

FPPA

FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

*FPPA Comprehensive Annual Financial Report
for the fiscal year ended December 31, 2008*

*under the direction of the
FPPA Board of Directors*

Kirk J. Miller, Chair

Mark Sunderhuse, Vice Chair

Todd Bower

Tim Nash

Monica Cortez-Sangster

Patty Fannin

L. Kristine Gardner

Leo J. Johnson

Stanley T. Sponsel

and prepared by the FPPA Operations Division

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*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 & Police Pension Association, Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2007

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.



President

Executive Director



Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2008

Presented to

Fire & Police Pension Association (Colorado)

In recognition of meeting professional standards for plan funding 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
Program Administrator

**Fire & Police Pension Association**

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June 30, 2009

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, 2008.

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 198 employer plans participating in the Defined Benefit System – Statewide Defined Benefit Plan, 18 employer plans participating in the Defined Benefit System – Statewide Hybrid Plan, 2 employer plans participating in the Defined Benefit System – Exempt Plans, 35 employer plans with employees participating in the Fire & Police Members' Statewide Money Purchase Plan, 378 employer plans covered by the Statewide Death & Disability Plan, 54 affiliated Local "Old Hire" plans, and 176 affiliated Local Volunteer Fire pension plans as of December 31, 2008.

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

The Fire & Police Members' Benefit Investment Fund experienced significant negative performance for the year ended December 31, 2008. A global recession and credit crisis precipitated a sell-off of global equities and fixed income securities. Real gross domestic product (GDP), a broad measure of the output of goods and services in the United States, only grew at an estimated annual rate of 1.1% in 2008, compared to 2.0% in 2007. However, the GDP growth rate declined by 0.5% in Q3 2008 and 6.3% in Q4 2008, leading the U.S. economy into the formal definition of a recession. Consumer spending and confidence continued to decline in 2008. In the labor markets, non-farm payroll employment declined by 3.1 million jobs during the year. The unemployment rate increased to 7.2% from 4.9% during 2008.

Throughout 2008, the Federal Reserve lowered the targeted federal funds rate from 4.25% to a range of 0.0% to 0.25%, citing strained financial markets, tight credit conditions and an overall outlook for economic activity to further weaken. Largely due to higher energy costs, the consumer price index increased 3.8% in 2008 compared to a rate of 2.8% in 2007. The energy price index increased by 13.9% in 2008 compared to a 5.5% increase in 2007. Excluding food and energy, the consumer price index rose 2.3% in 2008 compared to a 2.3% increase in 2007.

After a volatile year in the financial markets, the U.S. stock market posted significant declines for the year. Large company stocks, as measured by the Russell 1000 Index, decreased 37.60% in 2008 compared to an increase of 5.77% in 2007. Smaller company stocks, as measured by the Russell 2000 Index, decreased 33.79% in 2008 compared to a decrease of 1.57% in 2007. Supported by a lower interest rate environment and strong performance of U.S. Treasuries, the U.S. bond market posted solid returns. The Barclays Capital Aggregate Bond Index produced a return of 5.24% in 2008 compared to a 6.97% return in 2007.

After six consecutive years of out-performance, the international equity markets under-performed the U.S. equity market in 2008. The MSCI EAFE Index decreased by 43.06% in 2008 compared to an increase of 11.63% in 2007. The MSCI Emerging Markets Index decreased 53.18% after increasing 39.78% in 2007.

In the currency markets, the U.S. dollar appreciated in value against most major currencies in 2008. The dollar appreciated 4.9% against the Euro, closing at 0.7184 Euros per dollar from 0.6850 at the end of 2007. Against the British Pound, the dollar appreciated 35.9% to 0.6840 from 0.5033 pounds per dollar at the end of 2007. The dollar appreciated 23.2% against the Canadian Dollar resulting in a rate of 1.2240 Canadian Dollars per U.S. dollar from .9937 at the end of 2007. The dollar depreciated 18.5% relative to the Japanese Yen to 90.79 yen per dollar from 111.45 at the beginning of the year.

Investments

The investible portfolio totaled \$2.608 billion in market value as of December 31, 2008, which was comprised of the Fire & Police Members' Benefit Investment Fund (\$2.457 billion) and the Fire & Police Members' Self-Directed Investment Fund (\$151 million). The Members' Benefit Investment Fund had a total gross return of negative 28.85% for the one-year period ending December 31, 2008. At year-end, the Fire & Police Members' Benefit Investment Fund was allocated as follows: U.S. equities 35.7%; international equities 16.6%; domestic core plus bonds 26.2%; domestic high yield bonds 1.5%; real estate 7.7%; private capital 10.8%; and cash & short-term investments 1.5%. 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 2008 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 2008 amounted to -\$884.6 million, a decrease of \$1,463 million or -253.0% from 2007.

The net revenues for 2008 were comprised of \$61.0 million in member contributions, down 20.1% from \$76.3 million in 2007. Employer contributions totaled \$88.8 million in 2008, up 3.8% from \$85.6 million in 2007. The State of Colorado contributed \$37.6 million to plans affiliated with the Association in 2008. The Association's investment loss for 2008 totaled \$1,076 million. Two departments elected to affiliate into the Statewide Hybrid Money Purchase Plan bringing in \$1.1 million in assets.

Active membership is distributed as follows: 5,624 Defined Benefit System – Statewide Defined Benefit Plan members, up 10.4% from 5,094 in 2007; 368 Defined Benefit System – Statewide Hybrid Plan members, down 7.1% from 396 in 2007; 911 exempt plan members, down 3.1% from 940 the prior year; 154 old hire members, down 31.6% from 225 in 2007; 101 money purchase plan members, up 27.8% from 79 last year; 4,324 volunteer fire members, up 0.8% from 4,289 in 2007; and 4,700 members covered for death & disability only, down 3.4% from 4,863 last year. The members listed above are comprised of 39.4% police officers and 60.6% firefighters.

The net investment loss for 2008 amounted to \$1,076 million. Interest, dividends and other investment income decreased by \$129.0 million over the prior year. Realized and unrealized gains on investment transactions decreased \$1,253.1 million for 2008 over those in 2007. The total market value of the investment portfolio decreased to \$2.6 billion, or a decrease of \$1.1 billion from \$3.7 billion at the end of 2007.

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 2008 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 2008 totaled \$220.4 million, which is a decrease of \$5.7 million or -2.5% over 2007.

Benefit payments to retirees and beneficiaries totaled \$185.2 million in 2008, up 7.0% or \$12.0 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 2.9%. The number of retirees receiving benefit payments increased to 8,198 as of December 31, 2008, up 3.2% from 7,944 at the end of 2007.

Administration expenses of the Fund increased to \$25.1 million in 2008 from \$23.9 million in 2007. This represented an increase of 5.1%. Administrative expenses include money management fees, which make up 74.2% of total administrative expenses. Investment management fees are asset based and increase as the size of the fund increases.

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, 2008 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, 2008 adequately safeguarded assets and provided reasonable assurance regarding the proper recording of financial transactions.

Other Programs and Services

Visitation Program

During 2008, FPPA's Benefits & Communication Division continued its communication programs with members, employers and retirees. Approximately 487 presentations were made to members from 150 fire and police departments throughout the State covering information about the 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 to offer retirement projections to assist members in planning for their future retirement needs. These projections display the dollar amount the member can expect to receive at retirement, shown in both future, and current values, as well as displaying a percentage of salary that their retirement income is projected to replace. This program takes into account the many accounts (i.e., SRA, DROP, 457) that the member may have in addition to the core pension benefit. This provides a quick way for the members to see if they may be 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 2008, FPPA staff held a series of meetings to present information to departments who expressed interest in entering the FPPA Defined Benefit System. Two departments completed the entry process in 2008. Discussions are on-going with other departments. These meetings are conducted at the request of the members and/or employers.

FPPA Seminars

Year 2008 also marks FPPA's twenty-first year of offering various seminars to help members plan for retirement, both financially and psychologically. FPPA hosted two seminars, on topics including wills, trusts and estate planning, Medicare and Social Security information as it relates to the FPPA membership, identity theft, considerations when evaluating the need for long-term care insurance, and general financial planning. 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 2008, there were 118 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.

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 35 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 2008, there were a total of 176 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. Retirees who are not Medicare eligible can contact HUB International (formerly known as The Gemini Group), an insurance broker who partners with FPPA, to provide members with assistance in finding an individual medical insurance policy. HUB International works with many companies and is able to assist FPPA members and retirees in comparing benefits and applying for coverage. HUB can also assist with obtaining life insurance, long-term care and other insurance 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, 2007. 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.

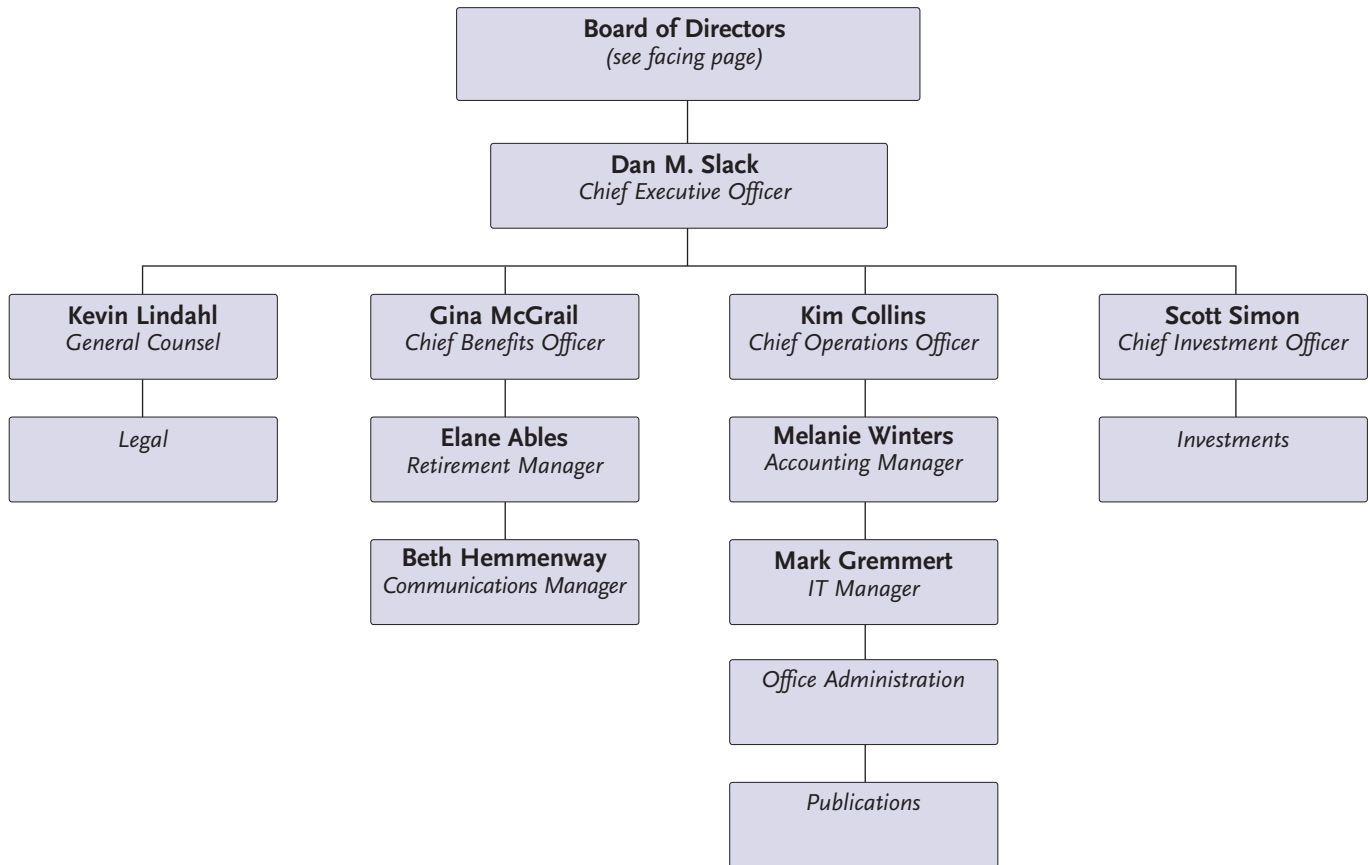
Access to this report is being provided to the State Auditor, the Joint Budget Committee, the State Pension Reform Commission, all participating employers, and other interested parties.

Respectfully submitted,



Dan M. Slack
Chief Executive Officer

FPPA Administrative Organizational Chart



By state statute, the management of the Fire & Police Members' Benefit Investment Fund and the Fire & Police 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 66-68. Brokerage commissions are listed on pages 72 and 73. Professional consultants and investment managers are listed on page 12.

FPPA

Board of Directors

as of December 31, 2008



Kirk J. Miller
Board Chair
Active, Corporal,
Denver Police Department
Member since 2005
Current term expires 9/1/12



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



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



Tim Nash
Finance Director, City of Greeley
Member since 2008
Current term expires 9/1/12



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



Leo J. Johnson*
Trustee, West Metro Fire Rescue District
Member since 2000
Current term expires 9/1/07

*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

Management

Ennis Knupp & Associates
Hudepohl & Associates, Inc.

Legal Counsel

Ice Miller LLP
Inman Flynn Biesterfeld Brentlinger & Mortitz, P.C.
Bernstein Litowitz Berger & Grossmann LLP
Bingham McCutchen LLP
Day Pitney Hardin LLP
Pendleton Friedberg Wilson & Hennessey, P.C.
Bracewell & Giuliani LLP
Berman DeValerio

Governmental Relations

Lombard & Clayton

Investment Managers

Domestic Equities

ClariVest Asset Management
Cortina Asset Management
Fiduciary Asset Management
State Street Global Markets
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

GAM
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
Bowmark Capital Partners
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
Green Equity Investors
Harvest Partners
Heritage Partners
High Road Capital Partners
JMI Equity
Kayne Anderson Capital Advisors
Kelso Investment Associates
Kohlberg Investors
Larimer Venture
Leapfrog Ventures
Lighthouse Capital Partners
LNK Partners
MatlinPatterson
MHR Institutional Partners
MVM Life Science Partners
Nautic Partners
Nordic Capital
Oxford Bioscience
Permira
Providence Equity Partners
Roak Capital Partners
SKM Equity Fund
Sprout Capital Group
Technology Crossover Ventures
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 statements.



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, 2008, 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 2007 financial statements and, in our report dated March 31, 2008, 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
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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, 2008, 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. As discussed in Note 3 to the financial statements, the FPPA changed its method of estimating changes in year-end valuations for its private fund investments.

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 26, 2009


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, 2008. This is the third 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 decreased \$1,104,966,569 during the calendar year 2008.

Plan Net Assets

Affiliated Local Plans	(\$ 626,012,091)
Statewide Death & Disability Plan	(93,814,942)
Defined Benefit System	(340,661,874)
Fire & Police Members' Money Purchase Plan	(502,162)
Fire & Police Members' Statewide Money Purchase Plan	(1,339,022)
Self-Directed Assets for Affiliated Local and Defined Benefit System Plans	(30,297,055)
IRC 457 Deferred Compensation Plan	(12,339,423)
Total Decrease in Plan Net Assets	(\$ 1,104,966,569)

For the year ended December 31, 2008, the gross rate of return on the Fire & Police Members' Benefit Investment Fund was -28.85 percent, (-29.38 percent, net of fees). This performance is less than the 9.68 percent gross return for the year ended December 31, 2007 (9.21 percent, net of fees). The net investment loss for all of the funds, including the Fire & Police Members' Self-Directed Investment Fund administered by FPPA, for the year ended December 31, 2008 was \$1,075,857,420. The overall financial position of FPPA declined due to significant negative performance of the investments in the public and private markets. There are no current known facts, conditions or decisions that are expected to have a significant effect on the financial position or results of operations.

Net Investment Gain/(Loss)

Affiliated Local Plans	(\$ 553,876,742)
Statewide Death & Disability Plan	(89,661,464)
Defined Benefit System	(383,439,850)
Fire & Police Members' Money Purchase Plan	(47,970)
Fire & Police Members' Statewide Money Purchase Plan	(1,405,228)
Self-Directed Assets for Affiliated Local and Defined Benefit System Plans	(30,051,876)
IRC 457 Deferred Compensation Plan	(17,374,290)
Total Net Investment Gain/(Loss)	(\$1,075,857,420)

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 Fire & Police Members' Benefit Investment Fund experienced significant negative performance for the year ended December 31, 2008. A global recession and credit crisis precipitated a sell-off of global equities and fixed income securities. Global stock indexes were down approximately 40 percent for the year.

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, 2008 and January 1, 2007:

Funding Ratio

	1/1/2008	1/1/2007
Statewide Death & Disability Plan	134.2%	106.1%
Defined Benefit System – Statewide Defined Benefit Plan	119.4%	122.5%
Defined Benefit System – Statewide Hybrid Plan	144.0%	152.8%
Defined Benefit System – Colorado Springs New Hire Pension Plan – Police Component	94.8%	98.7%
Defined Benefit System – Colorado Springs New Hire Pension Plan – Fire Component	97.7%	99.1%

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, 2008 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 give an indication of how well this objective has been met to date. The higher the funding ratio, the better funded the plan is.

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, 2008. 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, 2008. 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 26-44 of this report.

Required Supplementary Information. The required supplementary information consists of a Schedule of Funding Progress and a Schedule of Employer Contributions. These schedules can be found on pages 45-48 of this report.

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. These schedules can be found on pages 49-59 of this report.

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

	12/31/2008	12/31/2007	%Change
Assets			
Cash	\$ 5,970,577	\$ 7,499,914	(20.4)%
Short Term Investments	117,207,617	93,796,779	25.0%
Securities Lending Pool	263,040,932	440,225,377	(40.2)%
Total Investments	2,628,513,286	3,568,102,260	(26.3)%
Receivables	354,677,946	69,908,211	407.3%
Other Assets	6,059,911	4,624,559	31.0%
Total Assets	\$3,375,470,269	\$4,184,157,100	(19.3)%
Liabilities			
Securities Lending Obligations	263,040,932	440,225,377	(40.2)%
Investment and Other Liabilities	655,537,245	226,550,724	189.4%
Total Liabilities	918,578,177	666,776,101	37.8%
Net Assets Available for Benefits	\$2,456,892,092	\$3,517,380,999	(30.1)%

Fire & Police Members' Self-Directed Investment Fund

	12/31/2008	12/31/2007	%Change
Assets			
Cash	\$ 56,354	\$ 221,925	(74.6)%
Total Investments	150,572,120	194,960,591	(22.8)%
Receivables	392,095	315,715	24.2%
Total Assets	\$151,020,569	\$195,498,231	(22.8)%
Net Assets Available for Benefits	\$151,020,569	\$195,498,231	(22.8)%

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

	12/31/2008	12/31/2007	%Change
Additions			
Employer contributions	\$ 86,437,418	\$ 84,537,460	2.2%
Member contributions	36,777,040	52,723,168	(30.2)%
Affiliations	21,194	7,042,765	(99.7)%
State contributions	37,592,294	37,593,512	0.0%
Investment Income/Loss	(1,026,978,056)	295,134,029	(448.0)%
Securities Lending Income	2,867,779	1,372,794	108.9%
Total Additions	(\$863,282,331)	\$478,403,728	(280.4)%
Deductions			
Benefit payments	\$185,187,189	\$173,142,569	7.0%
Refund of contributions	7,035,003	8,594,814	(18.1)%
Administrative costs	4,984,384	4,197,336	18.8%
Total Deductions	\$197,206,576	\$185,934,719	6.1%
Change in Net Assets			
Available for Pension Benefits	(\$1,060,488,907)	\$ 292,469,009	(462.6)%

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

	12/31/2008	12/31/2007	%Change
Additions			
Employer contributions	\$ 2,373,193	\$ 1,014,758	133.9%
Member contributions	24,173,899	23,597,685	2.4%
Affiliations	1,030,524	63,734,891	(98.4)%
Investment Income/Loss	(48,879,364)	11,480,950	(525.7)%
Total Additions	(\$21,301,748)	\$99,828,284	(121.3)%
Deductions			
Refund of contributions	\$23,175,914	\$40,115,028	(42.2)%
Total Deductions	\$23,175,914	\$40,115,028	(42.2)%
Change in Net Assets			
Available for Pension Benefits	(\$44,477,662)	\$ 59,713,256	(174.5)%

STATEMENT OF PLAN NET ASSETS AVAILABLE FOR PENSION BENEFITS

As of December 31, 2008, with Comparative Totals for 2007

	TOTAL MEMBERS' BENEFIT INVESTMENT FUND	TOTAL MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2008	COMBINED TOTALS 2007
ASSETS				
Cash (Note 5)	\$5,970,577	\$56,354	\$6,026,931	\$7,721,839
Investments (Note 5)				
Short Term Investments	117,207,617	20,487	117,228,104	93,812,054
U.S. Government Agency Obligations	322,736,205	33,510,717	356,246,922	480,406,561
Corporate Bonds	482,974,992	3,217,777	486,192,769	614,593,295
Domestic Equity Securities	970,429,861	107,381,408	1,077,811,269	1,457,909,811
International Equity Securities	387,109,217	6,441,731	393,550,948	718,189,898
International Fixed Income	12,734,410		12,734,410	9,188,506
Private Capital	265,100,261		265,100,261	271,092,604
Real Estate	187,428,340		187,428,340	211,666,901
Securities Lending Investment Pool	263,040,932		263,040,932	440,225,377
Total Investments	3,008,761,835	150,572,120	3,159,333,955	4,297,085,007
Total Cash and Investments	3,014,732,412	150,628,474	3,165,360,886	4,304,806,846
Receivables				
Other	1,074		1,074	14,277
Assets Sold-Pending Trades	340,546,290		340,546,290	61,487,408
Contributions	2,016,987	392,095	2,409,082	2,508,302
Accrued Interest and Dividends	12,113,595		12,113,595	6,213,939
Total Receivables	354,677,946	392,095	355,070,041	70,223,926
Properties and Equipment, at Cost, Net of Accumulated Depreciation (Note 7)	5,810,018		5,810,018	4,492,861
Other Assets	249,893		249,893	131,698
TOTAL ASSETS	3,375,470,269	151,020,569	3,526,490,838	4,379,655,331
LIABILITIES				
Payables				
Accounts, Employee and Participants Payable	1,389,414		1,389,414	4,648,912
For Assets Purchased-Pending Trades	654,147,831		654,147,831	221,901,812
Amounts Owed for Securities Lending Transactions (Note 5)	263,040,932		263,040,932	440,225,377
TOTAL LIABILITIES	918,578,177		918,578,177	666,776,101
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$2,456,892,092	\$151,020,569	\$2,607,912,661	\$3,712,879,230
(A Schedule of Funding Progress for each Plan is presented on Page 45)				

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, 2008, with Comparative Totals for 2007

