**Attachment B**

Annual Update

*to the*

**Police Officers'**

**and Firefighters'**

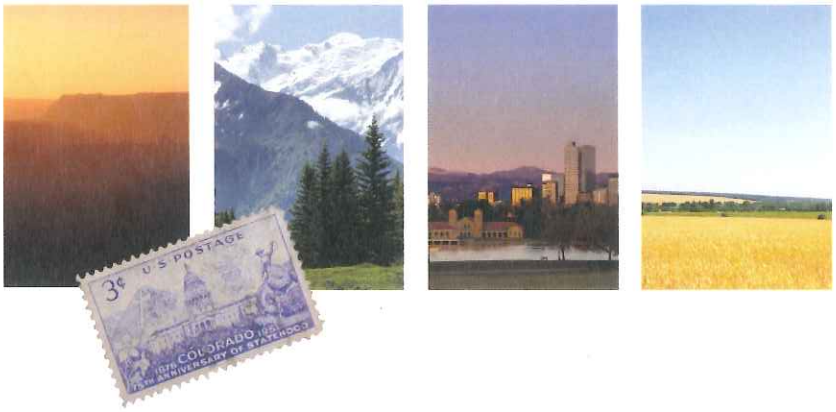
**Pension Reform**

**Commission**

September 30, 2013

**FPPA**

Fire & Police
Pension Association
of
Colorado



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Q&A Session

**FPPA** *Fire and Police Pension Association of Colorado*

## *Board of Directors*

Left Column

**Susan R. Eaton,** Chair
Human Resources Director,
City of Englewood
Member since 2009
Current term expires 9.1.14

**Todd Bower,** Vice Chair
Deputy Chief, Denver Fire Department
Member since 2001
Current term expires 9.1.13*

Center Column

**Jack Blumenthal**
Principal, Causey Demgen & Moore P.C.
Member since 2009
Current term expires 9.1.14

**David L. Bomberger, CFA**
Chief Investment Officer,
Pinnacol Assurance
Member since 2013
Current term expires 9.1.14

**Manuel A. Esquibel**
City Manager,
City of Brighton
Member since 2013
Current term expires 9.1.15

**Pamela M. Feely**
President,
West Metro Fire Rescue District IV
Board of Directors
Member since 2011
Current term expires 9.1.15

Right Column

**Lyle Hesalroad**
Retired Police Captain,
Denver Police Department
Member since 2009
Current term expires 9.1.13*

**Clifford W. Stanton**
CIO, Prima Capital Holding
Member since 2009
Current term expires 9.1.16

**Tyson Worrell**
Detective, Denver Police Department
Member since 2012
Current term expires 9.1.16

** These members continue to serve until further notice from the Governor.*

## Executive Summary

*Membership - as of 12/31/2012*

- Over 99% of old hire plan membership is in retired status.
- 1.5% decrease in membership of new hire plans affiliated with, or administered by, FPPA.
- 2.7% increase in total number of retirees.

*Investment Returns*

- The Fire & Police Members' Benefit Investment Fund had a net return of 7.13% YTD through July 31, 2013.
- The Fire & Police Members' Benefit Investment Fund had a net return of 11.91% in 2012.

*Funded Status*

- Statewide Death & Disability Plan funded ratio decreased from 113.7% as of January 1, 2012 to 112.2% as of January 1, 2013.
- Statewide Defined Benefit Plan funded ratio increased from 96.4% as of January 1, 2012 to 97.9% as of January 1, 2013.
- The State completed its statutory requirement to fund old hire plans as of May 31, 2013.

## Overview of Fire & Police Pension Plans and their Funding

Up until 1978, all fire and police pension plans in Colorado were local in nature. Each municipality or fire protection district with paid police officers and/or firefighters administered its own local pension plan for these members. The benefit structure for these plans was set forth in state statute, but the administration and funding was left largely to local governments.

Although the Colorado General Assembly provided some assistance to these local plans, and, in some cases, prescribed or permitted member and employer contributions, there was no statutory requirement that these local plans be funded on an actuarially sound basis. It became apparent in the mid-1970's that many of these local plans were significantly underfunded. A 1977 study by the Colorado General Assembly found that in total, these local plans had in excess of $500 million in unfunded liabilities. As a result of this study, the General Assembly enacted a series of reform bills in 1978 and 1979.

First, the reform legislation limited membership in the existing local plans to those police officers and firefighters hired prior to April 8, 1978. (Thus, these plans have become labeled **"old hire" pension plans.**) The state also established a program for partial state funding of these plans if the employers agreed to significantly increase employer contributions and establish minimum member contributions in order to fund their plans on an actuarially sound basis. The state continues to contribute funding to some of these "old hire plans" pursuant to Part 3 of Title 31, Article 30.5. State assistance is distributed by FPPA to the local plans.

With respect to police officers and firefighters hired on or after April 8, 1978, the reform legislation established a **Statewide Defined Benefit Plan ("new hire" pension plan)** to be administered by the newly created Fire and Police Pension Association. The Statewide Defined Benefit Plan is funded exclusively through member and employer contributions. Since inception, it has been funded on an actuarially sound basis, with no unfunded liabilities and no state assistance.

