Protection District (Volunteer)	116,404
Windsor Severance (Volunteer)	2,705,228
Yampa Fire Protection District (Volunteer)	438,306
Yuma Fire (Volunteer)	399,809
Sub-Total Affiliated Local Plans Net Assets	\$1,931,888,455
Contributions Receivable at 12/31/07	544,611
Total Affiliated Local Plans Net Assets	\$1,932,433,066
Defined Benefit System - Statewide Death and Disability Plan	\$308,170,316
Contributions Receivable at 12/31/07	362,097
Total Defined Benefit System - Statewide Death and Disability Plan Net Assets	\$308,532,413
Defined Benefit System -	
Statewide Defined Benefit Plan	969,446,160
Exempt Plans	291,309,599
Statewide Hybrid Plan - Defined Benefit Component	14,241,929
FPPA Staff Healthcare Subsidy	131,953
Sub-Total Defined Benefit System Net Assets	\$1,275,129,641
Contributions Receivable at 12/31/07	1,285,879
Total Defined Benefit System Net Assets	\$1,276,415,520
Total Net Assets - Fire and Police Members' Benefit Investment Fund	\$3,517,380,999
Fire and Police Members'	
Statewide Money Purchase Plan	\$4,918,256
Contributions Receivable at 12/31/07	24,617
Total Fire and Police Members' Statewide Money Purchase Plan Net Assets	\$4,942,873
Dacono Police Money Purchase Plan	502,162
Sub-Total Fire and Police Members' Money Purchase Plan Net Assets	\$502,162
Contributions Receivable at 12/31/07	-
Total Fire and Police Members' Money Purchase Plan Net Assets	\$502,162

See the accompanying independent auditor's report.

Defined Benefit System -	
Statewide Hybrid Plan - Money Purchase Plan Component	75,348,123
Statewide Defined Benefit Plan - Deferred Retirement Option Plan (DROP)	8,206,037
Statewide Hybrid DROP	166,115
Aurora Police DROP	6,073,821
Aurora Fire DROP	4,277,859
Colorado Springs Police DROP	3,582,139
Colorado Springs Fire DROP	1,760,488
Defined Benefit System - Colorado Springs -	
New Hire Pension Plan - Police Component DROP	4,798,066
New Hire Pension Plan - Fire Component DROP	1,345,481
Denver Fire DROP	16,276,429
Denver Police DROP	18,063,892
Englewood Police DROP	430,332
Englewood Fire DROP	297,232
Sub-Total Affiliated Local and Defined Benefit System Net Assets	\$140,626,013
Contributions Receivable at 12/31/07	41,399
Total Affiliated Local and Defined Benefit System Net Assets	\$140,667,412
IRC 457 Deferred Compensation Plans	\$49,136,085
Contributions Receivable at 12/31/07	\$249,699
Total IRC 457 Deferred Compensation Net Assets	\$49,385,784
Total Net Assets - Fire and Police Members'	
Self-Directed Investment Fund	\$195,498,231
Grand Total - FPPA Net Assets	\$3,712,879,230

* New Affiliation in 2007

**Departments with zero assets have either disaffiliated with FPPA, or all dollars have been paid out of the plan in the current year.

See the accompanying independent auditor's report.

Payments to Consultants — December 31, 2007

ACTUARIAL CONSULTANTS	
Gabriel Roeder Smith & Co.	\$246,080
AUDITORS	
BONDI & Co. LLC	36,300
INVESTMENT COUNSEL	
Pension Consulting Alliance	174,512
The Townsend Group	150,000
Institutional Shareholder Services	39,500
IW Financial	10,500
Abel/Noser Corporation	10,000
LEGAL AND LEGISLATIVE COUNSELS	
Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro, LLP	37,472
Lombard & Clayton	30,000
Bingham Mccutchen LLP	10,625
Parsons Heizer Paul LLP	6,977
Ice Miller	4,381
Levett Rockwood PC	4,249
Bracewell & Giuliani LLP	2,260
Inman Flynn Biesterfeld & Brentlinger, PC	1,386
Day Pitney LLP	1,029
MANAGEMENT CONSULTANTS	
Ennis Knupp + Associates	38,713
MEDICAL CONSULTANT	
Roderic Gottula, M.D/ Correctional MED/LEGAL Consultants	43,140
Total Payments To Consultants	\$847,124

NOTE:

The above schedule reflects actual cash payments made during 2007. These amounts may differ from those presented in the financial statements since FPPA prepares its financial statements based on the accrual method of accounting.

See the accompanying independent auditor's report.

SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES — December 31, 2007

(With Comparative Totals for 9 Prior Years)

<i>Expense Group</i>	2007	2006	2005	2004
PROFESSIONAL CONTRACTS				
Actuarial Contract	\$246,998	\$253,000	\$230,216	\$345,098
Audit Fees	36,000	34,000	33,000	33,000
Computer Maintenance & Lease	114,595	224,101	177,215	176,420
Insurance & Bonding	128,980	126,489	114,209	109,290
Legal & Legislative Counsel	66,129	105,183	80,646	60,698
Management Consulting	19,950	33,860	25,000	0
Medical Exam Fees	136,630	117,279	120,110	119,446
Hearing Officers - D&D	10,402	8,573	6,623	8,345
Outside Svcs/Contract Help	85,141	51,887	27,471	49,947
Records Management	6,062	6,488	4,808	5,370
<i>Total Professional Contracts</i>	<i>850,887</i>	<i>960,860</i>	<i>819,298</i>	<i>907,614</i>
PERSONNEL SERVICES				
Salaries	2,135,055	2,006,777	1,820,739	1,730,359
Employee Benefits	517,372	514,013	451,140	413,205
Employment Programs	14,525	18,952	12,050	9,454
<i>Total Personnel Services</i>	<i>2,666,952</i>	<i>2,539,742</i>	<i>2,283,929</i>	<i>2,153,018</i>
STAFF EDUCATION				
Tuition Assistance Program	9,734	6,754	15,914	21,981
Conferences & Seminars	23,312	22,645	31,970	26,545
<i>Total Staff Education</i>	<i>\$33,046</i>	<i>\$29,399</i>	<i>\$47,884</i>	<i>\$48,526</i>

See the accompanying independent auditor's report.

2003	2002	2001	2000	1999	1998
\$148,500	\$174,885	\$141,547	\$141,352	\$197,700	\$130,000
33,210	31,225	30,000	29,000	28,000	27,000
107,532	92,150	140,483	67,494	87,602	120,653
104,251	91,770	87,394	84,942	79,516	91,889
111,631	109,660	77,946	92,500	100,000	90,301
0	4,720	30,000	2,500	20,000	37,492
142,455	130,642	117,717	150,100	154,214	133,500
5,375	3,947	6,980	4,274	2,966	5,215
10,781	16,931	8,277	3,144	4,934	1,296
3,852	5,254	5,701	6,313	51,400	4,289
<i>667,587</i>	<i>661,184</i>	<i>646,045</i>	<i>581,619</i>	<i>726,332</i>	<i>641,635</i>
1,629,422	1,581,473	1,572,031	1,426,576	1,373,899	1,254,737
370,754	350,602	258,869	300,238	330,316	287,588
7,494	9,562	14,624	15,553	10,883	7,268
<i>2,007,670</i>	<i>1,941,637</i>	<i>1,845,524</i>	<i>1,742,367</i>	<i>1,715,098</i>	<i>1,549,593</i>
15,348	14,088	8,691	16,466	11,192	12,165
24,948	28,599	28,241	32,762	28,570	30,133
<i>\$40,296</i>	<i>\$42,687</i>	<i>\$36,932</i>	<i>\$49,228</i>	<i>\$39,762</i>	<i>\$42,298</i>

See the accompanying independent auditor's report.

SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES — December 31, 2007 (cont'd)

(With Comparative Totals for 9 Prior Years)

<i>Expense Group</i>	2007	2006	2005	2004
OTHER OPERATING EXPENSES				
Company Vehicles	\$4,342	\$4,966	\$5,582	\$2,779
Board Expenses	43,355	63,881	68,315	56,747
Data Processing Supplies	57,136	107,313	23,847	12,604
Equipment Rental & Maint.	34,154	32,501	42,919	38,995
Meetings & Travel	26,613	24,683	25,569	29,335
Operating Exp. Two DTC	109,072	69,834	(60,599)	25,812
Other (Misc.)	0	0	0	699
Postage	59,653	57,476	55,494	52,097
Printing & Mailing	111,076	82,062	118,476	109,470
Retirement Services	9,099	9,177	10,626	9,148
Staff Expense	0	5,413	4,426	3,138
Subscriptions & Dues	11,836	11,975	11,673	10,432
Supplies	36,021	82,624	30,587	26,959
Telephone	23,577	17,820	15,636	20,207
<i>Total Other Operating Expense</i>	<i>525,934</i>	<i>569,725</i>	<i>352,551</i>	<i>398,422</i>
TOTAL OPERATING EXPENSE	4,076,819	4,099,726	3,503,662	3,507,580
Depreciation Expense	120,517	103,831	194,536	147,257
TOTAL ADMINISTRATIVE EXPENSE	4,197,336	4,203,557	3,698,198	3,654,837
CAPITAL EXPENDITURES	66,012	42,615	42,507	74,800
TOTAL ADMINISTRATIVE EXPENSE AND CAPITAL	\$4,263,348	\$4,246,172	\$3,740,705	\$3,729,637
INVESTMENT FEES				
Investment Counsel	\$361,512	\$310,500	\$180,001	\$234,916
Investment Mgmt. Fees	18,443,997	14,689,108	12,825,394	10,167,622
Alternative Investment Legal Fees	41,052	142,182	35,196	61,843
Real Estate Mgmt. Fees	0	0	0	0
Bank/Security Lending Fees	807,614	759,789	726,617	332,650
<i>Total Investment Fees</i>	<i>\$19,654,175</i>	<i>\$15,901,579</i>	<i>\$13,767,208</i>	<i>\$10,797,031</i>

See the accompanying independent auditor's report.

2003	2002	2001	2000	1999	1998
\$4,439	\$3,931	\$7,251	\$7,200	\$7,017	\$2,202
44,439	74,379	78,343	84,492	86,765	80,390
11,544	15,182	13,396	13,151	13,198	10,467
37,406	36,644	39,495	37,524	19,755	21,353
27,281	28,172	24,584	24,659	28,138	21,296
(15,441)	88,742	8,913	13,418	0	25,930
28	984	1,299	2,200	1,368	3,932
66,909	63,744	62,590	55,414	50,605	42,781
145,465	143,412	137,942	131,646	88,099	90,916
8,870	14,197	14,246	8,862	16,619	4,562
3,797	4,960	5,323	5,255	5,227	4,716
10,805	8,674	15,092	16,000	15,858	14,088
24,305	30,507	35,732	54,249	38,592	46,164
20,434	20,981	23,219	17,282	18,815	18,557
390,281	534,509	467,425	471,352	390,056	387,354
3,105,834	3,180,017	2,995,926	2,844,566	2,871,248	2,620,880
43,980	140,759	126,085	155,555	127,967	131,092
3,149,814	3,320,776	3,122,011	3,000,121	2,999,215	2,751,972
48,797	55,386	223,543	21,471	71,113	53,638
\$3,198,611	\$3,376,162	\$3,345,554	\$3,021,592	\$3,070,328	\$2,805,610
\$186,003	\$175,000	\$177,499	\$142,501	\$90,000	\$90,000
5,491,021	5,028,068	4,422,092	4,925,713	4,814,483	4,209,531
28,224	14,457	46,277	21,230	48,777	68,272
0	0	0	0	0	0
374,755	371,514	379,146	384,146	206,506	204,324
\$6,080,003	\$5,589,039	\$5,025,014	\$5,473,590	\$5,159,766	\$4,572,127

See the accompanying independent auditor's report.

This section of the
comprehensive
annual financial report
has been prepared by
the Investment Division
of the Fire & Police Pension
Association of Colorado.

J. Scott Simon, Chief Investment Officer

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 \$3.712 billion in market value as of December 31, 2007. Specifically, the Association is responsible for administering two separate funds: the Fire & Police Members' Benefit Investment Fund (\$3.517 billion) and the Fire & Police Members' Self-Directed Investment Fund (\$195 million).

The Fire & Police Members' Benefit Investment Fund includes the assets of various defined benefit plans designed to provide participants with a specified benefit after retirement, which is calculated as a percentage of the participant's salary. In contrast, The Fire & Police Members' Self-Directed Investment Fund includes the assets of various defined contribution plans and self-directed DROP plan assets. 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 Fire & Police Members' Self-Directed Investment Fund also includes the assets of IRC 457 deferred compensation plans which permit employees of FPPA and participating fire and police departments to defer a portion of their salaries to future years. Participants direct the investment of their contributions among various investment options.

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 defined contribution, deferred compensation and self-directed DROP 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 Funds, 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, asset allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation 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 section of the annual report. To the extent applicable, investment managers are required to report results in conformance with standards developed by the CFA Institute (CFAI). FPPA utilizes its custodian bank to independently calculate investment returns based upon market values and cash flows reported by the custodian bank.

Fire & Police Members' Benefit Investment Fund

Summary of Investment Objectives

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

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

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

The Board has established the following average annual real rate of return objectives for each asset class in which the Fund is invested: Large Cap. Domestic Equities 6%, Small Cap. Domestic Equities 7.5%, Core Domestic Fixed Income 3%, High Yield Domestic Fixed Income 6%, International Equities 6%, Real Estate 5%, and Alternative Investments (Private Equity) 12%.

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

Each professional investment management firm retained by the Board to manage a separate account must execute an Investment Manager Agreement, the form and substance of which is mutually agreed upon. Each of these firms 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. 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.

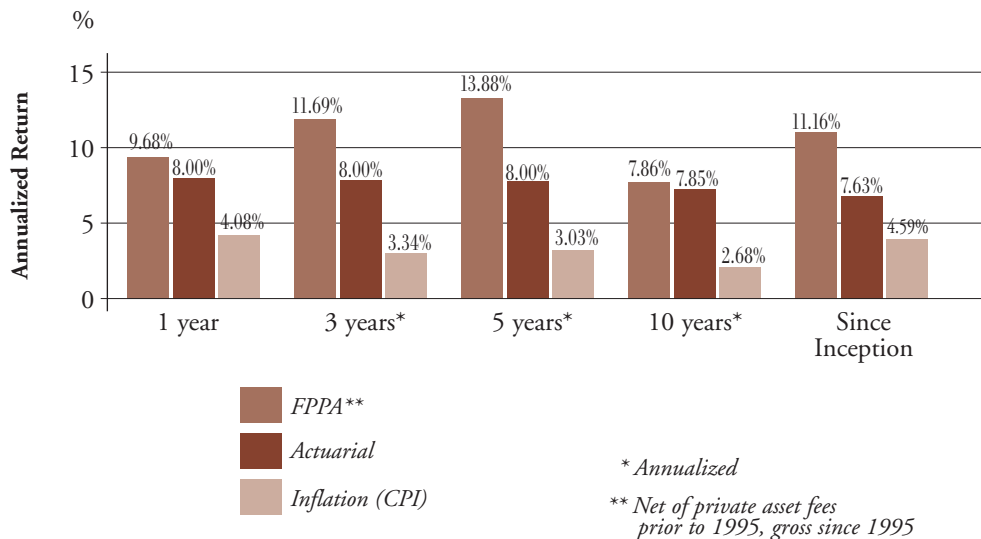
Cash held by an investment manager is invested on a daily basis in the custodian bank’s short-term investment fund. In addition, unless agreed to between the Board and the manager, equity managers should hold no more than 10% of FPPA’s accounts in cash or cash equivalents. Securities that are assets 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 Chief Executive Officer and the consultant retained by the Board, shall engage in an active partnership to focus on the long-term objectives and goals of the Fund. Therefore, periodic review meetings are held to evaluate the managers’ progress as it relates to achievement of long-term policies. Performance evaluations are constructed to provide a uniform and consistent basis for the evaluation of each manager as well as the total fund. The total fund results, as well as those of each manager, will be evaluated against several benchmarks including, but not limited to: the achievement of the real rate of return objective, comparison against the performance of peers, 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.

Fire & Police Members’ Benefit Investment Fund Return vs. Inflation and Actuarial Requirements (Inception - 2007)



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) enables 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 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.

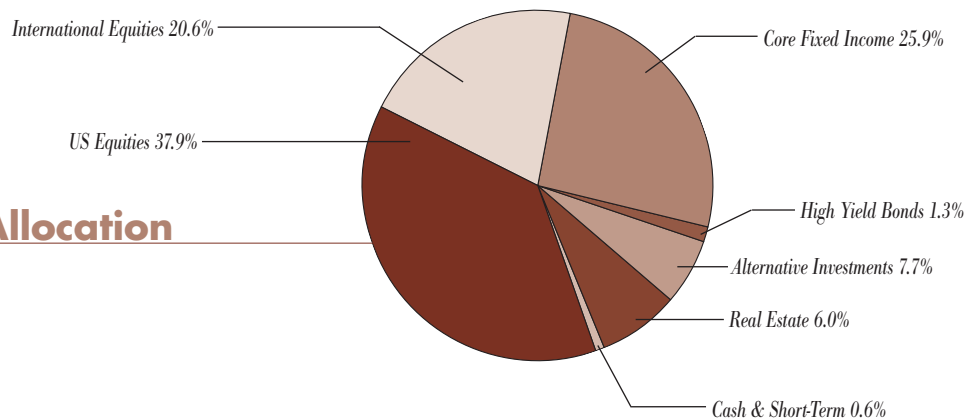
The Board is conscious of the need to evaluate the risk in the investment program and uses several gauges to monitor risk. They include, but are not limited to, variation in the asset mix from the policy, variability of returns, relative performance results, diversification measures, financial characteristics 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 2005 has the following target allocations: U.S. equities 38%, international equities 20%, domestic core plus bonds 25%, domestic high yield bonds 1%, real estate 6%, cash and short-term investments 1%, and alternative investments (private equity) 9%. Pending the ability to fully fund the allocation to private equity investments, the Board has set interim annual targets of 6% for 2005, 7% for 2006, 8% for 2007 and 9% for 2008.

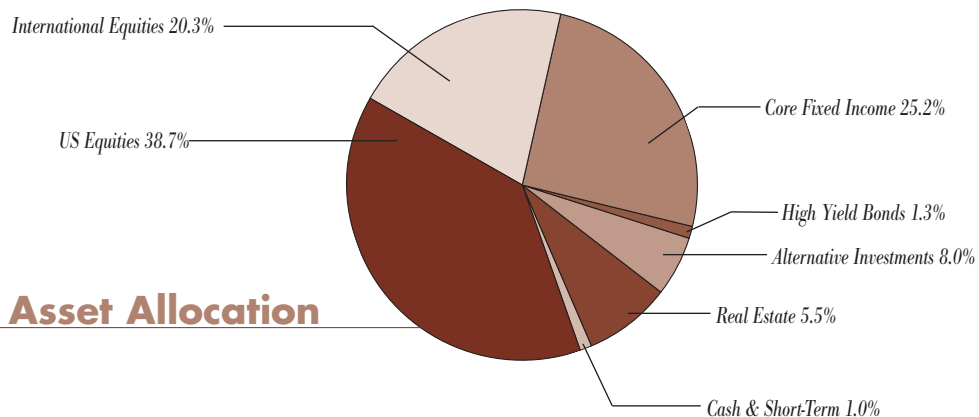
The Association has established relationships with investment management firms with a diversity of management approaches. The managers have discretionary authority in the selection and retention of individual investments, subject to state statutory restrictions and the Association’s investment policy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

In 2004, FPPA instituted a Portable Alpha Overlay Strategy within the domestic equity allocation to enhance returns over the domestic equity benchmark. The Portable Alpha Overlay Strategy utilizes funds of hedge funds in combination with derivative exposure to the S&P 500. Hedge funds, typically unregulated investment vehicles (similar to private equity), employ unique investment strategies and expertise not available to more traditional asset managers. Funds of hedge funds are pools of individual hedge funds that produce returns that are largely uncorrelated to the returns of traditional asset classes. By allocating a portion of fund assets to the Portable Alpha Overlay Strategy, the Association is able to access these unique strategies, while seeking to maximize returns in a risk-controlled manner.