	TOTAL MEMBERS' BENEFIT INVESTMENT FUND	TOTAL MEMBERS' SELF-DIRECTED INVESTMENT FUND	COMBINED TOTALS 2008	COMBINED TOTALS 2007
ADDITIONS				
Contributions (Note 4)				
Employer	\$86,437,418	\$2,373,193	\$88,810,611	\$85,552,218
Plan Member	36,777,040	24,173,899	60,950,939	76,320,853
Affiliations (Withdrawals)	21,194	1,030,524	1,051,718	70,777,656
State Contributions	37,592,294		37,592,294	37,593,512
Total Contributions	160,827,946	27,577,616	188,405,562	270,244,239
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	(1,027,774,954)	(48,879,364)	(1,076,654,318)	176,416,369
Interest	(23,378,612)		(23,378,612)	39,627,778
Dividends	54,633,860		54,633,860	102,233,747
Net Real Estate Investment Income	729,872		729,872	8,066,698
Other Income	(11,101,122)		(11,101,122)	(75,438)
Total Investment Income (Loss)	(1,006,890,956)	(48,879,364)	(1,055,770,320)	326,269,154
Less Investment Counsel	372,500		372,500	361,512
Less Investment Management Fees	18,610,131		18,610,131	18,443,997
Less Alternative Investment Legal Fees				41,052
Less Bank Fees	1,104,469		1,104,469	807,614
Net Investment Income (Loss)	(1,026,978,056)	(48,879,364)	(1,075,857,420)	306,614,979
Securities Lending				
Income	9,401,652		9,401,652	19,128,484
Borrowers Rebates	(5,778,628)		(5,778,628)	(17,298,175)
Agent Fees	(755,245)		(755,245)	(457,515)
Net Securities Lending Income	2,867,779		2,867,779	1,372,794
Total Additions	(863,282,331)	(21,301,748)	(884,584,079)	578,232,012
DEDUCTIONS				
Benefit Payments	185,187,189		185,187,189	173,142,569
Refunds of Contributions	7,035,003	23,175,914	30,210,917	48,709,842
Administrative Costs	4,984,384		4,984,384	4,197,336
Total Deductions	197,206,576	23,175,914	220,382,490	226,049,747
NET INCREASE IN PLAN NET ASSETS	(1,060,488,907)	(44,477,662)	(1,104,966,569)	352,182,265
NET ASSETS AVAILABLE FOR PENSION BENEFITS				
BEGINNING OF YEAR	3,517,380,999	195,498,231	3,712,879,230	3,360,696,965
END OF YEAR	\$2,456,892,092	\$151,020,569	\$2,607,912,661	\$3,712,879,230

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, 2008

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY	DEFINED BENEFIT SYSTEM	TOTAL MEMBERS' BENEFIT INVESTMENT FUND
ASSETS				
Cash (Note 5)	\$3,176,441	\$521,448	\$2,272,688	\$5,970,577
Investments (Note 5)				
Short Term Investments	62,356,293	10,236,473	44,614,851	117,207,617
U.S. Government Agency Obligations	171,700,728	28,186,569	122,848,908	322,736,205
Corporate Bonds	256,950,279	42,181,223	183,843,490	482,974,992
Domestic Equity Securities	516,283,922	84,753,703	369,392,236	970,429,861
International Equity Securities	205,948,181	33,808,667	147,352,369	387,109,217
International Fixed Income	6,774,906	1,112,175	4,847,329	12,734,410
Private Capital	141,037,501	23,152,862	100,909,898	265,100,261
Real Estate	99,714,819	16,369,288	71,344,233	187,428,340
Securities Lending Investment Pool	139,941,905	22,973,008	100,126,019	263,040,932
Total Investments	1,600,708,534	262,773,968	1,145,279,333	3,008,761,835
Total Cash and Investments	1,603,884,975	263,295,416	1,147,552,021	3,014,732,412
Receivables				
Other	571	94	409	1,074
Assets Sold-Pending Trades	181,175,973	29,742,035	129,628,282	340,546,290
Contributions	388,877	317,891	1,310,219	2,016,987
Accrued Interest and Dividends	6,444,623	1,057,956	4,611,016	12,113,595
Total Receivables	188,010,044	31,117,976	135,549,926	354,677,946
Properties and Equipment, at Cost, Net of Accumulated				
Depreciation (Note 7)	3,091,021	507,425	2,211,572	5,810,018
Other Assets	132,947	21,825	95,121	249,893
TOTAL ASSETS	1,795,118,987	294,942,642	1,285,408,640	3,375,470,269
LIABILITIES				
Payables				
Accounts, Employee and Participants Payable	739,190	121,346	528,878	1,389,414
For Assets Purchased-Pending Trades	348,016,916	57,130,817	249,000,098	654,147,831
Amounts Owed for Securities Lending Transactions (Note 5)	139,941,906	22,973,008	100,126,018	263,040,932
TOTAL LIABILITIES	488,698,012	80,225,171	349,654,994	918,578,177
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$1,306,420,975	\$214,717,471	\$935,753,646	\$2,456,892,092

(A Schedule of Funding Progress for each Plan is presented on Page 45)

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 2008
\$	\$(779)	\$57,133	\$	\$56,354	\$6,026,931
		20,487		20,487	117,228,104
	386,308	29,458,701	3,665,708	33,510,717	356,246,922
	355,085	2,006,247	856,445	3,217,777	486,192,769
	2,700,933	75,600,245	29,080,230	107,381,408	1,077,811,269
	145,623	3,028,565	3,267,543	6,441,731	393,550,948
					12,734,410
					265,100,261
					187,428,340
					263,040,932
	3,587,949	110,114,245	36,869,926	150,572,120	3,159,333,955
	3,587,170	110,171,378	36,869,926	150,628,474	3,165,360,886
					1,074
					340,546,290
	16,681	198,979	176,435	392,095	2,409,082
					12,113,595
	16,681	198,979	176,435	392,095	355,070,041
					5,810,018
					249,893
	3,603,851	110,370,357	37,046,361	151,020,569	3,526,490,838
					1,389,414
					654,147,831
					263,040,932
					918,578,177
\$-	\$3,603,851	\$110,370,357	\$37,046,361	\$151,020,569	\$2,607,912,661

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, 2008

	AFFILIATED LOCAL PLANS	STATEWIDE DEATH & DISABILITY	DEFINED BENEFIT SYSTEM	TOTAL MEMBERS' BENEFIT INVESTMENT FUND
ADDITIONS				
Contributions (Note 4)				
Employer	\$46,007,841	\$8,562,034	\$31,867,543	\$86,437,418
Plan Member	640,234	2,356,603	33,780,203	36,777,040
Affiliations/Withdrawals	21,194			21,194
State Contributions	37,592,294			37,592,294
Total Contributions	84,261,563	10,918,637	65,647,746	160,827,946
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	(554,129,964)	(89,881,909)	(383,763,081)	(1,027,774,954)
Interest	(12,098,299)	(2,047,824)	(9,232,489)	(23,378,612)
Dividends	29,532,545	4,777,296	20,324,019	54,633,860
Net Real Estate Investment Income	399,162	63,598	267,112	729,872
Other Income	(6,724,722)	(816,487)	(3,559,913)	(11,101,122)
Total Investment Income (Loss)	(543,021,278)	(87,905,326)	(375,964,352)	(1,006,890,956)
Less Investment Counsel	201,306	32,566	138,628	372,500
Less Investment Management Fees	10,057,281	1,627,013	6,925,837	18,610,131
Less Alternative Investment Legal Fees				
Less Bank Fees	596,877	96,559	411,033	1,104,469
Net Investment Income (Loss)	(553,876,742)	(89,661,464)	(383,439,850)	(1,026,978,056)
Securities Lending				
Income	5,001,679	820,764	3,579,209	9,401,652
Borrowers Rebates	(3,074,230)	(504,474)	(2,199,924)	(5,778,628)
Agent Fees	(401,790)	(65,933)	(287,522)	(755,245)
Net Securities Lending Income	1,525,659	250,357	1,091,763	2,867,779
Total Additions	(468,089,520)	(78,492,470)	(316,700,341)	(863,282,331)
DEDUCTIONS				
Benefit Payments	152,270,531	14,886,707	18,029,951	185,187,189
Refunds of Contributions	2,958,380		4,076,623	7,035,003
Administrative Costs	2,693,660	435,765	1,854,959	4,984,384
Total Deductions	157,922,571	15,322,472	23,961,533	197,206,576
NET INCREASE (DECREASE) IN PLAN NET ASSETS	(626,012,091)	(93,814,942)	(340,661,874)	(1,060,488,907)
NET ASSETS AVAILABLE FOR PENSION BENEFITS				
BEGINNING OF YEAR	1,932,433,066	308,532,413	1,276,415,520	3,517,380,999
END OF YEAR	\$1,306,420,975	\$214,717,471	\$935,753,646	\$2,456,892,092

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 2008
\$25,032	\$282,877	\$2,065,284		\$2,373,193	\$88,810,611
25,032	283,369	17,009,496	6,856,002	24,173,899	60,950,939
(502,101)		1,532,625		1,030,524	1,051,718
(452,037)	566,246	20,607,405	6,856,002	27,577,616	37,592,294
					188,405,562
(47,970)	(1,405,228)	(30,051,876)	(17,374,290)	(48,879,364)	(1,076,654,318)
					(23,378,612)
					54,633,860
					729,872
					(11,101,122)
(47,970)	(1,405,228)	(30,051,876)	(17,374,290)	(48,879,364)	(1,055,770,320)
					372,500
					18,610,131
					1,104,469
(47,970)	(1,405,228)	(30,051,876)	(17,374,290)	(48,879,364)	(1,075,857,420)
					9,401,652
					(5,778,628)
					(755,245)
					2,867,779
(500,007)	(838,982)	(9,444,471)	(10,518,288)	(21,301,748)	(884,584,079)
					185,187,189
2,155	500,040	20,852,584	1,821,135	23,175,914	30,210,917
					4,984,384
2,155	500,040	20,852,584	1,821,135	23,175,914	220,382,490
(502,162)	(1,339,022)	(30,297,055)	(12,339,423)	(44,477,662)	(1,104,966,569)
502,162	4,942,873	140,667,412	49,385,784	195,498,231	3,712,879,230
\$	\$3,603,851	\$110,370,357	\$37,046,361	\$151,020,569	\$2,607,912,661

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 multiple-employer defined contribution plan. As of 7/31/2008, there are no participating employer plans in the program.

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 or loss) 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 and private fund investments are recorded at estimated fair value based on valuations of the underlying investments of the limited partnerships as reported by the general partner via capital account statements; and
- Funds of hedge funds are valued based upon net asset values provided by each Fund of Hedge Fund's third-party administrator.

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.

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, 2007, 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 are included in the Total Decrease in Plan Net Assets of the Fire & Police Members' Benefit Investment Fund.

NOTE 3: CHANGE IN ACCOUNTING POLICY

A. Investment Management Fees

For each year-end accounting period, FPPA estimates and accrues investment management fees that will be payable within the first quarter of the following year. As of December 31, 2008, FPPA no longer accrued investment management fees for its alternative investment funds due to the uncertainty and difficulty in estimating such fees. The practice of estimating and accruing investment management fees for public asset classes will continue. FPPA will transition to a policy of recognizing investment management fees for its alternative investment funds when they are verified through the receipt of capital account statements. During this transition period, FPPA estimated and recognized fourth quarter 2008 investment management fees for its alternative investment funds within the 2008 financial statements. These changes will affect year-by-year comparisons of such fees.

B. Valuations of Private Fund Investments

Investments in limited partnerships and private fund investments are recorded at estimated fair value based on valuations of the underlying investments of the limited partnerships as reported by the general partner via capital account statements. Capital account statements are typically not received until approximately three months after a valuation date resulting in lagged valuations. Significant and abnormal market activity during fourth quarter 2008 resulted in anticipated material declines of private fund investments. As of December 31, 2008, FPPA will use available fourth quarter capital account statements and reasonable estimates to approximate material changes in year-end valuations of its private fund investments. The estimated changes in valuations applied to the 2008 financial statements were a negative \$60,595,067.

NOTE 4: PLAN DESCRIPTIONS

A. Affiliated Local Plans

1. Plan Description

This is an agent multiple-employer Public Employee Retirement System (PERS). There are 230 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. The State of Colorado contributes to some of the Affiliated Local Plans as defined in the Colorado Revised Statutes.

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, 2008, are as follows:

Deferred Retirement Option Plan (DROP) Participants -	
Active Old Hire	94
Retirees and Beneficiaries Currently Receiving Benefits	6,086
Terminated Vested Employees -	
Entitled To Benefits But Not Yet Receiving Them	274
Current Employees – Active Old Hire	60
Current Volunteers – Active	4,324
Total Members	10,838

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, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Accrued Actuarial Value of Assets (a)	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)
\$1,859,987,228	\$2,064,576,138	\$204,588,910	90.1%	\$6,160,242	3,321.1%

The funded status of the Affiliated Local Plans continue to trend favorably due to better than anticipated investment experience. However, the widespread downturns in the financial markets in 2008 and the level of commitment the State of Colorado is able to maintain toward their required contribution for certain Affiliated Local Old Hire Plans may cause the funded status to trend unfavorably.

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	1/1/08
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% - 16.75%
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 January 1, 2008 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 378 participating employer plans. Included in that number are 7 contributing employers as of December 31, 2008, 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 percent 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 percent 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 percent 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, 2008, are as follows:

Retirees and beneficiaries receiving benefits	784
Active non-vested members	11,189
Total Members	11,973

5. Funded Status and Funding Progress

The funded status of the Statewide Death & Disability Plan as of January 1, 2008, the most recent actuarial valuation date, is as follows:

Results Using The Aggregate Funding Method:

Actuarial Accrued Actuarial Value of Assets (a)	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)
\$300,642,721	\$223,999,678	(\$76,643,043)	134.2%	\$679,223,009	(11.3%)

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 Accrued Actuarial Value of Assets (a)	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)
\$300,642,721	\$182,814,659	(\$117,828,062)	164.5%	\$679,223,009	(17.3%)

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. However, the future funded status will begin to trend less favorably based on the widespread downturns in the financial markets in 2008 without a recovery in the financial markets over the next couple of years.

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	1/1/08
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% - 16.75%
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

Based on a recent experience study, several assumptions were changed effective with the January 1, 2008 actuarial valuation which had a positive impact on the funding status. The most material changes were to the rates of termination and disability incidence. These changes led to a \$50 million gain in the actuarial accrued liability.

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 198 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 each 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 is 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 any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the CPI.

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, 2008, the Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. For members who are subject to the 20 percent continuing rate of contribution, the SRA contribution rate was set at 3.68 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals 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, 2008, are as follows:

Retirees and beneficiaries receiving benefits	259
Terminated members entitled to benefits but not yet receiving such benefits	164
DROP Participants	95
Fully Vested	311
Partially Vested	2,918
Non-vested	2,300
Total Members	6,047

5. Funded Status and Funding Progress

The funded status of the Defined Benefit System - Statewide Defined Benefit Plan as of January 1, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets

Actuarial Accrued Actuarial Value of Assets (a)	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)
\$950,114,346	\$795,499,983	(\$154,614,363)	119.4%	\$312,857,166	(49.4%)

The funded status of the Defined Benefit System – Statewide Defined Benefit Plan continues to trend favorably due to better than anticipated investment experience. The future funded status will begin to trend less favorably based on the widespread downturns in the financial markets in 2008 without a significant recovery in the investment markets over the next couple of years.

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	1/1/08
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% - 16.75%
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

Based on a recent experience study, several assumptions were changed effective with the January 1, 2008 actuarial valuation which had a negative impact on the funded status of the plan. These changes led to a \$43 million loss in the actuarial accrued liability.

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. 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 18 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, 11.0 percent currently (as of August 1, 2008) 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 is 1.5 percent of the average of the member's 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 any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit equals 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 average of the member's 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, 2008, are as follows:

Defined Benefit Component:	
retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving such benefits	4
Money Purchase Component:	
retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving such benefits	150
DROP Participants	3
Fully Vested	215
Partially Vested	78
Non-vested	72
Total Members	522

5. Funded Status and Funding Progress

The funded status of the Defined Benefit System - Statewide Hybrid Plan Defined Benefit Component as of January 1, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets

Actuarial Accrued Actuarial Value of Assets (a)	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)
\$14,075,984	\$9,774,906	(\$4,301,078)	144.0%	\$7,342,967	(58.6%)

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 future funded status will begin to trend less favorably based on the widespread downturns in the financial markets in 2008 without a significant recovery in the investment markets over the next couple of years.

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	1/1/08
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% - 16.75%
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

Based on a recent experience study, several assumptions were changed effective with the January 1, 2008 actuarial valuation which had a negative impact on the funded status of the plan. These changes led to a \$0.3 million loss in the actuarial accrued liability.

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, the exempt fire plan employer contribution is 8.228 percent of the members' salary and the member portion is 8.125 percent. Effective January 1, 2009, the exempt fire plan employer contribution is 9.225 percent of the members' salary and the member portion is 8.868 percent. For the exempt police plan, the employer contribution for 2008 was 8.864 percent of the members' salary and the member portion was 8.0 percent. Effective January 1, 2009, the employer contribution is 12.949 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, 2008, 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 2009.

A member is 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 is 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, 2008, 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 2009.

A member is 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, 2008, are as follows:

Retirees and beneficiaries receiving benefits	130
Terminated members entitled to benefits but not yet receiving such benefits	22
DROP Participants	65
Fully Vested	57
Partially Vested	380
Non-vested	409
Total Members	1,063

5. Funded Status and Funding Progress

The funded status of the Defined Benefit System – Exempt Plans as of January 1, 2008, the most recent actuarial valuation date, is as follows:

	Actuarial Accrued Actuarial Value of Assets (a)	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	\$178,548,095	\$188,263,199	\$9,715,104	94.8%	\$39,048,754	24.9%
Fire Component	\$104,946,386	\$107,389,381	\$2,442,995	97.7%	\$23,827,770	10.3%

The funded status of the Defined Benefit System – Exempt Plans continue to trend favorably due to better than anticipated investment experience. However, the future funded status will begin to trend less favorably based on the widespread downturns in the financial markets in 2008.

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	1/1/08
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Amortization Period	30 Years, beginning January 1, 2008
Asset Valuation Method	3 Year Smoothed Fair Market Value

Actuarial Assumptions:

Investment Rate of Return*	8.0%
Projected Salary Increases*	4.75% - 16.75%
Cost of Living Adjustment	3.0%

*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

Based on a recent experience study, several assumptions were changed effective with the January 1, 2008 actuarial valuations. These changes led to a \$2.6 million loss in the actuarial accrued liability and a decrease in the funded status for the Fire Component plan and an \$8.6 million loss in the actuarial accrued liability and a decrease in the funded status for the Police Component plan.

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. As of July 31, 2008, there are no contributing employer plans in the program.

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.

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

As of July 31, 2008, there are no participating employees (members) in the Plan.

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 35 contributing employer plans as of December 31, 2008.

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, 2008, are as follows:

Retirees and beneficiaries receiving benefits, and terminated members entitled to benefits but not yet receiving such benefits	37
Fully Vested	30
Partially Vested	51
Non-vested Vested	20
Total Members	138

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 in 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

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.

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

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.

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 \$6,531,504 as of December 31, 2008.

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 \$250,000 but is not collateralized. At December 31, 2008, the balance held in the Late Money Deposit Account was \$1,461,355.

B. Investments

The investments reflected on the Statement of Plan Net Assets Available for Benefits at December 31, 2008 are summarized in the following table:

Cash	\$ 6,026,931
Investments	
Short Term Investments	117,228,104
U.S. Government Agency Obligations	356,246,922
Corporate Bonds	486,192,769
Domestic Equity Securities	1,077,811,269
International Equity Securities	393,550,948
International Fixed Income	12,734,410
Private Capital	265,100,261
Real Estate	187,428,340
Securities Lending Investment Pool	263,040,932
Total Investments	\$3,159,333,955
Total Cash and Investments	\$3,165,360,886

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

1. Custodial Credit Risk

FPPA has no formal policy for custodial credit risk for investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, FPPA would not be able to recover the value of investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in FPPA's name and are held by either a counterparty or the counterparty's trust department or agent but not in FPPA's name. Investment-related cash deposits are under the custody of The Bank of New York Mellon which has an AA- long-term senior debt credit rating by Standard & Poor's and an Aa2 rating by Moody's and an AA- rating by Fitch. As of December 31, 2008, FPPA had exposure to cash currency deposits in the amount of \$38,126,744 which would be exposed to custodial credit risk.

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, through its Master Statement of Investment Policies and Objectives for the Fund, FPPA has established and monitors specific guidelines regarding the types, exposures and quality of securities within each fixed income portfolio.

The following table summarizes FPPA's fixed income securities credit quality ratings as of December 31, 2008:

Credit Quality Rating	Core Plus Portfolio		High Yield Portfolio	
	Fair Value	%	Fair Value	%
Aaa/AAA	\$187,801,505	29.34%		
Aa/AA	31,478,179	4.92%		
A	98,493,532	15.39%		
Baa/BBB	57,465,586	8.98%	\$3,067,841	8.63%
Ba/BB	26,454,306	4.13%	11,425,796	32.13%
B	15,230,808	2.38%	14,284,930	40.16%
Caa/CCC	3,802,180	0.59%	3,411,361	9.59%
Ca/CC	3,453,925	0.54%	27,410	0.08%
C	321,855	0.05%	64,085	0.18%
D	3,229,392	0.50%	768,139	2.16%
Not Rated	226,380	0.04%		
Total Credit Risk Debt Securities	\$427,957,648	66.86%	\$33,049,562	92.93%
U.S Government and Agency Securities	256,423,455	40.06%		
Total Fixed Income Securities	684,381,103	106.92%		
Cash & Pending Activity	(44,285,557)	(6.92%)	2,516,196	7.07%
Total Fixed Income Investments	\$640,095,546	100%	\$35,565,758	100%

4. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. FPPA utilizes effective duration as the primary measure of interest rate risk within its fixed income investments. Although FPPA does not have a specific policy relating to interest rate risk, through its Master Statement of Investment Policies and Objectives for the Fund, FPPA has established and monitors specific guidelines regarding the types, exposures and quality of securities within each fixed income portfolio.

The following table summarizes the effective duration of the FPPA's fixed income portfolios at December 31, 2008:

Security Type	Core Plus Portfolio		High Yield Portfolio	
	Fair Value	Effective Duration	Fair Value	Effective Duration
Asset Backed Securities	\$5,563,608	2.439		
Puts/Calls/Options	(179,338)	16.626		
Corporate Bonds	334,229,217	3.610	\$28,141,010	2.630
Fixed Income Swaps	(22,945,813)	19.562		
US Financial Futures	3,003,389	(0.567)		
Government & Agency	63,497,117	9.486		
Mortgages-Agency	174,468,975	3.243		
Mortgages- Non-Agency	25,222,137	4.436		
International Bonds	18,332,613	5.385		
Revenue Bonds	9,544,648	11.776		
TIPS	20,470,956	7.842		
Private Placements	36,895,165	2.907	4,908,551	2.640
Cash & Pending Activity	(28,007,131)	(0.055)	2,516,196	0.085
Total	\$640,095,543	3.350	\$35,565,757	2.451

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 primarily from its allocations to non-U.S. dollar denominated international equity. Other sources of foreign currency risk are derived from fixed income and alternative investments. Although FPPA does not have a specific policy relating to foreign currency risk, through its Master Statement of Investment Policies and Objectives for the Fund, FPPA has established and monitors specific guidelines regarding the types, exposures and quality of securities within each investment portfolio.