In addition to this basic split between old hire plans and the Statewide Defined Benefit Plan, the legislature permitted certain local options for a limited time. Thus employers were granted the authority to create **"exempt" plans.** Employers also had authority to withdraw from the Statewide Defined Benefit Plan to establish local pension plans for their new hires (**"withdrawn" plans**). All the plans that withdrew from the Statewide Defined Benefit Plan established money purchase plans. Exempt plans and withdrawn plans receive no state assistance.

Later, the legislature authorized FPPA to create a **Statewide Money Purchase Plan.** Under certain conditions, an employer may withdraw its members from the Statewide Defined Benefit Plan in order to cover them under the Statewide Money Purchase Plan. In addition, an employer having a withdrawn local money purchase plan may also elect to dissolve that plan and cover its members under the Statewide Money Purchase Plan. The Statewide Money Purchase Plan receives no state assistance.

Since 2004, police and fire departments have been able to elect coverage under the **Statewide Hybrid Plan.** The Statewide Hybrid Plan has a defined benefit component and a money purchase (defined contribution) component. The Statewide Hybrid Plan is also funded exclusively through member and employer contributions. Since inception, it has also been funded on an actuarially sound basis, with no unfunded liabilities and no state assistance.

## Overview of Fire & Police Pension Plans and their Funding

*continued*

FPPA also administers the **Colorado Springs New Hire Pension Plans - Fire Component and Police Component**, which cover police officers and firefighters who were hired on or after April 8, 1978, and before October 1, 2006. These plans are funded by member and employer contributions and receive no state assistance. Full time Colorado Springs police officers and firefighters hired on or after October 1, 2006, participate in the Statewide Defined Benefit Plan.

Finally, there are some local governments which cover their police officers under Social Security, but affiliate with FPPA to provided a supplemental benefit under the **Social Security Supplemental Retirement Plan**. This plan is a component of the Statewide Defined Benefit Plan, and is designed to give half the benefit of the Statewide Defined Benefit Plan for half the cost. This plan receives no state assistance.

Nearly all employers now cover their paid police officers and firefighters under the **Statewide Death and Disability Plan**, with the exception of a few social security employers and a few exempt employers. Up until 1996, the Statewide Death and Disability Plan had been funded entirely through an annual state contribution. In 1996, however, the General Assembly provided a final state contribution sufficient to fund the benefits of members hired prior to January 1, 1997 in perpetuity. This legislation further required that benefits for members hired after January 1, 1997 be funded entirely through employer and/or member contributions. Thus, the state no longer provides assistance to the Statewide Death and Disability Plan.

FPPA, pursuant to state statute, has also created a Model 457 **Deferred Compensation Plan**. Nearly any employer throughout the state may adopt this plan for its police officer/firefighter members. The plan is funded entirely through voluntary contributions from those members who wish to participate.

The above-described pension plans are for paid firefighters and police officers. There is also a system for **volunteer firefighter pension plans**. Cities and districts with volunteer firefighters may establish volunteer pension plans pursuant to the provisions of state statutes. Volunteer plans receive funding from property tax revenues, moneys paid or given to the funds, and state matching funds. State matching funds come from insurance premium tax proceeds, and are paid according to Section 31-30-1112, C.R.S., as amended. The state matching funds are distributed directly to the eligible local plans.

FPPA directly administers the Statewide Defined Benefit Plan, Colorado Springs New Hire Pension Plans, Statewide Hybrid Plans, Statewide Death and Disability Plan, Statewide Money Purchase Plan and Model 457 Deferred Compensation Plan. In addition, old hire pension plans and volunteer plans may affiliate with FPPA for investment purposes. These affiliations are at the option of the local employer. Upon affiliation, contributions are made to FPPA, which invests the assets and pays benefits to eligible members, pursuant to the direction of the local pension board. As of December 31, 2012, there were 220 employer plans participating in the Defined Benefit System - Statewide Defined Benefit Plan, 32 employer plans participating in the Defined Benefit System - Statewide Hybrid Plan, 2 employer plans participating in the Defined Benefit System - Colorado Springs New Hire Pension Plans, 43 employer plans with employees participating in the Fire & Police Members' Statewide Money Purchase Plan, 405 employer plans covered by the Statewide Death & Disability Plan, 51 affiliated Local "Old Hire" plans, and 175 affiliated Local Volunteer Fire pension plans.

## Overview of Fire & Police Pension Plans and their Funding

*continued*

In conclusion, state funding continues for the plans that are eligible for state matching funds. A more detailed discussion of the state funding follows.