2007 Asset Allocation



2007 Target Asset Allocation



For the Fire & Police Members' Benefit Investment Fund, as of December 31, 2007, the Association employed the external investment managers listed in the table on page 70-71.

Fire & Police Members' Self-Directed Investment Fund

Summary of the Fund's Objectives

The Fire & Police Members' Self-Directed Investment Fund ("the Fund"), includes the assets of the Statewide Money Purchase Plan, affiliated local money purchase plans, self-directed DROP plans and IRC 457 deferred compensation plans ("the plans"). Members of the plans direct their 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 Fund's 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: Stable Value, Money Market, Domestic Bond, Domestic Equity, International Equity, and Target Retirement Date Balanced Funds.

FPPA selected Fidelity Investments® to provide recordkeeping and investment management services for FPPA's 457 Deferred Compensation Plan, Statewide Money Purchase Plan, self-directed DROP plans and the local money purchase plans affiliated with FPPA effective May 1, 2001. Fidelity Investments® provides members with new investment options, convenient access to account information, more flexibility, and increased access to investment education. New services available to members include internet account access and automated phone service. Fidelity Investments® provides members with 23 investment options across various asset classes including ten life-cycle funds. The Fidelity Freedom® life-cycle funds are designed for investors who want a simple approach to investing by investing in a group of other Fidelity mutual funds that provide moderate asset allocation. Each Freedom Fund® offers a different investment horizon and asset allocation strategy based on a target retirement date.

Investment Summary - Fire & Police Members' Benefit Investment Fund

<i>Investment Type</i>	<i>Market Value</i>	<i>% of Total</i>
Fixed Income		
Government Bonds	\$97,268,116	2.77%
Investment Grade Corporate	\$228,333,827	6.51%
Mortgage Backed Securities	\$590,797,732	16.84%
High Yield Corporate	\$41,837,681	1.19%
Municipal Bonds	\$2,395,905	0.07%
International Bonds	\$58,309,426	1.66%
<i>Total fixed income</i>	<i>\$1,018,942,687</i>	<i>29.05%</i>
Domestic Stocks		
Large Cap Passive	\$548,639,462	15.64%
Large Cap Core	\$461,196,964	13.15%
Small Cap Core	\$46,054,269	1.31%
Small Cap Growth	\$50,852,722	1.45%
Small Cap Value	\$42,241,765	1.20%
<i>Total common stock</i>	<i>\$1,148,985,182</i>	<i>32.76%</i>
International Stocks		
Developed Country	\$607,439,633	17.32%
Emerging Markets	\$97,196,654	2.77%
<i>Total International Stocks</i>	<i>\$704,636,287</i>	<i>20.09%</i>
Hedge Funds		
Diversified Funds of Hedge Funds	150,533,970	4.29%
Alternative Investments		
Real Estate	\$198,187,665	5.65%
Timberlands	13,479,237	0.38%
Venture Capital & Private Equity	270,416,190	7.71%
<i>Total alternative investments</i>	<i>\$482,083,092</i>	<i>13.74%</i>
Short-Term Investments		
Temporary Investment Fund	\$71,124,602	2.03%
Government and agency issues	\$65,404,104	1.86%
Commercial paper	\$14,198,423	0.40%
Other cash & cash equivalents	\$(28,255,464)	-0.81%
Net pending trades	\$(119,954,309)	-3.42%
<i>Total short-term investments</i>	<i>\$2,517,356</i>	<i>0.07%</i>
TOTAL	\$3,507,698,574	100.00%

The total market value of the Fire & Police Members' Benefit Investment Fund does not include physical assets of the Association, Assets in the Association's Funding Account, receivable and payables of the Association, and assets held as securities lending collateral.

Asset Allocation by Category and Investment Manager

Asset Class Manager	Investment Style	Management Fees	Total Assets	% of Total Fund Assets
Domestic Equities				
TH&B	Small Cap Core	139,328	\$47,869,961	1.36%
SSGA Russell 1000 Index	Russell 1000 Index	150	\$548,639,463	15.64%
Clarivest	Small Cap Value		\$43,222,289	1.23%
Fiduciary Asset Management	Large Cap Core	515,148	\$198,125,635	5.65%
Legg Mason	Large Cap Core	1,213,133	\$272,238,744	7.76%
Cortina Asset Management	Small Cap Growth	400,221	\$53,144,874	1.52%
Fairfield Investment Fund	Fund of Hedge Funds	703,990	\$58,143,706	1.66%
Gottex Market Neutral	Fund of Hedge Funds	953,515	\$92,390,265	2.63%
S&P 500 Futures	S&P 500 Futures	102,365	\$17,341,069	0.49%
Total Domestic Equities		\$4,027,850	\$1,331,116,005	37.95%
Domestic Fixed Income				
Trust Company of the West	High Yield	202,334	\$45,055,374	1.28%
PIMCO	Active	1,104,818	\$466,183,513	13.29%
Western Asset Mgmt	Active	765,669	\$441,135,079	12.58%
Total Domestic Fixed		\$2,072,821	\$952,373,966	27.15%
International Equities				
Baillie Gifford Overseas Ltd.	Active Emerging Markets	80,967	\$52,457,187	1.50%
Julius Baer	Active EAFE	817,681	\$254,595,967	7.26%
LSV Asset Management	Active EAFE	1,256,942	\$230,745,544	6.58%
Morgan Stanley	Active/Passive EAFE	461,709	\$139,779,330	3.98%
Rexiter Capital Management	Active Emerging Markets	317,590	\$44,739,467	1.28%
Total International Equities		\$2,934,888	\$722,317,495	20.59%
Real Estate				
Apollo RE	Opportunistic		\$5,738,145	0.16%
Blackrock Diamond Property	Enhanced	16,508	\$7,081,363	0.20%
Blackstone RE	Opportunistic	1,098,894	\$9,777,694	0.28%
Dune Real Estate	Opportunistic	368,566	\$5,902,657	0.17%
Hancock Timber	Timberlands	61,554	\$13,479,237	0.38%
JP Morgan	Core		\$59,721,152	1.70%
Morgan Stanley	Core	114,120	\$22,354,505	0.64%
PRISA & PRISA II	Core & Core +	252,125	\$58,997,720	1.68%
RREEF	Core	118,496	\$28,614,428	0.82%
Total Real Estate		\$2,030,263 *	\$211,666,902	6.03%
Alternative Investments				
ABS Capital Partners II		5,712	279,878	0.01%
Apollo Investment Fund IV		14,673	4,765,809	0.14%
Apollo Investment Fund VI		43,601	4,295,248	0.12%
ARCH Venture Fund V		73,032	3,871,042	0.11%
Aurora Equity Partners II		47,287	8,593,969	0.25%
Aurora Equity Partners III		114,367	3,247,892	0.09%
Avenue Special Situations III		5,288	192,338	0.01%
Avenue Special Situations Fund IV		93,837	11,554,393	0.33%
Avenue Special Situations V		72,637	4,644,702	0.13%
Birch Hill Equity Partners (US) III		108,075	2,508,169	0.07%
Blackstone Capital Partners III		23,723	3,044,270	0.09%
Blackstone Capital Partners IV			4,343,415	0.12%
Blackstone Capital Partners V		43,169	6,454,632	0.18%
Boston Ventures V		17,856	3,358,049	0.10%
Candover 1997 Fund			240,407	0.01%
Catterton Partners V		71,511	4,064,105	0.12%
Catterton Partners VI		139,435	3,149,209	0.09%
Centennial Fund VI		57,985	948,914	0.03%
Centennial Fund VII		70,851	2,847,779	0.08%

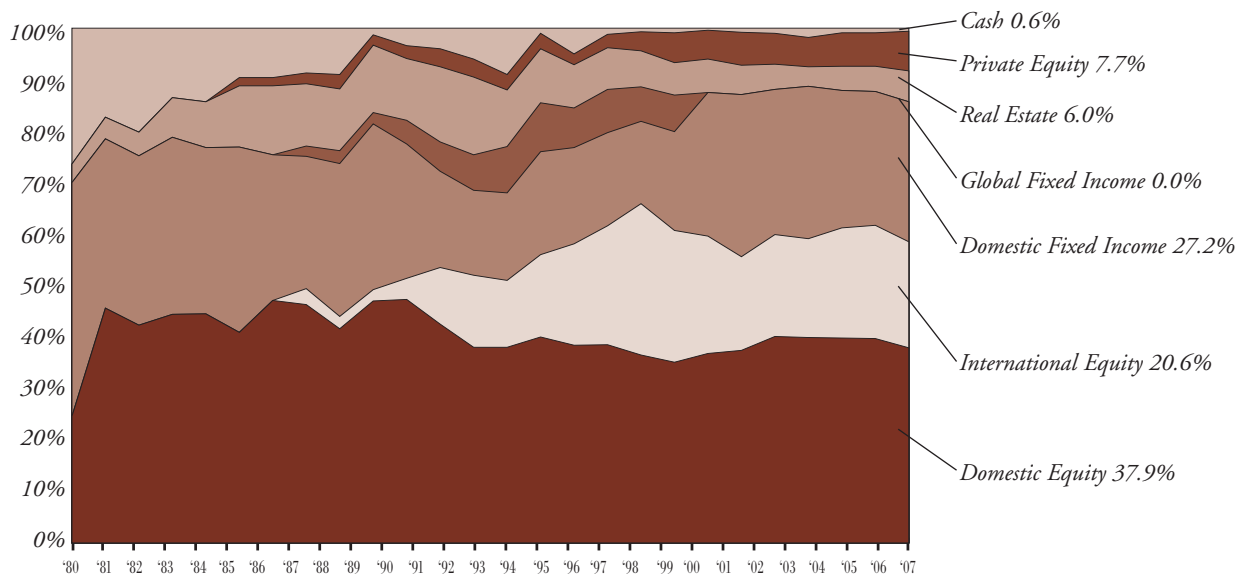
Asset Allocation by Category and Investment Manager (continued)

Chisholm Partners III	40,096	181,241	0.01%
Chisholm Partners IV	224,552	6,523,756	0.19%
Coller International Partners IV	151,890	5,584,616	0.16%
Coller International Partners V	112,500	1,197,278	0.03%
CVC European Equity Partners III		5,528,276	0.16%
CVC European Equity Partners IV	102,148	8,320,583	0.24%
Doughty Hanson Fund II	5,496	172,812	0.00%
Doughty Hanson Fund III	3,000	2,580,932	0.07%
Endeavour Capital Fund IV	142,745	6,857,654	0.20%
Falcon Ventures		267,164	0.01%
First Reserve Fund IX	9,299	42,169	0.00%
First Reserve Fund X	48,210	7,163,467	0.20%
First Reserve Fund XI	123,581	1,792,864	0.05%
First Reserve Fund VIII	26,635	153,000	0.00%
Focus Ventures III	79,879	1,223,293	0.03%
Granite Global Ventures II	127,873	5,939,127	0.17%
Granite Global Ventures III	95,136	1,739,237	0.05%
Green Equity Investors IV	6,808	4,448,452	0.13%
Green Equity Investors V		1,322,909	0.04%
Harbour Vest International	1,255	256,295	0.01%
Harvest Partners III	42,350	280,970	0.01%
Harvest Partners IV		2,625,497	0.07%
Heritage Fund II	13,220	36,611	0.00%
Heritage Fund III	22,008	347,157	0.01%
JMI Equity Fund V	190,000	11,565,293	0.33%
JMI Equity Fund VI	83,333	1,025,266	0.03%
Kayne Anderson Energy Fund III	131,884	3,809,054	0.11%
Kayne Anderson Energy Fund IV	96,656	1,009,879	0.03%
Kelso Investment Assoc VIII LP		254,302	0.01%
Kohlberg Investors VI	12,920	1,585,533	0.05%
Larimer Ventures		220,845	0.01%
Leapfrog Ventures II	51,648	1,978,339	0.06%
Lighthouse Capital Partners V	55,995	3,257,138	0.09%
LNK Partners	149,273	1,049,650	0.03%
MatlinPatterson Global Opps Fund	23,787	1,329,832	0.04%
MHR Institutional Partners III		3,958,423	0.11%
Nautic Partners V	58,238	2,885,246	0.08%
Nautic Partners VI	27,486	2,157,142	0.06%
Nordic Capital Fund III	59,777	2,203,386	0.06%
Nordic Capital Fund V	29,280	8,849,407	0.25%
Nordic Capital Fund VI	102,308	6,714,942	0.19%
Oxford Bioscience Partners IV	76,071	3,742,022	0.11%
Oxford Bioscience Partners V	39,998	2,600,960	0.07%
Permira Europe IV	50,816	3,838,995	0.11%
Providence Equity Partners V	302	9,886,831	0.28%
Providence Equity Partners VI	43,215	3,064,057	0.09%
SKM Equity Fund II	11,649	3,507,442	0.10%
Sprout Capital IX	8,806	1,990,490	0.06%
Sprout Capital VIII, L.P.	6,804	371,148	0.01%
Thomas H. Lee Equity Fund IV	11,593	636,965	0.02%
Thomas H. Lee Equity Fund V	2,432	3,896,959	0.11%
Thomas McNerney & Partners	91,782	5,606,024	0.16%
Thomas, McNerney & Partners II	120,150	2,061,909	0.06%
TPG Partners II	7,708	1,802,326	0.05%
TPG Partners III	2,111	4,972,361	0.14%
TPG Partners IV	2,711	10,971,875	0.31%
TPG Partners V	16,088	5,877,824	0.17%
Vestar Capital Partners III	52,763	3,093,032	0.09%
Vestar Capital Partners IV	20,133	2,588,586	0.07%
Vestar Capital Partners V-A	18,173	2,515,197	0.07%
W Capital Partners	95,792	6,297,398	0.18%
Willis Stein & Partners	16,925	251,089	0.01%
Total Alternative Investments	4,150,327 *	270,416,747	7.71%
Cash Held at Mellon Bank		19,777,681	0.56%
TOTAL FEES & ASSETS	\$15,216,148	\$3,507,668,796	100.00%

* Effective January 1, 2004, the Association changed its accounting treatment for private asset management fees. The Association records its share of management fees as an expense with the effect of increasing real estate income earned and increasing the unrealized appreciation or decreasing the unrealized depreciation in the fair value of private equity investments.

The total market value of the Fire & Police Members' Benefit Investment Fund does not include physical assets of the Association, Assets in the Association's Funding Account, receivable and payables of the Association, and assets held as securities lending collateral.

FPPA Asset Allocation 1980-2007 — Fire & Police Members' Benefit Investment Fund



"Top 20" Equity Holdings

<i>Company</i>	<i>Market Value</i>
AMAZON.COM INC COM	\$18,926,352.00
UNITED HEALTH GROUP INC COM	\$17,843,014.20
JPMORGAN CHASE & CO COM	\$17,663,409.00
AES CORP COM	\$15,415,773.00
GENERAL ELEC CO COM	\$13,528,325.80
AETNA INC COM NEW	\$13,318,311.00
GOOGLE INC CL A	\$13,127,747.80
HEWLETT PACKARD CO COM	\$12,180,066.80
CITIGROUP INC COM	\$11,770,848.00
AMERICAN INTL GROUP INC COM	\$10,828,059.00
QWEST COMMUNICATIONS INTL INC	\$10,665,014.00
CISCO SYS INC COM	\$10,645,277.50
TOTAL SA EUR2.5	\$10,635,967.30
SPRINT NEXTEL CORP COM SER 1	\$10,463,297.00
EBAY INC COM	\$9,412,684.00
YAHOO INC	\$9,334,238.00
GOLDMAN SACHS GROUP INC COM	\$8,863,285.75
VODAFONE GROUP	\$8,843,059.35
BP PLC ORD USD.25	\$8,762,163.86
SEARS HLDGS CORP	\$8,010,925.00

The top 20 holdings exclude commingled funds. A complete list of holdings is available upon request.

"Top 20" Fixed Income Holdings

<i>Company</i>	<i>Description</i>	<i>Market Value</i>
FNMA MORTGAGE POOL	6.000% 01/01/2038	\$29,443,700.00
FNMA MORTGAGE POOL	5.500% 09/01/2034	\$29,351,653.09
GNMA MORTGAGE POOL	6.000% 01/15/2038	\$26,618,800.00
U S TREASURY BONDS	5.000% 05/15/2037	\$25,186,276.50
FNMA MORTGAGE POOL	6.500% 01/01/2038	\$16,444,800.00
FNMA MORTGAGE POOL	5.000% 11/01/2033	\$16,397,337.81
FNMA MORTGAGE POOL	5.500% 02/01/2035	\$15,863,492.94
FNMA MORTGAGE POOL	5.000% 02/01/2036	\$15,721,919.46
UBS FINANCIAL DISCOUNT NOTE	01/02/2008	\$12,697,177.78
U S TREASURY BONDS	06.875% 08/15/2025	\$9,774,322.00
GNMA MORTGAGE POOL	5.500% 04/15/2037	\$9,755,032.49
FNMA MORTGAGE POOL	5.000% 01/01/2038	\$7,804,800.00
BANK AMER N A CHARLOTTE N C	VAR RT 02/27/2009	\$7,785,336.00
FHLMC GOLD SFM	6.000% 01/01/2038	\$7,711,720.00
GENERAL ELEC CAP CORP MEDIUM	5.625% 09/15/2017	\$6,873,798.00
FNMA MORTGAGE POOL	5.000% 02/01/2038	\$5,850,000.00
FNMA MORTGAGE POOL	VAR RT 08/01/2037	\$5,589,250.41
FNMA MORTGAGE POOL	6.000% 10/01/2036	\$5,527,360.12
US TREAS-CPI INFLATION PROTECTED	2.375% 04/15/2011	\$5,519,969.69
FHLMC MULTICLASS MTG	5.000% 07/15/2034	\$5,491,595.59

The top 20 holdings exclude commingled funds. A complete list of holdings is available upon request.