The fair value of FPPA's exposure to foreign currency risk at December 31, 2008 is summarized in the following table:

Currency:	Cash	Equities	Fixed Income	Futures	Private Equity	Total
Australian Dollar	1,628,488	9,204,107		64,142		10,896,737
Brazilian Real	158	3,367,006				3,367,164
Canadian Dollar	7,297,734	16,973,043		65,704	4,750,399	29,086,880
Chinese Yuan		2,660,300				2,660,300
Swiss Franc	4,057,766	25,719,806				29,777,572
Danish Kroner	55,359	3,038,995				3,094,354
Euro Currency	10,166,390	140,393,713	4,276,747	-23,873	33,059,017	187,871,994
Hong Kong Dollar	76,779	5,471,591				5,548,370
Indonesian Rupiah		1,819,018				1,819,018
Indian Rupee	27,575	2,862,984				2,890,559
British Pound	3,443,665	56,974,152	2,537,459	258,672	2,131,381	65,345,329
Hong Kong Dollar	942,368	6,055,571		-20,464		6,977,475
Japanese Yen	9,289,878	64,416,105	2,246,890	284,201		76,237,074
Mexican Peso	18,318	1,420,322				1,438,640
Norwegian Krona	143,864	1,810,616				1,954,480
New Zealand Dollar	342	561,004				561,346
Russian Ruble		1,380,315				1,380,315
South Korean Won		5,091,563				5,091,563
Singapore Dollar	14,397	3,187,489		-2,166		3,199,720
Swedish Krona	930,422	4,468,915		-16,678	298,407	5,681,066
Taiwan Dollar	33,241	4,067,573				4,100,814
Turkish Lira		1,101,036				1,101,036
South African Rand		2,501,128				2,501,128
Subtotal	38,126,744	364,546,352	9,061,096	609,538	40,239,204	452,582,934
Other (less than \$1 million in holdings)		3,494,380				3,494,380
Total excluding USD	38,126,744	368,040,732	9,061,096	609,538	40,239,204	456,077,314

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, 2008, 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. 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.

As of December 31, 2008, FPPA had no credit exposure to the collateral held within the securities program because the market value of the collateral exceeded the market value of the securities amount borrowed. The agreement with FPPA's lending agent provides that the lending agent will indemnify FPPA if loaned securities are not returned and FPPA suffers direct losses due to a borrower's default or the lending agent's non-compliance with the contract. FPPA will have credit exposure with respect to investments in debt instruments as part of the securities lending investment pool.

As of December 31, 2008, FPPA recognized an unrealized loss of \$4,577,168 related to securities of Lehman Brothers held in the securities lending investment pool. These assets have been segregated into a distinct liquidating trust.

FPPA records its share of lending fees as an expense with a corresponding effect of recognizing security lending income earned.

The following table presents the fair value of the underlying securities and the fair value of the collateral pledged at December 31, 2008:

Securities Lent	Fair Value	Cash Received Value
<i>Lent for Cash Collateral:</i>		
U.S. Government and Agency Securities	\$17,023,416	\$17,367,341
Corporate Bonds	41,899,725	42,962,129
Domestic Stocks	106,124,431	110,794,619
International Stocks	86,737,124	91,916,844
<i>Lent for Securities Collateral:</i>		
U.S. Government and Agency Securities	320,067	335,374
Total	\$252,104,763	\$263,376,307

D. Interest Income

The Statement of Changes in Plan Assets Available for Pension Benefits for the Total Members' Benefit Investment Fund reflects negative interest investment income of \$23,378,612 for the year 2008. This amount includes payments in the amount of \$53,675,309 to settle exposure in total return swap agreements and other derivative instruments used to replicate exposure to an equity index which declined significantly during the year. Given the structure of these instruments, these amounts are properly classified as negative interest investment income, but they should be more practically viewed as realized losses.

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 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, Perkins Mid Cap Value Fund, Artisan Mid Cap Fund - Investor Class, Dreyfus 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, 2008, there were 2,015 participants with account balances within the plan.

In 2008, participants could contribute \$15,500 into the plan. Catch-up contributions up to \$5,000 in 2008 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 70½ 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, 2008 is \$37,046,361.

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2008, is comprised of the following:

General Assets	Balance 12/31/07	Additions	Deletions	Balance 12/31/08
<i>Nondepreciable Assets:</i>				
Land	\$ 1,937,742			\$ 1,937,742
<i>Depreciable Assets:</i>				
Building & Improvements	1,413,873			1,413,873
Tenant Finish	251,309	\$ 43,850		295,159
Equipment	826,103	16,201	(1,473)	840,831
Work in Progress (Depreciation will begin during 2009)	1,942,544	1,381,263		3,323,807
Totals at Historical Cost	\$ 6,371,571	\$ 1,441,314	(\$1,473)	\$ 7,811,412
<i>Less Accumulated</i>				
<i>Depreciation for:</i>				
Building & Improvements and				
Tenant Finish	(1,104,462)	(87,164)		(1,191,626)
Equipment	(774,248)	(36,993)	1,473	(809,768)
Total Accumulated Depreciation	(1,878,710)	(124,157)	1,473	(2,001,394)
Total Net Assets	\$ 4,492,861	\$ 1,317,157	\$0	\$ 5,810,018

Land, Building, and Improvements are held as an operating asset and not held within the Fire & Police Members’ Benefit Investment Fund. Depreciation Expense for 2008 totaled \$124,157.

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 FPPA contributes 12.05 percent of covered salary. A portion of FPPA's contribution is allocated for the Health Care Fund. FPPA's contributions to SDTF for the years ending December 31, 2008, 2007, and 2006 were \$298,572, \$231,999, and \$205,303, respectively, equal to the 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, 16 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 does not have a specific funding policy for the FPPA Staff Healthcare Subsidy Plan. For 2008, FPPA contributed two times the annual cost of projected 2009 health care premium subsidies for eligible retired plan members, which totaled \$12,425. FPPA applies alternative measurement methods instead of obtaining actuarial valuations. FPPA has provided contributions to the Plan in excess of the annual Other Post Employment Benefits (OPEB) cost, and therefore the Net OPEB obligation is zero.

NOTE 11: DEFINED CONTRIBUTION PENSION PLAN

A. Plan Description

The SDTF members of FPPA may contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is optional, 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 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, 2008 was \$80,812.

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 counterparty 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 its various managers has invested in 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.

FPPA utilizes an Exposure Manager to temporarily rebalance the portfolio via the use of derivatives contracts, primarily index futures. Derivatives contracts can be used to approximate the benchmarks of underlying managers or asset classes. An Exposure Manager may also be utilized to create equity exposure up to the amounts of cash held within the accounts of FPPA's domestic and international equity managers.

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 Eurodollar 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 limited partnerships and private fund investments. As part of these investments, FPPA has agreed to contribute additional funds at various times. At December 31, 2008, FPPA had committed approximately \$289.4 million in additional funds to these investments.

Effective June 30, 2008, FPPA terminated an investment in Fairfield Greenwich, a hedge fund-of-funds, receiving full proceeds for the value of the investment at that time (\$57.7 million). At the time of termination, the fund-of-funds investment vehicle had an approximate 8.8% exposure to Fairfield Sentry, an underlying fund managed by Bernard Madoff Investment Securities (BMIS). Therefore, FPPA did not have any direct investment exposure to BMIS. Recently, prosecutors and regulators have alleged that BMIS made fraudulent investments. FPPA continues to monitor the circumstances of this event.

NOTE 14: SUBSEQUENT EVENTS

Through February 28, 2009, global markets continued to weaken with stock indexes declining approximately 18 percent and fixed income indexes declining 1 percent for the first two months of the year. FPPA's investment exposure to these markets experienced similar declines.

Schedule of Funding Progress (unaudited)

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							
2008	1/1/08	\$950,114,346	\$795,499,983	\$(154,614,363)	119.4%	\$312,857,166	(49.4%)
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%)

Defined Benefit System – Statewide Hybrid Plan

2008	1/1/08	\$14,075,984	\$9,774,906	\$(4,301,078)	144.0%	\$7,342,967	(58.6%)
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

2008	1/1/08	\$178,548,095	\$188,263,199	\$9,715,104	94.8%	\$39,048,754	24.9%
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 Plans will be in 2007 as the program began 10/1/2006.

Defined Benefit System – Exempt Plan Fire Component

2008	1/1/08	\$104,946,386	\$107,389,381	\$2,442,995	97.7%	\$23,827,770	10.3%
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 will be in 2007 as the program began 10/1/2006.

Schedule of Funding Progress (unaudited)

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
Affiliated Local Plans							
2008	1/1/08	\$1,859,987,228	\$2,064,576,138	\$204,588,910	90.1%	\$6,160,242	3321.1%
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							
2008	1/1/08	\$300,642,721	\$223,999,678	\$(76,643,044)	134.2%**	\$679,223,009	(11.3%)
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%)
1997	1/1/97	\$175,363,504	\$141,514,681	\$(33,848,823)	123.9%	\$350,988,256	(9.6%)

** 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
2008	0%	100%
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%

B. Defined Benefit System - Statewide Defined Benefit Plan

Employer Contributions:

Year Ended 12/31	Annual Required Contribution	Percentage Contribution
2008	8.00%	100%
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%

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	Percentage Contribution
2008	8.00%	100%
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 will occur in 2007.

Employer Contributions:

Year Ended 12/31	Police Component Annual Required Contribution Rate	Fire Component Annual Required Contribution Rate	Percentage Contribution
2008	8.864%	8.228%	100%
2007	8.000%	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
2008	\$ 39,316,014	100%
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%

Net Assets by Participant — December 31, 2008

Alamosa Volunteer Fire Department (Volunteer)	\$1,128,504
Alamosa County Fire Protection District (Volunteer)	328,021
Allenspark Fire (Volunteer)	232,335
Aspen Fire Protection District (Volunteer)	1,308,430
Ault Fire Protection District (Volunteer)	352,908
Aurora Police	76,154,293
Aurora Fire	70,409,680
Bancroft Fire Protection District	1,937,938
Basalt and Rural Fire Protection District (Volunteer)	1,251,024
Bennett Volunteer Fire (Volunteer)	463,564
Berthoud Fire Protection District (Volunteer)	424,707
Big Sandy Fire Protection District (Volunteer)	66,661
Big Thompson Canyon Fire (Volunteer)	193,627
Black Forest Fire Protection District (Volunteer)	864,651
Blanca Volunteer Fire (Volunteer)	83,740
Boone Volunteer Fire (Volunteer)	23,430
Boulder Mountain Fire Protection District (Volunteer)	525,056
Boulder Rural Fire Protection District (Volunteer)	463,884
Bow Mar Police	62,150
Brighton Fire (Volunteer)	2,924,457
Brush Volunteer Fire Department (Volunteer)	582,962
Buena Vista Fire (Volunteer)	245,542
Burning Mountain Fire Protection District (Volunteer)	818,588
Calhan Fire (Volunteer)	64,543
Cañon City Area Fire Protection District	2,664,017
Cañon City Area Fire Protection District (Volunteer)	183,850
Carbondale & Rural Fire Protection District (Volunteer)	1,573,035
Cascade Fire (Volunteer)	201,287
Castle Rock Volunteer Fire Department (Volunteer)	718,242
Cedaredge Police	171,499
Central City Fire Department (Volunteer)	292,851
Central Orchard Mesa Fire Protection District (Volunteer)	86,102
Cherry Hills Fire Protection District	2,250,230
Cheyenne County #1 Fire (Volunteer)	181,839
Clear Creek Fire Authority (Volunteer)	1,289,576
Clifton Fire Protection District (Volunteer)	1,602,325
Coal Creek Fire Protection District (Volunteer)	674,417
Colorado Sierra Fire Protection District (Volunteer)	53,308
Colorado Springs Police	60,398,483
Colorado Springs Fire	72,131,323
Cortez Police	235,197
Crested Butte Fire Protection District (Volunteer)	1,269,287
Cripple Creek Fire Protection District (Volunteer)	302,503
Crowley Fire Department (Volunteer)	17,470
Crystal Lakes Fire Department (Volunteer)	104,631
Del Norte Police	14,472
Del Norte Fire (Volunteer)	522,797
Denver Fire	338,345,483
Denver Police	429,217,492
Divide Volunteer Fire (Volunteer)	151,494
Donald Westcott Volunteer Fire (Volunteer)	448,059
Dove Creek Fire (Volunteer)	\$112,433

See the accompanying independent auditor's report.

Net Assets by Participant — December 31, 2008 (continued)

Durango Police	\$1,689,565
Durango Police - DROP	184,207
Durango Fire	1,142,831
Durango Fire - DROP	123,671
Durango Fire & Rescue Authority	3,945,925
Eads Volunteer Fire Department (Volunteer)	95,538
East Grand Fire Protection District #4 (Volunteer)	1,224,967
Eaton Volunteer Fire Department (Volunteer)	696,639
Eckley Fire (Volunteer)	15,440
Elbert Fire (Volunteer)	91,206
Elizabeth Fire Protection District (Volunteer)	940,411
Englewood Police	5,943,709
Englewood Fire Department	7,749,211
Englewood Fire Department (Volunteer)	146,630
Evans Volunteer Fire Department (Volunteer)	331,823
Evergreen Fire (Volunteer)	2,796,946
Falcon Fire Protection District (Volunteer)	498,120
Federal Heights Volunteer Fire Department (Volunteer)	1,485,922
Firestone Marshalls Police	15,848
Fisher's Peak Fire (Volunteer)	65,002
Florence Fire (Volunteer)	662,197
Foothills Fire Protection District (Volunteer)	842,732
Fort Lewis-Mesa Fire Protection District (Volunteer)	171,848
Fort Morgan Fire (Volunteer)	960,967
Fort Morgan Rural Fire (Volunteer)	384,564
Fort Morgan Police	539,487
Franktown Fire Protection District (Volunteer)	1,440,538
Frederick Area Fire Protection District (Volunteer)	143,556
Galeton Fire (Volunteer)	313,427
Genesee Fire Protection District (Volunteer)	788,216
Glacier View Fire (Volunteer)	94,989
Glendale Volunteer Fire Department (Volunteer)	174,030
Glenwood Springs Fire Department (Volunteer)	681,285
Golden Volunteer Fire Department (Volunteer)	2,274,432
Golden Gate Fire Protection District (Volunteer)	173,271
Grand Fire Protection District (Volunteer)	952,884
Grand Junction Fire	8,794,347
Grand Junction Police	2,573,845
Grand Lake Fire (Volunteer)	1,202,749
Grand Valley Fire (Volunteer)	1,428,476
Greeley Police	1,074,895
Green Mountain Falls-Chipita Park Fire Protection District (Volunteer)	159,233
Gypsum Fire (Volunteer)	332,982
Hartsel Fire Protection District (Volunteer)	286,047
Haxtun Volunteer Fire Department (Volunteer)	110,819
Haxtun Police	156,995
High Country Fire Protection District (Volunteer)	994,336
Hillrose Rural Fire (Volunteer)	100,759
Holyoke (City) Volunteer Fire Department (Volunteer)	115,853
Holyoke Fire Protection District (Volunteer)	185,491
Hot Sulphur Springs-Parshall Fire Protection District (Volunteer)	122,810
Hygiene Fire (Volunteer)	\$564,616

See the accompanying independent auditor's report.

Net Assets by Participant — December 31, 2008 (continued)

Indian Hills Fire Protection District (Volunteer)	\$250,251
Inter-Canyon Fire Protection District (Volunteer)	802,227
Jackson 105 Fire Protection District (Volunteer)	153,981
Jefferson-Como Fire Protection District (Volunteer)	546,092
Kiowa Fire Protection District (Volunteer)	398,626
Kremmling Fire Protection District (Volunteer)	291,369
La Junta Police	787,717
La Junta Fire	769,865
La Junta Rural Fire Protection District (Volunteer)	320,128
Lafayette Volunteer Fire Department (Volunteer)	921,177
Lake City Fire (Volunteer)	31,329
Lake Dillon Fire (Volunteer)	2,626,484
Lake George Fire Protection District (Volunteer)	166,675
Lakewood Fire Protection District	12,002,025
Lamar Fire	604,193
Lamar Fire Protection District (Volunteer)	328,075
Larkspur Fire Protection District (Volunteer)	1,120,020
Las Animas Police	391,561
La Salle Police	591,513
La Salle Fire Protection District (Volunteer)	1,586,480
Leadville Fire	194,653
Left Hand Fire Protection District (Volunteer)	682,134
Lewis-Arriola Fire Protection District (Volunteer)	754,368
Limon Area Fire Protection District (Volunteer)	265,196
Livermore Fire Protection District (Volunteer)	70,244
Log Hill Mesa Fire Protection District (Volunteer)	82,717
Loveland Fire	292,930
Loveland & Rural Consolidated Volunteer Fire	2,097,907
Lower Valley Fire Protection District (Volunteer)	531,839
Lyons Fire Protection District (Volunteer)	536,047
Mancos Fire Protection District (Volunteer)	413,778
Manitou Springs Fire	327,829
Manitou Springs Volunteer Fire Department (Volunteer)	311,965
Manzanola Rural Fire Protection District (Volunteer)	86,062
Milliken Fire Protection District (Volunteer)	474,281
Montrose Fire Protection District	161,952
Montrose Fire Protection District (Volunteer)	456,521
Mountain View Fire Protection District	346,707
Mountain View Fire Protection District (Volunteer)	1,927,139
Nederland Fire Protection District (Volunteer)	300,315
New Raymer-Stoneham Fire (Volunteer)	91,481
North Fork Fire Protection District (Volunteer)	127,039
North Routt Fire Protection District (Volunteer)	109,611
North Washington Fire Protection District	2,922,956
North Washington Fire Protection District (Volunteer)	134,940
Northeast Teller County Fire Protection District (Volunteer)	393,846
Northwest Fire Protection District (Volunteer)	241,145
Northwest Conejos Fire Protection District (Volunteer)	316,419
Norwood Fire Protection District (Volunteer)	132,427
Nucla-Naturita Fire (Volunteer)	326,194
Nunn Fire Protection District (Volunteer)	386,404
Oak Creek Fire Protection District (Volunteer)	\$144,796

See the accompanying independent auditor's report.

Net Assets by Participant — December 31, 2008 (continued)

Olathe Fire Protection District (Volunteer)	\$346,842
Olney Springs Volunteer Fire Department (Volunteer)	125,149
Ordway Fire (Volunteer)	130,283
Ouray Volunteer Fire Department (Volunteer)	173,306
Palisade Volunteer Fire Department (Volunteer)	361,997
Palmer Lake Volunteer Fire Department (Volunteer)	12,097
Parker Fire Protection District (Volunteer)	448,856
Pawnee Fire (Volunteer)	62,865
*Peetz Fire Protection District (Volunteer)	4,667
*Peyton Volunteer Fire Department (Volunteer)	4,364
Pinewood Springs Fire (Volunteer)	65,644
Plateau Valley Fire (Volunteer)	286,608
Platte Canyon Fire Protection District (Volunteer)	813,440
Platte Valley Fire Protection District (Volunteer)	1,756,951
Platteville/Gilcrest Fire Protection District (Volunteer)	1,996,360
Pleasant View Fire Protection District (Volunteer)	191,816
Pleasant View Metro Fire Protection District (Volunteer)	1,022,259
Poudre Fire Authority (Volunteer)	99,246
Pueblo Fire	29,472,446
Pueblo Fire - DROP	3,668,123
Pueblo Police	47,248,810
Pueblo Rural Fire Protection District	2,030,716
Rangely Rural Fire (Volunteer)	424,305
Rattlesnake Fire Protection District (Volunteer)	493,803
Red Feather Lakes Fire Protection District (Volunteer)	167,523
Red, White & Blue Fire Protection District	341,799
Red, White & Blue Fire Protection District (Volunteer)	1,012,150
Ridgway Fire (Volunteer)	321,540
Rio Blanco Fire Protection District (Volunteer)	1,134,985
Rifle Fire (Volunteer)	1,972,071
Rocky Ford Police	351,169
Rocky Ford Fire	237,018
Rocky Ford Volunteer Fire Department (Volunteer)	38,075
Rocky Mountain Fire Protection District (Volunteer)	360,974
Sable Altura Fire Protection District (Volunteer)	431,682
Salida Fire	191,401
Salida Police	699,835
Sheridan Fire (Volunteer)	455,213
Silverton Fire (Volunteer)	131,824
South Adams County Fire Protection District	423,661
South Adams County Fire Protection District (Volunteer)	3,061,029
South Arkansas Fire Protection District (Volunteer)	172,871
South Conejos Fire Protection District (Volunteer)	143,737
South Metro Fire Rescue (Volunteer)	328,778
Springfield Police	410,894
Springfield Fire (Volunteer)	84,183
Steamboat Springs Volunteer Fire Department (Volunteer)	873,541
Sterling Fire	629,441
Sterling Volunteer Fire Department (Volunteer)	296,115
Sterling Police	1,007,642
Stonewall Fire (Volunteer)	130,068
Stratton Fire Protection District (Volunteer)	\$64,168

See the accompanying independent auditor's report.

Net Assets by Participant — December 31, 2008 (continued)

Sugar City Fire Department (Volunteer)	\$80,730
Sugarloaf Fire Protection District (Volunteer)	285,322
SW Washington Fire (Volunteer)	51,868
Telluride Fire Protection District (Volunteer)	712,176
Thornton Fire	6,030,652
Thornton Fire DROP	231,667
Trinidad Fire	518,015
Trinidad Police	104,147
Union Colony Fire	8,214,884
Walsenburg Police	14,642
Walsh Fire (Volunteer)	28,176
Wellington Fire Protection District (Volunteer)	730,984
West Cheyenne Fire Protection District (Volunteer)	79,876
West Douglas County Fire Protection District (Volunteer)	426,065
West Metro Fire (Volunteer)	613,444
West Routt Fire Protection District (Volunteer)	1,600,513
Westminster Fire (Volunteer)	2,258,414
Wet Mountain Fire (Volunteer)	764,656
Wiggins Fire (Volunteer)	466,152
Wiley Rural Fire Protection District (Volunteer)	80,321
Windsor Severance (Volunteer)	1,888,361
Yampa Fire Protection District (Volunteer)	307,407
Yuma Fire (Volunteer)	286,973
Sub-Total Affiliated Local Plans Net Assets	\$1,306,032,099
Contributions Receivable at 12/31/08	388,877
Total Affiliated Local Plans Net Assets	\$1,306,420,975
Statewide Death & Disability Plan - Fire/Police	\$214,399,580
Contributions Receivable at 12/31/08	317,891
Total Statewide Death & Disability Plan Net Assets	\$214,717,471
Defined Benefit System	\$714,819,078
Defined Benefit System - Exempt Fire/Police	208,151,111
Statewide Hybrid Plan	11,368,924
FPPA Staff Healthcare Subsidy	104,314
Sub-Total Defined Benefit System Net Assets	\$934,443,427
Contributions Receivable at 12/31/08	1,310,219
Total Defined Benefit System Net Assets	\$935,753,646
Total Net Assets - Members' Benefit Investment Fund	\$2,456,892,092
Statewide Fire/Police Money Purchase Plan	\$3,587,170
Contributions Receivable at 12/31/08	16,681
Total Statewide Money Purchase Plan Net Assets	\$3,603,851
**Dacono Police Money Purchase Plan	-
Sub-Total Local Money Purchase Net Assets	\$-
Contributions Receivable at 12/31/08	-
Total Local Money Purchase Net Assets	\$-

See the accompanying independent auditor's report.