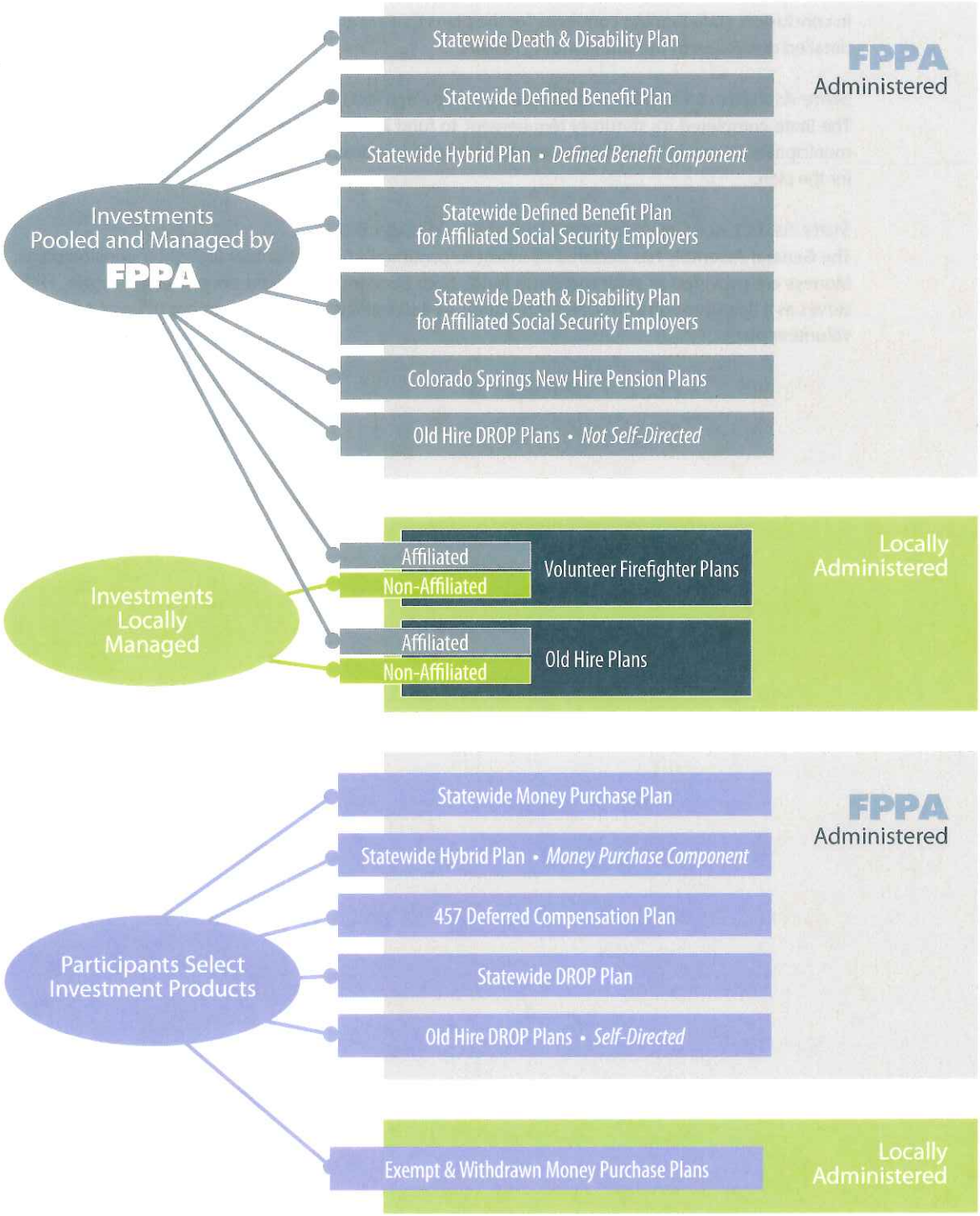
### *State Assistance for Old Hire Fire and Police Pensions Plans*

The State completed it's statutory requirement to fund local "old hire" plans as of May 31, 2013. The municipality or special district sponsoring the plan is responsible for any additional funding required for the plan.

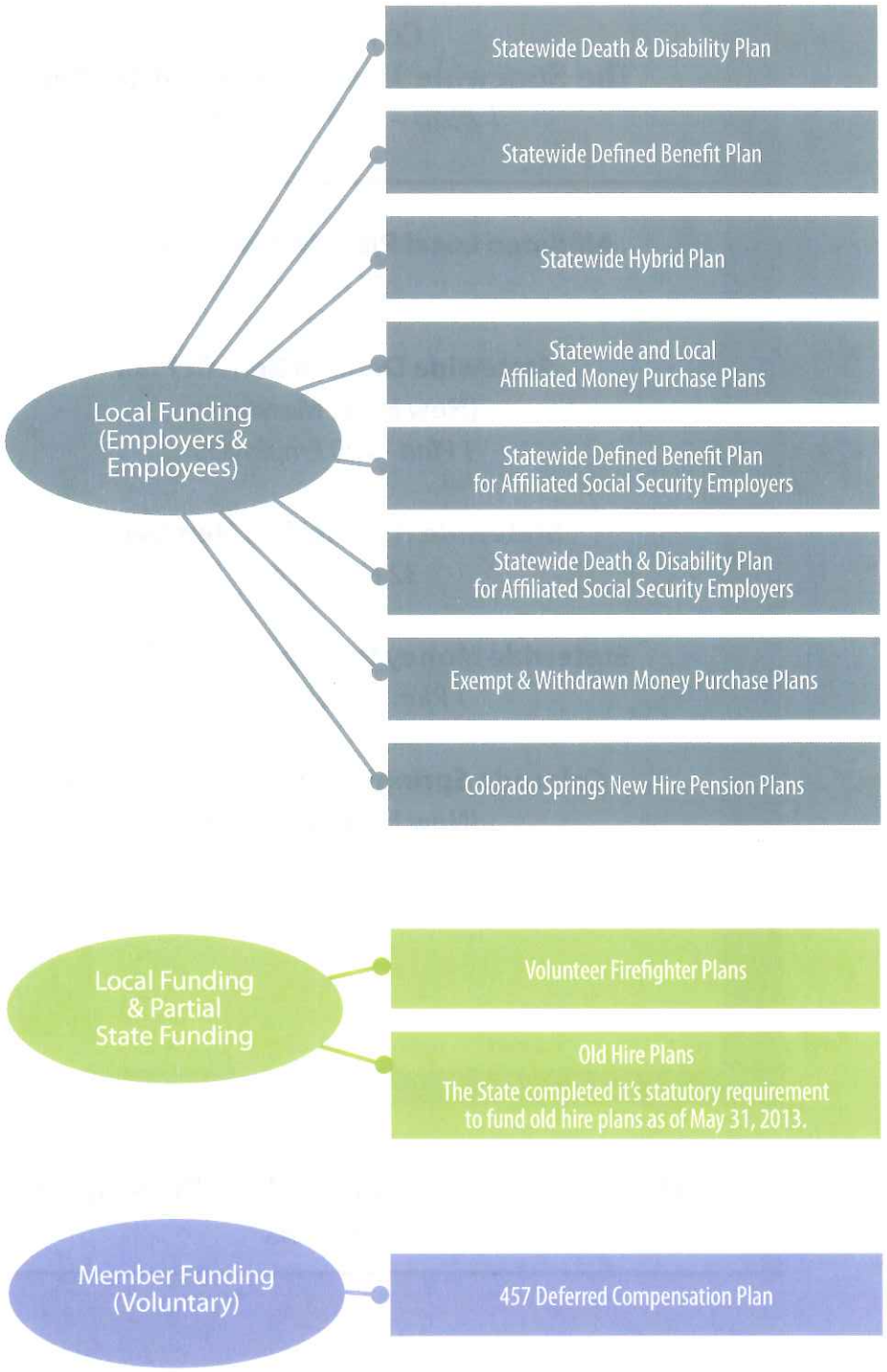
### *State Assistance for Volunteer Firefighter Pension Plans*