Fire & Police Members' Benefit Investment Fund Performance Summary as of December 31, 2007

Series Name	1 Year Return	3 year Annualized Return	5 year Annualized Return
Benchmark Indices	%	%	%
FPPA Total Fund - Gross of Fees	9.68	11.69	13.88
FPPA Total Fund - Net of Fees	9.21	11.38	13.60
Custom Total Fund Benchmark ¹	9.85	11.72	13.80
Public Fund Median (Callan Associates)	8.38	10.02	12.81
Domestic Equity Accounts - Gross of Fees	3.88	7.66	12.93
Domestic Equity Accounts - Net of Fees	3.71	7.60	12.89
Russell 3000 Stock Index	5.14	8.89	13.63
International Equity Accounts - Gross of Fees	14.80	20.81	23.89
International Equity Accounts - Net of Fees	14.46	20.67	23.80
MSCI All Country World Ex US Index	17.08	20.35	24.50
Domestic Fixed Income Accounts - Gross of Fees	7.03	5.24	6.25
Domestic Fixed Income Accounts - Net of Fees	6.90	5.20	6.22
Lehman Brothers Aggregate Index	6.97	4.56	4.42
Lehman Brothers Universal Index	6.50	4.72	4.99
All Real Estate Accounts - Gross of Fees ²	20.34	21.78	17.14
All Real Estate Accounts - Net of Fees ²	18.75	20.59	15.97
NCREIF ODCE Index ²	15.97	17.87	15.13
All Alternative Accounts - Gross of Fees ³	30.85	29.68	22.31
All Alternative Accounts - Net of Fees ³	31.10	28.26	20.45
Russell 3000 Index plus 400 basis points	9.14	12.89	17.63
Cambridge Custom Benchmark ⁴	27.19	26.73	21.11

NOTES:

1. Composite of the index benchmark returns of each asset class multiplied by their target asset allocations.
2. Real estate accounts and NCREIF ODCE are reported on a quarter lag.
3. Alternative accounts are reported on a quarter lag.
4. Composite of Cambridge Private Equity Index (82.5%) and Cambridge Venture Capital Index (17.5%), one quarter in arrears.

Performance was calculated by investment staff using market values and cash flows provided by the custodian bank. Returns were calculated using time-weighted rates of return adjusted for significant cash flows (10% of the portfolio or greater) or the Modified-Dietz method was used.

Schedule of Brokerage Commissions — Fire & Police Members' Benefit Investment Fund

Broker Name	Total Commission	Shares Traded	Per Share
STATE STREET BROKERAGE SVCS, BOSTON	48,824.67	3,964,526.0000	\$0.012
BEAR STEARNS & CO INC, NY	50,007.27	3,658,844.0000	\$0.014
BNY CONVERGEX, NEW YORK	65,947.80	2,783,010.0000	\$0.024
INSTINET CORP, NY	13,667.77	1,232,403.0000	\$0.011
LIQUIDNET INC, BROOKLYN	30,393.98	1,132,661.0000	\$0.027
PIPER JAFFRAY & CO, MINNEAPOLIS	19,505.06	899,912.0000	\$0.022
CITIGROUP GBL MKTS INC, NEW YORK	35,356.09	809,253.0000	\$0.044
INVESTMENT TECHNOLOGY GROUPS, NEW YORK	10,953.27	739,978.0000	\$0.015
CREDIT SUISSE, NEW YORK (CSFBUS33XXX)	9,609.55	554,007.0000	\$0.017
FRANK RUSSELL SECURITIES, JERSEY CITY	14,879.00	372,850.0000	\$0.040
UBS SECURITIES LLC, STAMFORD	6,778.18	354,094.0000	\$0.019
JEFFERIES & CO INC, NEW YORK	12,797.14	346,388.0000	\$0.037
LEHMAN BROS INC, NEW YORK	7,116.40	326,659.0000	\$0.022
JONESTRADING INSTL SVCS LLC, WESTLAKE	9,665.07	314,528.0000	\$0.031
THOMAS WEISEL PARTNERS, SAN FRANCISCO	9,795.15	287,144.0000	\$0.034
BAIRD, ROBERT W & CO INC, MILWAUKEE	10,749.58	243,865.0000	\$0.044
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	9,341.59	222,772.0000	\$0.042
NEEDHAM & CO, NEW YORK	6,744.65	220,931.0000	\$0.031
CANTOR FITZGERALD & CO INC, NEW YORK	5,780.69	209,470.0000	\$0.028
CIBC WORLD MARKETS CORP, NEW YORK	6,810.49	208,748.0000	\$0.033
WILLIAM BLAIR & CO, CHICAGO	7,166.00	207,948.0000	\$0.034
KNIGHT SEC BROADCORT, JERSEY CITY	6,511.81	202,527.0000	\$0.032
BANC OF AMERICA SECS LLC, CHARLOTTE	6,631.86	197,910.0000	\$0.034
WACHOVIA CAPITAL MARKETS LLC, CHARLOTTE	8,403.83	196,257.0000	\$0.043
FRIEDMAN BILLINGS, WASHINGTON DC	9,182.75	190,655.0000	\$0.048
MORGAN STANLEY & CO INC, NY	4,979.05	153,941.0000	\$0.032
COWEN AND COMPANY LLC, NEW YORK	6,702.36	147,771.0000	\$0.045
MERRILL LYNCH PIERCE FENNER SMITH INC NY	5,241.45	146,053.0000	\$0.036
STEPHENS INC, LITTLE ROCK	6,668.25	139,286.0000	\$0.048
B TRADE SVCS LLC, NEW YORK	2,860.11	136,441.0000	\$0.021
MORGAN J P SECS INC, NEW YORK	5,093.57	136,121.0000	\$0.037
STERNE AGEE & LEACH INC	4,412.27	130,548.0000	\$0.034
STIFEL NICOLAUS	5,430.37	118,802.0000	\$0.046
MORGAN KEEGAN & CO INC, MEMPHIS	5,448.48	112,152.0000	\$0.049
SCOTT STRINGFELLOW INC, RICHMOND	5,509.89	111,328.0000	\$0.049

Schedule of Brokerage Commissions — Fire & Police Members' Benefit Investment Fund (continued)

Broker Name	Total Commission	Shares Traded	Per Share
DEUTSCHE BK SECS INC, NY (NWSCUS33)	4,610.05	109,549.0000	\$0.042
PACIFIC CREST SEC, PORTLAND	4,741.30	101,548.0000	\$0.047
WEEDEN & CO, NEW YORK	3,972.37	100,906.0000	\$0.039
PIPELINE TRADING SYSTEMS LLC, NEW YORK	2,419.81	100,552.0000	\$0.024
GOLDMAN SACHS & CO, NY	1,821.55	96,746.0000	\$0.019
BERNSTEIN SANFORD C & CO, NEW YORK	3,804.00	95,100.0000	\$0.040
SIDOTI & CO LLC, NEW YORK	4,262.78	91,384.0000	\$0.047
RBC CAPITAL MARK**INVALID DO NOT USE**	3,772.59	90,934.0000	\$0.041
ISI GROUP INC, NY	3,851.95	86,117.0000	\$0.045
MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS	3,091.41	84,841.0000	\$0.036
ALLEN & CO INC, NEW YORK	3,300.00	82,500.0000	\$0.040
CRAIG HALLUM, MINNEAPOLIS	3,815.75	76,315.0000	\$0.050
C E UNTERBERG TOWBIN, WEEHAWKEN	3,208.49	75,844.0000	\$0.042
KEYBANC CAPITAL MARKETS INC, NEW YORK	3,652.65	73,053.0000	\$0.050
JONES & ASSOCIATES INC, WESTLAKE VILLAGE	2,438.22	70,491.0000	\$0.035
All Other Brokers	76,749.69	1,795,229.00	\$0.043
Total	\$604,478.06	24,340,892.00	\$0.025



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April 21, 2008

Board of Directors
Fire & Police Pension Association
5290 DTC Parkway, Suite 100
Greenwood Village, CO 80111

Re: Actuarial Certification of Defined Benefit Plans

Dear Members of the Board:

This letter concerns the actuarial valuations of the FPPA Defined Benefit System - Statewide Defined Benefit Plan, the Defined Benefit System - Statewide Hybrid Plan Defined Benefit Component, the Statewide Death & Disability Plan, the Defined Benefit System – Exempt Plans, and affiliated local old hire and volunteer fire plans.

For each plan, a contribution rate was determined which provides for funding as shown in the following table:

Plan	Funding Objective
Defined Benefit System - Statewide Defined Benefit Plan	Current cost plus level percent of payroll amortization of unfunded liability over 30 years
Defined Benefit System - Statewide Hybrid Plan Defined Benefit Component	Current cost plus level percent of payroll amortization of unfunded liability over 30 years
Statewide Death & Disability Plan	Current cost funded as level percent of payroll of contributing members
Defined Benefit System – Exempt Plans	Current cost plus level dollar amortization of unfunded liability over 30 years
Affiliated Local Old Hire Plans	Current cost plus level dollar amortization of unfunded liability over 14 years
Affiliated Volunteer Fire Plans	Current cost plus level dollar amortization of unfunded liability over 20 years

Most affiliated plans are valued every two years, while the Defined Benefit System and Statewide Death & Disability Plans, and certain state assisted local old hire plans are valued every year. The funding objective for each plan is currently being realized, with the exception of certain affiliated local old hire plans.

The Statewide Death & Disability Plan (“D&D”) contribution rate was increased to 2.6% effective January 1, 2007, the maximum rate currently permitted by statute. The D&D contribution rate may only be changed every two years by statute. Depending upon

Gabriel Roeder Smith & Company

Board of Directors, Fire and Police Pension Association
April 22, 2008
Page 2

actual experience since January 1, 2007 and the plan's funding situation as of January 1, 2008, another increase in the contribution rate, to 2.7%, may be recommended effective January 1, 2009.

The Defined Benefit System and Statewide Death & Disability Plans, and affiliated volunteer fire plans were last valued as of January 1, 2007. The local old hire plans were last valued as of January 1, 2006.

The valuations were performed based on data provided by FPPA's administrative staff, with an examination of the data for reasonableness. The actuarial methods and assumptions used are in full compliance with all the parameters established by GASB Statements No. 25 & No. 27 and meet the parameters set for the disclosures presented in the financial section by GASB Statement No. 25. The supporting schedules in the actuarial section and the trend tables in the financial section were prepared by FPPA from information in GRS' actuarial reports. We have reviewed these schedules for their accuracy. To the best of our knowledge, the supporting schedules fully and fairly disclose the actuarial conditions of the plans.

The undersigned are independent actuaries. Both are Members of the Society of Actuaries and meet the Qualifications Standards of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



Leslie L. Thompson, FSA, MAAA
Senior Consultant



Joseph P. Newton, F.S.A., E.A.
Consultant

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Gabriel Roeder Smith & Company

General Information

As of December 31, 2007 the Fire & Police Members' Benefit Investment Fund of the Fire & Police Pension Association includes the assets of the Defined Benefit System, Local "Old Hire" police and fire plans, Volunteer Firefighter pension plans, and the Statewide Death & Disability Plan. The Defined Benefit System comprises the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Exempt Plans. An independent actuarial firm is hired by the Association to perform annual valuations on the three statewide plans and the exempt plans, and to perform bi-annual valuations on the local "Old Hire" and volunteer plans. In 2007 the independent actuarial valuations were performed by Gabriel, Roeder, Smith & Company.

All of the local "Old Hire" pension plans have a valuation performed as of January 1 of the even numbered years (2008, 2010, etc.). All of the affiliated volunteer firefighters plans have valuations performed as of January 1 of the odd numbered years (2007, 2009, etc.). The state assisted local "Old Hire" pension plans have their valuation also updated on the odd numbered years per statutory requirement.

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 three statewide plans and two exempt plans, as well as the other affiliated local plans.

Summary of Actuarial Assumptions

The Defined Benefit System is a multi-tiered system that is comprised of the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Exempt Plans. The statewide plans are multiple employer, cost sharing public employee retirement systems (PERS).

The Defined Benefit System – Statewide Defined Benefit Plan was created by state statute to cover all members hired on and after April 8, 1978 for normal retirement benefits. This plan was created as the successor to local plans, most of which had significant unfunded liabilities. The local plans are closed to new entrants. As of December 31, 2007, 193 employer plans throughout the state were participating in the Defined Benefit System – Statewide Defined Benefit Plan.

The Defined Benefit System – Statewide Hybrid Plan was created by state statute on January 1, 2004 as an option for local Money Purchase plans and participants in the Fire & Police Members' Statewide Money Purchase plan. It allows participants in these plans to migrate to a defined benefit plan administered by FPPA. The plan is comprised of two components, the Defined Benefit Component and the Money Purchase Component. As of December 31, 2007, 16 employer plans throughout the state were participating.

Two exempt plans joined the Defined Benefit System as of October 1, 2006. They are defined benefit plans for fire and police employees hired on and after April 8, 1978. The plans are closed to new members as of October 1, 2006.

The Statewide Death & Disability Plan is a multiple employer cost sharing plan, previously 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, 2007, 374 employer plans were participating.

The valuation for the Defined Benefit System - Statewide Defined Benefit Plan and the Exempt Plans are 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.

The valuation for the Defined Benefit System - Statewide Hybrid Plan is also used to determine the normal cost of the plan and to determine any "excess" contribution amounts which may be allocated to the Money Purchase Component of the Plan.

FPPA supplied the data for the retired, active and inactive members. 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, 2004 actuarial valuations.

Economic Assumptions

The investment rate of return for purposes of the actuarial valuation is 8.0% per annum, compounded annually and net of operating expenses. Future inflation is assumed to be 3.5% annually and is included in the active members' salary projections. Thus, the real investment rate of return, net of inflation, is 4.5% per annum.

Active members' salary increases are composed of two pieces, inflation increases and merit increases. As stated above, inflation is assumed to be 3.5% 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 Defined Benefit System - Statewide Defined Benefit Plan, social security benefits for supplemental social security departments are assumed to increase by 3.5% annually and the social security wage base is assumed to increase by 4.0% 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 compounded annually for benefits accrued after January 1, 1980 (maximum permitted by law). Paid plan retirees and beneficiaries from full rank escalation departments are projected to receive annual cost-of-living increases of 4% per annum.

Assets are valued at 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 .0002 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 Defined Benefit System - Statewide Defined Benefit Plan and Defined Benefit System - Statewide Hybrid Plan, those benefits are for retirees and their spouses. For the Statewide Death & Disability Plan, those benefits are for occupationally disabled retirees and surviving spouses. The 1983 Railroad Retirement Totally Disabled Annuity Mortality Table is used in the valuation of benefits for totally disabled retirees. And for the other affiliated plans, those benefits are for volunteer (actives and retirees) and paid retirees and their spouses.

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

The actuarial method used for the valuation of benefits is specified by state statute to be either the Entry Age Normal or Aggregate Cost Method, with experience gains or losses adjusting the unfunded actuarial accrued liability. State statute does also specify that the Defined Benefit System is not allowed to have an unfunded liability. Therefore, the surplus in the Defined Benefit System - Statewide Defined Benefit Plan, Defined Benefit System - Statewide Hybrid Plan, and the Exempt Plans are amortized over 30 years from the valuation date.

Pre-Retirement Assumptions

Years of Service	Increases in Earnings		
	(Merit)	(Inflation)	(Total)
<1	9.75%	3.50%	13.25%
1	9.25%	3.50%	12.75%
2	8.75%	3.50%	12.25%
3	8.25%	3.50%	11.75%
4	3.25%	3.50%	6.75%
5	2.75%	3.50%	6.25%
6	2.25%	3.50%	5.75%
7	1.75%	3.50%	5.25%
8	1.50%	3.50%	5.00%
9+	1.25%	3.50%	4.75%

Pre-Retirement Assumptions

Sample Ages	Disability Annual Rate Per 1,000 Members		Separation Annual Rate Per 1,000 Members			Death Annual Rate Per 1,000 Members	
	(Paid)	(Volunteer)	(Fire)	(Police)	(Volunteer)	(Male)	(Female)
20	1.01	0.10	79.3	94.5	192.0	0.66	0.47
30	1.28	0.26	39.9	66.2	160.0	0.95	0.51
40	2.47	0.97	11.4	34.0	112.0	1.14	0.80
45	3.36	3.50	18.3	28.4	96.0	1.55	1.08
50	11.76	6.50	31.9	37.8	80.0	2.30	1.41
55	28.91	8.10	45.5	56.7	96.0	3.78	2.11

For Statewide Death and Disability Plan:

Service Retirement:

- 1) Statewide Defined Benefit System members — Age 55 and 5 years of service, or current age and service, if greater.
- 2) Money purchase plan members — Earlier of age 65 or age 55 with 25 years of service 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 (Male) (Female)		Total Disability Death Annual Rate Per 1,000 Members (Unisex)
		3.5%	4.0%		4.0%	3.0%			
20	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	0.51	0.28	10.60
30	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	0.80	0.35	10.60
40	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	1.07	0.71	13.50
45	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	1.58	0.97	20.00
50	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	2.58	1.43	31.64
55	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	4.43	2.29	37.81
60	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	7.98	4.44	42.46
65	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	14.54	8.64	51.20
70	3.0%	3.5%	4.0%	4.0%	4.0%	3.0%	23.73	13.73	67.47

For Statewide Defined Benefit Plan and Statewide Hybrid Plan - Defined Benefit Component:
 Service Retirement: Age 55 and 5 years of service, or current age and service, if greater.

Defined Benefit System — Statewide Defined Benefit Plan

Schedule of Active Member Valuation Data

Valuation Date	Number	Covered Payroll*	Annual Average Pay	% Increase in Average Pay
1/1/07	4,512	\$264,560,282	\$58,635	5.26%
1/1/06	4,302	\$239,642,543	\$55,705	3.75%
1/1/05	3,907	\$209,765,329	\$53,690	1.58%
1/1/04	3,459	\$182,825,786	\$52,855	5.88%
1/1/03	3,340	\$166,734,883	\$49,921	4.84%
1/1/02	3,179	\$151,369,850	\$47,616	5.04%
1/1/01	3,007	\$136,306,027	\$45,330	9.51%
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%

* The "Covered Payroll" column reports the total, actual payroll from the prior year.