Net Assets by Participant — December 31, 2008 (continued)

Statewide Hybrid Money Purchase Plan	\$59,332,257
Statewide DROP Plan	8,337,152
Statewide Hybrid DROP Plan	207,100
Aurora Police - DROP	4,471,017
Aurora Fire - DROP	2,691,798
Colorado Springs Police - DROP	3,207,858
Colorado Springs Fire - DROP	1,233,779
Colorado Springs Police - NH Police DROP	5,446,138
Colorado Springs Police - NH Fire DROP	2,073,388
Denver Fire - DROP	12,461,745
Denver Police - DROP	10,263,165
Englewood Police - DROP	373,168
Englewood Fire - DROP	72,813
Sub-Total Affiliated Local & DB System Net Assets	\$110,171,378
Contributions Receivable at 12/31/08	198,979
Total Affiliated Local & DB System Net Assets	\$110,370,357
IRC 457 Deferred Compensation Plans	\$36,869,926
Contributions Receivable at 12/31/08	176,435
Total IRC 457 Deferred Compensation Net Assets	\$37,046,361
Total Net Assets - Members' Self-Directed Investment Fund	\$151,020,569
Grand Total - FPPA Net Assets	\$2,607,912,661

* New Affiliation in 2008

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

Payments to Consultants — December 31, 2008

ACTUARIAL CONSULTANTS	
Gabriel Roeder Smith & Co.	\$300,083
AUDITORS	
BONDI & Co. LLC	42,635
INVESTMENT COUNSEL	
Pension Consulting Alliance	160,000
The Townsend Group	150,000
Risk Metrics Group	84,000
IW Financial	10,500
Abel/Noser Corporation	10,000
LEGAL AND LEGISLATIVE COUNSELS	
Lombard & Clayton	45,000
Ice Miller LLP	11,440
Pendleton Friedberg Wilson & Hennessey PC	11,181
Inman Flynn Biesterfeld & Brentlinger, PC	7,510
Vaughan & DeMuro	6,536
Bracewell & Giuliani LLP	5,668
Bingham Mccutchen LLP	4,606
Julie D. Swanberg, Esq.	2,856
Day Pitney LLP	616
Parsons Heizer Paul LLP	224
MANAGEMENT CONSULTANTS	
Hudepohl & Associates, Inc.	75,909
Ennis Knupp + Associates	278
MEDICAL CONSULTANT	
Roderic Gottula, M.D/ Correctional MED/LEGAL Consultants	44,460
Total Payments To Consultants	\$973,502

NOTE:

The above schedule reflects actual cash payments made during 2008. These amounts may differ from those presented in the financial statements since FPPA prepares its financial statements based on the accrual method of accounting.

SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES — December 31, 2008

(With Comparative Totals for 9 Prior Years)

<i>Expense Group</i>	2008	2007	2006	2005
PROFESSIONAL CONTRACTS				
Actuarial Contract	\$301,000	\$246,998	\$253,000	\$230,216
Audit Fees	37,500	36,000	34,000	33,000
Computer Maintenance & Lease	98,328	114,595	224,101	177,215
Insurance & Bonding	124,258	128,980	126,489	114,209
Legal & Legislative Counsel	100,376	66,129	105,183	80,646
Management Consulting	277	19,950	33,860	25,000
Medical Exam Fees	122,377	136,630	117,279	120,110
Hearing Officers - D&D	9,954	10,402	8,573	6,623
Outside Svcs/Contract Help	58,599	85,141	51,887	27,471
Records Management	9,899	6,062	6,488	4,808
<i>Total Professional Contracts</i>	862,568	850,887	960,860	819,298
PERSONNEL SERVICES				
Salaries	2,588,431	2,135,055	2,006,777	1,820,739
Employee Benefits	640,571	517,372	514,013	451,140
Employment Programs	147,601	14,525	18,952	12,050
<i>Total Personnel Services</i>	3,376,603	2,666,952	2,539,742	2,283,929
STAFF EDUCATION				
Tuition Assistance Program	20,348	9,734	6,754	15,914
Conferences & Seminars	34,893	23,312	22,645	31,970
<i>Total Staff Education</i>	\$55,241	\$33,046	\$29,399	\$47,884

See the accompanying independent auditor's report.

	2004	2003	2002	2001	2000	1999
	\$345,098	\$148,500	\$174,885	\$141,547	\$141,352	\$197,700
	33,000	33,210	31,225	30,000	29,000	28,000
	176,420	107,532	92,150	140,483	67,494	87,602
	109,290	104,251	91,770	87,394	84,942	79,516
	60,698	111,631	109,660	77,946	92,500	100,000
	0	0	4,720	30,000	2,500	20,000
	119,446	142,455	130,642	117,717	150,100	154,214
	8,345	5,375	3,947	6,980	4,274	2,966
	49,947	10,781	16,931	8,277	3,144	4,934
	5,370	3,852	5,254	5,701	6,313	51,400
	907,614	667,587	661,184	646,045	581,619	726,332
	1,730,359	1,629,422	1,581,473	1,572,031	1,426,576	1,373,899
	413,205	370,754	350,602	258,869	300,238	330,316
	9,454	7,494	9,562	14,624	15,553	10,883
	2,153,018	2,007,670	1,941,637	1,845,524	1,742,367	1,715,098
	21,981	15,348	14,088	8,691	16,466	11,192
	26,545	24,948	28,599	28,241	32,762	28,570
	\$48,526	\$40,296	\$42,687	\$36,932	\$49,228	\$39,762

See the accompanying independent auditor's report.

SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES — December 31, 2008 (continued)

(With Comparative Totals for 9 Prior Years)

<i>Expense Group</i>	2008	2007	2006	2005
OTHER OPERATING EXPENSES				
Company Vehicles	\$4,137	\$4,342	\$4,966	\$5,582
Board Expenses	47,799	43,355	63,881	68,315
Data Processing Supplies	115,649	57,136	107,313	23,847
Equipment Rental & Maint.	37,767	34,154	32,501	42,919
Meetings & Travel	23,217	26,613	24,683	25,569
Operating Exp. Two DTC	68,920	109,072	69,834	(60,599)
Other (Misc.)	0	0	0	0
Postage	65,460	59,653	57,476	55,494
Printing & Mailing	104,161	111,076	82,062	118,476
Retirement Services	8,032	9,099	9,177	10,626
Staff Expense	0	0	5,413	4,426
Subscriptions & Dues	20,320	11,836	11,975	11,673
Supplies	39,697	36,021	82,624	30,587
Telephone	30,655	23,577	17,820	15,636
<i>Total Other Operating Expense</i>	<i>565,814</i>	<i>525,934</i>	<i>569,725</i>	<i>352,551</i>
TOTAL OPERATING EXPENSE	4,860,226	4,076,819	4,099,726	3,503,662
Depreciation Expense	124,158	120,517	103,831	194,536
TOTAL ADMINISTRATIVE EXPENSE	4,984,384	4,197,336	4,203,557	3,698,198
CAPITAL EXPENDITURES	60,051	66,012	42,615	42,507
TOTAL ADMINISTRATIVE EXPENSE AND CAPITAL	\$5,044,435	\$4,263,348	\$4,246,172	\$3,740,705
INVESTMENT FEES				
Investment Counsel	\$372,500	\$361,512	\$310,500	\$180,001
Investment Mgmt. Fees	18,610,131	18,443,997	14,689,108	12,825,394
Alternative Investment Legal Fees	0	41,052	142,182	35,196
Real Estate Mgmt. Fees	0	0	0	0
Bank/Security Lending Fees	1,104,469	807,614	759,789	726,617
<i>Total Investment Fees</i>	<i>\$20,087,100</i>	<i>\$19,654,175</i>	<i>\$15,901,579</i>	<i>\$13,767,208</i>

See the accompanying independent auditor's report.

2004	2003	2002	2001	2000	1999
\$2,779	\$4,439	\$3,931	\$7,251	\$7,200	\$7,017
56,747	44,439	74,379	78,343	84,492	86,765
12,604	11,544	15,182	13,396	13,151	13,198
38,995	37,406	36,644	39,495	37,524	19,755
29,335	27,281	28,172	24,584	24,659	28,138
25,812	(15,441)	88,742	8,913	13,418	o
699	28	984	1,299	2,200	1,368
52,097	66,909	63,744	62,590	55,414	50,605
109,470	145,465	143,412	137,942	131,646	88,099
9,148	8,870	14,197	14,246	8,862	16,619
3,138	3,797	4,960	5,323	5,255	5,227
10,432	10,805	8,674	15,092	16,000	15,858
26,959	24,305	30,507	35,732	54,249	38,592
20,207	20,434	20,981	23,219	17,282	18,815
398,422	390,281	534,509	467,425	471,352	390,056
3,507,580	3,105,834	3,180,017	2,995,926	2,844,566	2,871,248
147,257	43,980	140,759	126,085	155,555	127,967
3,654,837	3,149,814	3,320,776	3,122,011	3,000,121	2,999,215
74,800	48,797	55,386	223,543	21,471	71,113
\$3,729,637	\$3,198,611	\$3,376,162	\$3,345,554	\$3,021,592	\$3,070,328
\$234,916	\$186,003	\$175,000	\$177,499	\$142,501	\$90,000
10,167,622	5,491,021	5,028,068	4,422,092	4,925,713	4,814,483
61,843	28,224	14,457	46,277	21,230	48,777
o	o	o	o	o	o
332,650	374,755	371,514	379,146	384,146	206,506
\$10,797,031	\$6,080,003	\$5,589,039	\$5,025,014	\$5,473,590	\$5,159,766

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.

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 \$2.608 billion in market value as of December 31, 2008. Specifically, the Association is responsible for administering two separate funds: the Fire & Police Members' Benefit Investment Fund (\$2.457 billion) and the Fire & Police Members' Self-Directed Investment Fund (\$151 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 (CFI). 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.

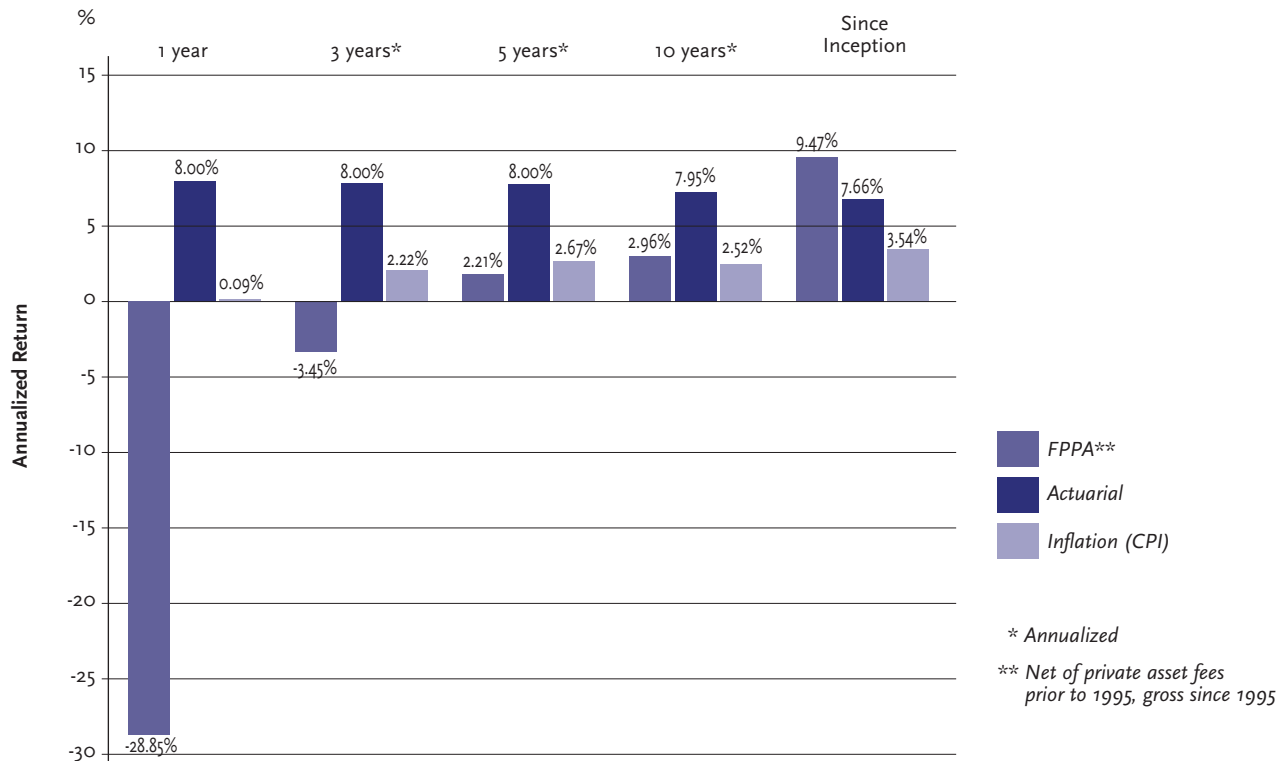
It is the philosophy of the Board that the investment managers, the Board, the Chief Investment Officer, the Chief Executive Officer and the consultant retained by the Board, shall engage in an active partnership to focus on the long-term objectives and goals of the Fund. Therefore, periodic review meetings 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.

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.

Members Benefit Investment Fund Return vs. Inflation and Actuarial Requirements (Inception–2008)



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.

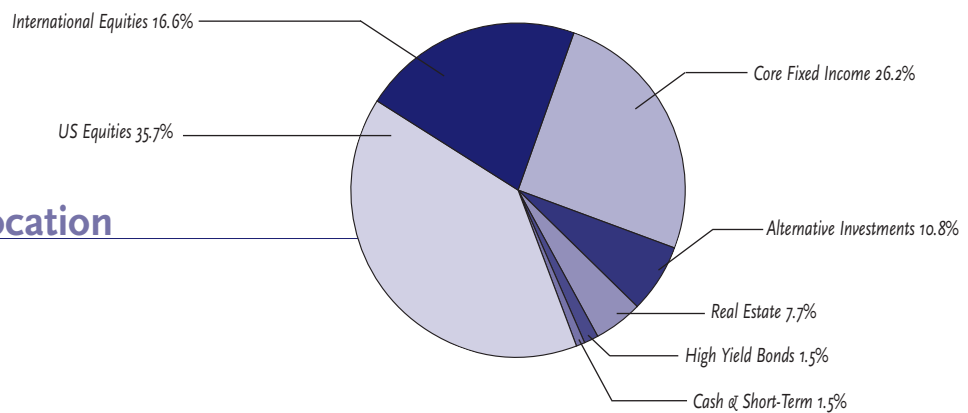
The asset class allocation strategy developed by the Board during 2005 has the following target allocations: U.S. equities 38%, international equities 20%, domestic core plus bonds 25%, domestic high yield bonds 1%, real estate 6%, cash and short-term investments 1%, and alternative investments (private equity) 9%.

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.

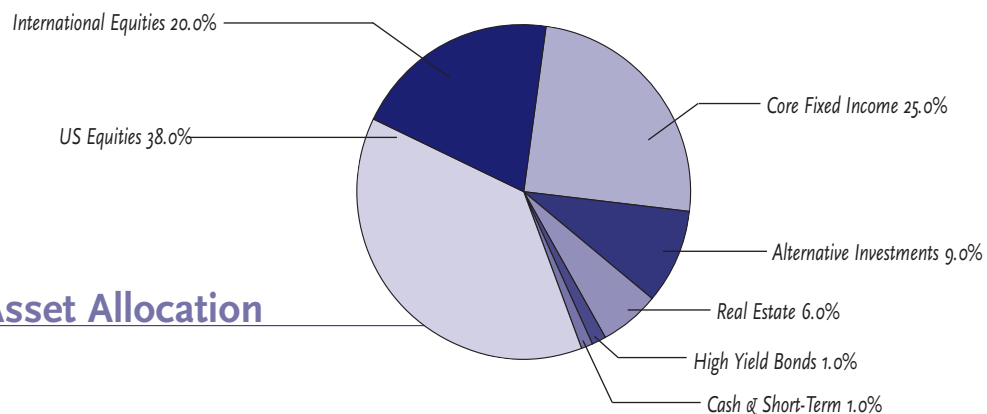
In 2004, FPPA instituted a Portable Alpha Overlay Strategy within the domestic equity allocation to enhance returns over the domestic equity benchmark. The Portable Alpha Overlay Strategy utilizes funds of hedge funds in combination with derivative exposure to the Russell 1000 Index. Hedge funds, typically 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.

For the Fire & Police Members' Benefit Investment Fund, as of December 31, 2008, the Association employed the external investment managers listed in the table on page 72-73.

2008 Asset Allocation



2008 Target Asset Allocation



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 - Members' Benefit Fund

<i>Investment Type</i>	<i>Market Value</i>	<i>% of Total</i>
Fixed Income		
Government Bonds	\$64,131,918	2.62%
Investment Grade Corporate	\$371,124,382	15.18%
Mortgage Backed Securities	\$205,254,720	8.40%
High Yield Corporate	\$33,049,561	1.35%
Municipal Bonds	\$9,544,648	0.39%
International Bonds	\$18,332,613	0.75%
SWAPS	\$(22,945,813)	-0.94%
<i>Total fixed income</i>	<i>\$678,492,029</i>	<i>27.76%</i>
Domestic Stocks		
Large Cap Passive	\$512,387,837	20.96%
Large Cap Core	\$117,259,908	4.80%
Small Cap Core	\$27,865,995	1.14%
Small Cap Growth	\$27,857,166	1.14%
Small Cap Value	\$29,194,867	1.19%
<i>Total common stock</i>	<i>\$714,565,774</i>	<i>29.23%</i>
International Stocks		
Developed Country	\$341,536,380	13.97%
Emerging Markets	\$43,047,729	1.76%
<i>Total International Stocks</i>	<i>\$384,584,109</i>	<i>15.73%</i>
Hedge Funds		
Diversified Funds of Hedge Funds	145,759,162	5.96%
Alternative Investments		
Real Estate & Timber	\$187,428,340	7.67%
Private Capital	265,100,000	10.85%
<i>Total alternative investments</i>	<i>\$452,528,341</i>	<i>18.51%</i>
Short-term investments		
Cash & Cash Equivalents	\$100,446,316	4.11%
Government and agency issues	\$22,660,207	0.93%
Net pending trades	\$(54,802,981)	-2.24%
<i>Total short-term investments</i>	<i>\$68,303,542</i>	<i>2.79%</i>
TOTAL	\$2,444,232,957	100.00%

*The total market value of the 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	268,006	28,429,575	1.16%
SSGA Russell 1000 Index	Russell 1000 Index	27,202	410,121,696	16.78%
Clarivest	Small Cap Value		29,349,586	1.20%
Fiduciary Asset Management	Large Cap Core	501,314	122,337,901	5.01%
Domestic Transition Account	Large Cap Core		102,694,709	4.20%
Cortina Asset Management	Small Cap Growth	368,528	29,150,939	1.19%
GAM	Fund of Hedge Funds	233,600	52,785,190	2.16%
Gottex Market Neutral	Fund of Hedge Funds	1,231,760	92,973,973	3.80%
SSgM Overlay Account	Portable Alpha Equity		5,779,081	0.24%
Total Domestic Equities		\$2,630,411	\$873,622,650	35.74%
Domestic Fixed Income				
Trust Company of the West	High Yield	189,456	35,565,757	1.46%
PIMCO	Active	1,133,887	325,923,447	13.33%
Western Asset Mgmt	Active	767,324	314,172,098	12.85%
Total Domestic Fixed		\$2,090,666	\$675,661,301	27.64%
International Equities				
Baillie Gifford Overseas Ltd.	Active Emerging Markets	233,674	22,831,962	0.93%
Artio Global Investors	Active EAFE	1,341,866	147,617,465	6.04%
LSV Asset Management	Active EAFE	1,138,770	129,416,767	5.29%
Morgan Stanley	Active/Passive EAFE	579,709	86,684,723	3.55%
Rexiter Capital Management	Active Emerging Markets	428,924	20,215,768	0.83%
Total International Equities		\$3,722,943	\$406,766,683	16.64%
Real Estate & Timber				
Apollo RE	Opportunistic	35,954 *	4,408,984	0.18%
Blackrock Diamond Fund	Enhanced		10,058,561	0.41%
Blackstone RE	Opportunistic	311,339 *	9,217,728	0.38%
Dune Real Estate	Opportunistic	446,433 *	6,801,032	0.28%
Hancock Timber	Timberland	108,390 *	10,826,287	0.44%
JP Morgan	Core	614,864 *	54,573,874	2.23%
Morgan Stanley	Core	*	21,302,702	0.87%
PRISA , PRISA II & PRISA III	Core & Core +	520,074 *	64,141,545	2.62%
RREEF	Core	104,381 *	28,505,394	1.17%
Valuation Adjustment			(22,407,766)	-0.92%
Total Real Estate		\$2,141,435	\$187,428,340	7.67%
Private Capital				
ABS Capital Partners II		6,069 *	276,589	0.01%
AIF VII Euro Holdings L P			2,036,697	0.08%
Apollo Investment Fund IV		4,701 *	2,867,788	0.12%
Apollo Investment Fund VI		2,350 *	7,331,536	0.30%
ARCH Venture Fund V		85,169 *	3,449,697	0.14%
Aurora Equity Partners II		40,890 *	8,568,251	0.35%
Aurora Equity Partners III		129,673 *	5,629,404	0.23%
Avenue Special Situations III		37,382 *	128,469	0.01%
Avenue Special Situations Fund IV		234,289 *	7,555,612	0.31%
Avenue Special Situations V			8,584,411	0.35%
Birch Hill Equity Partners (US) III		128,472 *	4,750,399	0.19%
Blackstone Capital Partners III		12,647 *	2,825,419	0.12%

Asset Allocation by Category and Investment Manager (continued)

Blackstone Capital Partners IV	16,693 *	3,576,947	0.15%
Blackstone Capital Partners V	54,553 *	7,058,860	0.29%
Boston Ventures V	23,527 *	1,879,506	0.08%
Bowmark Capital Partners IV LP		1,403,494	0.06%
Candover 1997 Fund		62,321	0.00%
Catterton Partners V	84,198 *	3,675,008	0.15%
Catterton Partners VI	217,839 *	4,126,073	0.17%
Centennial Fund VI	7,875 *	629,258	0.03%
Centennial Fund VII	139,337 *	3,294,475	0.13%
Chisholm Partners III	58,263 *	299,395	0.01%
Chisholm Partners IV	339,605 *	6,296,837	0.26%
Coller International Partners IV	280,505 *	4,443,280	0.18%
Coller International Partners V	157,500 *	2,795,508	0.11%
CVC European Equity Partners III	*	5,100,142	0.21%
CVC European Equity Partners IV	61,211 *	9,593,468	0.39%
CVC European Equity Partners V		1,595,680	0.07%
Doughty Hanson Fund II	731 *	197,040	0.01%
Doughty Hanson Fund III	5,609 *	5,028,138	0.21%
Endeavour Capital Fund IV	82,357 *	7,954,619	0.33%
First Reserve Fund IX	125 *	50,000	0.00%
First Reserve Fund X	83,959 *	8,286,713	0.34%
First Reserve Fund XI	70,286 *	7,300,839	0.30%
First Reserve Fund VIII		4,183,814	0.17%
First Reserve GP VIII L P	14,101	185,000	0.01%
Focus Ventures III	146,343 *	1,961,323	0.08%
Granite Global Ventures II	168,225 *	5,854,062	0.24%
Granite Global Ventures III	212,798 *	2,411,262	0.10%
Green Equity Investors IV	4,617 *	3,757,103	0.15%
Green Equity Investors V		2,416,129	0.10%
Harvest Partners III	*	254,061	0.01%
Harvest Partners IV	*	659,503	0.03%
Heritage Fund II	3,648 *	15,102	0.00%
Heritage Fund III	28,905 *	167,021	0.01%
High Road Capital Partners		2,314,922	0.09%
JMI Equity Fund V	226,910 *	7,560,279	0.31%
JMI Equity Fund VI		3,390,468	0.14%
Kayne Anderson Energy Fund III	82,543 *	4,373,979	0.18%
Kayne Anderson Energy Fund IV	194,316	2,393,352	0.10%
Kelso Investment Assoc VIII LP		496,824	0.02%
Kohlberg Investors VI		4,651,965	0.19%
Larimer Ventures	*	29,796	0.00%
Leapfrog Ventures II	58,244 *	3,954,993	0.16%
Lighthouse Capital Partners V	111,988 *	3,036,247	0.12%
LNK Partners	153,921 *	2,767,690	0.11%
MatlinPatterson Global Opps Fund	20,850 *	1,715,877	0.07%
MHR Institutional Partners III	175,349 *	5,178,631	0.21%
MVM Fund III LP		665,566	0.03%
Nautic Partners V	46,419 *	2,860,855	0.12%
Nautic Partners VI	116,253	2,417,601	0.10%
Nordic Capital Fund III	1,952 *	298,407	0.01%
Nordic Capital Fund V	54,691 *	8,297,600	0.34%
Nordic Capital Fund VI	49,808 *	7,195,946	0.29%
Nordic Capital Fund VII		2,513,540	0.10%
Oxford Bioscience Partners IV	177,872 *	2,696,824	0.11%