The General Assembly has declared its intent to continually fund volunteer firefighter pension plans. Moneys are provided as state matching funds from insurance premium tax proceeds. Again, FPPA serves as a flow-through entity, receiving funds as determined by the Department of Local Affairs for volunteer plans.

## Pension Plans



## Funding Method



## Plan Coverage *as of December 31, 2012*

### Covered by
### The Statewide Death & Disability Plan
*1 Plan - 405 Employers*

**Affiliated Local Plan (Old Hire) Members**
*51 Plans*

**Statewide Defined Benefit Plan**
**(New Hire) Members**
*1 Plan - 220 Employers*

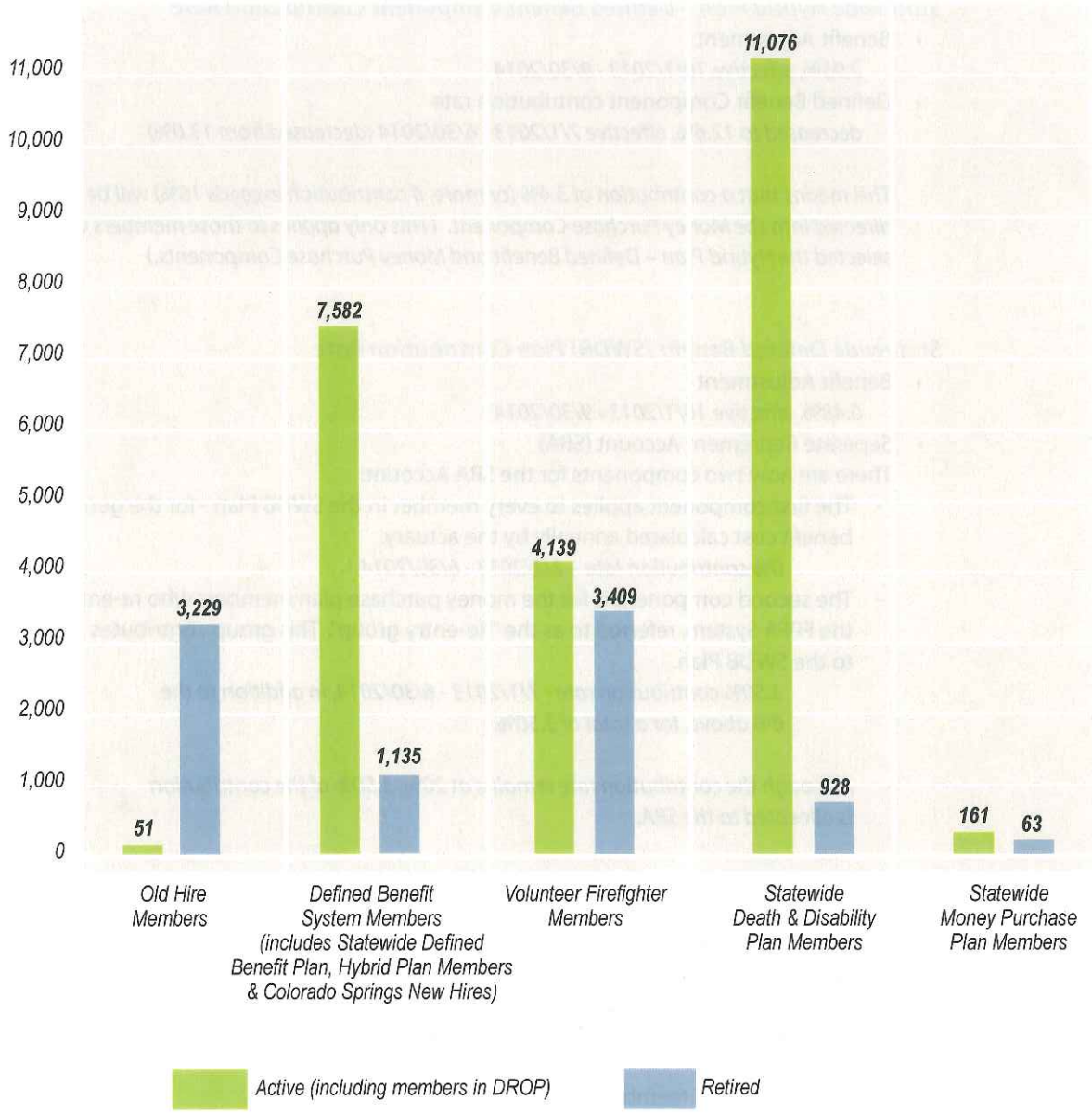
**Statewide Hybrid Plan Members**
*32 Employers*