Gain/(Loss) on Actuarial Value of Assets

	Valuation as of January 1, 2007	Valuation as of January 1, 2006
Actuarial assets, prior valuation	\$681,193,087	\$557,949,693
Total Contributions since prior valuation	\$44,136,603	\$56,453,043
Benefits and refunds since prior valuation	(\$9,174,824)	(\$6,018,529)
Assumed net investment income at 8%		
Beginning assets	\$54,495,447	\$44,635,975
Contributions	\$1,731,500	\$2,214,680
Benefits and refunds paid	(\$359,933)	(\$236,110)
Total	\$55,867,014	\$46,614,545
Expected actuarial assets	\$772,021,880	\$654,998,752
Actual actuarial assets, this valuation	\$801,426,848	\$681,193,087
Preliminary asset gain/(loss)	\$29,404,968	\$26,194,335
Excess Return on SRA	\$7,612,398	\$1,181,838
Net asset gain (loss) since prior valuation	\$21,792,570	\$25,012,497
	Gain	Gain

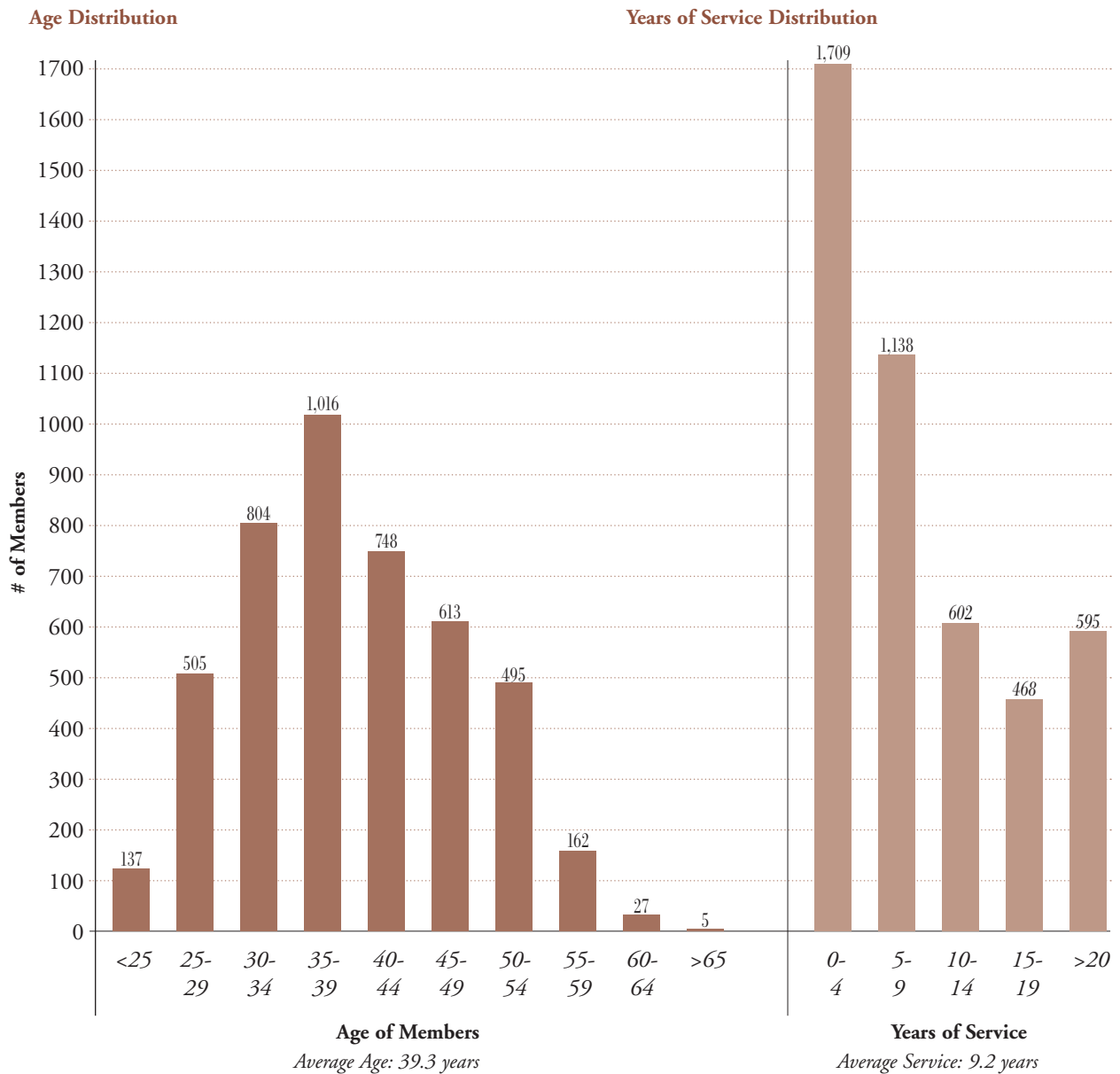
Schedule of Retirees and Beneficiaries Added to and Removed from Benefit Payroll*

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		
1/1/07	69	\$2,284,964	2	\$97,352	226	\$6,129,506	55.50%	\$27,122
1/1/06	51	\$1,458,446	2	\$22,713	159	\$3,941,893	57.29%	\$24,792
1/1/05	27	\$825,955	0	\$0	110	\$2,506,161	52.00%	\$22,783
1/1/04	24	\$606,147	2	\$21,898	83	\$1,648,771	56.31%	\$19,865
1/1/03	14	\$301,795	0	\$0	61	\$1,054,842	43.47%	\$17,292
1/1/02	16	\$374,072	1	\$3,697	47	\$735,257	107.97%	\$15,644
1/1/01	5	\$50,774	1	\$15,482	32	\$353,534	13.35%	\$11,048
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

* Includes beneficiaries of deceased members with a deferred benefit.

Defined Benefit System — Statewide Defined Benefit Plan

Age and Years of Service Distribution



The Defined Benefit System — Statewide Defined Benefit Plan Solvency Test

The FPPA funding objective for the Defined Benefit System - 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 on the next page 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.

Defined Benefit System — Statewide Defined Benefit Plan

Defined Benefit System — Statewide Defined Benefit Plan Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For:			Funded Percentages		
		(1) Active Member Contributions (000's)	(2) Retirees and Beneficiaries (000's)	(3) Active Members (Employee Financed Portion) (000's)	(1)	(2)	(3)
1/1/07	\$801,427	\$177,180	\$82,227	\$394,691	100%	100%	100%
1/1/06	\$681,193	\$161,665	\$57,780	\$350,374	100%	100%	100%
1/1/05	\$557,950	\$130,910	\$40,029	\$324,977	100%	100%	100%
1/1/04	\$473,007	\$106,332	\$28,578	\$291,764	100%	100%	100%
1/1/03	\$424,089	\$95,830	\$19,925	\$255,301	100%	100%	100%
1/1/02	\$428,389	\$85,368	\$15,946	\$236,078	100%	100%	100%
1/1/01	\$405,599	\$75,909	\$9,134	\$220,457	100%	100%	100%
1/1/00	\$367,004	\$66,204	\$7,716	\$156,503	100%	100%	100%
1/1/99	\$311,057	\$58,232	\$6,413	\$138,360	100%	100%	100%
1/1/98	\$261,509	\$51,092	\$4,895	\$115,161	100%	100%	100%

SUMMARY OF PLAN PROVISIONS — Defined Benefit System — Statewide Defined Benefit Plan

Members Included

Members included are active employees who are full-time salaried employees of a participating municipality, fire protection district, fire authority, or county improvement 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. As of 8/1/2003, the Plan may include clerical and other personnel from fire protection districts whose services are auxiliary to fire protection.

Also included are employees of any employer that covers members under the federal Social Security Act or any county that chooses to affiliate with FPPA and that covers salaried employees whose duties are directly involved with the provision of law enforcement or fire protection as certified by the county under the federal Social Security Act.

Compensation Considered

Base salary means the total base rate of pay including Member Contributions to the Statewide Defined Benefit Plan or Statewide Money Purchase Plan which are “picked up” by the employer, and shall also include longevity pay, sick leave pay taken in the normal course of employment, vacation leave pay taken in the normal course of employment, shift differential, and mandatory overtime that is part of the Member’s fixed, periodic compensation. Accumulated vacation leave pay will also be included if a Member completes his/her service requirement for purposes of Normal retirement while exhausting accumulated vacation leave. Base salary shall not include overtime pay (except as noted in the preceding sentence), step-up pay or other pay for temporarily acting in a higher rank, uniform allowances, accumulated sick leave pay, accumulated vacation leave pay (except as noted in the preceding sentence), and other forms of extra pay (including Member Contributions which are paid by the employer and not deducted from the Member’s salary). In the event an employer has established or does establish a Deferred Compensation Plan, the amount of the Member’s salary that is deferred shall be included in the Member’s base salary. Any amounts voluntarily contributed to an Internal Revenue Code Section 125 “Cafeteria Plan” shall be included in the Member’s base salary. A Member is deemed temporarily acting in a higher rank if the appointment to the rank is anticipated to last less than six months.

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 2% of the average of the member’s highest three years base salary for each year of credited service up to ten years plus 2.5% for each year thereafter.

The benefit for members of affiliated social security employers will be reduced by the amount of the social security income the member receives annually for social security benefits accrued prior to 2007. Beginning January 1, 2007, members of affiliated social security employers will participate in the FPPA supplemental social security program which will provide benefits equal to 1% of the average of the member’s highest three years base salary for each year of credited service up to ten years plus 1.25% for each year thereafter.

Defined Benefit System — Statewide Defined Benefit Plan

Early Retirement Benefit

A member shall be eligible for an Early Retirement Benefit after completion of thirty years of service or attainment of age 50 with at least five years of credited service. The Early Retirement Benefit shall be the reduction of the Normal Retirement Benefit on an actuarially equivalent basis.

Deferred Retirement Benefit

Members who qualify for a Normal or Vested Retirement may defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

Terminated Vested Benefit

A member who terminates with at least five years of service is vested. A vested member who does not withdraw their contributions from the fund is eligible for a vested benefit, payable at age 55. The monthly benefit is based on the retirement formula described above. Both the salary and service are determined at the time the member leaves active employment. Benefits may commence at age 55.

The benefit for members of affiliated social security employers will be reduced by the amount of social security income the member receives annually for social security benefits accrued prior to 2007.

In the event that the member dies prior to the commencement of payments, his/her designated beneficiary shall receive either a refund of member contributions or a 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.

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

Benefits to members and beneficiaries are increased annually on October 1. The amount of increase is based on the Board's discretion and can range from 0-3%.

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 plans re-entering the system are established by resolution and approved by the FPPA Board of Directors.

Contributions from members and employers of affiliated social security employers are annually set by the Board of Directors. The contribution rate for members and employers will be 4% each effective 1/1/2007.

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 may be used to make up the shortfall. If the member leaves with less than five years of service, the SRA account is forfeited. Likewise, if a vested member elects to take a refund of member contributions instead of a retirement, the SRA is forfeited. If a member has more than five years of service and dies prior to retirement eligibility, then the SRA would be paid to the member's estate.

Deferred Retirement Option Program (DROP)

A member may elect to participate in the DROP after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member continues to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is frozen at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated until the member terminates service, at which time the DROP accumulated benefits can be paid as a monthly installment, lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with a cost-of-living adjustment and survivor benefits. The member continues to make contributions, which are credited to the DROP. Effective 1/1/03, the member shall self-direct the investments of their DROP funds.

Death Benefits

At the death of the active member, if benefits are not payable from the Statewide Death & Disability Plan, the member's beneficiary or if none, the member's estate shall receive a refund of the member's contributions. In this case, if the deceased member was vested, the SRA would also be payable to the beneficiary or estate. Different provisions apply to inactive and retired members.

Changes in Plan Provisions

The plan provisions have not changed since the prior valuation.

Changes in Actuarial Assumptions

The plan actuarial assumptions have not changed since the prior valuation.

Defined Benefit System — Statewide Hybrid Plan

The first actuarial valuation completed on the Defined Benefit System – Statewide Hybrid Plan was in 2005.

Schedule of Active Member Valuation Data

Valuation Date	Number	Covered Payroll*	Annual Average Pay	% Increase in Average Pay
1/1/07	63	\$4,257,723	\$67,583	14.12%
1/1/06	67	\$3,967,889	\$59,222	(16.76%)
1/1/05	36	\$2,561,203	\$71,145	N/A

* The "Covered Payroll" column reports the total, actual payroll from the prior year.

Gain/(Loss) on Actuarial Value of Assets

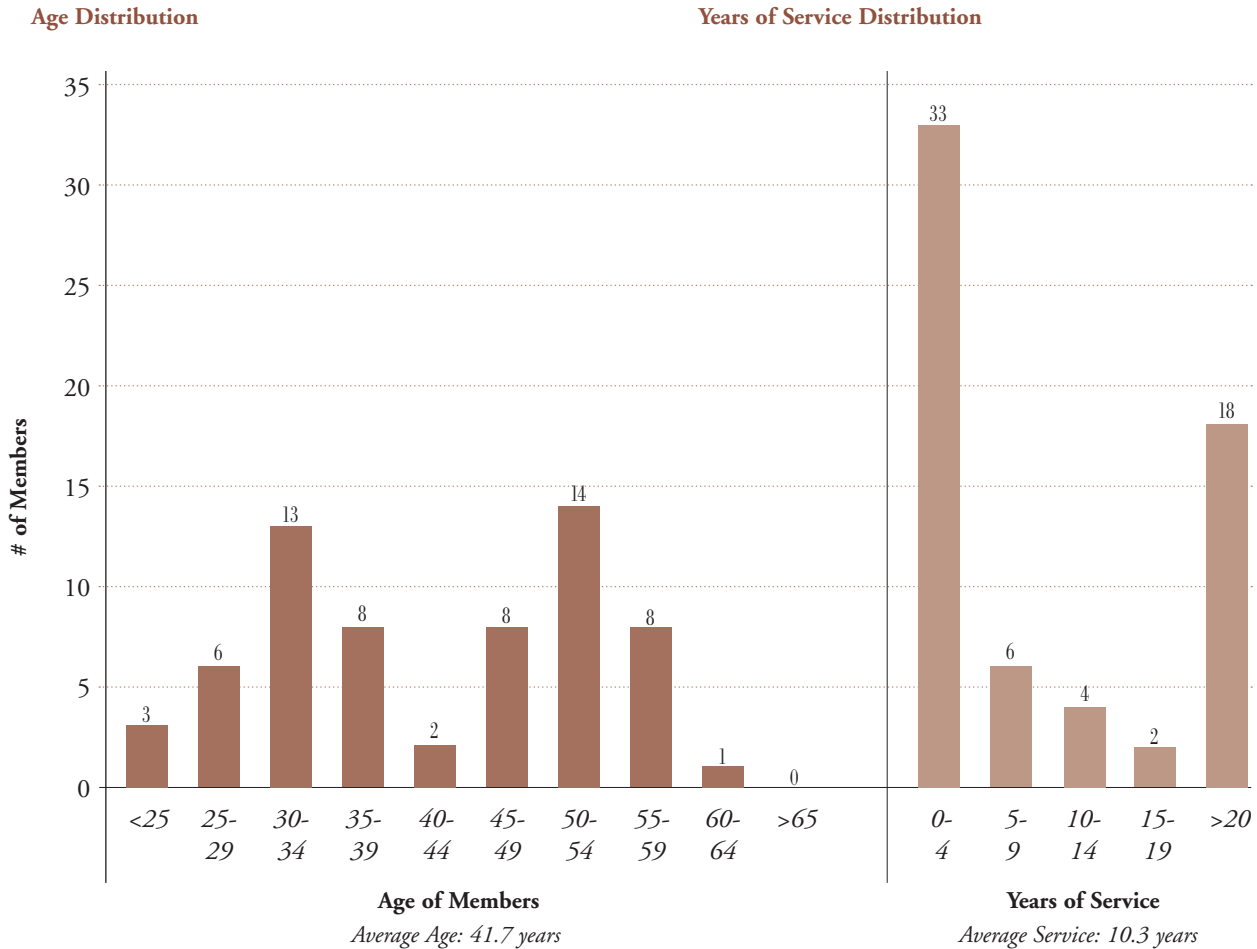
	Valuation as of January 1, 2007	Valuation as of January 1, 2006
Actuarial assets, prior valuation	\$7,998,356	\$5,040,067
Total Contributions since prior valuation	\$697,112	\$2,384,615
Benefits and refunds since prior valuation	(\$44,589)	(\$36,779)
Assumed net investment income at 8%		
Beginning assets	\$639,869	\$403,205
Contributions	\$27,348	\$93,550
Benefits and refunds paid	(\$1,749)	(\$1,443)
Total	\$665,468	\$495,312
Expected actuarial assets	\$9,316,347	\$7,883,215
Actual actuarial assets, this valuation	\$9,624,239	\$7,998,356
Net asset gain (loss) since prior valuation	\$307,892	\$115,141
	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		
12/31/06	0	\$0	0	\$0	3	\$83,287	N/A	\$27,762
12/31/05	0	\$0	0	\$0	0	\$0	N/A	\$0
12/31/04	0	\$0	0	\$0	0	\$0	N/A	\$0

Defined Benefit System — Statewide Hybrid Plan

Age and Years of Service Distribution



The Defined Benefit System — Statewide Hybrid Plan Solvency Test

The FPPA funding objective for the Defined Benefit System - Statewide Hybrid 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. Contribution rates are actuarially determined each year as the sum of the normal cost and the amortization of the unfunded accrued liability over a period of 30 years from the current valuation date. The Board of Directors then certifies the rates allocated to the Defined Benefit component of the Statewide Hybrid Plan such that the rates will remain relatively stable over time and that will meet this financing objective. As of January 1, 2007, this rate was 11.0%. Effective August 2007, the Board certified a contribution rate of 10.25%.

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 following schedule illustrates the progress in funding the various liability measures. As can be seen by the funded percentages, the

Defined Benefit System — Statewide Hybrid Plan

liabilities are 100% covered by current assets. This plan does not have any unfunded liability and current contributions exceed the cost of annual benefit accruals.

Defined Benefit System — Statewide Hybrid Plan Solvency Test

Valuation Date	Valuation Assets	<u>Aggregate Accrued Liabilities For:</u>			<u>Funded Percentages</u>		
		(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members (Employee Financed Portion)	(1)	(2)	(3)
1/1/07	\$9,624,239	\$6,372,113	\$869,103	(\$941,794)	100%	100%	100%
1/1/06	\$7,998,356	\$6,565,089	\$0	(\$1,198,177)	100%	100%	100%
1/1/05	\$5,040,067	\$4,796,229	\$0	(\$760,335)	100%	100%	100%

SUMMARY OF PLAN PROVISIONS — Defined Benefit System — Statewide Hybrid Plan

Members Included

Members included are active employees who are full-time salaried employees of a participating municipality, fire protection district, fire authority, or county improvement 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. The Plan may include clerical and other personnel from fire protection districts whose services are auxiliary to fire protection.

Compensation Considered

Base salary means the total base rate of pay including Member Contributions to the Statewide Defined Benefit Plan or Statewide Money Purchase Plan which are “picked up” by the employer, and shall also include longevity pay, sick leave pay taken in the normal course of employment, vacation leave pay taken in the normal course of employment, shift differential, and mandatory overtime that is part of the Member’s fixed, periodic compensation. Accumulated vacation leave pay will also be included if a Member completes his/her service requirement for purposes of Normal retirement while exhausting accumulated vacation leave. Base salary shall not include overtime pay (except as noted in the preceding sentence), step-up pay or other pay for temporarily acting in a higher rank, uniform allowances, accumulated sick leave pay, accumulated vacation leave pay (except as noted in the preceding sentence), and other forms of extra pay (including Member Contributions which are paid by the employer and not deducted from the Member’s salary). In the event an employer has established or does establish a Deferred Compensation Plan, the amount of the Member’s salary that is deferred shall be included in the Member’s base salary. Any amounts voluntarily contributed to an Internal Revenue Code Section 125 “Cafeteria Plan” shall be included in the Member’s base salary. A Member is deemed temporarily acting in a higher rank if the appointment to the rank is anticipated to last less than six months.

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 1.5% of the average of the member’s highest three years base salary for each year of credited service.

Early Retirement Benefit

A member shall be eligible for an Early Retirement Benefit after completion of thirty years of service or attainment of age 50 with at least five years of credited service. The Early Retirement Benefit shall be the reduction of the Normal Retirement Benefit on an actuarially equivalent basis.

Defined Benefit System — Statewide Hybrid Plan

Deferred Retirement Benefit

Members who qualify for a Normal or Vested Retirement may defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

Terminated Vested Benefit

A member who terminates with at least five 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 one and a half percent (1.5%) of the average of his highest three years base salary for each year of credited service. 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 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.

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. In addition, upon termination, the vested account balance within the Money Purchase component is available to the employee.

Cost-of-Living Increases for Benefits in Pay Status

Benefits to members and beneficiaries are increased annually on October 1. The amount of increase is based on the Board's discretion and can range from 0-3%.