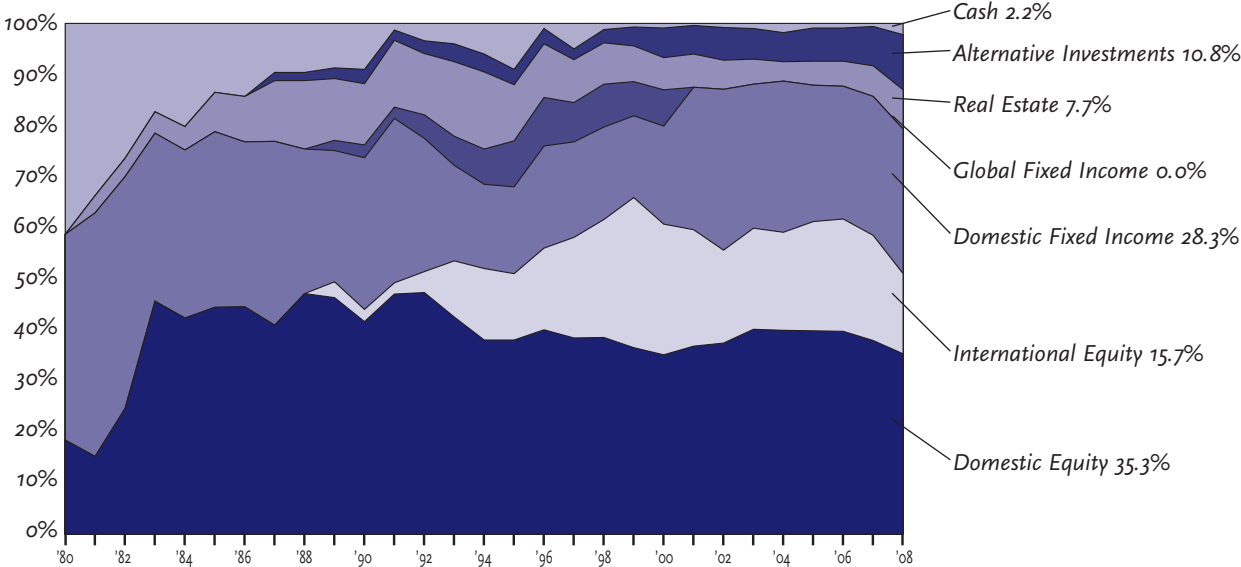
Asset Allocation by Category and Investment Manager (continued)

Oxford Bioscience Partners V	186,464 *	3,942,556	0.16%
Permira Europe IV	239,494 *	3,665,743	0.15%
Providence Equity Partners V	*	9,968,979	0.41%
Providence Equity Partners VI		4,265,927	0.17%
Roark Capital Partners II LP	205,138	987,327	0.04%
SKM Equity Fund II	11,945 *	3,485,008	0.14%
Sprout Capital IX	44,073 *	1,285,003	0.05%
Sprout Capital VIII, L.P.	3,945 *	501,502	0.02%
TCV VII LP		523,000	0.02%
Thomas H. Lee Equity Fund IV	4,394 *	31,156	0.00%
Thomas H. Lee Equity Fund V	14,159 *	2,595,600	0.11%
Thomas McNerney & Partners	265,215 *	5,308,984	0.22%
Thomas, McNerney & Partners II	364,005 *	2,695,020	0.11%
TPG Partners II	(1,370) *	567,546	0.02%
TPG Partners III	(5,590) *	3,708,570	0.15%
TPG Partners IV	1,000 *	9,566,311	0.39%
TPG Partners V	55,196 *	6,786,848	0.28%
TPG Partners VI		194,049	0.01%
Venture Investment Managers LP		306,255	0.01%
Vestar Capital Partners III	92,222 *	3,037,807	0.12%
Vestar Capital Partners IV	37,601 *	2,667,750	0.11%
Vestar Capital Partners V-A	6,351 *	3,557,127	0.15%
W Capital Partners	152,478 *	4,308,706	0.18%
Willis Stein & Partners	*	2,914	0.00%
Valuation Adjustment		(38,187,301)	-1.56%
Total Alternative Investments	6,092,287	265,100,000	10.85%
Cash Held at Mellon Bank		35,654,091	1.46%
TOTAL FEES & ASSETS	\$16,677,743	\$2,444,233,066	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 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 1980-2008 — Members' Benefit Fund



INVESTMENT SECTION

“Top 20” Equity Holdings

<i>Company</i>	<i>Market Value</i>
BP PLC ORD USD.25	\$9,308,549.51
ENI EUR1	\$8,597,405.43
E.ON AG NPV	\$7,151,326.02
TOTAL SA EUR2.5	\$6,872,112.34
SANOFI-AVENTIS EUR2	\$6,606,426.14
TELEFONICA SA EUR1	\$6,522,792.39
CHEVRON CORPORATION COM	\$6,149,495.95
GILEAD SCIENCES INC COM	\$5,911,528.30
JOHNSON & JOHNSON COM	\$5,896,545.65
MCDONALDS CORP COM	\$5,825,337.30
PROCTER & GAMBLE CO COM	\$5,814,171.00
AT & T INC COM	\$5,773,530.00
NESTLE SA CHF0.1 (REGD)	\$5,523,593.56
JPMORGAN CHASE & CO COM	\$5,349,537.45
PEPSICO INC COM	\$4,904,927.35
EXXON MOBIL CORP	\$4,861,647.00
IBM CORP COM	\$4,732,316.80
ASTRAZENECA ORD USD0.25	\$4,647,707.18
MICROSOFT CORP COM	\$4,636,828.80
BASF SE NPV	\$4,458,471.64

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	5.500% 09/01/2034	\$27,079,677.71
FNMA MORTGAGE POOL	5.000% 01/01/2039	\$27,054,910.00
FNMA MORTGAGE POOL	5.000% 02/01/2039	\$23,409,630.00
FHLMC GOLD SFM	5.500% 01/01/2039	\$19,445,360.00
FNMA MORTGAGE POOL	5.000% 11/01/2033	\$15,748,082.49
FNMA MORTGAGE POOL	5.000% 02/01/2036	\$15,144,808.52
FNMA MORTGAGE POOL	5.500% 02/01/2038	\$12,132,047.49
U S TREASURY BONDS	6.000% 02/15/2026	\$11,027,926.00
GNMA MORTGAGE POOL	5.000% 02/15/2039	\$10,713,255.00
BANK AMER N A CHARLOTTE N C	VAR RT 02/27/2009	\$7,807,020.00
US TREAS-CPI INFLATION INDEX	3.625% 04/15/2028	\$7,150,858.85
BANK AMER FDG CORP MED TERM	5.650% 05/01/2018	\$6,850,337.83
GENERAL ELEC CAP CORP MEDIUM	5.625% 09/15/2017	\$6,739,798.00
FHLMC MULTICLASS MTG	5.000% 07/15/2034	\$5,662,735.58
U S TREAS BD STRIP PRIN PMT	8.125% 05/15/2021	\$5,626,235.00
FEDERAL NATL MTG ASSN DISC NT	MAT 03/11/2009	\$5,548,890.00
US TREAS-CPI INFLAT	2.375% 01/15/2025	\$5,240,044.45
US TREAS-CPI INFLATION INDEX	3.875% 04/15/2029	\$5,169,047.19
GENERAL ELEC CO NT	5.250% 12/06/2017	\$5,084,445.00
GOLDMAN CAT 1 REPURCHASE AGREEMENT	0.005% 01/02/2009	\$4,900,000.00

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

Members' Benefit Fund Performance Summary as of December 31, 2008

Series Name Benchmark Indices	1 Year Return %	3 year Annualized Return %	5 year Annualized Return %
FPPA Total Fund - Gross of Fees	-28.85	-3.45	2.21
FPPA Total Fund - Net of Fees	-29.38	-3.89	1.85
Custom Total Fund Benchmark ¹	-25.36	-1.83	2.98
Public Fund Median (Callan Associates)	-26.01	-3.08	1.75
Domestic Equity Accounts - Gross of Fees	-41.14	-11.51	-3.81
Domestic Equity Accounts - Net of Fees	-41.36	-11.67	-3.92
Russell 3000 Stock Index	-37.31	-8.63	-1.95
International Equity Accounts - Gross of Fees	-44.66	-6.03	3.46
International Equity Accounts - Net of Fees	-45.02	-6.33	3.24
MSCI All Country World Ex US Index	-45.22	-6.57	2.99
Domestic Fixed Income Accounts - Gross of Fees	-3.48	2.91	3.68
Domestic Fixed Income Accounts - Net of Fees	-3.72	2.78	3.60
Barclays Capital Aggregate Bond Index	5.24	5.51	4.65
Barclays Capital U.S. Universal Index	2.38	4.60	4.30
All Real Estate Accounts - Gross of Fees ²	-12.85	7.47	12.37
All Real Estate Accounts - Net of Fees ²	-13.94	6.29	11.15
NCREIF ODCE Index ²	-9.99	6.68	10.75
All Alternative Accounts - Gross of Fees ³	-12.76	11.04	17.33
All Alternative Accounts - Net of Fees ³	-15.49	8.73	14.90
Russell 3000 Index plus 400 basis points	-33.31	-4.63	2.05
Cambridge Custom Benchmark ⁴	-4.19	14.46	18.58

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 FPPA's custodian bank, BNY Mellon. Returns were calculated using time-weighted rates of return adjusted for significant cash flows (5% of the portfolio or greater) or the Modified-Dietz method was used.

Schedule of Brokerage Commissions — Members' Benefit Fund

Broker Name	Commission	Shares	Per Share
BNY BROKERAGE, NEW YORK	99,117.18	4,190,423.00	0.024
BEAR STEARNS SEC CORP, BROOKLYN	24,547.48	1,878,008.00	0.013
LIQUIDNET INC, BROOKLYN	44,366.16	1,706,025.00	0.026
INVESTMENT TECHNOLOGY GROUPS, NEW YORK	11,261.09	855,506.00	0.013
UBS SECURITIES LLC, STAMFORD	16,264.14	792,913.00	0.021
FRANK RUSSELL SECURITIES, JERSEY CITY	26,981.08	685,722.00	0.039
INSTINET CORP, NY	6,282.16	628,216.00	0.010
CITIGROUP GBL MKTS INC, NEW YORK	13,520.46	507,238.00	0.027
PIPER JAFFRAY & CO, MINNEAPOLIS	23,331.47	499,006.00	0.047
LEHMAN BROS INC, NEW YORK	6,446.40	448,638.00	0.014
MORGAN STANLEY & CO INC, NY	15,283.20	415,070.00	0.037
CREDIT SUISSE, NEW YORK (CSFBUS33XXX)	8,452.15	411,809.00	0.021
JEFFERIES & CO INC, NEW YORK	12,574.11	384,030.00	0.033
MERRILL LYNCH PIERCE FENNER SMITH INC NY	12,899.16	383,281.00	0.034
WILLIAM BLAIR & CO, CHICAGO	14,320.11	336,201.00	0.043
BERNSTEIN SANFORD C & CO, NEW YORK	5,763.54	330,120.00	0.017
KNIGHT SEC BROADCORT, JERSEY CITY	6,555.66	300,838.00	0.022
FIRST CLEARING LLC, RICHMOND	11,136.27	289,989.00	0.038
GOLDMAN SACHS & CO, NY	5,093.10	287,700.00	0.018
MORGAN J P SECS INC, NEW YORK	10,744.70	277,758.00	0.039
MORGAN KEEGAN & CO INC, MEMPHIS	11,859.79	271,443.00	0.044
STIFEL NICOLAUS	11,943.83	265,780.00	0.045
BAIRD, ROBERT W & CO INC, MILWAUKEE	12,652.59	258,009.00	0.049
FRIEDMAN BILLINGS, WASHINGTON DC	10,011.20	233,552.00	0.043
NORTHLAND SECS INC, JERSEY CITY	7,742.34	213,296.00	0.036
WESTMINSTER RESEARCH ASSOC, JERSEY CITY	9,862.19	207,450.00	0.048
PACIFIC CREST SEC, PORTLAND	10,094.15	205,923.00	0.049
THOMAS WEISEL PARTNERS, SAN FRANCISCO	9,267.65	204,524.00	0.045
JONESTRADING INSTL SVCS LLC, WESTLAKE	4,765.42	204,455.00	0.023
ISI GROUP INC, NY	8,771.46	204,415.00	0.043
LEERINK SWANN & CO, JERSEY CITY	8,806.88	182,402.00	0.048
STEPHENS INC, LITTLE ROCK	8,588.72	177,586.00	0.048
CANTOR FITZGERALD & CO INC, NEW YORK	5,663.40	171,300.00	0.033
CANACCORD ADAMS INC, BOSTON	7,070.68	167,528.00	0.042

Schedule of Brokerage Commissions — Members' Benefit Fund (continued)

Broker Name	Commission	Shares	Per Share
PIPELINE TRADING SYSTEMS LLC, NEW YORK	3,117.18	156,659.00	0.020
OPPENHEIMER & CO INC, NEW YORK	7,225.10	155,908.00	0.046
RBC CAPITAL MARKETS CORP, MINNEAPOLIS	6,232.50	152,710.00	0.041
W J BONFANTI INC, NEW YORK	3,745.28	151,857.00	0.025
CLEARVIEW CORRESPONDENT SRVS,LLC,RICHMON	7,362.35	147,247.00	0.050
SUNTRUST CAPITAL MARKETS INC, ATLANTA	6,173.18	139,310.00	0.044
CRAIG HALLUM, MINNEAPOLIS	6,098.01	137,179.00	0.044
STERNE AGEE & LEACH INC	4,919.15	135,403.00	0.036
COWEN AND COMPANY LLC, NEW YORK	5,556.72	133,218.00	0.042
WACHOVIA CAPITAL MARKETS LLC, CHARLOTTE	6,117.30	129,486.00	0.047
NEEDHAM & CO, NEW YORK	5,534.71	128,399.00	0.043
DEUTSCHE BK SECS INC, NY (NWSCUS33)	5,693.55	124,471.00	0.046
BANC OF AMERICA SECS LLC, CHARLOTTE	5,288.85	121,917.00	0.043
KEYBANC CAPITAL MARKETS INC, NEW YORK	5,603.00	120,200.00	0.047
COLLINS STEWART INC, NEW YORK	5,633.08	117,344.00	0.048
AVONDALE PARTNERS LLC, NASHVILLE	5,735.25	117,162.00	0.049
All Other Brokers	89,602.55	2,199,346	\$0.041
Total	\$681,677.68	22,943,970	\$0.030



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February 16, 2009

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

Subject: **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

Board of Trustees
Fire and Police Pension Association
Page 2

contribution rate may only be changed every two years by statute. Based on the January 1, 2008 actuarial valuation, the Board elected to leave the contribution rate unchanged at 2.6% for the two year period beginning January 1, 2009.

The Defined Benefit System and Statewide Death & Disability Plans and affiliated local old and new hire plans were last valued as of January 1, 2008. The volunteer firefighter plans were valued as of January 1, 2007.

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



Mark Randall, A.S.A., E.A., M.A.A.A.
Senior Consultant



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

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General Information

As of December 31, 2008 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, 2008, 198 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, 2008, 18 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, 2008, 378 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, 2008 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 three pieces, inflation increases, productivity component of 1.25%, and step-rate/promotional component which varies by the service of the member. As stated above, inflation is assumed to be 3.5% annually. For the Statewide Plans, retirees and beneficiaries are not assumed to receive annual cost-of-living increases as described under current 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, reduced by 50%, is used in the valuation for non-duty mortality of active members. Duty related mortality is assumed to be .00025 per year for all members. The 1994 GAM Table, unchanged, is used in the projection of post-retirement 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 Annuitant Mortality Table is used in the valuation of benefits for totally disabled retirees. And for the other affiliated plans, those benefits are for volunteer (actives and retirees) and paid retirees and their spouses.

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

The actuarial method used for the valuation of benefits is specified by state statute to be either the Entry Age Normal or Aggregate Cost Method, with experience gains or losses adjusting the unfunded actuarial accrued liability. State statute does also specify that the 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		
	(Step-Rate/ Promotional)	(Inflation+ Productivity)	(Total)
1	12.00%	4.75%	16.75%
2	10.00%	4.75%	14.75%
3	8.00%	4.75%	12.75%
4	7.00%	4.75%	11.75%
5	2.50%	4.75%	7.25%
6	2.00%	4.75%	6.75%
7	1.50%	4.75%	6.25%
8	1.25%	4.75%	6.00%
9	1.00%	4.75%	5.75%
10	0.75%	4.75%	5.50%
11	0.75%	4.75%	5.50%
12	0.50%	4.75%	5.25%
13	0.50%	4.75%	5.25%
14	0.25%	4.75%	5.00%
15	0.00%	4.75%	4.75%

Pre-Retirement Assumptions — Annual Rate per 1,000 Members

Sample Ages	Disability Annual Rate Per 1,000 Members		Years of Service	Separation Annual Rate Per 1,000 Members			Sample Ages	Death Annual Rate Per 1,000 Members	
	(Paid)	(Volunteer)		(Fire)	(Police)	(Volunteer)		(Male)	(Female)
20	0.14	0.10	0	90.0	180.0	165.8	20	0.25	0.14
30	1.15	0.26	5	35.7	49.5	123.9	30	0.40	0.18
40	3.49	0.97	10	20.8	26.7	83.0	40	0.54	0.35
45	4.82	3.50	15	12.1	18.6	54.9	45	0.79	0.49
50	6.26	6.50	20	6.0	14.4	0.0	50	1.29	0.71
55	7.81	8.10	23	3.0	12.7	0.0	55	2.21	1.15

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

Defined Benefit System — Statewide Defined Benefit Plan

Schedule of Active Member Valuation Data

Valuation Date	Number	Average Age	Average Service	Annual Covered Payroll	% Increase in Average Pay	Average Pay
1/1/08	4,988	39.3	9.2	\$298,313,990	\$59,806	2.00%
1/1/07	4,512	39.3	9.2	\$264,560,282	\$58,635	5.26%
1/1/06	4,302	39.1	9.1	\$239,642,543	\$55,705	3.75%
1/1/05	3,907	39.0	9.1	\$209,765,329	\$53,690	1.58%
1/1/04	3,459	38.9	9.4	\$182,825,786	\$52,855	5.88%
1/1/03	3,340	38.4	9.1	\$166,734,883	\$49,921	4.84%
1/1/02	3,179	38.0	8.8	\$151,369,850	\$47,616	5.04%
1/1/01	3,007	37.7	8.6	\$136,306,027	\$45,330	9.51%
1/1/00	2,768	37.5	8.6	\$114,579,015	\$41,394	1.59%
1/1/99	2,513	37.4	8.5	\$102,400,344	\$40,748	3.69%

Defined Benefit System — Statewide Defined Benefit Plan

Gain/(Loss) on Actuarial Value of Assets

	Valuation as of January 1, 2008	Valuation as of January 1, 2007
Actuarial assets, prior valuation	\$801,426,848	\$681,193,087
Total Contributions since prior valuation	\$72,338,431	\$44,136,603
Benefits and refunds since prior valuation	(\$12,010,496)	(\$9,174,824)
Assumed net investment income at 8%		
Beginning assets	\$64,114,148	\$54,495,447
Contributions	\$2,837,872	\$1,731,500
Benefits and refunds paid	(\$471,178)	(\$359,933)
Total	\$66,480,842	\$55,867,014
Expected actuarial assets	\$928,235,625	\$772,021,880
Actual actuarial assets, this valuation	\$950,114,346	\$801,426,848
Preliminary asset gain/(loss)	\$21,878,721	\$29,404,968
Excess Return on SRA	\$853,483	\$7,612,398
Net asset gain (loss) since prior valuation	\$21,025,238	\$21,792,570
	Gain	Gain

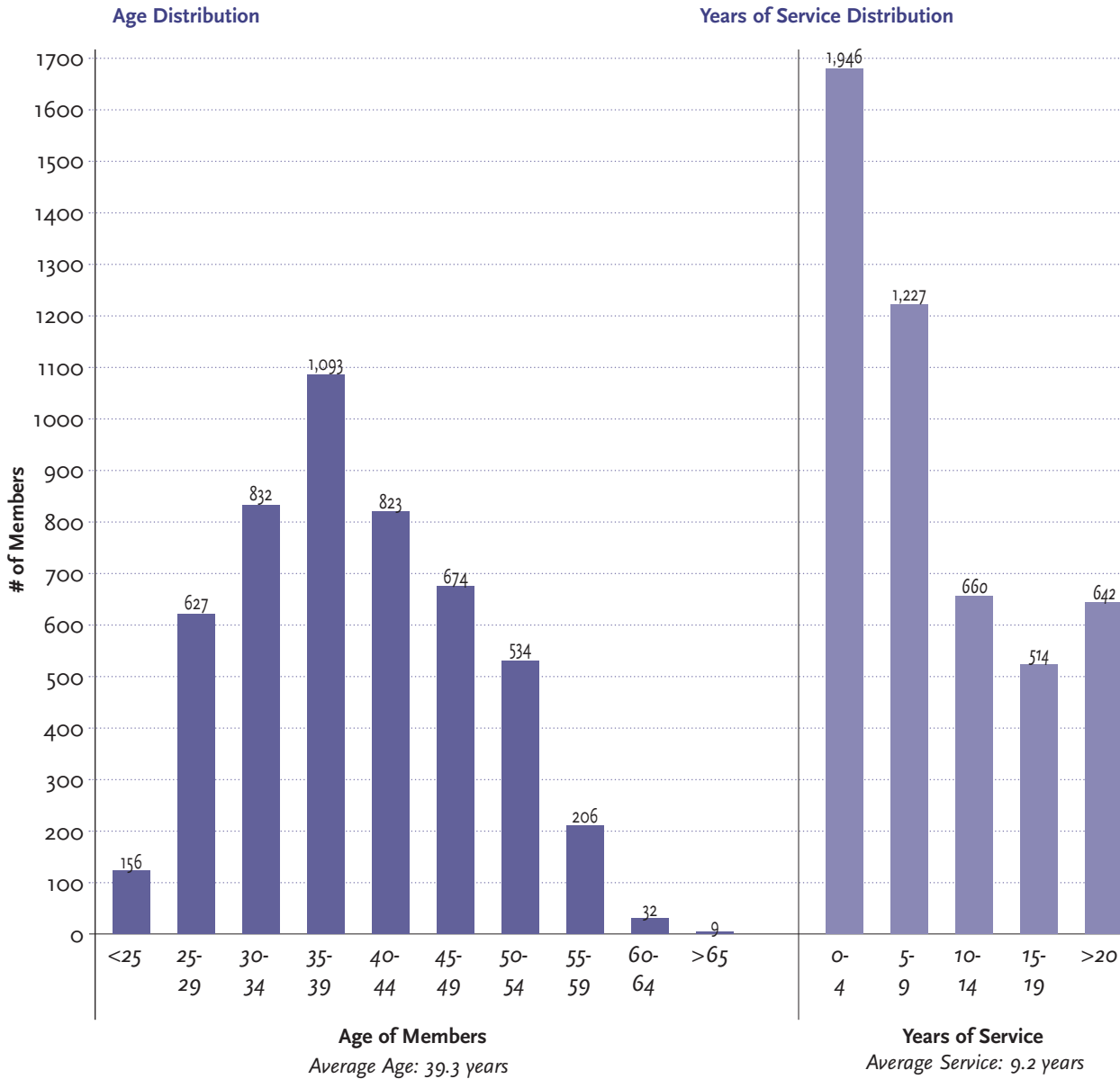
ACTUARIAL SECTION

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		
12/31/07	66	\$4,388,999	1	\$29,009	291	\$8,301,884	35.44%	\$28,529
12/31/06	69	\$2,284,964	2	\$97,352	226	\$6,129,506	55.50%	\$27,122
12/31/05	51	\$1,458,446	2	\$22,713	159	\$3,941,893	57.29%	\$24,792
12/31/04	27	\$825,955	0	\$0	110	\$2,506,161	52.00%	\$22,783
12/31/03	24	\$606,147	2	\$21,898	83	\$1,648,771	56.31%	\$19,865
12/31/02	14	\$301,795	0	\$0	61	\$1,054,842	43.47%	\$17,292
12/31/01	16	\$374,072	1	\$3,697	47	\$735,257	107.97%	\$15,644
12/31/00	5	\$50,774	1	\$15,482	32	\$353,534	13.35%	\$11,048
12/31/99	4	\$56,252	1	\$6,592	28	\$311,906	23.19%	\$11,140
12/31/98	5	\$61,039	0	\$0	25	\$253,185	61.77%	\$10,127

* Includes beneficiaries of deceased members with a deferred benefit.