**Statewide Money Purchase Plan Members**
*1 Plan - 43 Employers*

**Colorado Springs Defined Benefit Plan**
**(New Hire) Members**
*2 Plans - 1 Employer*

### Affiliated Local Volunteer Fire Pension Plans
*175 Plans*

## Members By Plan & Status *as of December 31, 2012*



# Results of January 1, 2013 Actuarial Study

### *Statewide Hybrid Plan – Defined Benefit Component Contribution Rate*

- Benefit Adjustment
  *2.95%, effective 10/1/2013 - 9/30/2014*
- Defined Benefit Component contribution rate
  *decreased to 12.6%, effective 7/1/2013 - 6/30/2014 (decreased from 13.0%).*

  *This means that a contribution of 3.4% (or more, if contribution exceeds 16%) will be directed into the Money Purchase Component. (This only applies to those members who selected the Hybrid Plan – Defined Benefit and Money Purchase Components.)*

### *Statewide Defined Benefit (SWDB) Plan Contribution Rate*

- Benefit Adjustment
  *0.48%, effective 10/1/2013 - 9/30/2014*
- Separate Retirement Account (SRA)
  There are now two components for the SRA Account:
  - The first component applies to every member in the SWDB Plan - for the general benefit cost calculated annually by the actuary.
    *0% contribution rate – 7/1/2013 - 6/30/2014*
  - The second component is for the money purchase plan members who re-entered the FPPA System, referred to as the "Re-entry group". This group contributes 20% to the SWDB Plan.
    *3.50% contribution rate - 7/1/2013 - 6/30/2014, in addition to the 0% above, for a total of 3.50%.*

    *Although the contribution rate remains at 20%, 3.50% of the contribution is allocated to the SRA.*

### *Statewide Death & Disability Plan*

- Benefit Adjustment
  - Occupational disability retirees and their beneficiaries and Survivors of Active Duty Members
    *0.7%, effective 10/1/2013 - 9/30/2014*

  - Totally disabled members and their beneficiaries
    *by state statute, receive a 3% Benefit Adjustment each year.*

## Plan Design Advantages of the FPPA Plans

Like most pension systems which rely on returns from the investment of plan assets to fund benefits, FPPA was adversely affected by the significant decline in equity markets in 2008. The FPPA system, however, has certain safeguards in place which have helped it to weather this storm and should ensure the security of members' retirement benefits in the future. These safeguards are discussed below.

Initially, it is important to distinguish between "old hire," local fire and police pension plans and the Statewide Defined Benefit Plan. The local old hire plans pre-date the creation of FPPA in 1980. In fact, the Colorado Legislature established FPPA in large part because of problems in the funding of these local old hire plans. Specifically, by the late 1970s, old hire plans had in excess of $500 million in unfunded liabilities. Moreover this amount was expected to grow exponentially over the coming years. Reform legislation was enacted in 1978 which closed participation in these old hire plans, required substantially increased contributions from local employers to the plans, required increased member contributions to the plan, reduced the death and disability benefits for members and provided annual state assistance to old hire plans having unfunded liabilities. The reform legislation also established the Statewide Defined Benefit Plan for firefighters and police officers hired after April 1978.

FPPA was given the responsibility for managing the funds of old hire plans receiving state assistance. Initially in 1980, 112 plans received state money to assist with unfunded liabilities. The State completed it's statutory requirement to fund old hire plans as of May 31, 2013. Remaining funding requirements for the Old Hire Plans are the responsibility of the employer. The vast majority of participants in old hire plans have now retired or are scheduled to do so within the next few years.

FPPA is also responsible for administering the Statewide Defined Benefit Plan which is now the largest fire and police pension plan in Colorado in terms of the number of active participants. Its design and administration include a number of features intended as a buffer against adverse actuarial experience. Among these are the following:

### *Benefit Adjustments*

The Statewide Defined Benefit Plan's base benefit does not include a guaranteed benefit adjustment or cost of living increase. Rather, the FPPA Board of Directors may grant an annual benefit adjustment on an ad hoc basis if sufficient funds exist. The benefit adjustment may not exceed the greater of CPI or 3% per year.