Contribution Rates

Members of this fund and their employers are currently each contributing at the rate determined by the individual employer. The amount allocated to the Defined Benefit portion of the Hybrid Plan is annually set by the Board of Directors. The amount, as of the 1/1/07 actuarial study, was 11%. Effective 8/1/2007, the amount decreased to 10.25%.

Deferred Retirement Option Program (DROP)

A member may elect to participate in the DROP after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member continues to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is frozen at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated until the member terminates service, at which time the DROP accumulated benefits can be paid as a monthly installment, a lump sum, if desired a member may elect to convert the DROP to a lifetime monthly benefit with a cost-of-living adjustment and survivor benefits. The member continues to make contributions, which are credited to the DROP. The member shall self-direct the investments of their DROP funds.

Death Benefits

At the death of an active member, if benefits are not payable from the Statewide Death & Disability Plan the member's beneficiary, or if none the member's estate shall receive a refund of the member's contributions.

Changes in Plan Provisions

The plan provisions have not changed since the prior valuation.

Changes in Actuarial Assumptions

The plan actuarial assumptions have not changed since the prior valuation.

Defined Benefit System — Exempt Plans

Two exempt plans joined the Defined Benefit System as of October 1, 2006. They are defined benefit plans for fire and police employees hired on and after April 8, 1978. The plans are closed to new members as of October 1, 2006.

NOTE: The first actuarial valuation completed on the Defined Benefit System - Exempt Plans was 1/1/2007.

Schedule of Active Member Valuation Data

	Valuation Date	Number	Covered Payroll*	Annual Average Pay	% Increase in Average Pay
Police Component	1/1/07	631	\$40,438,034	\$64,086	N/A
Fire Component	1/1/07	412	\$26,867,827	\$65,213	N/A

* The "Covered Payroll" column reports the total, actual payroll from the prior year.

Gain/(Loss) on Actuarial Value of Assets

	Police Component Valuation as of January 1, 2007	Fire Component Valuation as of January 1, 2007
Actuarial assets, prior valuation	\$137,688,853	\$84,519,478
Total Contributions since prior valuation	\$7,496,218	\$4,635,325
Benefits and refunds since prior valuation	(\$2,952,333)	(\$1,194,578)
Assumed net investment income at 8%		
Beginning assets	\$11,015,108	\$6,761,558
Contributions	\$299,849	\$185,413
Benefits and refunds paid	(\$118,093)	(\$47,783)
Total	\$11,196,864	\$6,899,188
Expected actuarial assets	\$153,429,602	\$94,859,413
Actual actuarial assets, this valuation	\$159,508,243	\$98,290,761
Preliminary asset gain/(loss)	\$6,078,641	\$3,431,348
Excess return on SRA	\$567,497	(\$1,323)
Net asset gain (loss) since prior valuation	\$5,511,144	\$3,432,671
	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		
Police Component	12/31/06	14	\$619,230	0	\$0	92	\$2,995,530	N/A	\$32,560
Fire Component	12/31/06	26	\$1,160,157	0	\$0	42	\$1,539,513	N/A	\$36,655

Defined Benefit System — Exempt Plans

Exempt Age and Years of Service Distribution*

	Valuation Date	Average Age	Average Service
<i>Police Component</i>	1/1/07	39.4	10.4
<i>Fire Component</i>	1/1/07	39.7	10.9

*A breakdown by age/service was not available in the 1/1/2007 actuarial valuations.

The Defined Benefit System – Exempt Plans Solvency Test

The FPPA funding objective for the Defined Benefit System – Exempt Plans 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. Contribution rates are actuarially determined each year as the sum of the normal cost and the amortization of the unfunded accrued liability over a period of 30 years from the current valuation date. The Board of Directors then certifies the rates allocated to the fire and police components of the Exempt Plans such that the rates will remain relatively stable over time and that will meet this financing objective. At the present time, the employer contribution is 8.228% and the employee portion is 8.125% of the employees' salary for the one exempt fire plan. The employer contribution is 8.864% and the employee portion is 8.0% of the employees' salary for the one exempt police plan.

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 following schedule illustrates the progress in funding the various liability measures. As can be seen by the funded percentages, the liabilities are not covered by current assets.

Defined Benefit System – Exempt Plans Solvency Test

	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities For:			Funded Percentages		
			(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members (Employee Financed Portion)	(1)	(2)	(3)
<i>Police Component</i>	1/1/07	\$159,508,243	\$25,344,925	\$45,637,251	\$90,548,804	100%	100%	98%
<i>Fire Component</i>	1/1/07	\$98,290,761	\$17,105,611	\$21,478,666	\$60,553,626	100%	100%	99%

SUMMARY OF PLAN PROVISIONS — Defined Benefit System – Exempt Plans

Police Component

The Plan document states that any employee may be retired from further service and shall be eligible for a normal retirement pension at any time after attaining the age of 50 years, if the member has at least twenty five years of service.

The annual normal pension shall be 2% of the member's final average salary (past 18 months) for each full year of credited service up to ten years plus 2.75% for each full year thereafter with a maximum benefit of 75%. Cost-of-living-adjustments begin on October 1 immediately prior to the retired police officer turning age 60 or ten years after benefits payment commence, whichever is earlier. The amount of the cost-of-living-adjustment cannot exceed 3% per year subject to limitations linked to the consumer price index.

In addition, upon retirement a participant may receive additional benefits credited to the participant's Separate Retirement Account. These are attributable to contributions in excess of the actuarially determined pension cost and any earnings or losses thereon. Participants do not

Defined Benefit System — Exempt Plans

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. Effective January 1, 2007, the Separate Retirement Account contribution rate for members of the Police Component was set at 0%. The rate will remain the same for calendar year 2008.

A member shall be eligible for an early retirement benefit after completion of twenty years of service and attainment of age 45. The early retirement benefit is reduced by 7.5% for each year that the member is less than age 50.

Members who qualify for normal retirement may defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent benefit.

Members who qualify for normal retirement may elect to participate in the DROP for a maximum of five years.

Upon termination, an employee may elect to have all member contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least ten years of accredited service may leave contributions with the Plan and continue to be eligible for a retirement pension at age 50 equal to 2% of the member's final average salary (past 18 months) for each full year of credited service up to ten years plus 2.75% for each full year thereafter with a maximum benefit of 75%.

Changes in Plan Provisions

The cost-of-living-adjustment provision changed the effective date to October 1 of each year.

Changes in Actuarial Assumptions

An assumption was added to this valuation to address the impact of third week pay based on final average salary.

Fire Component

The Plan document states that any employee 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 twenty five years of service.

The annual normal pension shall be 2% of the member's final average salary (past 18 months) for each full year of credited service up to ten years plus 2.85% for each full year thereafter with a maximum benefit of 77%. Cost-of-living-adjustments begin on October 1 immediately prior to the retired firefighter turning age 65 or ten years after benefits payment commence, whichever is earlier. The amount of the cost-of-living-adjustment cannot exceed 3% per year subject to limitations linked to the consumer price index.

In addition, upon retirement a participant may receive additional benefits credited to the participant's Separate Retirement Account. 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. Effective January 1, 2007, the Separate Retirement Account contribution rate for members of the Fire Component was set at 0%. The rate will remain the same for calendar year 2008.

A member shall be eligible for an early retirement benefit after completion of twenty years of service and attainment of age 50. The early retirement benefit is reduced by 4.615% for each year that the member is less than age 55.

Upon termination, an employee may elect to have all member contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least ten years of accredited service may leave contributions with the Plan and continue to be eligible for a retirement pension at age 55 equal to 2% of the member's final average salary (past 18 months) for each full year of credited service up to ten years plus 2.85% for each full year thereafter with a maximum benefit of 77%.

Members who qualify for normal retirement may defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent benefit.

Members may elect to participate in the DROP for a maximum of five years if they are eligible for normal retirement or if the sum of their age and years of credited service equal at least 75.

Changes in Plan Provisions

The cost-of-living-adjustment provision changed the effective date to October 1 of each year.

Changes in Actuarial Assumptions

An assumption was added to this valuation to address the impact of third week pay based on final average salary.

Statewide Death & Disability Plan

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll (000's)	Annual Average Pay	% Increase in Average Pay
1/1/07	10,600	\$623,699	\$58,840	2.02%
1/1/06	10,338	\$596,231	\$57,674	3.28%
1/1/05	10,031	\$560,173	\$55,844	2.16%
1/1/04	9,669	\$528,557	\$54,665	3.65%
1/1/03	9,462	\$499,043	\$52,742	3.38%
1/1/02	9,177	\$468,169	\$51,015	6.76%
1/1/01	8,949	\$427,649	\$47,787	5.06%
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	6.00%

Gain/(Loss) on Actuarial Value of Assets

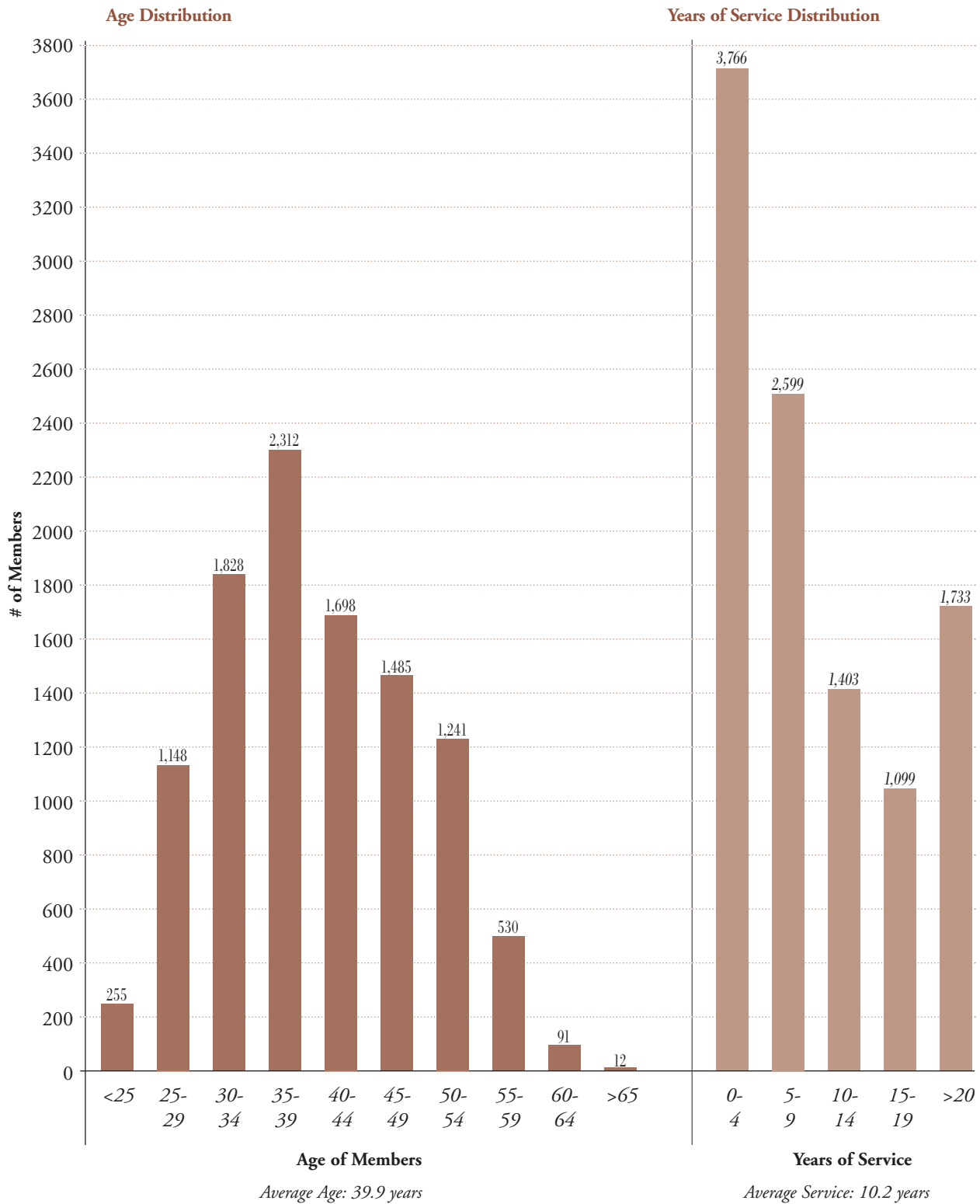
	Valuation as of January 1, 2007	Valuation as of January 1, 2006
Actuarial assets, prior valuation	\$249,299,172	\$223,389,097
Total Contributions since prior valuation	\$8,285,263	\$7,092,718
Benefits since prior valuation	(\$13,007,054)	(\$11,856,134)
Assumed net investment income at 8%		
Beginning assets	\$19,943,934	\$17,871,128
Contributions	\$325,035	\$278,251
Benefits and refunds paid	(\$510,273)	(\$465,122)
Total	\$19,758,696	\$17,684,257
Expected actuarial assets	\$264,336,077	\$236,309,938
Actual actuarial assets, this valuation	\$274,091,581	\$249,299,172
Asset gain/(loss) since prior valuation	\$9,755,504 Gain	\$12,989,234 Gain

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

Valuation Date	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
12/31/06	78	\$2,061,528	11	\$223,439	724	\$13,274,583	6.06%	\$18,335
12/31/05	49	\$1,349,934	17	\$270,411	689	\$12,516,017	9.44%	\$18,165
12/31/04	50	\$752,870	9	\$123,720	657	\$11,436,494	5.82%	\$17,407
12/31/03	45	\$837,778	14	\$204,551	616	\$10,807,344	5.95%	\$17,544
12/31/02	36	\$736,302	13	\$182,056	585	\$10,200,028	11.16%	\$17,436
12/31/01	57	\$980,000	15	\$200,000	562	\$9,175,755	16.81%	\$16,327
12/31/00	52	\$788,000	16	\$118,000	520	\$7,855,192	14.90%	\$15,106
12/31/99	42	\$732,000	16	\$62,000	484	\$6,836,274	10.13%	\$14,125
12/31/98	51	\$651,000	11	\$79,000	458	\$6,207,553	7.87%	\$13,554
12/31/97	31	\$419,000	12	\$152,000	418	\$5,754,726	9.17%	\$13,767

Statewide Death & Disability Plan

Age and Years of Service Distribution



Statewide Death & Disability Plan

The Statewide Death & Disability Plan Solvency Test

The FPPA funding objective for the Statewide Death & 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.

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 are 100% covered by current assets based on current law with a 0% cost-of-living-adjustment. This plan does not have any unfunded liability and current contributions exceed the cost of annual benefit accruals.

Statewide Death & Disability Plan - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1) Active Member Contributions (000's)	(2) Retirees and Beneficiaries (000's)	(3) Active Members (Employer Financed Portion) (000's)*	(1)	(2)	(3)
1/1/07	\$274,092	\$0	\$143,706	\$114,537	100%	100%	100%
1/1/06	\$249,299	\$0	\$135,159	\$123,568	100%	100%	92%
1/1/05	\$223,389	\$0	\$125,741	\$105,512	100%	100%	93%
1/1/04	\$212,273	\$0	\$118,710	\$123,256	100%	100%	76%
1/1/03	\$218,152	\$0	\$113,476	\$147,657	100%	100%	71%
1/1/02	\$239,456	\$0	\$104,431	\$135,363	100%	100%	100%
1/1/01	\$240,576	\$0	\$94,161	\$115,073	100%	100%	100%
1/1/00	\$229,537	\$0	\$80,439	\$101,830	100%	100%	100%
1/1/99	\$212,357	\$0	\$79,661	\$100,293	100%	100%	100%
1/1/98	\$193,630	\$0	\$71,957	\$75,942	100%	100%	100%

**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 & 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 who have died or become disabled and beneficiaries of these former members are also included. As of 8/1/2003, the Plan may include part-time police and fire employees.

Compensation Considered

Base salary means the total base rate of pay including Member Contributions to the Statewide Defined Benefit Plan or Statewide Money Purchase Plan which are "picked up" by the employer, and shall also include longevity pay, sick leave pay taken in the normal course of employment, vacation leave pay taken in the normal course of employment, shift differential, and mandatory overtime that is part of the Member's fixed,

Statewide Death & Disability Plan

periodic compensation. Accumulated vacation leave pay will also be included if a Member completes his/her service requirement for purposes of Normal retirement while exhausting accumulated vacation leave. Base salary shall not include overtime pay (except as noted in the preceding sentence), step-up pay or other pay for temporarily acting in a higher rank, uniform allowances, accumulated sick leave pay, accumulated vacation leave pay (except as noted in the preceding sentence), and other forms of extra pay (including Member Contributions which are paid by the employer and not deducted from the Member's salary). In the event an employer has established or does establish a Deferred Compensation Plan, the amount of the Member's salary that is deferred shall be included in the Member's base salary. Any amounts voluntarily contributed to an Internal Revenue Code Section 125 "Cafeteria Plan" shall be included in the Member's base salary. A Member is deemed temporarily acting in a higher rank if the appointment to the rank is anticipated to last less than six months.

Pre-Retirement Death Benefits

If a member dies prior to normal retirement eligibility while off-duty, the surviving spouse shall receive a benefit (including payments made from local defined contribution plans) equal to 40% of the monthly base salary paid to the member prior to death. An additional 10% of base salary is payable if a surviving spouse has two or more dependent children, or if there are three or more dependent children without a surviving spouse. If there is no surviving spouse, but the member had one or more dependent children, the benefit payable is 40% of the member's monthly base salary. If there is no spouse but three or more dependent children, the monthly benefit equals 50% of the member's base salary.

As of October 15, 2002, if a member dies prior to retirement while on-duty, the surviving spouse shall receive a benefit equal to 70% of the member's monthly base salary regardless of the number of dependent children. If there is no spouse but one or more dependent children living in the member's household, the monthly benefit equals 70% of the member's monthly base salary. If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40% for the first child, and 15% for each additional child, but not greater than a 70% total benefit.

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, DROP, and SRA account balances, converted to annuities.

Disability Benefits

A member who becomes disabled prior to retirement shall be eligible for disability benefits. If the member is totally disabled, he shall receive 70% of his base salary preceding disability.

If the member is occupationally disabled and his disability is judged to be a permanent occupational disability, he shall receive 50% of his base salary preceding disability regardless of his family status.

If the member is occupationally disabled and his disability is judged to be a temporary occupational disability, he shall receive 40% of his base salary preceding disability regardless of his family status for up to five years.

Total disability and permanent occupational disability benefits are offset by any applicable Money Purchase, DROP or SRA balance. Disability benefits are reduced by Social Security disability benefits derived from employment as a member, if applicable. Further offset may apply based on a member's earned income. Temporary Occupational Disability benefits are payable for a maximum of five years. Permanent Occupational and Total Disability benefits are payable as long as the member remains disabled.

Cost-of-Living Increases for Benefits in Pay Status

Benefits payable from the Statewide Death & Disability Plan are subject to an ad-hoc cost-of-living adjustment up to 3% each year as determined by the Board. Totally disabled members and their beneficiaries receive an automatic cost-of-living-adjustment each year of 3%.

Contributions

Members hired after 1996 contribute 2.6% of pay. Either the member pays the entire 2.6% or it may be split between the employer and the member.

Offsets for SRA, DROP, and Money Purchase

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

Changes in Plan Provisions

The plan provisions have not changed since the prior valuation.