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.

Defined Benefit System — Statewide Defined Benefit Plan

The schedule on this 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 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)
1/1/08	\$950,114	\$211,285	\$110,301	\$473,914	100%	100%	100%
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%

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 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.

Defined Benefit System — Statewide Defined Benefit Plan

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.

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; exceptions may apply if benefits are payable from the Statewide Death and Disability Plan. 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% to the higher of 3% or the Consumer Price Index.

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 January 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. The SRA may be payable in the event of the active member's death if the member was vested at the time of death, or if the member's survivors receive benefits from the Statewide Death & Disability Plan, the applicable SRA offset applies.

Defined Benefit System — Statewide Defined Benefit Plan

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 January 1, 2003, the member shall self-direct the investments of their DROP funds.

Death Benefits

Upon 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 redetermination of the annual cost-of-living adjustment payable under the Statewide Defined Benefit Plan was changed from the Board's discretion of 0-3% to the Board's discretion of 0% to the higher of 3% or the Consumer Price Index effective October 1, 2008.

Changes in Actuarial Assumptions

On March 26, 2008, the Board adopted new assumptions based on the actuary's analysis and recommendations from the 2008 Experience Study. The new assumptions were first effective for the January 1, 2008 valuation. The modifications are summarized as follows:

- There were no changes made to the assumed inflation rate of 3.50%.
- There were no changes made to the assumed real return on investments (the return in excess of inflation) of 4.50%.
 - *Note: the first two recommendations, taken together, result in no changes to the nominal 8.00% investment return rate assumption.*
- Extended the service based salary schedule from 9 to 15 years. Also modified the service-based components for services years 7-12.
- Increased the payroll growth assumption to 4.25%.
- No changes made to the post-retirement mortality assumption.
- Reduced the non-duty active mortality expectations.
- Increased the service-related active mortality expectations.
- Introduced new disability tables based on the observed plan experience during this investigation period.
- Introduced small retirement probabilities for Statewide Defined Benefit members with less than 25 years of service.
- Introduced retirement probabilities starting at age 50 for money purchase members.
- Decreased the rate of termination based on plan experience. Introduced service only tables.
- Instituted small changes to administrative procedures (data defaults, etc.)

Defined Benefit System — Statewide Hybrid Plan

The first actuarial valuation completed on the Statewide Hybrid Plan was in 2005.

Schedule of Active Member Valuation Data

Valuation Date	Number	Average Age	Average Service	Covered Payroll	Annual Average Pay	% Increase in Average Pay
1/1/08	115	40.9	8.5	\$6,988,987	\$60,774	(10.08%)
1/1/07	63	41.7	10.3	\$4,257,723	\$67,583	14.12%
1/1/06	67	42.4	9.8	\$3,967,889	\$59,222	(16.76%)
1/1/05	36	48.7	12.2	\$2,561,203	\$71,145	N/A

Gain/(Loss) on Actuarial Value of Assets

	Valuation as of January 1, 2008	Valuation as of January 1, 2007
Actuarial assets, prior valuation	\$9,624,239	\$7,998,356
Total Contributions since prior valuation	\$3,502,835	\$697,112
Benefits and refunds since prior valuation	(\$217,908)	(\$44,589)
Assumed net investment income at 8%		
Beginning assets	\$769,939	\$639,869
Contributions	\$137,418	\$27,348
Benefits and refunds paid	(\$8,549)	(\$1,749)
Total	\$898,808	\$665,468
Expected actuarial assets	\$13,807,974	\$9,316,347
Actual actuarial assets, this valuation	\$14,075,984	\$9,624,239
Net asset gain (loss) since prior valuation	\$268,009	\$307,892
	Gain	Gain

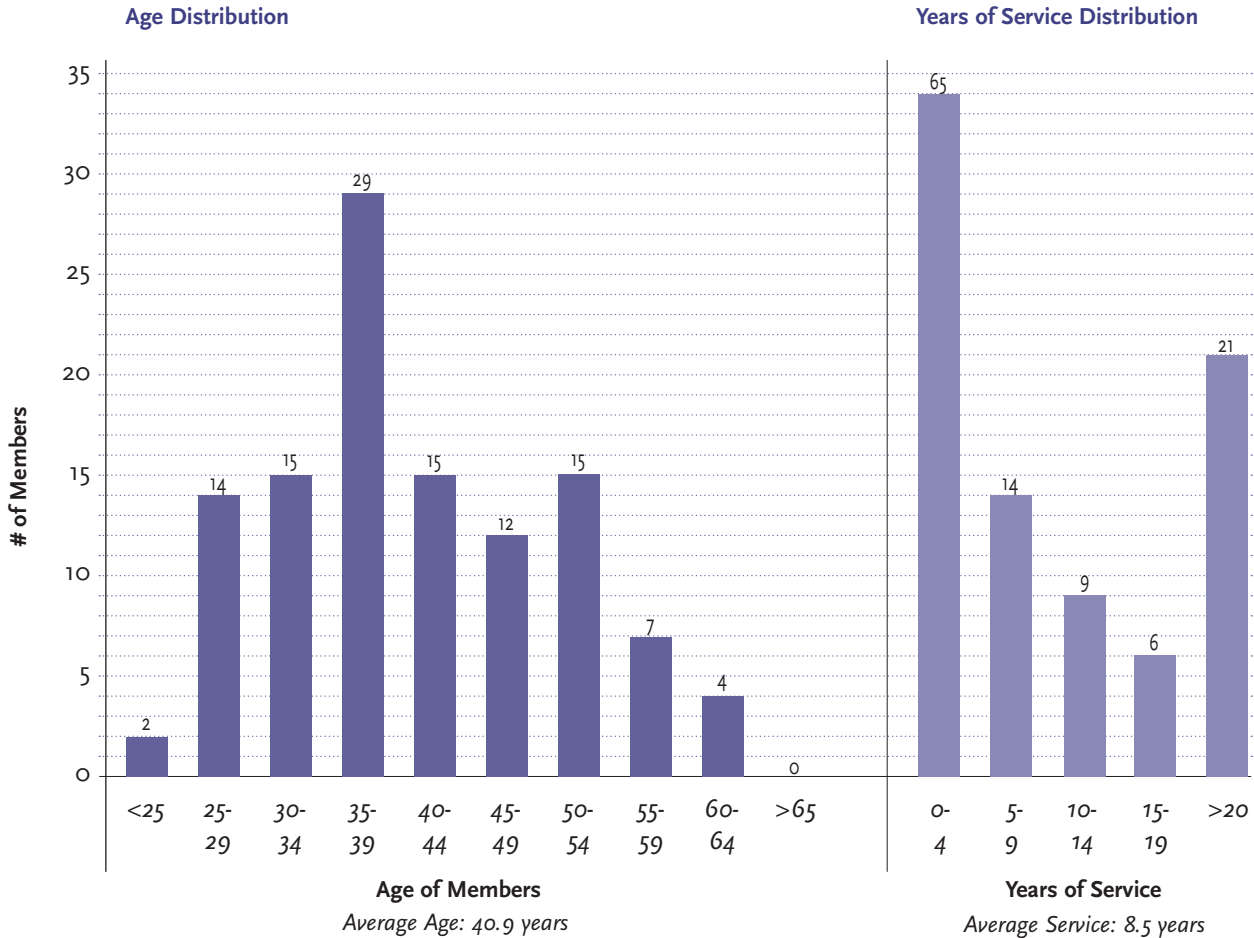
Schedule of Retirees and Beneficiaries Added to and Removed from Benefit Payroll

Year Ended	Added to Payroll Annual Benefit		Removed from Payroll Annual Benefit		Payroll Number	Payroll Annual Benefit	% Increase in Annual Benefit	Average Annual Benefit
	Number	\$	Number	\$				
12/31/07	1	\$13,802	0	\$0	4	\$97,089	16.57%	\$24,272
12/31/06	3	\$83,287	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

ACTUARIAL SECTION



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 August 1, 2007 this rate was 10.25% Effective August 2008, the Board certified a contribution rate of 11.0%.

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.

Defined Benefit System — Statewide Hybrid Plan

The following schedule 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. 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 of Assets	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)
1/1/08	\$14,075,984	\$9,263,435	\$1,249,679	(\$738,208)	100%	100%	100%
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.

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.

Defined Benefit System — Statewide Hybrid Plan

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 vested 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 inactive 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, exceptions may apply if benefits are payable from the Statewide Death & Disability Plan. 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 January 1, 2007 actuarial study, was 11.0%. Effective August 1, 2007, the amount decreased to 10.25%. Effective August 1, 2008, the amount will increase to 11.0%.

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

Upon 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

On March 26, 2008, the Board adopted new assumptions based on the actuary's analysis and recommendations from the 2008 Experience Study. The new assumptions were first effective for the January 1, 2008 valuation. The modifications are summarized as follows:

- There were no changes made to the assumed inflation rate of 3.50%.
- There were no changes made to the assumed real return on investments (the return in excess of inflation) of 4.50%.
- Note: the first two recommendations, taken together, result in no changes to the nominal 8.00% investment return rate assumption.
- Extended the service based salary schedule from 9 to 15 years. Also modified the service-based components for services years 7-12.
- Increased the payroll growth assumption to 4.25%.
- No changes made to the post-retirement mortality assumption.
- Reduced the non-duty active mortality expectations.
- Increased the service-related active mortality expectations.
- Introduced new disability tables based on the observed plan experience during this investigation period. There are separate rates for money purchase and defined benefit members.
- Introduced small retirement probabilities for Statewide Defined Benefit members with less than 25 years of service.
- Decreased the rate of termination based on plan experience. Introduced service only tables.
- Instituted small changes to administrative procedures (data defaults, etc.)

Defined Benefit System — Exempt Plans

Two exempt plans joined the Defined Benefit System as of October 1, 2006. They are now known as the Colorado Springs New Hire Pension Plan. There is a Fire Component and a Police Component. This is a defined benefit plan for fire and police employees hired on and after April 8, 1978 but prior to October 1, 2006. 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 January 1, 2007. The fire and police components are studied separately.

Schedule of Active Member Valuation Data

	Valuation Date	Number	Average Age	Average Service	Covered Payroll	Annual Average Pay	% Increase in Average Pay
Police Component	1/1/08	562	40.1	11.3	\$39,048,754	\$69,482	N/A
	1/1/07	631	39.4	10.4	\$40,438,034	\$64,086	N/A
Fire Component	1/1/08	319	41.7	12.5	\$23,827,770	\$74,695	N/A
	1/1/07	412	39.7	10.9	\$26,867,827	\$65,213	N/A

Gain/(Loss) on Actuarial Value of Assets

	Police Component		Fire Component	
	Valuation as of January 1, 2008	Valuation as of January 1, 2007	Valuation as of January 1, 2008	Valuation as of January 1, 2007
Actuarial assets, prior valuation	\$159,508,243	\$137,688,853	\$98,290,761	\$84,519,478
Total Contributions since prior valuation	\$8,173,010	\$7,496,218	\$4,853,098	\$4,635,325
Benefits and refunds since prior valuation	(\$6,702,696)	(\$2,952,333)	(\$9,031,570)	(\$1,194,578)
Assumed net investment income at 8%				
Beginning assets	\$12,760,659	\$11,015,108	\$7,863,261	\$6,761,558
Contributions	\$326,920	\$299,849	\$194,124	\$185,413
Benefits and refunds paid	(\$268,108)	(\$118,093)	(\$361,263)	(\$47,783)
Total	\$12,819,471	\$11,196,864	\$7,696,122	\$6,899,188
Expected actuarial assets	\$173,798,028	\$153,429,602	\$101,808,411	\$94,859,413
Actual actuarial assets, this valuation	\$178,548,095	\$159,508,243	\$104,946,386	\$98,290,761
Preliminary asset gain/(loss)	\$4,750,067	\$6,078,641	\$3,137,975	\$3,431,348
Excess return on SRA	\$17,323	\$567,497	(\$1,252)	(\$1,323)
Net asset gain (loss) since prior valuation	\$4,732,744	\$5,511,144	\$3,139,228	\$3,432,671
	Gain	Gain	Gain	Gain

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

	Year Ended	Added to Payroll		Removed from Payroll		Payroll		% Increase in Annual Benefit	Average Annual Benefit
		Number	Annual Benefit	Number	Annual Benefit	Number	Annual Benefit		
Police Component	12/31/07	21	\$897,046	0	\$0	113	\$3,892,576	29.95%	\$34,448
	12/31/06	14	\$619,230	0	\$0	92	\$2,995,530	N/A	\$32,560
Fire Component	12/31/07	12	\$592,154	0	\$0	54	\$2,131,667	38.46%	\$39,475
	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>	1/1/08	40.1	11.3
	1/1/07	39.4	10.4
<i>Fire Component</i>	1/1/08	41.7	12.5
	1/1/07	39.7	10.9

*A breakdown by age/service was not available in the 1/1/2008 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. As of January 1, 2009, the employer contribution is 9.225% and the employee portion is 8.868% of the employees' salary for the fire component. The employer contribution is 12.949% and the employee portion is 8.0% of the employees' salary for the police component.

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 (Employer Financed Portion)	(1)	(2)	(3)
<i>Police Component</i>	1/1/08	\$178,548,095	\$26,161,500	\$57,986,016	\$104,115,688	100%	100%	91%
	1/1/07	\$159,508,243	\$25,344,925	\$45,637,251	\$90,548,804	100%	100%	98%
<i>Fire Component</i>	1/1/08	\$104,946,386	\$16,186,496	\$29,492,338	\$61,710,549	100%	100%	96%
	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

Defined Benefit System — Exempt Plans

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 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 remained at 0% 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.

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%.

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.

Changes in Plan Provisions

The plan provisions have not changed since the prior valuation.

Changes in Actuarial Assumptions

On March 26, 2008, the Board adopted new assumptions based on the actuary's analysis and recommendations from the 2008 Experience Study. The new assumptions were first effective for the January 1, 2008 valuation. The modifications are summarized as follows:

- There were no changes made to the assumed inflation rate of 3.50%.
- There were no changes made to the assumed real return on investments (the return in excess of inflation) of 4.50%.
 - *Note: the first two recommendations, taken together, result in no changes to the nominal 8.00% investment return rate assumption.*
- Extended the service based salary schedule from 9 to 15 years. Also modified the service-based components for services years 7-12.
- Increased the payroll growth assumption to 4.25%.
- No changes made to the post-retirement mortality assumption.
- Reduced the non-duty active mortality expectations.
- Increased the service-related active mortality expectations.
- Introduced new disability tables based on the observed plan experience during this investigation period. There are separate rates for money purchase and defined benefit members.
- Introduced small retirement probabilities for Statewide Defined Benefit members with less than 25 years of service.
- Introduced retirement probabilities starting at age 50 for money purchase members.
- Decreased the rate of termination based on plan experience. Introduced service only tables.
- Instituted small changes to administrative procedures (data defaults, etc.)
- The Third Week Pay assumption was revised in recognition of the City's administrative policy regarding this option.

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.

Defined Benefit System — Exempt Plans

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 remained at 0% 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 plan provisions have not changed since the prior valuation.

Changes in Actuarial Assumptions

On March 26, 2008, the Board adopted new assumptions based on the actuary's analysis and recommendations from the 2008 Experience Study. The new assumptions were first effective for the January 1, 2008 valuation. The modifications are summarized as follows:

- There were no changes made to the assumed inflation rate of 3.50%.
- There were no changes made to the assumed real return on investments (the return in excess of inflation) of 4.50%.
 - *Note: the first two recommendations, taken together, result in no changes to the nominal 8.00% investment return rate assumption.*
- Extended the service based salary schedule from 9 to 15 years. Also modified the service-based components for services years 7-12.
- Increased the payroll growth assumption to 4.25%.
- No changes made to the post-retirement mortality assumption.
- Reduced the non-duty active mortality expectations.
- Increased the service-related active mortality expectations.
- Introduced new disability tables based on the observed plan experience during this investigation period. There are separate rates for money purchase and defined benefit members.
- Introduced small retirement probabilities for Statewide Defined Benefit members with less than 25 years of service.
- Introduced retirement probabilities starting at age 50 for money purchase members.
- Decreased the rate of termination based on plan experience. Introduced service only tables.
- Instituted small changes to administrative procedures (data defaults, etc.)
- The Third Week Pay assumption was revised in recognition of the City's administrative policy regarding this option.

Statewide Death & Disability Plan

Schedule of Active Member Valuation Data

Valuation Date	Number	Average Age	Average Service	Annual Payroll (000's)	Annual Average Pay	% Increase in Average Pay
1/1/08	10,971	40.0	10.1	\$668,502	\$60,934	3.56%
1/1/07	10,600	39.9	10.2	\$623,699	\$58,840	2.02%
1/1/06	10,338	39.7	10.1	\$596,231	\$57,674	3.28%
1/1/05	10,031	39.6	10.1	\$560,173	\$55,844	2.16%
1/1/04	9,669	39.5	10.2	\$528,557	\$54,665	3.65%
1/1/03	9,462	39.3	10.1	\$499,043	\$52,742	3.38%
1/1/02	9,177	39.2	10.2	\$468,169	\$51,015	6.76%
1/1/01	8,949	39.2	10.4	\$427,649	\$47,787	5.06%
1/1/00	8,629	39.4	10.9	\$392,479	\$45,484	3.44%
1/1/99	8,443	39.7	11.5	\$371,257	\$43,972	1.21%

Gain/(Loss) on Actuarial Value of Assets

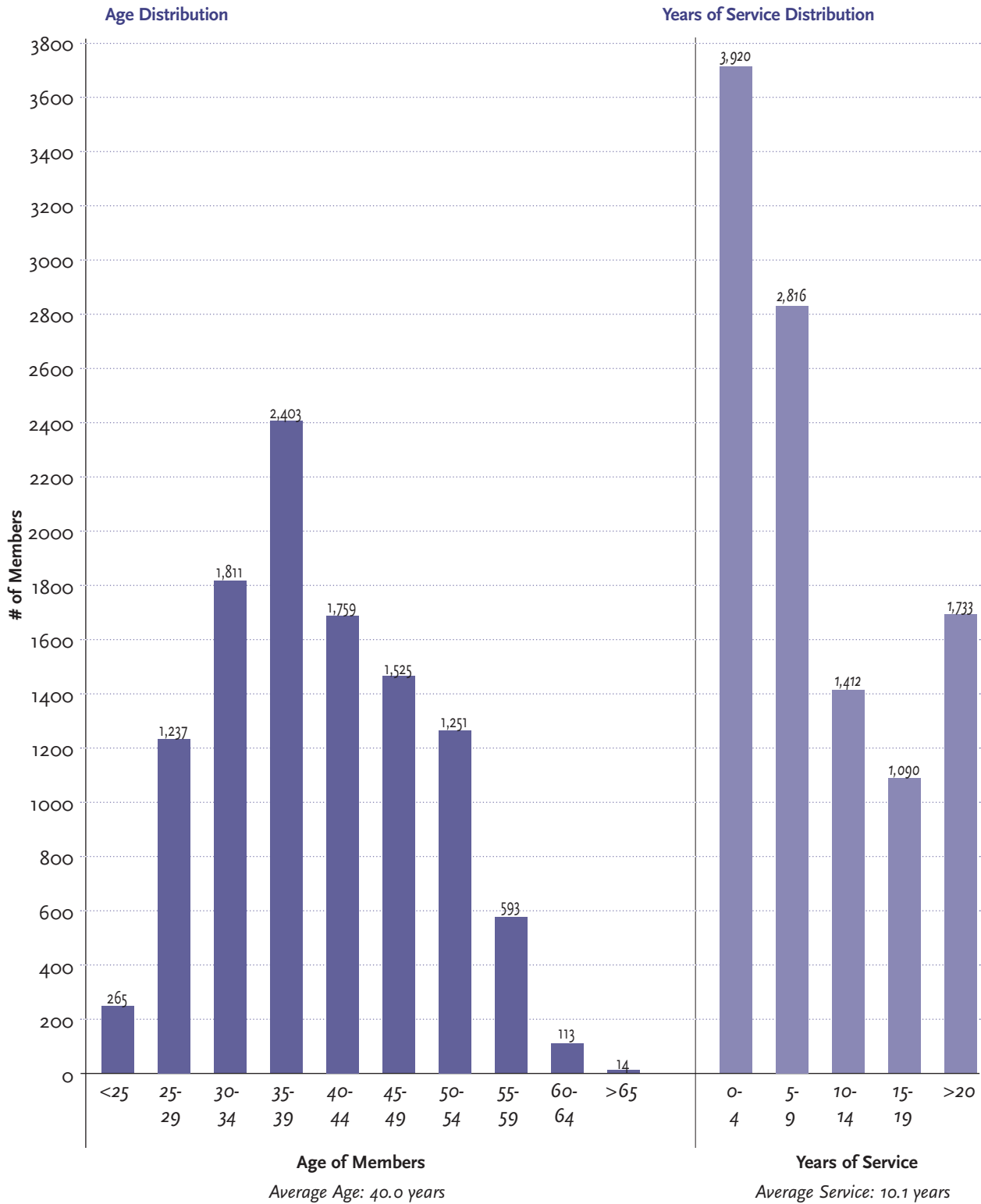
	Valuation as of January 1, 2008	Valuation as of January 1, 2007
Actuarial assets, prior valuation	\$274,091,581	\$249,299,172
Total contributions since prior valuation	\$9,902,125	\$8,285,263
Benefits since prior valuation	(\$13,741,872)	(\$13,007,054)
Assumed net investment income at 8%		
Beginning assets	\$21,927,326	\$19,943,934
Contributions	\$388,465	\$325,035
Benefits paid	(\$539,100)	(\$510,273)
Total	\$21,776,691	\$19,758,696
Expected actuarial assets	\$292,028,525	\$264,336,077
Actual actuarial assets, this valuation	\$300,642,721	\$274,091,581
Asset gain (loss) since prior valuation	\$8,614,196	\$9,755,504
	Gain	Gain

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

Valuation Date	Added to Payroll		Removed from Payroll		Number	Payroll Annual Benefit	% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefit	Number	Annual Benefit				
12/31/07	39	\$1,264,925	16	\$258,356	747	\$14,281,152	7.58%	\$19,118
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

Age and Years of Service Distribution

ACTUARIAL SECTION



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 of 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)
1/1/08	\$300,643	\$0	\$154,614	\$69,386	100%	100%	100%
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%

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 August 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, 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

Statewide Death & Disability Plan

(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 the actuarial equivalent value of the Money Purchase, DROP, and SRA account balances, as if they were 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 determined 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 determined 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 occupational disability benefits are offset by any applicable Money Purchase, DROP or SRA balance. For member's who also participate in Social Security, 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. This 2.6% contribution may be paid entirely by either the employer or member, 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

On March 26, 2008, the Board adopted new assumptions based on the actuary's analysis and recommendations from the 2008 Experience Study. The new assumptions were first effective for the January 1, 2008 valuation. The modifications are summarized as follows:

Statewide Death & Disability Plan

- There were no changes made to the assumed inflation rate of 3.50%.
- There were no changes made to the assumed real return on investments (the return in excess of inflation) of 4.50%.
 - *Note: the first two recommendations, taken together, result in no changes to the nominal 8.00% investment return rate assumption.*
- Extended the service based salary schedule from 9 to 15 years. Also modified the service-based components for services years 7-12.
- Increased the payroll growth assumption to 4.25%.
- No changes made to the post-retirement mortality assumption.
- Reduced the non-duty active mortality expectations.
- Increased the service-related active mortality expectations.
- Introduced new disability tables based on the observed plan experience during this investigation period. There are separate rates for money purchase and defined benefit members.
- Introduced small retirement probabilities for Statewide Defined Benefit members with less than 25 years of service.
- Introduced retirement probabilities starting at age 50 for money purchase members.
- Decreased the rate of termination based on plan experience. Introduced service only tables.
- Instituted small changes to administrative procedures (data defaults, etc.)