### *Retirement Age*

The Statewide Defined Benefit Plan permits an unreduced, normal pension starting at age 55 with 25 years of service. Early retirements for members who are age 50 or have 30 years of service are permitted, but benefits are reduced on an actuarial basis, at the rate of 0.5% per month for each month that the benefit is drawn before age 55. Moreover, the statutes governing the Plan give the Board of Directors the discretion to raise the retirement age up to age 60, if actuarially necessary.

### *Stabilization Reserve Account*

When employer and member contributions are in excess of what the FPPA Statewide Defined Benefit Plan needs for the coming year, the excess is redirected into a Stabilization Reserve Account, which is split into Separate Retirement Accounts for each member. These are cash accounts that are available to the members only upon retirement and remain as part of the Statewide Defined Benefit Plan assets until then. The accounts are credited each year with the investment fund earnings (or losses) made by FPPA through investment of assets in the Members' Benefit Fund. If in any year contributions in excess of the current 16% contribution rate (8% member and 8% employer) are needed to fund base benefits, the excess contributions must be taken out of the SRA accounts of active members before contribution

## Plan Design Advantages of the FPPA Plans *continued*

rates may be increased. This has never happened yet, but is an important safeguard of the plan.

### *Benefit Changes*

FPPA's Statewide Defined Benefit Plan specifically states that, in case of actuarial necessity, the benefit improvements that have been made over the years may be eliminated one-by-one. This would include taking funds from the Stabilization Reserve Account, reducing the benefit formulas and raising the retirement age from 55 to 60. Because of the flexibility of the benefit adjustment and the "cushion" of the SRA accounts, however, the Board is optimistic that current benefit provisions will not have to be reduced.

### *Purchase of Service Credit*

FPPA has always charged full actuarial cost for the purchase of service credit.

### *Employer and Employee Contribution Rates*

Both employee and employer contribution rates for the Statewide Defined Benefit Plan are set at 8% of pay. These rates have not changed since inception of the Plan in 1980. Further, the statute governing the Plan requires that employee and employer contribution rates remain equal.

### *Fund Governance and Conflicts of Interest*

FPPA's Board of Directors is comprised of nine (9) members, all appointed by the Governor and confirmed by the Senate. There are three member representatives, three employer representatives and three private citizens, each with a different area of expertise. FPPA staff members are not participants in the Statewide Defined Benefit Plan.

### *Funded Status of the Plan*

There is always a degree of uncertainty in defined benefit plans regarding the ability to meet actuarial assumptions, particularly the rate of return assumption. We believe, however, that given the design of the Statewide Defined Benefit Plan, the revised and reasonable assumption of a 7.5% investment return and a well-diversified investment program designed around future liabilities, the FPPA program is positioned well to ensure the payment of promised retirement benefits to members.

The actuarial projections are that the Statewide Defined Benefit Plan will be able to pay only a modest cost of living adjustment of approximately 0.4% in the short term and 0.8% in the long term. In 2010, the legislature granted the FPPA Board of Directors authority to authorize an election on an increase in member contribution rates. Employer contribution rates cannot be increased through this process.

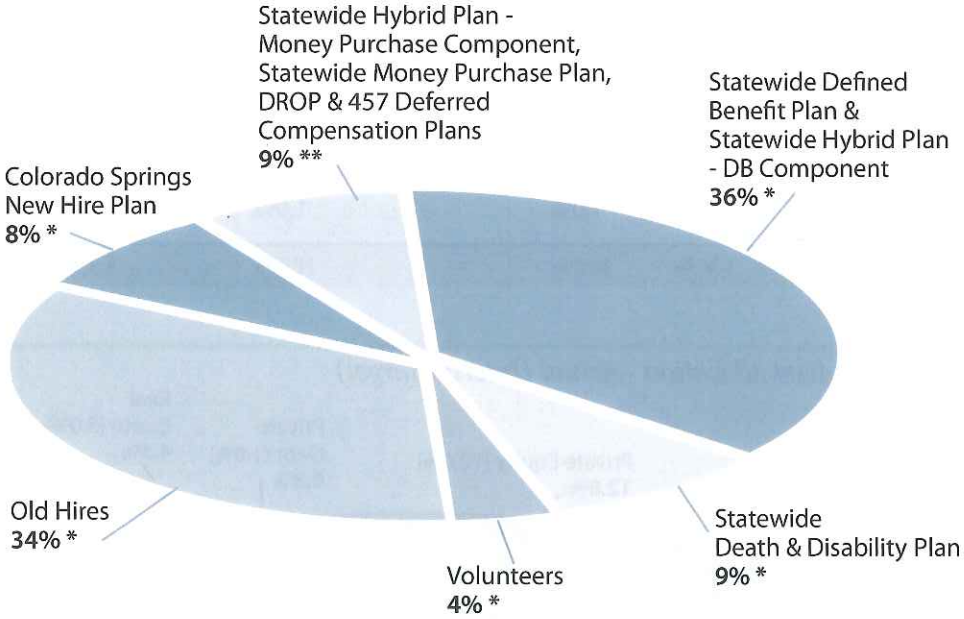
The FPPA Board created a task force of the membership to study the status of member contributions and to recommend to the board whether it should hold an election on this issue. The task force began meeting in late 2011 and continues to meet. The task force has recommended that the board authorize an election on the issue of increasing member contributions at the rate of 1/2% of pay per year for 8 years for a total member contribution increase of 4% of pay. Actuarial projections indicate that over the long term, this increased contribution rate would allow the plan to pay a cost of living increase of 2%+, as well as increasing the strength of the plan against adverse economic situations. The Board and staff of FPPA have been studying implementation of the recommendation of the task force.