Changes in Actuarial Assumptions

The plan actuarial assumptions have not changed since the prior valuation.

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
1/1/06	221	4,949	\$75,130,892	\$63,295	5.98%
1/1/04	220	5,179	\$70,053,951	\$59,722	48.88%
1/1/02	211	5,652	\$74,373,501	\$40,115	(2.67)%
1/1/00	191	5,687	\$82,304,632	\$41,214	(15.37)%
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 1/1/2006 actuarial valuations.

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

Valuation Date	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
1/1/06	N/A	N/A	N/A	N/A	5,808	\$143,788,489	N/A	\$24,757
1/1/04	N/A	N/A	N/A	N/A	5,516	\$113,510,844	N/A	\$32,997
1/1/02	N/A	N/A	N/A	N/A	2,989	\$110,003,326*	N/A	\$36,803
1/1/00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1/1/98	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1/1/96	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Does not include volunteer retirees.

Note: Data to calculate the retirees and beneficiaries added to and removed from payroll on all local plans was not available prior to the 1/1/02 actuarial valuation.

Affiliated Local Plans - Solvency Test

Valuation Date	Valuation Assets (000's)	Aggregate Accrued Liabilities For			Funded Percentages		
		(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members (Employer Financed Portion) (000's)*	(1)	(2)	(3)
1/1/06	\$1,818,994	*	*	\$2,246,573	N/A	N/A	81%
1/1/04	\$1,642,271	*	*	\$2,160,729	N/A	N/A	76%
1/1/02	\$1,902,729	*	*	\$2,086,914	N/A	N/A	91%
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

Affiliated Local Plans

SUMMARY OF PLAN PROVISIONS — Affiliated Local Plans

Members Included

The Affiliated Local 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 second of those are the volunteer firefighters of affiliated plans.

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 twenty to twenty five years. Most plans require the member to complete twenty -twenty five years of credited service and attain the age of 50 to 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 - \$1,000 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 ten or twenty 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, some 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.

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 & Disability Plan.

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

Affiliated Local Plans

Post-Retirement Death Benefits

Most plans offer a 50-100% benefit to the surviving spouse until death or remarriage. Some plans also offer actuarially equivalent post-retirement death benefits.

Deferred Retirement Option Plan (DROP)

Several plans allow a member to participate in the DROP after reaching eligibility for normal or delayed retirement. A member continues to work while participating in the DROP, but must terminate employment within a given time frame, generally between three to five years of entry into the DROP. The member's percentage of retirement benefit is frozen at the time of entry into the 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.

Changes in Actuarial Assumptions

The plan actuarial assumptions have not changed since the prior valuation.

The Statistical Section of the FPPA annual report contains a variety of information concerning FPPA's operations including legislation, 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.

2007 FPPA Legislative Matters

In 2007, five pieces of legislation important to FPPA were passed.

House Bill 07 – 1024

FPPA Property Tax Exemption

Concerning a property tax exemption for property of the Fire and Police Pension Association.

Bill Highlights

- The legislation recognizes that property owned and used by FPPA is exempt from real and personal property taxes as FPPA is a political subdivision of the State of Colorado.
- Property owned by FPPA and leased to third parties is to be assessed property tax.

House Bill 07 – 1030

Contribution Timing

Concerning the timing of contribution deposits for plans administered by the Fire and Police Pension Association

Bill Highlights

- The legislation requires employers to remit payment of contributions within 10 days of the date of payment of salary for FPPA plans.

House Bill 07 – 1028

FPPA Pension Options for Retirees Who Marry

Concerning police officers' and firefighters' pension options for new hire members who have a change in marital status after retiring unmarried.

Bill Highlights

- For members who are single when they retire under the SWDB or are awarded a disability benefit and choose a single life annuity and who subsequently marry and who wish to choose a new benefit option, the legislation requires that the member to do so within six months of the date of marriage.
- It also sets a deadline for any such existing retired members who were initially single at retirement and subsequently became married, who have not chosen a new benefit option, of January 1, 2008 or the option is lost.
- The bill also requires that a retiree to survive for 6 months after the date of marriage when an option change is made in order for the survivor benefit to be payable.

House Bill 07 - 1029

FPPA Disability and Survivor Benefits

Concerning disability and survivor benefits for members of the Fire and Police Pension Association

Bill Highlights

- The legislation provides for an offset for any member or survivor who becomes eligible for a death and disability benefit and who also receives a benefit from a defined benefit plan.
- The legislation changes how the income offset is calculated for permanent occupational disabilities. The base salary to be used is the previous base salary multiplied by the change in CPI each year instead of the actual base salary used by the department over time.

House Bill 07-1184

Sudan Divestment

Concerning divestment action by certain governmental entities against companies financially involved with the government of Sudan, and requiring a post-enactment review of the implementation of this Act.

Bill Highlights

- Requires FPPA and certain other governmental to develop a monitoring and divestment scheme regarding certain types of investments in Sudan.

2007 Distribution of Funds Directly Received by the State of Colorado

State Funds Allocated to Local Plans to Reduce Unfunded Liabilities

	1998	1999	2000	2001
Aurora Fire	\$0	\$0	\$0	\$0
Aurora Police	1,032,476	1,032,476	0	0
Colo Spgs Fire	0	0	0	0
Colo Spgs Police	646,302	646,302	0	0
Denver Fire	9,172,120	9,172,120	9,827,860	9,960,439
Denver Police	11,604,493	11,604,493	12,434,131	12,601,870
Grand Jet Fire	314,551	314,551	337,039	0
Grand Jet Police	265,881	265,881	284,890	288,733
Greeley Fire (Union Colony)	606,039	606,039	649,366	658,126
Greeley Police	0	0	0	0
Pueblo Fire	890,508	890,508	954,172	967,044
Pueblo Police	0	0	0	0
Rocky Ford Fire	10,710	10,710	0	0
Rocky Ford Police	0	0	0	0
Lakewood FPD	625,612	625,612	670,339	679,382
Lamar Fire	0	0	0	0
Leadville Fire	0	0	0	0
N. Washington FPD	144,430	144,430	154,756	156,844
All Other	7,957	7,957	8,526	8,641
Total	\$25,321,079	\$25,321,079	\$25,321,079	\$25,321,079

**Funding was suspended until 4/30/06*

2002	2003-2005*	2006	2007	Total (1980-2007)
\$0	\$0	\$0	\$0	\$2,502,878
0	0	0	0	9,175,314
0	0	0	0	9,947,115
0	0	0	0	11,496,947
9,960,439	0	9,960,439	13,683,617	178,231,851
12,601,870	0	12,601,870	17,312,406	234,170,014
0	0	0	0	4,589,087
288,733	0	288,733	396,660	5,171,479
658,126	0	658,126	904,131	9,364,158
0	0	0	0	192,075
967,044	0	967,044	1,328,522	18,773,699
0	0	0	0	1,699,753
0	0	0	0	131,044
0	0	0	0	14,005
679,382	0	679,382	933,333	11,197,283
0	0	0	0	23,293
0	0	0	0	44,719
156,844	0	156,844	215,472	2,392,407
8,641	0	8,641	0	4,413,438
\$25,321,079	\$0	\$25,321,079	\$34,774,141	\$503,530,559

Revenues by Source — All Plans

	Investment Earnings	State Funding	Employers	Employees	Affiliations	Total
2007	\$307,987,773	\$37,593,512	\$85,552,218	\$76,320,853	\$70,777,656	\$578,232,012
2006	\$428,071,167	\$27,970,106	\$86,508,062	\$57,931,399	\$5,986,434	\$606,467,168
2005	\$270,239,803	\$2,628,849	\$85,341,786	\$53,119,943	\$12,576,166	\$423,906,547
2004	\$289,931,244	\$1,962,294	\$67,491,499	\$61,505,739	\$21,758,372	\$442,649,148
2003	\$441,061,479	\$2,425,586	\$58,278,401	\$49,414,320	\$3,545,138	\$554,724,924
2002	\$(203,473,694)	\$28,060,171	\$55,686,872	\$44,081,226	\$364,746	\$(75,280,679)
2001	\$(162,204,276)	\$27,432,188	\$53,003,474	\$44,873,291	\$10,679,999	\$(26,215,324)
2000	\$(95,430,184)	\$27,141,938	\$51,028,118	\$38,011,053	\$1,426,317	\$22,177,242
1999	\$396,262,695	\$27,114,921	\$49,636,327	\$32,428,830	\$25,807,791	\$531,250,564
1998	\$250,900,298	\$26,989,691	\$58,500,005	\$12,991,623	\$9,324,380	\$358,705,997

Revenue Allocation — All Plans

	Additions to Fund Balance	Benefit Payments	Administrative Expense	Refunds & Withdrawals	Total
2007	\$352,182,265	\$173,142,569	\$4,197,336	\$48,709,842	\$578,232,012
2006	\$401,908,001	\$164,846,096	\$4,203,557	\$35,509,514	\$606,467,168
2005	\$211,727,492	\$156,721,164	\$3,698,198	\$51,759,693	\$423,906,547
2004	\$247,094,343	\$150,284,940	\$3,654,837	\$41,615,028	\$442,649,148
2003	\$387,708,585	\$142,466,923	\$3,149,814	\$21,399,602	\$554,724,924
2002	\$(231,233,712)	\$133,970,296	\$3,320,776	\$18,661,961	\$(75,280,679)
2001	\$(172,154,282)	\$125,003,556	\$3,122,013	\$17,813,389	\$(26,215,324)
2000	\$(114,127,155)	\$112,283,281	\$3,426,968	\$20,594,148	\$22,177,242
1999	\$412,447,619	\$101,496,836	\$3,254,498	\$14,051,611	\$531,250,564
1998	\$263,184,561	\$82,533,683	\$3,024,568	\$9,963,185	\$358,705,997

Expenses by Type — All Plans

	Benefit Payments	Refunds	Administrative Expenses	Capital Expense	Total Expense
2007	\$173,142,569	\$48,709,842	\$4,197,336	\$66,012	\$226,115,759
2006	\$164,846,096	\$35,509,514	\$4,203,557	\$42,615	\$204,601,782
2005	\$156,721,164	\$51,759,693	\$3,698,198	\$42,507	\$212,221,562
2004	\$150,284,940	\$41,615,028	\$3,654,837	\$74,800	\$195,629,605
2003	\$142,466,923	\$21,399,602	\$3,149,814	\$48,797	\$167,065,136
2002	\$133,970,296	\$19,823,566	\$3,320,776	\$55,386	\$157,170,024
2001	\$125,003,556	\$17,813,389	\$3,168,290	\$223,543	\$146,208,778
2000	\$112,283,281	\$20,594,148	\$3,021,351	\$21,471	\$135,920,251
1999	\$101,496,836	\$14,051,611	\$3,047,992	\$71,113	\$118,667,552
1998	\$82,533,683	\$9,963,185	\$2,820,244	\$53,638	\$95,370,750

Changes in Fiduciary Net Assets

Affiliated Local Plans

	2007
Additions	
Employer Contributions	\$47,549,603
Member Contributions	1,238,824
Affiliations	7,042,765
State Contributions	37,593,512
Investment Income	167,049,310
Total Additions	260,474,014
Deductions	
Benefit Payments:	
Retirees/Survivors	146,375,432
Death/Disability	
Refunds of Contributions	3,219,143
Administrative Costs	2,337,465
Total Deductions	151,932,040
Changes in Net Assets Available for Benefits	108,541,974
Net Assets Held at Beginning of Year	1,823,891,092
Net Assets Held at End of Year	\$1,932,433,066

Note: Information for prior nine years is not available.

Statewide Death & Disability Plan

	2007
Additions	
Employer Contributions	\$7,522,862
Member Contributions	2,372,335
Affiliations	
State Contributions	
Investment Income	26,139,800
Total Additions	36,034,997
Deductions	
Benefit Payments:	
Retirees/Survivors	
Death/Disability	13,741,872
Refunds of Contributions	
Administrative Costs	369,928
Total Deductions	14,111,800
Changes in Net Assets Available for Benefits	21,923,197
Net Assets Held at Beginning of Year	286,609,216
Net Assets Held at End of Year	\$308,532,413

Note: Information for prior nine years is not available.

Defined Benefit System

	2007
Additions	
Employer Contributions	\$29,464,995
Member Contributions	49,112,009
Affiliations	
State Contributions	
Investment Income	103,317,713
Total Additions	181,894,717
Deductions	
Benefit Payments:	
Retirees/Survivors	13,025,265
Death/Disability	
Refunds of Contributions	5,375,671
Administrative Costs	1,489,943
Total Deductions	19,890,879
Changes in Net Assets Available for Benefits	162,003,838
Net Assets Held at Beginning of Year	1,114,411,682
Net Assets Held at End of Year	\$1,276,415,520

Note: Information for prior nine years is not available.

Fire & Police Members' Money Purchase Plan

2007	
Additions	
Employer Contributions	\$80,039
Member Contributions	98,282
Affiliations	(5,400,071)
State Contributions	
Investment Income	153,791
Total Additions	(5,067,959)
Deductions	
Benefit Payments:	
Retirees/Survivors	
Death/Disability	
Refunds of Contributions	213,106
Administrative Costs	
Total Deductions	213,106
Changes in Net Assets Available for Benefits	(5,281,065)
Net Assets Held at Beginning of Year	5,783,227
Net Assets Held at End of Year	\$502,162

Note: Information for prior nine years is not available.

Fire & Police Members' Statewide Money Purchase Plan

2007	
Additions	
Employer Contributions	\$250,200
Member Contributions	250,200
Affiliations	
State Contributions	
Investment Income	417,710
Total Additions	918,110
Deductions	
Benefit Payments:	
Retirees/Survivors	
Death/Disability	
Refunds of Contributions	644,083
Administrative Costs	
Total Deductions	644,083
Changes in Net Assets Available for Benefits	274,027
Net Assets Held at Beginning of Year	4,668,846
Net Assets Held at End of Year	\$4,942,873

Note: Information for prior nine years is not available.

Self-Directed Assets for Affiliated Local & Defined Benefit System Plans

2007	
Additions	
Employer Contributions	\$684,519
Member Contributions	16,815,374
Affiliations	69,134,962
State Contributions	
Investment Income	6,163,503
Total Additions	92,798,358
Deductions	
Benefit Payments:	
Retirees/Survivors	
Death/Disability	
Refunds of Contributions	36,396,439
Administrative Costs	
Total Deductions	36,396,439
Changes in Net Assets Available for Benefits	56,401,919
Net Assets Held at Beginning of Year	84,265,493
Net Assets Held at End of Year	\$140,667,412

Note: Information for prior nine years is not available.

IRC 457 Deferred Compensation Plan

	2007
Additions	
Employer Contributions	
Member Contributions	6,433,829
Affiliations	
State Contributions	
Investment Income	4,745,946
Total Additions	11,179,775
Deductions	
Benefit Payments:	
Retirees/Survivors	
Death/Disability	
Refunds of Contributions	2,861,400
Administrative Costs	
Total Deductions	2,861,400
Changes in Net Assets Available for Benefits	8,318,375
Net Assets Held at Beginning of Year	41,067,409
Net Assets Held at End of Year	\$49,385,784

Note: Information for prior nine years is not available.

FPPA Staff Healthcare Subsidy Plan

	2007
Additions	
Employer Contributions	\$8,600
Member Contributions	
Affiliations	
State Contributions	
Investment Income	11,167
Total Additions	19,767
Deductions	
Benefit Payments:	
Retirees/Survivors	2,226
Death/Disability	
Refunds of Contributions	
Administrative Costs	853
Total Deductions	3,079
Changes in Net Assets Available for Benefits	16,688
Net Assets Held at Beginning of Year	115,265
Net Assets Held at End of Year	\$131,953

Note: Information for prior nine years is not available.

Schedule of Average Benefit Payments

Affiliated Local Plans

Year Retired	In Total
1/1/07 - 12/31/07	
Average monthly benefit	\$1,717
Average highest average salary	Not Available
Number of service retirees	200

Note 1: Information for prior nine years is not available.

Note 2: Information on Years of Service is not available for the Affiliated Local Plans.

Statewide Death & Disability Plan

Year Retired	In Total
1/1/07 - 12/31/07	
Average monthly benefit	\$2,175
Average highest average salary	Not Available
Number of service retirees	31

Note 1: Information for prior nine years is not available.

Note 2: Service is not taken into consideration in the benefit calculation for this plan, therefore only totals are available.

Defined Benefit System – Statewide Defined Benefit Plan

Year Retired	Years of Service Credit					
	0-10	10-15	15-20	20-25	25-30	30+
1/1/07 - 12/31/07						
Average monthly benefit	\$424	\$882	\$1,228	\$1,911	\$2,883	\$4,131
Average highest average salary	\$4,002	\$4,658	\$4,014	\$4,923	\$5,146	\$5,726
Number of service retirees	1	2	4	8	25	7

Note: Information for prior nine years is not available.

Defined Benefit System – Statewide Hybrid Plan - Defined Benefit Component

Year Retired	Years of Service Credit					
	0-10	10-15	15-20	20-25	25-30	30+
1/1/07 - 12/31/07						
Average monthly benefit	N/A	\$1,150	N/A	N/A	N/A	N/A
Average highest average salary	N/A	\$8,753	N/A	N/A	N/A	N/A
Number of service retirees	0	1	0	0	0	0

Note: Information for prior nine years is not available.

Defined Benefit System – Exempt Plans (Combined Police and Fire)

Year Retired	Years of Service Credit					
	0-10	10-15	15-20	20-25	25-30	30+
1/1/07 - 12/31/07						
Average monthly benefit	N/A	\$1,041	\$1,731	\$3,486	\$3,705	\$2,467
Average highest average salary	N/A	\$5,276	\$4,971	\$6,193	\$5,906	\$4,708
Number of service retirees	0	1	2	5	11	2

Note: Information for prior nine years is not available.

FPPA Staff Healthcare Subsidy Plan

Year Retired	Years of Service Credit					
	0-10	10-15	15-20	20-25	25-30	30+
1/1/07 - 12/31/07						
Average monthly benefit	N/A	N/A	N/A	N/A	N/A	N/A
Average highest average salary	N/A	N/A	N/A	N/A	N/A	N/A
Number of service retirees	0	0	0	0	0	0

Note: Information for prior nine years is not available.

Principal Participating Employers

As of December 31, 2007

Affiliated Local Plans

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
Durango Fire & Rescue Authority (Volunteer)	1	108	2.39%
Evergreen Fire (Volunteer)	2	86	1.91%
Golden Volunteer Fire Department	3	83	1.84%
Forence Fire Protection District (Volunteer)	4	74	1.64%
South Adams County Fire Protection District (Volunteer)	5	73	1.62%
Evans Volunteer Fire Department	6	64	1.42%
Mountain View Fire Protection District (Volunteer)	6	64	1.42%
Telluride Fire Protection District (Volunteer)	7	63	1.40%
Denver Fire Old Hire Fire DROP	8	59	1.31%
Platte Canyon Fire Protection District (Volunteer)	9	54	1.20%
Wellington Fire Protection District (Volunteer)	9	54	1.20%
Inter-Canyon Fire Protection District (Volunteer)	10	50	1.11%
Northwest Conejos County Fire Protection District (Volunteer)	10	50	1.11%

Note 1: Data for the number of members by employer is not available for prior years.

Note 2: The majority of the plans in this group are closed plans and do not have active members.