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
1/1/08	228	3,927	\$6,199,241	\$81,569	28.87%
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 1/1/2008 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		
1/1/08	N/A	N/A	N/A	N/A	6,046	\$150,903,385	N/A	\$24,959
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)
1/1/08	\$1,859,987	*	*	\$2,064,576	N/A	N/A	90.1%
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

On March 26, 2008, the Board adopted new assumptions based on the actuary's analysis and recommendations from the 2008 Experience Study. The new assumptions were first effective for the January 1, 2008 valuation. The modifications are summarized as follows:

- There were no changes made to the assumed inflation rate of 3.50%.
- There were no changes made to the assumed real return on investments (the return in excess of inflation) of 4.50%.
 - *Note: the first two recommendations, taken together, result in no changes to the nominal 8.00% investment return rate assumption.*
- Extended the service based salary schedule from 9 to 15 years. Also modified the service-based components for services years 7-12.
- Increased the payroll growth assumption to 4.25%.
- No changes made to the post-retirement mortality assumption.
- Reduced the non-duty active mortality expectations.
- Increased the service-related active mortality expectations.
- Introduced new disability tables based on the observed plan experience during this investigation period. There are separate rates for money purchase and defined benefit members.
- Introduced small retirement probabilities for Statewide Defined Benefit members with less than 25 years of service.
- Introduced retirement probabilities starting at age 50 for money purchase members.
- Decreased the rate of termination based on plan experience. Introduced service only tables.
- Instituted small changes to administrative procedures (data defaults, etc.)
- Made changes to the termination and retirement rates for volunteer plans based on plan experience.

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.

2008 FPPA Legislative Matters

In 2008, two pieces of legislation important to FPPA were passed.

House Bill 08-1070 - FPPA Statewide Defined Benefit Cost-of-Living Bill

Bill Highlights

- This legislation modifies how the FPPA Board of Directors may increase the COLA benefits in the SWDB plan. While COLAs remain at the discretion of the FPPA, the new maximum COLA is the higher of the CPI for urban wage earners or 3%.

Senate Bill 08-009 - Overpayment / Fraud Bill

Bill Highlights

- This legislation establishes penalties related to benefits paid to a Member who, otherwise required by law, fails to submit to a medical examination or fails to provide pertinent information to the FPPA Board of Directors under the Statewide Death and Disability Plan.
- Permits the FPPA Board to review benefits to determine if there has been fraud, an overpayment, an error, or a mistake. Authorizes the Board to take action based on the findings of the review.

2008 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 Jct Fire	314,551	314,551	337,039	0
Grand Jct 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	2008	Total (1980-2008)
\$0	\$0	\$0	\$0	\$0	\$2,502,878
0	0	0	0	0	9,175,314
0	0	0	0	0	9,947,115
0	0	0	0	0	11,496,947
9,960,439	0	9,960,439	13,683,617	13,684,810	191,916,661
12,601,870	0	12,601,870	17,312,406	17,313,915	251,483,929
0	0	0	0	0	4,589,087
288,733	0	288,733	396,660	396,694	5,568,173
658,126	0	658,126	904,131	904,210	10,268,368
0	0	0	0	0	192,075
967,044	0	967,044	1,328,522	1,328,638	20,102,337
0	0	0	0	0	1,699,753
0	0	0	0	0	131,044
0	0	0	0	0	14,005
679,382	0	679,382	933,333	933,414	12,130,697
0	0	0	0	0	23,293
0	0	0	0	0	44,719
156,844	0	156,844	215,472	215,491	2,607,898
8,641	0	8,641	0	0	4,413,438
\$25,321,079	\$0	\$25,321,079	\$34,774,141	\$34,777,172	\$538,307,731

Revenues by Source — All Plans

	Investment Earnings	State Funding	Employers	Employees	Affiliations	Total
2008	\$(1,072,989,641)	\$37,592,294	\$88,810,611	\$60,950,939	\$1,051,718	\$(884,584,079)
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

Revenue Allocation — All Plans

	Additions to Fund Balance	Benefit Payments	Administrative Expense	Refunds & Withdrawals	Total
2008	\$(1,104,966,569)	\$185,187,189	\$4,984,384	\$30,210,917	\$(884,584,079)
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

Expenses by Type — All Plans

	Benefit Payments	Refunds	Administrative Expenses	Capital Expense	Total Expense
2008	\$185,187,189	\$30,210,917	\$4,984,384	\$60,051	\$220,442,541
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

Changes in Fiduciary Net Assets

Affiliated Local Plans

	2008	2007
Additions		
Employer Contributions	\$46,007,841	\$47,549,603
Member Contributions	640,234	1,238,824
Affiliations (Withdrawals)	21,194	7,042,765
State Contributions	37,592,294	37,593,512
Investment Income (Loss)	(552,351,083)	167,049,310
Total Additions	(468,089,520)	260,474,014
Deductions		
Benefit Payments:		
Retirees/Survivors	152,270,531	146,375,432
Death/Disability		
Refunds of Contributions	2,958,350	3,219,143
Administrative Costs	2,693,660	2,337,465
Total Deductions	157,922,571	151,932,040
Changes in Net Assets Available for Benefits	(626,012,091)	108,541,974
Net Assets Held at Beginning of Year	1,932,433,066	1,823,891,092
Net Assets Held at End of Year	\$1,306,420,975	\$1,932,433,066

Note: Information for prior eight years is not available.

Statewide Death & Disability Plan

	2008	2007
Additions		
Employer Contributions	\$8,562,034	\$7,522,862
Member Contributions	2,356,603	2,372,335
Affiliations (Withdrawals)		
State Contributions		
Investment Income (Loss)	(89,411,107)	26,139,800
Total Additions	(78,492,470)	36,034,997
Deductions		
Benefit Payments:		
Retirees/Survivors		
Death/Disability	14,886,707	13,741,872
Refunds of Contributions		
Administrative Costs	435,765	369,928
Total Deductions	15,322,472	14,111,800
Changes in Net Assets Available for Benefits	(93,814,942)	21,923,197
Net Assets Held at Beginning of Year	308,532,413	286,609,216
Net Assets Held at End of Year	\$214,717,471	\$308,532,413

Note: Information for prior eight years is not available.

Changes in Fiduciary Net Assets (continued)

Defined Benefit System

	2008	2007
Additions		
Employer Contributions	\$31,867,543	\$29,464,995
Member Contributions	33,780,203	49,112,009
Affiliations (Withdrawals)		
State Contributions		
Investment Income (Loss)	(382,348,087)	103,317,713
Total Additions	(316,700,341)	181,894,717
Deductions		
Benefit Payments:		
Retirees/Survivors	18,029,951	13,025,265
Death/Disability		
Refunds of Contributions	4,076,623	5,375,671
Administrative Costs	1,854,959	1,489,943
Total Deductions	23,961,533	19,890,879
Changes in Net Assets Available for Benefits	(340,661,874)	162,003,838
Net Assets Held at Beginning of Year	1,276,415,520	1,114,411,682
Net Assets Held at End of Year	\$935,753,646	\$1,276,415,520

Note: Information for prior eight years is not available.

Fire & Police Members' Money Purchase Plan

	2008	2007
Additions		
Employer Contributions	\$25,032	\$80,039
Member Contributions	25,032	98,282
Affiliations (Withdrawals)	(502,101)	(5,400,071)
State Contributions		
Investment Income (Loss)	(47,970)	153,791
Total Additions	(500,007)	(5,067,959)
Deductions		
Benefit Payments:		
Retirees/Survivors		
Death/Disability		
Refunds of Contributions	2,155	213,106
Administrative Costs		
Total Deductions	2,155	213,106
Changes in Net Assets Available for Benefits	(502,162)	(5,281,065)
Net Assets Held at Beginning of Year	502,162	5,783,227
Net Assets Held at End of Year	\$0	\$502,162

Note: Information for prior eight years is not available.

Changes in Fiduciary Net Assets (continued)

Fire & Police Members' Statewide Money Purchase Plan

	2008	2007
Additions		
Employer Contributions	\$282,877	\$250,200
Member Contributions	283,369	250,200
Affiliations (Withdrawals)		
State Contributions		
Investment Income (Loss)	(1,405,228)	417,710
Total Additions	(838,982)	918,110
Deductions		
Benefit Payments:		
Retirees/Survivors		
Death/Disability		
Refunds of Contributions	500,040	644,083
Administrative Costs		
Total Deductions	500,040	644,083
Changes in Net Assets Available for Benefits	(1,339,022)	274,027
Net Assets Held at Beginning of Year	4,942,873	4,668,846
Net Assets Held at End of Year	\$3,603,851	\$4,942,873

Note: Information for prior eight years is not available.

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

	2008	2007
Additions		
Employer Contributions	\$2,065,284	\$684,519
Member Contributions	17,009,496	16,815,374
Affiliations (Withdrawals)	1,532,625	69,134,962
State Contributions		
Investment Income (Loss)	(30,051,876)	6,163,503
Total Additions	(9,444,471)	92,798,358
Deductions		
Benefit Payments:		
Retirees/Survivors		
Death/Disability		
Refunds of Contributions	20,852,584	36,396,439
Administrative Costs		
Total Deductions	20,852,584	36,396,439
Changes in Net Assets Available for Benefits	(30,297,055)	56,401,919
Net Assets Held at Beginning of Year	140,667,412	84,265,493
Net Assets Held at End of Year	\$110,370,357	\$140,667,412

Note: Information for prior eight years is not available.

Changes in Fiduciary Net Assets (continued)

IRC 457 Deferred Compensation Plan

	2008	2007
Additions		
Employer Contributions		
Member Contributions	6,856,002	6,433,829
Affiliations (Withdrawals)		
State Contributions		
Investment Income (Loss)	(17,374,290)	4,745,946
Total Additions	(10,518,288)	11,179,775
Deductions		
Benefit Payments:		
Retirees/Survivors		
Death/Disability		
Refunds of Contributions	1,821,135	2,861,400
Administrative Costs		
Total Deductions	1,821,135	2,861,400
Changes in Net Assets Available for Benefits	(12,339,423)	8,318,375
Net Assets Held at Beginning of Year	49,385,784	41,067,409
Net Assets Held at End of Year	\$37,046,361	\$49,385,784

Note: Information for prior eight years is not available.

FPPA Staff Healthcare Subsidy Plan

	2008	2007
Additions		
Employer Contributions	\$12,425	\$8,600
Member Contributions		
Affiliations (Withdrawals)		
State Contributions		
Investment Income (Loss)	(37,749)	11,167
Total Additions	(25,324)	19,767
Deductions		
Benefit Payments:		
Retirees/Survivors	1,348	2,226
Death/Disability		
Refunds of Contributions		
Administrative Costs	967	853
Total Deductions	2,315	3,079
Changes in Net Assets Available for Benefits	(27,639)	16,688
Net Assets Held at Beginning of Year	131,953	115,265
Net Assets Held at End of Year	\$104,314	\$131,953

Note: Information for prior eight years is not available.

Schedule of Average Benefit Payments

Affiliated Local Plans

Year Retired	In Total
1/1/08 - 12/31/08	
Average monthly benefit	\$399
Average final average salary	Not Available
Number of service retirees	95
1/1/07 - 12/31/07	
Average monthly benefit	\$1,717
Average final average salary	Not Available
Number of service retirees	200

Note 1: Information for years prior to 2007 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
1/1/08 - 12/31/08	
Average monthly benefit	\$2,153
Average final average salary	Not Available
Number of service retirees	24
1/1/07 - 12/31/07	
Average monthly benefit	\$2,175
Average final average salary	Not Available
Number of service retirees	31

Note 1: Information for years prior to 2007 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+
1/1/08 - 12/31/08						
Average monthly benefit	\$1,165	\$1,220	\$1,631	\$2,546	\$3,836	\$3,932
Average highest average salary	\$3,940	\$3,831	\$3,937	\$4,569	\$5,067	\$6,428
Number of service retirees	2	3	8	9	12	4
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 1: Information for years prior to 2007 is not available.

Note 2: Benefits for this plan are based upon average highest average salary.

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+
1/1/08 - 12/31/08						
Average monthly benefit	N/A	\$1,150	N/A	N/A	\$1,579	N/A
Average highest average salary	N/A	\$8,753	N/A	N/A	\$4,887	N/A
Number of service retirees	0	1	0	0	1	0
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 1: Information for years prior to 2007 is not available.

Note 2: Benefits for this plan are based upon average highest average salary.

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+
1/1/08 - 12/31/08						
Average monthly benefit	N/A	\$1,539	N/A	\$3,150	\$5,525	N/A
Average final average salary	N/A	\$5,503	N/A	\$6,005	\$8,254	N/A
Number of service retirees	0	2	0	4	2	0
1/1/07 - 12/31/07						
Average monthly benefit	N/A	\$1,041	\$1,731	\$3,486	\$3,705	\$2,467
Average final 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 years prior to 2007 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+
1/1/08 - 12/31/08						
Average monthly benefit	N/A	N/A	\$213	N/A	N/A	N/A
Average final average salary	N/A	N/A	N/A	N/A	N/A	N/A
Number of service retirees	0	0	1	0	0	0
1/1/07 - 12/31/07						
Average monthly benefit	N/A	N/A	N/A	N/A	N/A	N/A
Average final 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 1: Information for years prior to 2007 is not available.

Note 2: Average final average salary is not taken into consideration in the benefit calculation for this plan.

Principal Participating Employers

As of December 31, 2008

Affiliated Local Plans

Employer	Rank	Covered Active Members as of 12/31/08	Percentage of Total Plan
Durango Fire & Rescue Authority (Volunteer)	1	107	2.39%
South Adams County Fire Protection District (Volunteer)	2	94	2.10%
Evergreen Fire (Volunteer)	3	86	1.92%
Golden Volunteer Fire Department	4	82	1.83%
Forence Fire Protection District (Volunteer)	5	77	1.72%
Mountain View Fire Protection District (Volunteer)	6	68	1.52%
Evans Volunteer Fire Department	7	62	1.38%
Telluride Fire Protection District (Volunteer)	8	61	1.36%
Lafayette Fire (Volunteer)	9	60	1.34%
Inter-Canyon Fire Protection District (Volunteer)	10	54	1.21%
Larkspur Fire Protection District (Volunteer)	10	54	1.21%

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

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 for years prior to 2007 is not available.

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

Principal Participating Employers (continued)

As of December 31, 2008

Statewide Death & Disability Plan

Employer	Rank	Covered Active Members as of 12/31/08	Percentage of Total Plan
Denver Police	1	1,472	13.16%
Denver Fire	2	865	7.73%
Aurora Police	3	629	5.62%
Colorado Springs Police	4	619	5.53%
Colorado Springs Fire	5	402	3.59%
South Metro Fire Rescue	6	329	2.94%
West Metro Fire Protection District	7	325	2.90%
Aurora Fire	8	289	2.58%
Pueblo Police	9	185	1.65%
Fort Collins Police	10	182	1.63%

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 for years prior to 2007 is not available.

Principal Participating Employers (continued)

As of December 31, 2008

Defined Benefit System – Statewide Defined Benefit Plan

Employer	Rank	Covered Active Members as of 12/31/08	Percentage of Total Plan
Denver Police	1	1,503	27.18%
Denver Fire	2	857	15.50%
Pueblo Police	3	185	3.35%
Pueblo Fire	4	121	2.19%
Westminster Fire	5	113	2.04%
North Metro Fire Rescue	6	105	1.90%
Union Colony Fire Rescue	7	101	1.83%
Arvada Fire Protection District	8	98	1.77%
Colorado Springs Fire	8	98	1.77%
West Metro Fire Protection District	9	94	1.70%
Colorado Springs Police	10	92	1.66%

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 for years prior to 2007 is not available.

Principal Participating Employers (continued)

As of December 31, 2008

Defined Benefit System – Statewide Hybrid Plan

Employer	Rank	Covered Active Members as of 12/31/08	Percentage of Total Plan
West Metro Fire Protection District	1	238	65.21%
Evans Police	2	27	7.40%
Westminster Fire	3	22	6.03%
Canon City Police	4	19	5.21%
North Metro Fire Rescue	5	14	3.84%
Lafayette Police	6	10	2.74%
Lake Dillon Fire Protection District	7	8	2.19%
Snowmass Wildcat Fire Protection District	8	6	1.64%
Brighton Police	9	4	1.10%
Trinidad Fire	9	4	1.10%
Federal Heights Police	10	3	0.82%

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 for years prior to 2007 is not available.

Principal Participating Employers (continued)

As of December 31, 2008

Fire & Police Members' Statewide Money Purchase Plan

Employer	Rank	Covered Active Members as of 12/31/08	Percentage of Total Plan
Rifle Fire Protection District	1	32	31.68%
Eaton Fire Protection District	2	19	18.81%
Elizabeth Fire Protection District	3	16	15.84%
Mountain Village Police	4	8	7.92%
Central City Police	5	4	3.96%
Colorado Springs Police	6	3	2.97%
Brighton Fire Protection District	7	1	0.99%
Central City Fire	7	1	0.99%
Clear Creek Fire Authority	7	1	0.99%
Elizabeth Police	7	1	0.99%
Erie Police	7	1	0.99%
Fairmount Fire Protection District	7	1	0.99%
Falcon Fire Protection District	7	1	0.99%
Gilcrest Police	7	1	0.99%
Grand Valley Fire Protection District	7	1	0.99%
Kremmling Fire Protection District	7	1	0.99%
Lake George Fire Protection District	7	1	0.99%
Mountain View Police	7	1	0.99%
Nederland Fire Protection District	7	1	0.99%
Palisade Police	7	1	0.99%
Palmer Lake Police	7	1	0.99%
Rocky Mountain Fire Protection District	7	1	0.99%
Salida Fire	7	1	0.99%
Upper Pine River Fire Protection District	7	1	0.99%
West Routt Fire Protection District	7	1	0.99%

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 for years prior to 2007 is not available.

Principal Participating Employers (continued)

As of December 31, 2008

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 1: Data for the number of members by employer for years prior to 2007 is not available.

Note 2: As of July 1, 2008, there are no participating employers in this plan.

Defined Benefit System – Exempt Plans

Employer	Rank	Covered Active Members as of 12/31/08	Percentage of Total Plan
Colorado Springs Police	1	539	63.71%
Colorado Springs Fire	2	307	36.29%

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 for years prior to 2007 is not available.