## Investment Program

*Net Assets Available for Benefits as of December 31, 2012.*

| | |
|---|---|
| Fire & Police Members' Benefit Investment Fund* | $ 3,413,850,844 |
| Fire & Police Members' Self-Directed Investment Fund** | 317,515,059 |
| **TOTAL** | **$ 3,731,365,903** |

*Assets by Plan Type as of December 31, 2012*

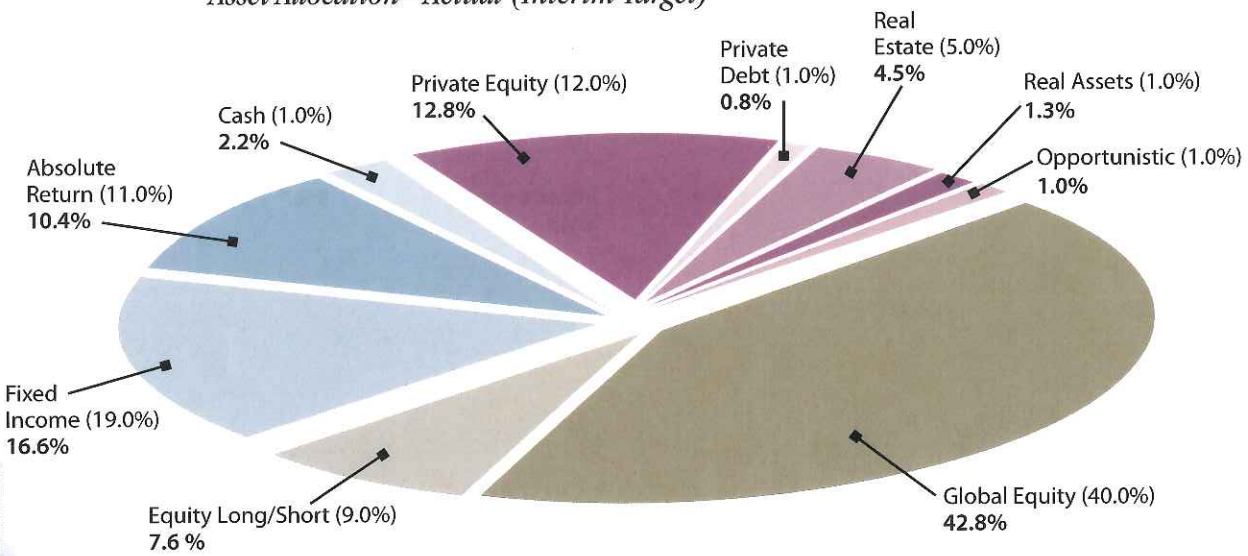


## Fire & Police Members' Benefit Investment Fund

*Asset Allocation as of July 31, 2013.*

| Asset Class | Long-Term Targets | Interim Targets | Target Ranges | Current % Actual | % Difference | $ (000's) Actual | $ (000's) Difference |
|---|---|---|---|---|---|---|---|
| **Global Growth** | **46.0%** | **49.0%** | **44% - 54%** | **50.4%** | **1.4%** | **$1,885,830** | **52,384** |
| Global Equity | 36.0% | 40.0% | | 42.8% | 2.8% | 1,601,458 | 104,768 |
| Equity Long/Short | 10.0% | 9.0% | | 7.6% | -1.4% | 284,371 | (52,384) |
| **Risk Reducers** | **28.0%** | **31.0%** | **26% - 36%** | **29.2%** | **-1.8%** | **1,092,584** | **(67,351)** |
| Fixed Income | 10.0% | 19.0% | | 16.6% | -2.4% | 621,126 | (89,801) |
| Absolute Return | 11.0% | 11.0% | | 10.4% | -0.6% | 389,139 | (22,450) |
| Managed Futures | 5.0% | | | | | | |
| Cash | 2.0% | 1.0% | | 2.2% | 1.2% | 82,318 | 44,901 |
| **Alternative Growth** | **26.0%** | **20.0%** | **15% - 25%** | **20.4%** | **0.4%** | **763,312** | **14,967** |
| Private Equity | 14.0% | 12.0% | | 12.8% | 0.8% | 478,941 | 29,934 |
| Private Debt | 2.0% | 1.0% | | 0.8% | -0.2% | 29,934 | (7,483) |
| Real Estate | 5.0% | 5.0% | | 4.5% | -0.5% | 168,378 | (18,709) |
| Real Assets | 5.0% | 1.0% | | 1.3% | 0.3% | 48,642 | 11,225 |
| Opportunistic | | 1.0% | | 1.0% | 0.0% | 37,417 | $0 |
| **TOTAL FUND** | **100%** | **100%** | | **100%** | | **$3,741,725** | |