Statewide Death & Disability Plan

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
Denver Police	1	1,455	12.97%
Denver Fire	2	805	7.17%
Aurora Police	3	696	6.20%
Colorado Springs Police	4	616	5.49%
Colorado Springs Fire	5	420	3.74%
Aurora Fire	6	306	2.73%
Pueblo Police	7	179	1.60%
Thornton Police	8	158	1.41%
Poudre Fire Authority	9	153	1.36%
Greeley Police	10	152	1.35%

Note: Data for the number of members by employer is not available for prior years.

Defined Benefit System – Statewide Defined Benefit Plan

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
Denver Police	1	1,455	29.08%
Denver Fire	2	805	16.09%
Pueblo Police	3	179	3.58%
Pueblo Fire	4	124	2.48%
Westminster Fire	5	110	2.20%
Colorado Springs Fire	6	100	2.00%
Arvada Fire Protection District	7	94	1.88%
Union Colony Fire Rescue	8	93	1.86%
North Metro Fire Rescue	9	88	1.76%
West Metro Fire Protection District	10	75	1.50%

Note: Data for the number of members by employer is not available for prior years.

Defined Benefit System – Statewide Hybrid Plan

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
West Metro Fire Protection District	1	31	30.39%
Evans Police	2	20	19.61%
Westminster Fire	3	13	12.75%
Canon City Police	4	9	8.82%
Lafayette Police	4	9	8.82%
Lake Dillon Fire Protection District	5	6	5.88%
Trinidad Fire	6	5	4.90%
Brighton Police	7	2	1.96%
North Metro Fire Rescue	7	2	1.96%
Federal Heights Police	8	1	0.98%
Federal Heights Fire	8	1	0.98%
Milliken Police	8	1	0.98%
Montrose Fire Protection District	8	1	0.98%
Union Colony Fire Rescue	8	1	0.98%

Note: Data for the number of members by employer is not available for prior years.

Fire & Police Members' Statewide Money Purchase Plan

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
Eaton Fire Protection District	1	19	27.54%
Elizabeth Fire Protection District	2	17	24.64%
Mountain Village Police	3	7	10.14%
Central City Police	4	6	8.70%
Upper Pine River Fire Protection District	5	2	2.90%
West Routt Fire Protection District	6	2	2.90%
Brighton Fire Protection District	7	1	1.45%
Central City Fire	7	1	1.45%
Cherryvale Fire Protection District	7	1	1.45%
Clear Creek Fire Authority	7	1	1.45%
Elizabeth Police	7	1	1.45%
Erie Police	7	1	1.45%
Fairmount Fire Protection District	7	1	1.45%
Falcon Fire Protection District	7	1	1.45%
Gilcrest Police	7	1	1.45%
Grand Valley Fire Protection District	7	1	1.45%
Kremmling Fire Protection District	7	1	1.45%
Lake George Fire Protection District	7	1	1.45%
Nederland Fire Protection District	7	1	1.45%
Palisade Police	7	1	1.45%
Salida Fire	7	1	1.45%
Wheat Ridge Fire Protection District	7	1	1.45%

Note: Data for the number of members by employer is not available for prior years.

Fire & Police Members' Money Purchase Plan

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
Dacono Police	1	10	100.00%

Note: Data for the number of members by employer is not available for prior years.

Defined Benefit System – Exempt Plans

Employer	Rank	Covered Active Members as of 12/31/07	Percentage of Total Plan
Colorado Springs Police	1	564	63.87%
Colorado Springs Fire	2	319	36.13%

Note: Data for the number of members by employer is not available for prior years.

Affiliated Volunteer Fire Departments

Alamosa VFD
 Alamosa County FPD
 Allenspark FPD
 Aspen FPD
 Ault FPD
 Basalt & Rural FPD
 Bennett FPD #7
 Berthoud FPD
 Big Sandy FPD
 Big Thompson VFD
 Black Forest FPD
 Blanca VFD
 Boone VFD
 Boulder Mountain FPD
 Boulder Rural FPD
 Brighton VFD
 Brush Rural Fire/VFD
 Buena Vista VFD
 Burning Mountains FPD
 Calhan FPD
 Cañon City Area FPD
 Carbondale and Rural FPD
 Cascade FPD
 Castle Rock VFD
 Central City VFD
 Central Orchard Mesa
 Cheyenne County FPD #1
 Clear Creek FA
 Clifton FPD
 Coal Creek Canyon FD
 Colorado Sierra FPD
 Crested Butte FPD
 Cripple Creek
 Crowley FD
 Crystal Lakes FPD
 Del Norte FPD
 Divide VFD
 Donald Wescott FPD
 Dove Creek FPD
 Durango Fire & Rescue Authority
 Eads VFD
 East Grand FPD #4
 Eaton FPD
 Eckley VFD
 Elbert FPD & Rescue
 Elizabeth FPD
 Englewood VFD*
 Evans VFD
 Evergreen VFD
 Falcon FPD
 Federal Heights VFD
 Fisher's Peak FPD
 Florence FPD
 Foothills Fire & Rescue
 Fort Lewis-Mesa FPD
 Fort Morgan VFD
 Fort Morgan Rural VFD
 Franktown FPD
 Frederick Firestone FPD
 Galeton FPD
 Genesee FPD
 Glacier View VFD
 Glendale VFD*
 Greenwood Springs VFD
 Golden VFD
 Golden Gate Fire
 Grand FPD #1
 Grand Lake FPD
 Grand Valley FPD
 Green Mountain Falls / Chipita Park FPD
 Gypsum FPD
 Hartsel FPD
 Haxtun VFD
 High Country FPD
 Hill Rose Rural FPD
 Holyoke - City VFD
 Holyoke FPD
 Hot Sulphur Springs/Parshall FPD
 Hygiene VFD
 Indian Hills FPD
 Inter-Canyon FPD
 Jackson 105 FPD
 Jefferson-Como FPD

Kiowa FPD
 Kremmling FPD
 La Junta VFD
 La Salle FPD
 Lafayette VFD
 Lake City Area FPD
 Lake Dillon FPD
 Lake George FPD
 Lamar VFD
 Larkspur FPD
 Left Hand FPD
 Lewis-Arriola FPD
 Limon VFD
 Livermore FPD
 Log Hill Mesa FPD
 Loveland & Rural Consol. VFD
 Lower Valley FPD
 Lyons FPD
 Mancos FPD
 Manitou Springs VFD
 Manzanola Rural FPD
 Milliken FPD
 Montrose FPD
 Mountain View FPD
 Nederland FPD
 New Raymer-Stoneham FPD
 Northeast Teller County FPD
 North Fork VFD
 North Routt County VFD
 North Washington FPD*
 Northwest FPD
 Northwest Conejos County FPD
 Norwood FPD
 Nucla-Naturita FPD
 Nunn Volunteer FPD
 Oak Creek FPD
 Olathe FPD
 Olney Springs VFD
 Ordway Fire
 Ouray VFD
 Palisade VFD
 Palmer Lake VFD
 Parker FPD*
 Pawnee FPD
 Pinewood Springs VFD
 Plateau Valley VFD
 Platte Canyon FPD
 Platte Valley FPD
 Platteville/Gilcrest FPD
 Pleasant View FPD
 Pleasant View Metro VFD
 Poudre FA
 Rangely Rural FPD
 Rattlesnake FPD
 Red Feather Lakes VFD
 Red, White & Blue FPD
 Ridgway FPD
 Rifle FPD
 Rio Blanco FPD
 Rocky Ford VFD
 Rocky Mountain FPD
 Sable-Altura FPD
 Sheridan VPD
 Silverton FD
 Snake River FPD
 South Adams County FPD
 South Arkansas FPD*
 South Conejos FPD
 South Metro Fire Rescue*
 Southwest Washington County FPD
 Springfield VFD
 Steamboat Springs VFD
 Sterling VFD
 Stonewall VFD
 Stratton FPD
 Sugar City VFD
 Sugarloaf FPD
 Telluride FPD
 Walsh FD
 Wellington FPD
 West Cheyenne FPD
 West Douglas County FPD
 West Metro FPD
 West Routt FPD
 Westminster VFD*

Wet Mountain FPD
 Wiggins Rural FPD
 Wiley Rural FPD
 Windsor Severance
 Yampa FPD
 Yuma VFD

Employers of Affiliated Exempt New Hires

Colorado Springs Police and Fire

Employers of Affiliated Old Hire Pension Plan Members

Aurora Police and Fire
 Bancroft FPD
 Bowmar Police
 Cañon City Area FPD
 Cedaredge Police
 Cherry Hills FPD
 Colorado Springs Police and Fire
 Cortez Police
 Del Norte Police
 Denver Police and Fire
 Durango Police and Fire
 Englewood Police and Fire
 Firestone Marshalls Police
 Fort Morgan Police
 Grand Junction Police and Fire
 Greeley Police
 Haxtun Police
 Holyoke Police
 La Junta Police and Fire
 La Salle Police
 Lakewood FPD
 Lamar Police and Fire
 Las Animas Police
 Leadville Fire
 Loveland Fire
 Manitou Springs Fire
 Montrose FPD
 Mountain View FPD
 North Washington FPD
 Pueblo Police and Fire
 Pueblo Rural FPD
 Red, White and Blue FPD
 Rocky Ford Police and Fire
 Salida Police and Fire
 South Adams County FPD
 Springfield Police
 Sterling Police and Fire
 Thornton Fire
 Trinidad Police and Fire
 Union Colony Fire Rescue
 Walsenburg Police

Employers Affiliated for Money Purchase Plan Administration

Dacono Police

Employers Affiliated for Statewide Defined Benefit Supplemental Pension and/or Death and Disability Coverage

Akron Police*
 Cedaredge Police
 Custer County Sheriffs
 Debeque Police
 Estes Park Police
 Frederick Police
 Haxtun Police
 Holyoke Police
 Johnstown Police
 Kremmling Police
 Monument Police
 Springfield Police
 Windsor Police

Employers Participating in FPPA's 457 Deferred Compensation Plan

Alamosa, City of (Police)
 Arvada FPD
 Arvada, City of (Police)
 Ault, Town of (Police)
 Aurora, City of (Police & Fire)
 Basalt & Rural FPD
 Bayfield, Town of (Police)
 Bennett FPD No. 7
 Berthoud FPD
 Boulder Rural FPD
 Brighton (Police)
 Brush, City of (Police)
 Buena Vista, Town of (Police)
 Cañon City, City of (Police)
 Cañon City Area FPD
 Carbondale & Rural FPD
 Castle Rock, Town of (Fire)
 Cherryvale FPD
 Cimarron Hills FPD
 Clear Creek Fire Authority*
 Clifton FPD*
 Colorado Springs, City of (Police & Fire)
 Columbine Valley, Town of (Police)*
 Cripple Creek, City of (Police & Fire)
 Cunningham FPD
 Donald Wescott FPD
 Durango Fire & Rescue Authority
 East Grand FPD No. 4
 Eaton FPD
 Elizabeth FPD
 Elk Creek FPD
 Federal Heights, City of (Police & Fire)
 Firestone, Town of (Police)
 Foothills FPD
 Fort Collins, City of (Police)
 Fort Lupton FPD
 Frederick-Firestone FPD
 Genesee FPD
 Glendale, City of (Police & Fire)
 Granada, Town of (Police)*
 Grand Valley FPD
 Greeley, City of (Police)
 Green Mountain Falls/Chipita Park FPD*
 Gypsum FPD
 Hartsel FPD
 Hugo, Town of (Police)
 Idaho Springs, City of (Police)*
 Ignacio, Town of (Police)*
 Jefferson-Como FPD
 Kremmling FPD
 La Jara, Town of (Police)
 Lake Dillon FPD
 Lakeside, Town of (Police)
 Larkspur FPD
 Lochbuie, Town of (Police)
 Lone Tree, City of (Police)
 Los Pinos FPD
 Loveland, City of (Police & Fire)
 Lower Valley FPD*
 Manitou Springs, City of (Police & Fire)
 Montrose FPD
 Mountain View FPD
 Mountain Village, Town of (Police)
 North Metro Fire Rescue Authority
 North Washington FPD
 Northeast Teller County FPD
 Northwest FPD
 Pagosa FPD
 Palisade (Police & Fire)
 Parker FPD
 Plateau Valley FPD
 Platte Canyon FPD
 Platteville, Town of (Police)
 Poudre Fire Authority
 Pueblo Rural FPD
 Pueblo, City of (Police & Fire)
 Red, White & Blue FPD

Rifle FPD
 Sable-Altura FPD
 Salida, City of (Police & Fire)
 Skyline FPD*
 South Adams County FPD
 Southern Park County FPD
 Southwest Adams County FPD #2*
 Sterling, City of (Police & Fire)
 Stratmoor Hills FPD
 Stratton, Town of (Police)
 Telluride FPD
 Tri-Lakes FPD
 Trinidad, City of (Fire)
 Union Colony Fire Rescue
 Upper Pine River FPD
 Vail, Town of (Police and Fire)
 West Routt FPD
 Wiggins, Town of (Police)*
 Windsor Severance FPD
 Woodmoor Monument FPD
 Wray, City of (Police)
 Yuma, City of (Police)

Employers of Statewide Defined Benefit Pension Plan Members

Aguilar Police*
 Alma Police*
 Antonito Police*
 Arvada FPD
 Aspen FPD*
 Ault Police
 Basalt Police
 Basalt & Rural FPD
 Bayfield Police
 Bennett FPD #7
 Berthoud FPD
 Big Sandy FPD
 Black Forest FPD
 Black Hawk Fire
 Blanca Police
 Blue River Police*
 Boulder Mountain FA
 Boulder Rural FPD
 Bowmar Police*
 Brighton Police
 Greater Brighton FPD
 Brush Police
 Cañon City Police
 Carbondale & Rural FPD
 Castle Rock Fire
 Center Police
 Central City Fire*
 Chaffee County FPD
 Cherryvale FPD
 Cimarron Hills FPD
 Clear Creek FA
 Clifton FPD
 Collbran Marshalls Police
 Colorado Centre Metro District Fire
 Colorado Springs Police & Fire
 Columbine Valley Police
 Copper Mountain Fire
 Cripple Creek Fire

Cunningham FPD
 Denver Police and Fire
 Dinosaur Police
 Dolores Police*
 Donald Wescott FPD
 Durango Fire & Rescue Authority
 Eads Police
 East Grand FPD #4
 Eaton FPD
 Elizabeth Police
 Elk Creek FPD
 Empire Police
 Englewood Fire
 Erie Police
 Evans Police & Fire
 Fairmount FPD
 Fairplay Marshalls
 Falcon FPD
 Federal Heights Police & Fire
 Firestone Marshalls Police
 Florence Police
 Foothills Fire & Rescue
 Fort Lupton FPD
 Fowler Police
 Franktown FPD
 Frederick Firestone FPD
 Frisco Police
 Genesee FPD
 Georgetown Police
 Gilcrest Police
 Granada Police
 Grand FPD #1
 Grand Lake Fire
 Grand Valley FPD
 Greater Eagle FPD
 Green Mountain Falls/ Chipita Park Fire
 Gypsum FPD
 Hartsel FPD
 Holly Police*
 Hudson FPD
 Hugo Police
 Idaho Springs Police
 Ignacio Police
 Jefferson-Como FPD
 Kiowa FPD
 Kremmling FPD*
 La Jara Police
 La Salle Police
 La Veta Police
 Lafayette Police & Fire
 Lake Dillon FPD
 Lake George FPD*
 Lakeside Police
 Larkspur FPD
 Las Animas Police
 Leadville Police and Fire
 Lefthand FPD*
 Lochbuie Police & Fire (*Fire is Inactive)
 Log Lane Village Police
 Lone Tree Police
 Los Pinos FPD

Louisville Fire*
 Lower Valley FPD
 Manassa Police
 Manitou Springs Police and Fire
 Milliken FPD
 Milliken Police
 Minturn Fire*
 Montrose FPD
 Mountain View FPD
 Mountain View Police
 Nederland FPD*
 Northeast Teller County FPD
 North Fork Fire
 North Metro Fire Rescue
 North Routt County Fire
 North Washington FPD
 Northwest FPD
 Oak Creek 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*
 Plateau Valley Fire
 Platte Canyon FPD
 Platte Valley FPD
 Platteville Police
 Platteville/Gilcrest FPD
 Pleasant View Metro Fire
 Pueblo Police and Fire
 Pueblo Rural FPD
 Pueblo West Metro FPD
 Red, White & Blue FPD
 Rifle FPD
 Rye FPD
 Sable-Altura FPD
 Salida Police and Fire
 Saguache Police*
 Sanford Police
 San Luis Police
 Silt Police
 Silverton Police*
 Skyline FPD
 South Adams County FPD
 South Fork Police
 Southern Park County FPD
 Steamboat Springs Fire
 Sterling Police and Fire
 Stratmoor Hills FPD
 Stratton Police
 Telluride FPD
 Thornton Fire
 Tri Lakes FPD
 Trinidad Fire
 Union Colony Fire Rescue
 Upper Pine River FPD
 West Metro FPD
 Westminster Fire
 West Routt FPD

Wheat Ridge FPD
 Wiggins Police
 Windsor-Severance FPD
 Woodland Park Fire*
 Woodmoor-Monument FPD
 Wray Police
 Yuma Police

Employers of Statewide Hybrid Plan

Arvada FPD
 Brighton Police
 Cañon City Police
 Evans Fire & Police
 Federal Heights Police & Fire
 Lafayette Police
 Lake Dillon FPD
 Milliken Police
 Montrose FPD
 North Metro Fire Rescue
 Trinidad Fire
 Union Colony Fire Rescue
 West Metro FPD
 Westminster Fire

Employers of Statewide Money Purchase Plan Members

Black Hawk Fire*
 Greater Brighton FPD*
 Central City Police and Fire
 Cherryvale FPD
 Clear Creek FA
 Cripple Creek Fire*
 Eaton FPD
 Elizabeth FPD
 Elizabeth Police
 Elk Creek FPD*
 Erie Police
 Fairmont FPD
 Falcon FPD
 Gilcrest Police
 Grand Valley FPD
 Jefferson-Como FPD
 Kiowa FPD*
 Kremmling FPD
 Lake George FPD
 Las Animas Police*
 Leadville Fire*
 Louviers FPD*
 Mountain Village Police
 Nederland FPD
 Palisade Police
 Parker Police*
 Salida Fire
 Upper Pine River FPD
 West Routt FPD
 Wheat Ridge FPD

* Currently inactive, with no active members

Schedule of Average Retirement Benefits Payable

Year Ended	Average Monthly Benefit	Average Age at Retirement	Average Current Age of Retirees	Avg. Years of Service at Retirement
12/31/2007	\$1,839	52.4	64.6	25.05
12/31/2006	\$1,810	52.3	64.4	24.9
12/31/2005	\$1,777	52.2	64.1	24.8
12/31/2004	\$1,762	52.2	63.9	24.8
12/31/2003	\$1,682	52.1	63.8	24.6
12/31/2002	\$1,668	52.1	63.9	24.3
12/31/2001	\$1,544	52.0	63.8	24.2