Employers

Affiliated Volunteer Fire Departments

Alamosa VFD	Evans VFD	Lewis-Arriola FPD	Rio Blanco FPD
Alamosa County FPD	Evergreen VFD	Limon Area FPD	Rocky Ford VFD
Allenspark FPD	Falcon FPD	Livermore FPD	Rocky Mountain FPD
Aspen FPD	Federal Heights VFD	Log Hill Mesa FPD	Sable-Altura FPD
Ault FPD	Fisher's Peak FPD	Loveland & Rural Consol. VFD	Sheridan VPD
Basalt & Rural FPD	Florence FPD	Lower Valley FPD	Silverton FD
Bennett FPD #7	Foothills Fire & Rescue	Lyons FPD	Snake River FPD
Berthoud FPD	Fort Lewis-Mesa FPD	Mancos FPD	South Adams County FPD
Big Sandy FPD	Fort Morgan VFD	Manitou Springs VFD	South Arkansas FPD*
Big Thompson VFD	Fort Morgan Rural VFD	Manzanola Rural FPD	South Conejos FPD
Black Forest FPD	Franktown FPD	Milliken FPD	South Metro Fire Rescue*
Blanca VFD	Frederick Firestone FPD	Montrose FPD	Southwest Washington County FPD
Boone VFD	Galeton FPD	Mountain View FPD	Springfield VFD
Boulder Mountain FPD	Genesee FPD	Nederland FPD	Steamboat Springs VFD
Boulder Rural FPD	Glacier View VFD	New Raymer-Stoneham FPD	Sterling VFD
Brighton VFD	Glendale VFD*	Northeast Teller County FPD	Stonewall VFD
Brush Combined Fire/VFD	Glenwood Springs VFD	North Fork VFD	Stratton FPD
Buena Vista VFD	Golden VFD	North Routt County VFD	Sugar City VFD
Burning Mountains FPD	Golden Gate Fire	North Washington FPD*	Sugarloaf FPD
Calhan FPD	Grand FPD #1	Northwest FPD	Telluride FPD
Cañon City Area FPD	Grand Lake FPD	Northwest Conejos County FPD	Walsh FD
Carbondale and Rural FPD	Grand Valley FPD	Norwood FPD	Wellington FPD
Cascade FPD	Green Mountain Falls/Chipita Park FPD	Nucla-Naturita FPD	West Cheyenne FPD
Castle Rock VFD	Gypsum FPD	Nunn Volunteer FPD	West Douglas County FPD
Central City VFD	Hartsel FPD	Oak Creek FPD	West Metro FPD
Central Orchard Mesa	Haxtun VFD	Olathe FPD	West Routt FPD
Cheyenne County FPD #1	High Country FPD	Olney Springs VFD	Westminster VFD*
Clear Creek FA	Hillrose Rural FPD	Ordway Fire	Wet Mountain FPD
Clifton FPD	Holyoke - City VFD	Ouray VFD	Wiggins Rural FPD
Coal Creek Canyon FD	Holyoke FPD	Palisade VFD	Wiley Rural FPD
Colorado Sierra FPD	Hot Sulphur Springs/Parshall FPD	Palmer Lake VFD	Windsor Severance
Crested Butte FPD	Hygiene VFD	Parker FPD*	Yampa FPD
Cripple Creek	Indian Hills FPD	Pawnee FPD	Yuma VFD
Crowley FD	Inter-Canyon FPD	Peetz FPD	
Crystal Lakes FPD	Jackson 105 FPD	Peyton VFD	
Del Norte FPD	Jefferson-Como FPD	Pinewood Springs VFD	
Divide VFD	Kiowa FPD	Plateau Valley VFD	
Donald Wescott FPD	Kremmling FPD	Platte Canyon FPD	
Dove Creek FPD	La Junta VFD	Platte Valley FPD	
Durango Fire & Rescue Authority	La Salle FPD	Platteville/Gilcrest FPD	
Eads VFD	Lafayette VFD	Pleasant View FPD	
East Grand FPD #4	Lake City Area FPD	Pleasant View Metro VFD	
Eaton FPD	Lake Dillon FPD	Poudre FA	
Eckley VFD	Lake George FPD	Rangely Rural FPD	
Elbert FPD & Rescue	Lamar VFD	Rattlesnake FPD	
Elizabeth FPD	Larkspur FPD	Red Feather Lakes VFD	
Englewood VFD*	Left Hand FPD	Red, White & Blue FPD	
		Ridgway FPD	
		Rifle FPD	

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 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)
 Burning Mountains FPD
 Cañon City, City of (Police)
 Cañon City Area FPD
 Carbondale & Rural FPD
 Castle Rock, Town of (Fire)
 Cimarron Hills FPD
 Clear Creek Fire Authority*
 Clifton FPD*
 Colorado Springs, City of (Police
 & Fire)
 Columbine Valley, Town of
 (Police)*
 Cripple Creek, City of (Fire)
 Cunningham FPD
 Donald Wescott FPD
 Durango Fire & Rescue Authority
 East Grand FPD No. 4
 Eaton FPD
 Elizabeth FPD
 Elk Creek FPD
 Fairmount FPD*
 Federal Heights, City of (Police
 & Fire)
 Firestone, Town of (Police)
 Foothills FPD
 Fort Collins, City of (Police
 and Fire*)
 Fort Lewis-Mesa FPD
 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
 Lefthand 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)
 Plateau Valley FPD
 Platte Canyon FPD
 Platteville, Town of (Police)
 Platteville/Gilcrest FPD*
 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
 South Metro Fire Rescue

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 Monument FPD
 Trinidad, City of (Fire)
 Union Colony Fire Rescue
 Upper Pine River FPD
 Vail, Town of (Police* and Fire)
 West Routt FPD
 Wheat Ridge FPD*
 Wiggins, Town of (Police)*
 Windsor Severance 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
 Bow Mar Police*
 Brighton Police
 Burning Mountains FPD
 Greater Brighton FPD
 Brush Police
 Cañon City Police
 Carbondale & Rural FPD
 Castle Rock Fire
 Center Police
 Central City Fire*
 Chaffee County FPD

Cimarron Hills FPD	Hugo Police	Plateau Valley FPD	Evans Fire & Police (*Fire is Inactive)
Clear Creek FA	Idaho Springs Police	Platte Canyon FPD	Federal Heights Police & Fire
Clifton FPD	Ignacio Police	Platte Valley FPD	Lafayette Police
Collbran Marshalls Police	Jefferson-Como FPD	Platteville Police	Lake Dillon FPD
Colorado Centre Metro District Fire*	Johnstown FPD	Platteville/Gilcrest FPD	Milliken Police
Colorado Springs Police & Fire	Kiowa FPD	Pleasant View Metro Fire	Montrose FPD
Columbine Valley Police	Kremmling FPD*	Pueblo Police and Fire	North Metro Fire Rescue
Copper Mountain Fire	La Jara Police	Pueblo Rural FPD	Snowmass Wildcat FPD
Cripple Creek Fire	La Salle FPD	Pueblo West Metro FPD	Trinidad Fire
Cunningham FPD	La Salle Police	Red, White & Blue FPD	Union Colony Fire Rescue
Dacono Police	La Veta Police	Rifle FPD	West Metro FPD
Denver Police and Fire	Lafayette Police & Fire	Rocky Mountain FPD	Westminster Fire
Dinosaur Police	Lake Dillon FPD	Rye FPD	
Dolores Police*	Lake George FPD*	Sable-Altura FPD	
Donald Wescott FPD	Lakeside Police	Salida Police and Fire	Employers of Statewide Money Purchase Plan Members
Durango Fire & Rescue Authority	Larkspur FPD	Saguache Police*	Alma Police*
Eads Police	Las Animas Police	Sanford Police	Black Hawk Fire*
East Grand FPD #4	Leadville Police and Fire	San Luis Police*	Burning Mountains FPD*
Eaton FPD	Lefthand FPD	Silt Police	Greater Brighton FPD
Elizabeth Police	Lochbuie Police & Fire (*Fire is Inactive)	Silverton Police*	Central City Police and Fire
Elk Creek FPD	Log Lane Village Police	Skyline FPD*	Clear Creek FA
Empire Police	Lone Tree Police	Snowmass Wildcat FPD	Colorado Springs Police
Englewood Fire	Los Pinos FPD	South Adams County FPD	Cripple Creek Fire*
Erie Police	Louisville Fire*	South Fork Police	Eaton FPD
Evans Police & Fire	Louisville Fire*	Southeast Weld FPD	Elizabeth FPD
Fairmount FPD	Lower Valley FPD	Southern Park County FPD	Elizabeth Police*
Fairplay Marshalls	Manassa Police	Steamboat Springs Fire	Elk Creek FPD*
Falcon FPD	Manitou Springs Police and Fire	Sterling Police and Fire	Erie Police
Federal Heights Police & Fire	Milliken FPD	Stratmoor Hills FPD	Fairmont FPD
Firestone Marshalls Police	Milliken Police	Stratton Police	Falcon FPD
Florence Police	Minturn Fire*	Telluride FPD	Gilcrest Police
Foothills Fire & Rescue	Montrose FPD	Thornton Fire	Grand Valley FPD
Fort Lewis-Mesa FPD*	Mountain View FPD	Tri Lakes Monument FPD	Jefferson-Como FPD*
Fort Lupton FPD	Mountain View Police	Trinidad Fire	Kiowa FPD*
Fowler Police	Nederland FPD*	Union Colony Fire Rescue	Kremmling FPD
Franktown FPD	Northeast Teller County FPD	Upper Pine River FPD	Lake George FPD
Frederick Firestone FPD	North Fork Fire	West Metro FPD	Las Animas Police*
Frisco Police	North Metro Fire Rescue	Westminster Fire	Louviers FPD*
Genesee FPD	North Routt County Fire	Wheat Ridge FPD	Mountain View Police
Georgetown Police	North Washington FPD	Wiggins Police	Mountain Village Police
Gilcrest Police	Northwest FPD	Windsor-Severance FPD	Nederland FPD*
Granada Police	Oak Creek FPD	Woodland Park Fire*	Palisade Police*
Grand FPD #1	Oak Creek Police*	Wray Police	Palmer Lake Police
Grand Lake Fire	Olathe Police	Yuma Police	Rifle FPD
Grand Valley FPD	Otis Police*		Rocky Mountain FPD
Greater Eagle FPD	Pagosa FPD	Employers of Statewide Hybrid Plan	Salida Fire
Green Mountain Falls/ Chipita Park Fire	Pagosa Springs Police	Arvada FPD*	Stratmoor Hills FPD
Gypsum FPD	Palisade Police and Fire	Brighton Police	Upper Pine River FPD
Hartsel FPD	Palmer Lake Police	Cañon City Police	West Routt FPD
Holly Police*	Paonia Police	Dacono Police	Wheat Ridge FPD
Hudson FPD	Parachute Police		
	Parker Police		
	Pierce Police*		

* 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	Average Years of Service at Retirement
12/31/08	\$2,208	52.0	64.6	20.1
12/31/2007	\$1,839	52.4	64.6	25.1
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.

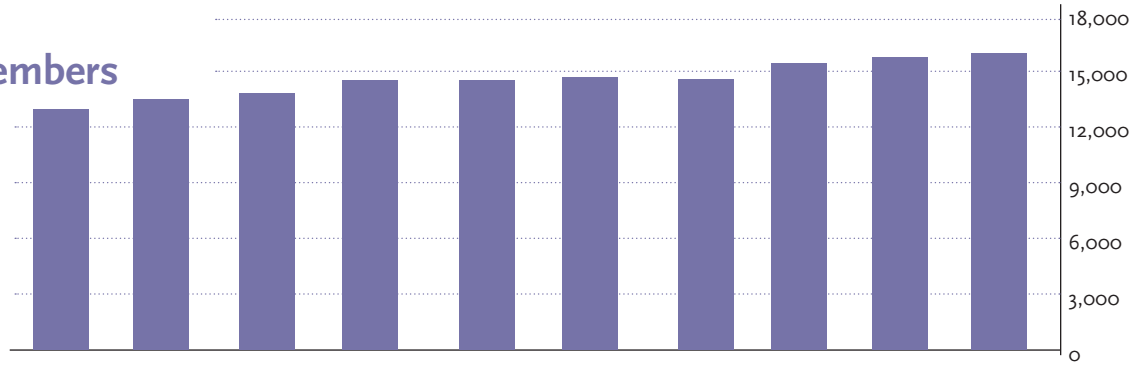
Schedule of Benefit Disbursements by Type

Year Ended	Benefit Payments	Refunds of Contributions	Total
2008	\$185,187,189	\$30,210,917	\$215,398,106
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

Note: Additional detail by type of disbursement not available.

FPPA Active Members by Plan Type

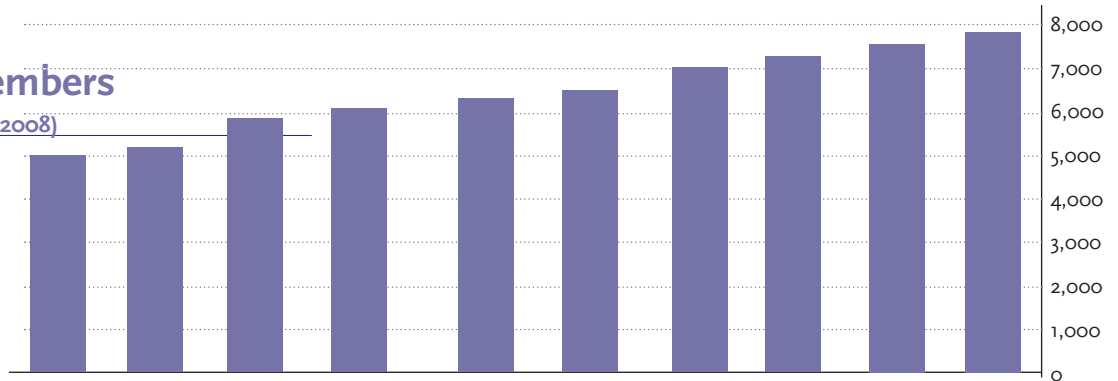
(1999-2008)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Local Money Purchase	101	114	125	126	131	125	42	44	10	0
Statewide Money Purchase	75	78	88	92	94	96	62	66	69	101
Death & Disability Only	4,193	4,383	4,598	4,756	4,874	4,787	4,747	4,917	4,863	4,700
Volunteer Firefighters	3,600	3,827	3,798	4,294	4,178	4,273	4,010	4,163	4,289	4,324
Statewide Defined Benefit Plan	2,768	2,975	3,181	3,348	3,461	3,913	4,308	4,546	5,004	5,529
Statewide Defined Benefit Plan DROP	1	2	6	10	23	32	48	71	90	95
Statewide Hybrid Plan	0	0	0	0	0	56	114	112	393	365
Statewide Hybrid Plan DROP	0	0	0	0	0	0	0	3	3	3
Exempt New Hires	810	872	890	955	971	1,032	1,066	1,052	883	846
Exempt New Hire DROP	0	0	0	0	5	16	24	46	57	65
Local Old Hire Plans	844	616	440	311	217	171	126	103	78	60
Local Old Hire Plans with DROP	397	487	524	490	424	336	251	200	147	94
TOTAL MEMBERS	12,789	13,354	13,650	14,382	14,378	14,837	14,798	15,323	15,886	16,182

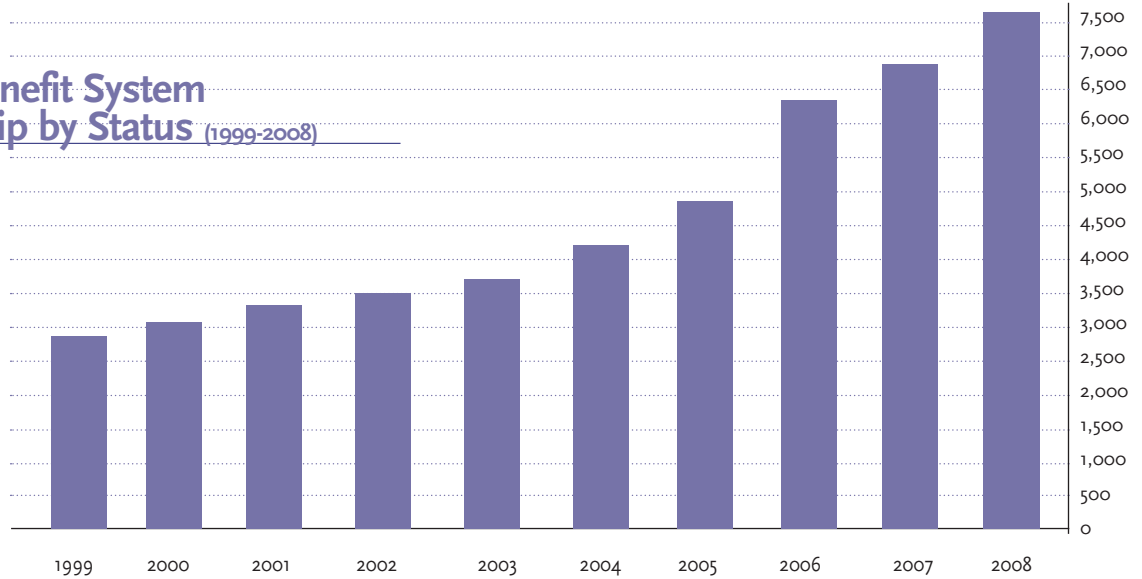
FPPA Retired Members by Plan Type

(1999-2008)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
D&D Retirees	495	528	567	594	629	667	700	733	763	784
Volunteers	1,561	1,693	2,035	2,105	2,307	2,370	2,529	2,642	2,867	2,990
Statewide Defined Benefit Plan	104	117	146	160	193	252	265	311	355	423
Statewide Hybrid Plan	0	0	0	0	0	20	73	92	141	154
Exempt New Hires								111	141	152
All Local Plans	2,833	2,914	2,989	3,128	3,207	3,339	3,418	3,339	3,380	3,370
All Money Purchase Plans	4	10	46	42	55	49	33	37	34	37
TOTAL MEMBERS	4,997	5,262	5,783	6,029	6,391	6,697	7,018	7,265	7,681	7,910

Defined Benefit System Membership by Status (1999-2008)



Statewide Defined Benefit Plan:

Terminated Vested	76	87	103	111	134	176	157	162	156	164
Retired & Beneficiaries	28	30	43	49	59	76	108	149	199	259
Non-vested Actives	1,771	1,866	1,986	2,089	1,370	1,547	1,742	1,721	1,963	2,300
Partially Vested Actives	995	1,103	1,156	1,213	2,000	2,189	2,350	2,604	2,751	2,918
Fully Vested Actives	2	6	45	46	91	177	216	221	290	311
DROP Actives	0	2	6	10	23	32	48	71	90	95

Statewide Hybrid Plan:

Retired, Beneficiaries, & Terminated Vested	0	0	0	0	0	20	73	92	141	154
Non-vested Actives	0	0	0	0	0	48	0	7	73	72
Partially Vested Actives	0	0	0	0	0	5	100	52	83	78
Fully Vested Actives	0	0	0	0	0	3	14	53	237	215
DROP Actives	0	0	0	0	0	0	0	3	3	3

Exempt Plans

Affiliated with the Defined Benefit System in 2006; Data not available prior to 2006.

Retired, Beneficiaries, & Terminated Vested								111	141	152
Non-vested Actives								613	460	409
Partially Vested Actives								370	372	380
Fully Vested Actives								69	51	57
DROP Actives								46	57	65

TOTAL MEMBERS 2,872 3,094 3,339 3,518 3,677 4,273 4,808 6,344 7,067 7,632

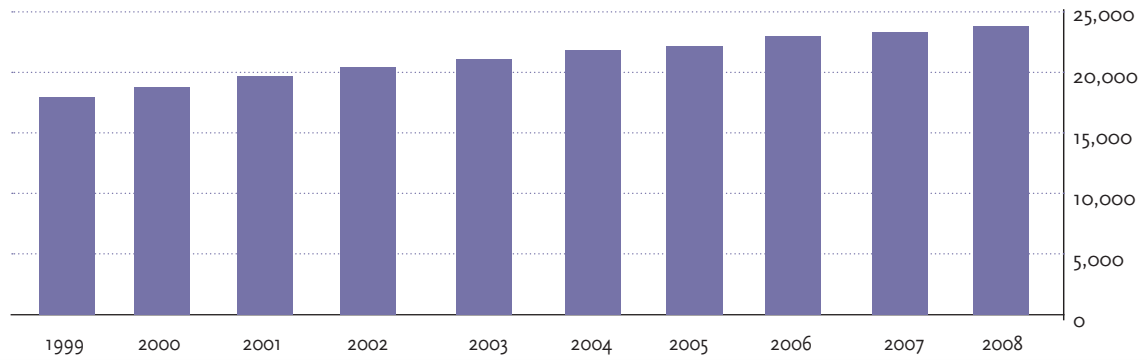
Statewide Death & Disability Plan Membership by Status (1999-2008)



Disabled Retirees & Beneficiaries	495	528	567	594	629	667	700	733	763	784
Non-vested Actives	8,739	9,038	9,322	9,585	9,744	10,180	10,465	10,840	11,263	11,189

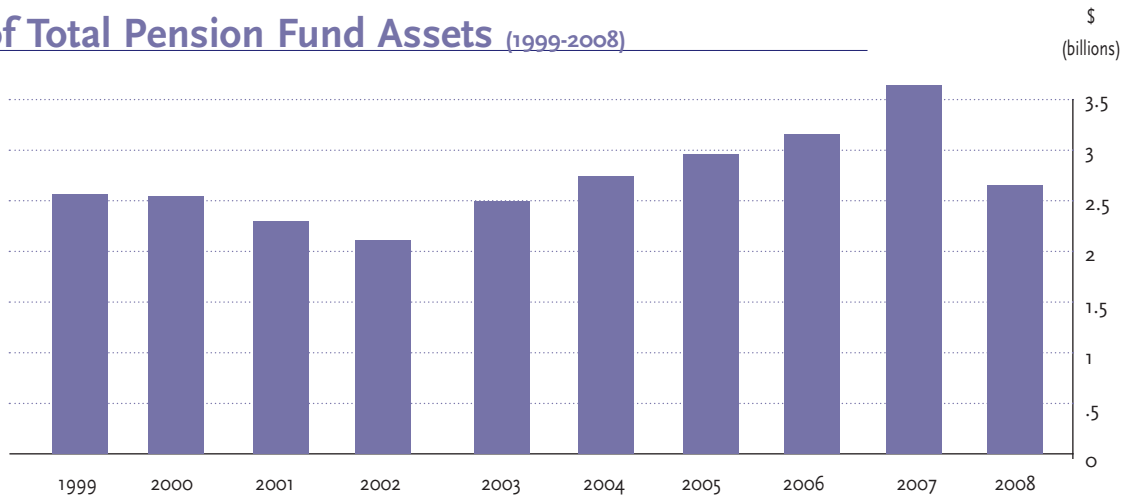
TOTAL MEMBERS 9,234 9,566 9,889 10,179 10,373 10,847 11,165 11,573 12,026 11,973

FPPA Active and Retired Members by Occupation (1999-2008)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Retired Firefighters	3,152	3,312	3,777	3,943	4,158	4,291	4,570	4,740	5,095	5,257
Active Firefighters	7,479	7,909	8,065	8,748	8,732	9,031	8,857	9,163	9,493	9,772
Retired Police	1,936	1,976	2,047	2,133	2,232	2,337	2,448	2,525	2,585	2,646
Active Police	5,310	5,445	5,585	5,634	5,639	5,801	5,915	6,129	6,306	6,344
Retired Administrative	0	0	0	0	1	0	0	0	1	7
Active Administrative	0	0	0	0	7	5	26	31	87	66
TOTAL MEMBERS	17,877	18,642	19,474	20,458	20,769	21,465	21,816	22,588	23,567	24,092

Growth of Total Pension Fund Assets (1999-2008)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues/Inflows	137,132	119,947	138,556	131,404	113,663	152,717	153,667	178,396	270,244	188,406
Withdrawals/Outflows	(119,567)	(138,654)	(146,623)	(157,291)	(167,016)	(195,555)	(212,179)	(204,559)	(226,050)	(220,382)
Return on Investments	401,043	(97,194)	(165,345)	(206,487)	441,061	289,932	270,240	428,071	307,988	(1,072,990)
Beginning Assets	2,215,337	2,633,945	2,518,044	2,344,632	2,112,259	2,499,967	2,747,061	2,958,789	3,360,697	3,712,879
Total \$ in thousands (ooo's)	2,633,945	2,518,044	2,344,632	2,112,258	2,499,967	2,747,061	2,958,789	3,360,697	3,712,879	2,607,913

Schedule of Retired Members by Type of Benefit as of December 31, 2008

	Monthly Benefit Amount						Total
	<\$500	\$501-1000	\$1001-1500	\$1501-2000	\$2001-2500	>\$2501	
Statewide Death & Disability Plan							
Occupational Disability	25	79	154	142	88	75	563
Occupational Disability-Survivor	14	7	5	1	0	0	27
Total Disability	2	0	3	6	10	32	53
Total Disability-Survivor	3	7	12	6	11	2	41
Survivor of Active	3	10	17	39	21	10	100
*Money Purchase Plans	N/A	N/A	N/A	N/A	N/A	N/A	37
Statewide Defined Benefit Plan							
Retired	11	40	25	30	30	112	248
Vested	22	71	31	18	11	9	162
Retiree-Survivor	1	7	2	0	0	3	13
Statewide Hybrid Plan							
*Money Purchase Only	N/A	N/A	N/A	N/A	N/A	N/A	160
Retired	0	0	1	1	0	1	3
Vested	0	0	0	0	0	1	1
Retiree-Survivor	0	0	0	0	0	0	0
Exempt Plans							
Retired	0	5	15	7	12	90	129
Vested	0	3	13	2	1	3	22
Retiree-Survivor	0	1	0	0	0	0	1
Local Plans							
Disability Retirement	11	9	5	2	7	809	843
Disability-Survivor	4	10	5	78	163	81	341
Retired	1,821	585	26	37	65	1,703	4237
Vested	239	32	1	0	0	2	274
Retiree-Survivor	328	49	20	55	128	85	665
Totals	2,484	915	335	424	547	3,018	7,910

* Details not available due to outsourcing of record-keeping of plan.