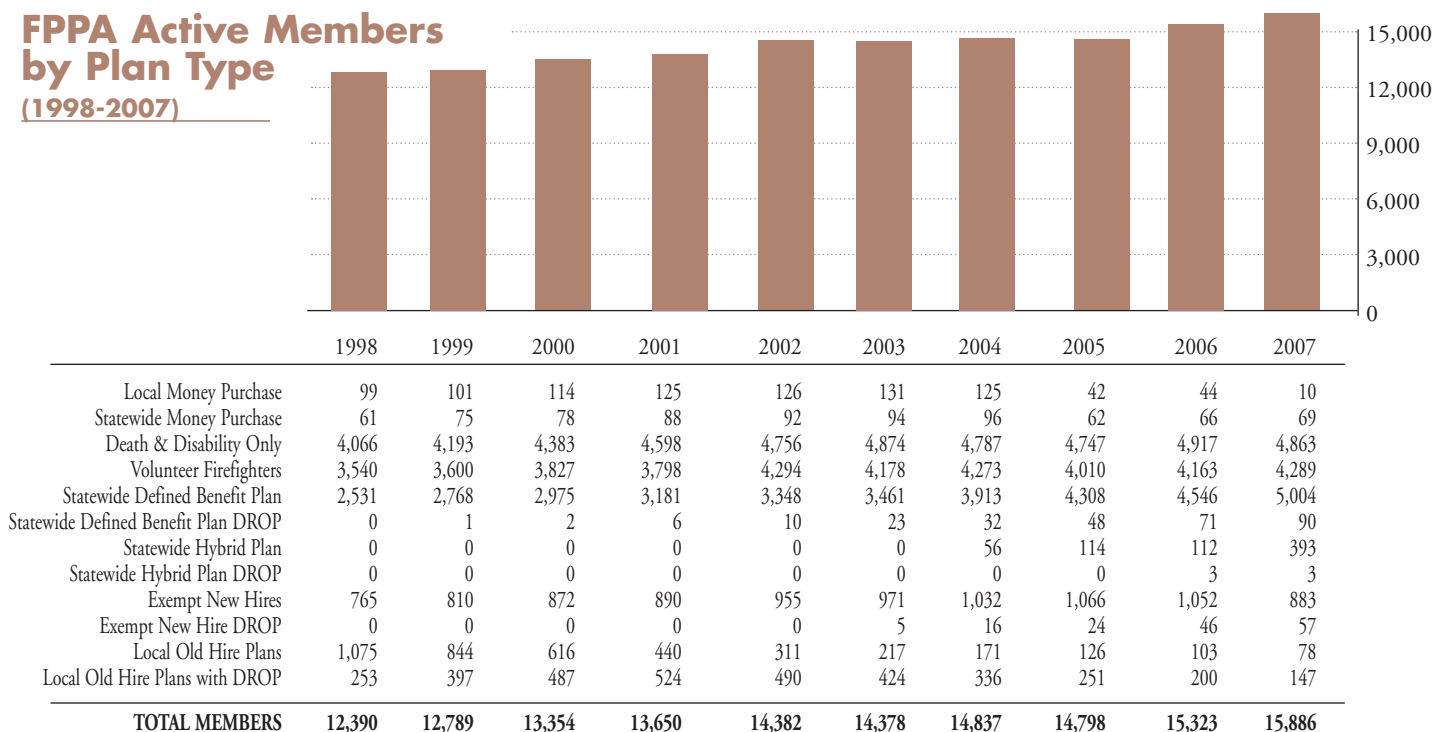
Note: Information not available prior to 12/31/01.

Schedule of Benefit Disbursements by Type

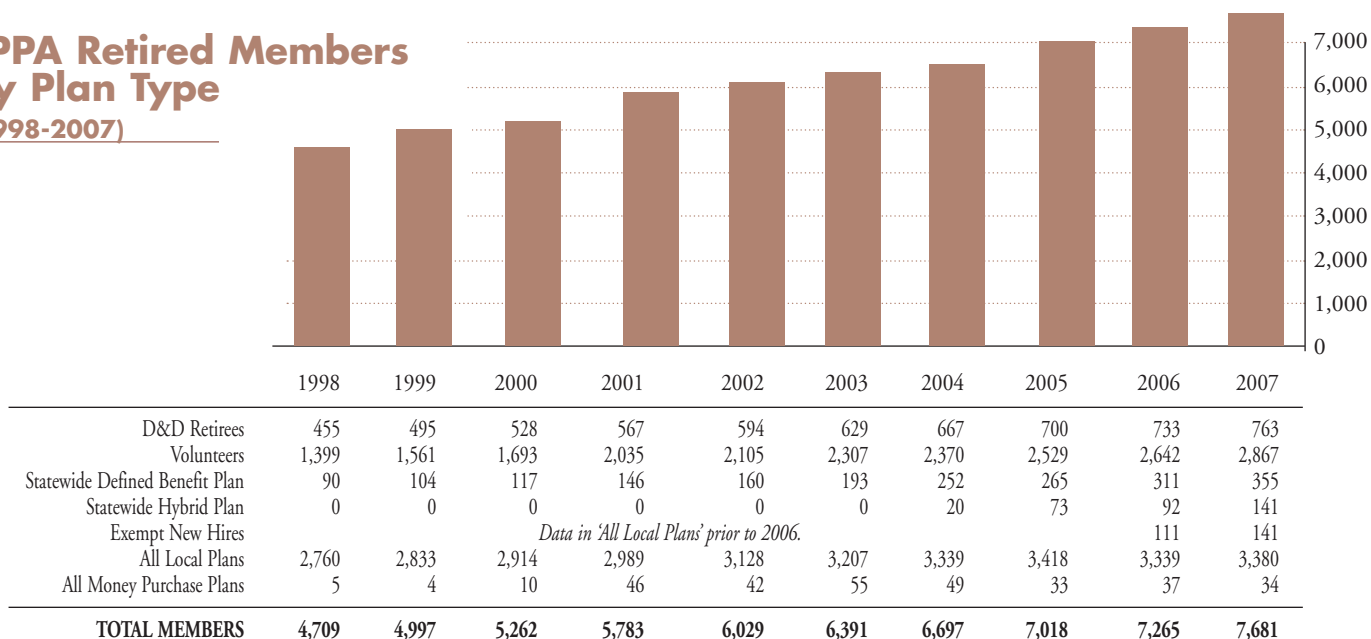
Year Ended	Benefit Payments	Refunds of Contributions	Total
2007	\$173,142,569	\$48,709,842	\$221,852,411
2006	\$164,846,096	\$35,509,514	\$200,355,610
2005	\$156,721,164	\$51,759,693	\$208,480,857
2004	\$150,284,940	\$41,615,029	\$191,899,969
2003	\$142,466,923	\$21,399,602	\$163,866,525
2002	\$133,970,296	\$19,823,566	\$153,793,862
2001	\$125,003,556	\$17,813,389	\$142,816,945
2000	\$112,283,281	\$20,594,148	\$132,877,429
1999	\$101,496,836	\$14,051,611	\$115,548,447
1998	\$82,533,683	\$9,963,185	\$92,496,868

Note: Additional detail by type of disbursement not available.

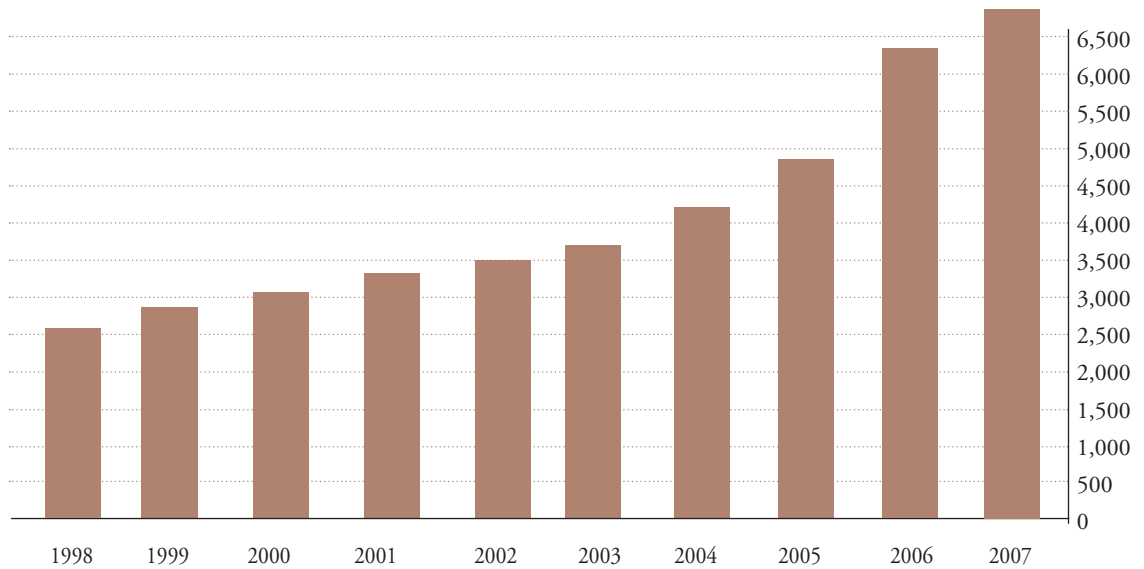
FPPA Active Members by Plan Type (1998-2007)



FPPA Retired Members by Plan Type (1998-2007)

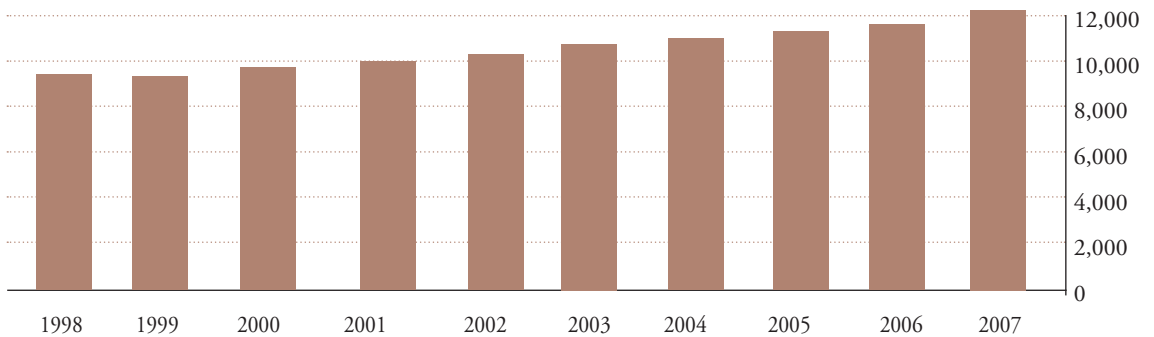


Defined Benefit System Membership by Status (1998-2007)



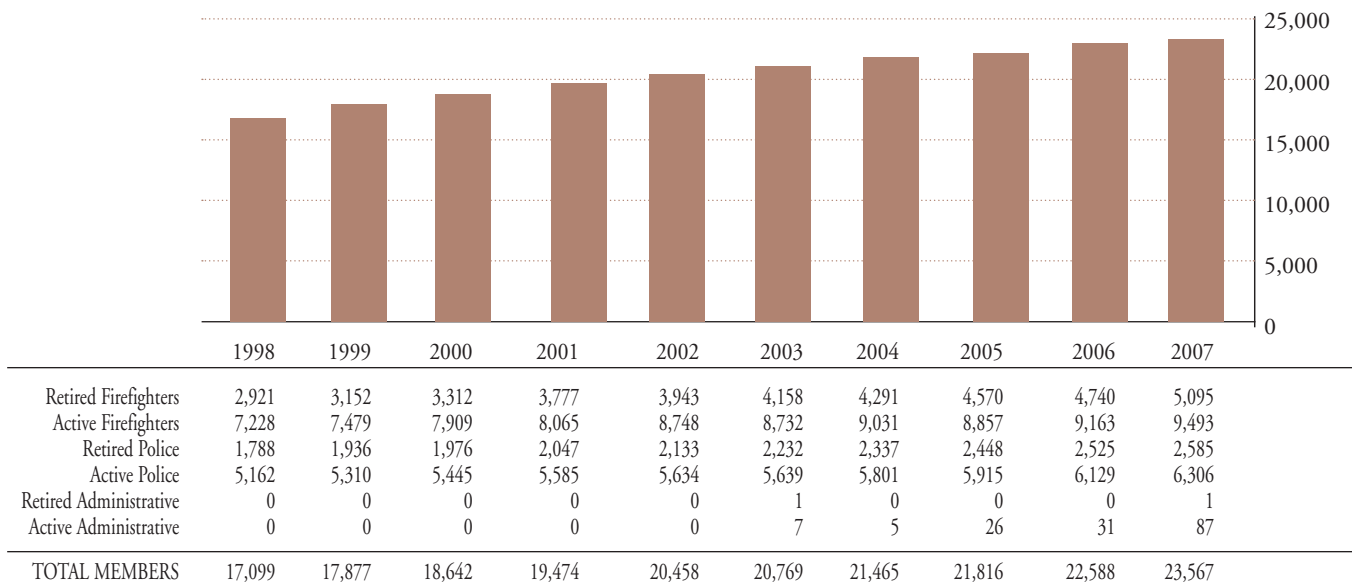
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Statewide Defined Benefit Plan:										
Terminated Vested	67	76	87	103	111	134	176	157	162	156
Retired & Beneficiaries	23	28	30	43	49	59	76	108	149	199
Non-vested Actives	1,614	1,771	1,866	1,986	2,089	1,370	1,547	1,742	1,721	1,963
Partially Vested Actives	896	995	1,103	1,156	1,213	2,000	2,189	2,350	2,604	2,751
Fully Vested Actives	1	2	6	45	46	91	177	216	221	290
DROP Actives	0	0	2	6	10	23	32	48	71	90
Statewide Hybrid Plan:										
Retired, Beneficiaries, & Terminated Vested	0	0	0	0	0	0	20	73	92	141
Non-vested Actives	0	0	0	0	0	0	48	0	7	73
Partially Vested Actives	0	0	0	0	0	0	5	100	52	83
Fully Vested Actives	0	0	0	0	0	0	3	14	53	237
DROP Actives	0	0	0	0	0	0	0	0	3	3
Exempt Plans										
Affiliated with the Defined Benefit System in 2006; Data not available prior to 2006.										
Retired, Beneficiaries, & Terminated Vested									111	141
Non-vested Actives									613	460
Partially Vested Actives									370	372
Fully Vested Actives									69	51
DROP Actives									46	57
TOTAL MEMBERS	2,601	2,872	3,094	3,339	3,518	3,677	4,273	4,808	6,344	7,067

Statewide Death & Disability Plan Membership by Status (1998-2007)

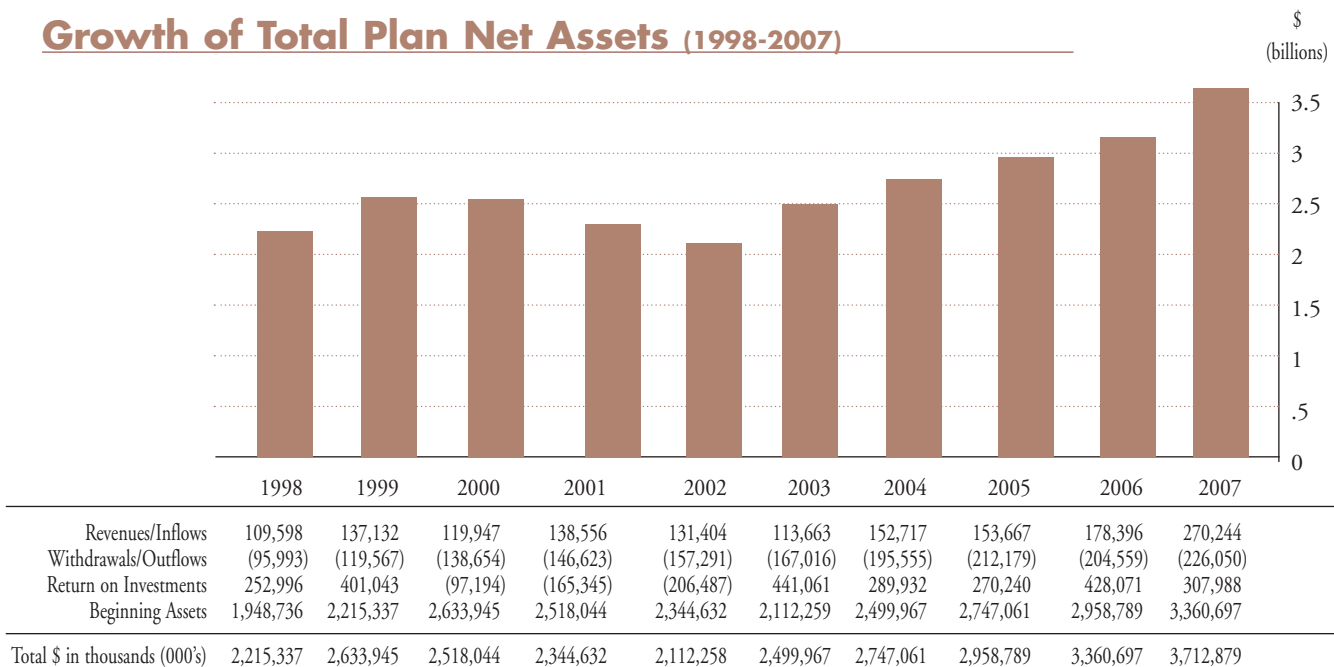


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Disabled Retirees & Beneficiaries	455	495	528	567	594	629	667	700	733	763
Non-vested Actives	8,850	8,739	9,038	9,322	9,585	9,744	10,180	10,465	10,840	11,263
TOTAL MEMBERS	9,305	9,234	9,566	9,889	10,179	10,373	10,847	11,165	11,573	12,026

FPPA Active and Retired Members by Occupation (1998-2007)



Growth of Total Plan Net Assets (1998-2007)



Schedule of Retired Members by Type of Benefit as of December 31, 2007

	Monthly Benefit Amount						Total
	<\$500	\$501-1000	\$1001-1500	\$1501-2000	\$2001-2500	>\$2501	
Statewide Death & Disability Plan							
Occupational Disability	29	82	166	149	93	27	546
Occupational Disability-Survivor	16	7	4	0	0	0	27
Total Disability	1	0	4	7	14	26	52
Total Disability-Survivor	3	8	10	6	9	2	38
Survivor of Active	5	9	19	38	20	9	100
*Money Purchase Plans							
	N/A	N/A	N/A	N/A	N/A	N/A	34
Defined Benefit System – Statewide Defined Benefit Plan							
Retired	14	39	21	19	26	75	194
Vested	20	65	34	14	10	11	154
Retiree-Survivor	1	5	1	0	0	0	7
Defined Benefit System – Statewide Hybrid Plan							
*Money Purchase Only	N/A	N/A	N/A	N/A	N/A	N/A	139
Retired	0	0	1	0	0	0	1
Vested	0	0	0	0	0	1	1
Retiree-Survivor	0	0	0	0	0	0	0
Defined Benefit System – Exempt Plans							
Retired	0	5	18	12	17	78	130
Vested	0	2	7	1	0	0	10
Retiree-Survivor	0	1	0	0	0	0	1
Affiliated Local Plans							
Disability Retirement	9	10	4	1	16	800	840
Disability-Survivor	4	10	8	169	100	48	339
Retired	1,861	421	35	46	116	1,645	4,124
Vested	265	31	1	0	0	0	297
Retiree-Survivor	323	50	26	111	69	68	647
Totals	2,551	745	359	573	490	2,790	7,681

* Details not available for Money Purchase Plans.