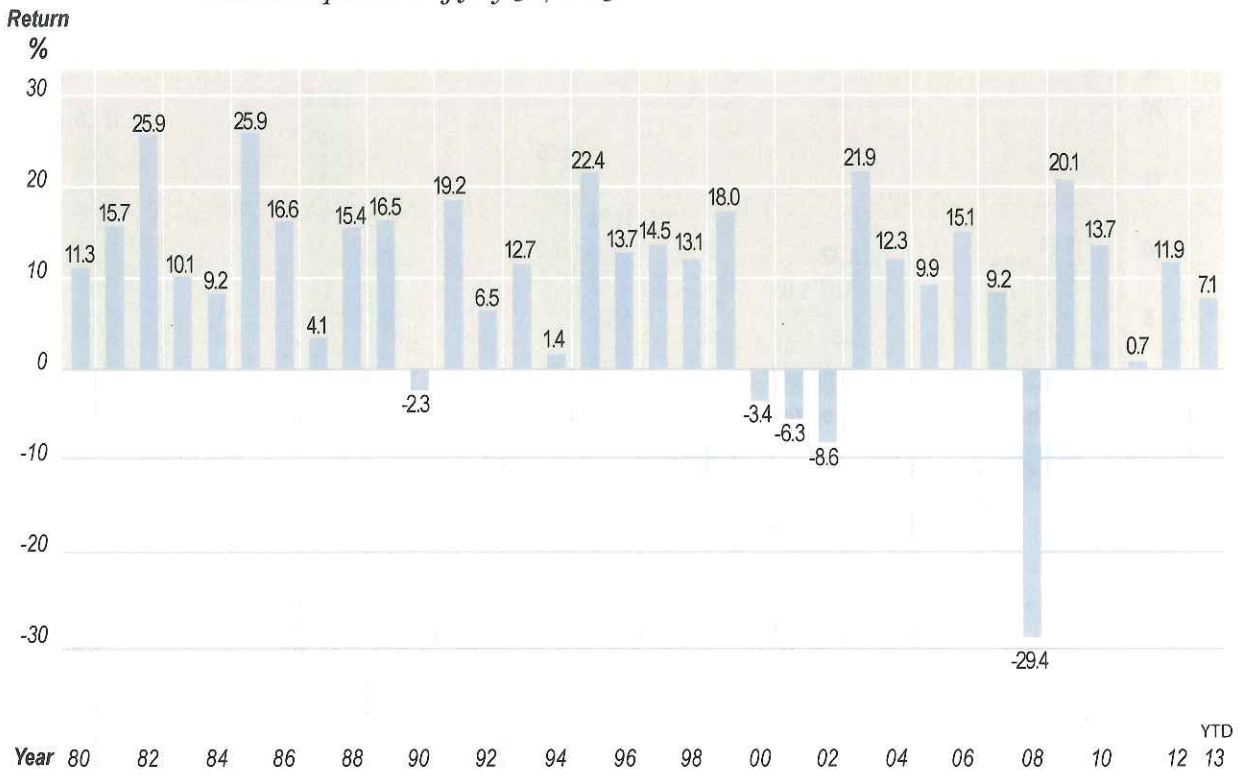
*Asset Allocation - Actual (Interim Target)*




- Asset Allocation is the biggest driver of performance.
- FPPA does not manage assets internally. Each asset class is comprised of a diverse allocation to several outside investment managers.

## Fire & Police Members' Benefit Investment Fund

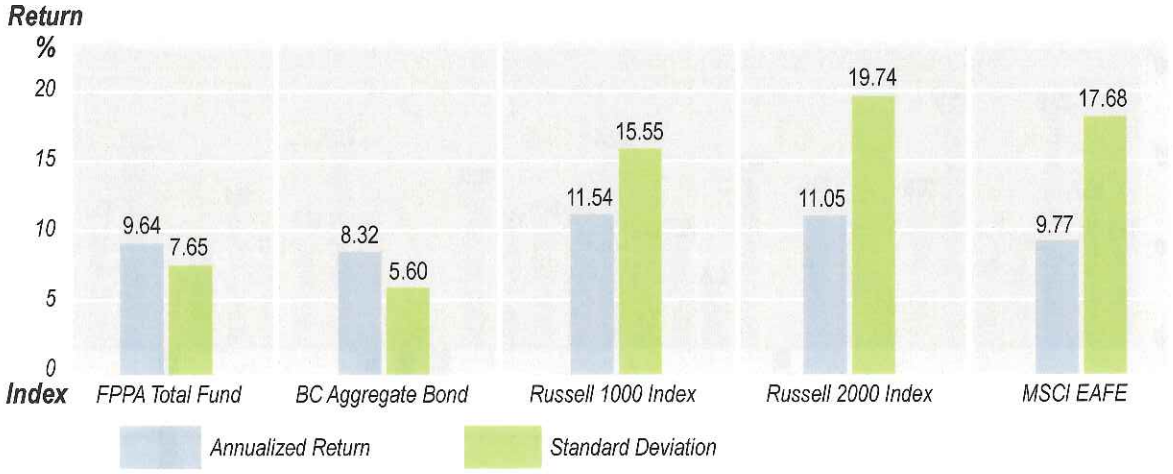
*Net Absolute Performance Annual Returns*
*Since Inception as of July 31, 2013.*




- Similar in magnitude to other institutional investors, FPPA experienced significant negative performance in 2008.
- The investment portfolio has maintained its structure to achieve long-term performance results.

## Fire & Police Members' Benefit Investment Fund

*Net Fund Performance Relative to Market Indices*
*Risk/Return Since FPPA Inception (1980) as of July 2013*




- Standard deviation is a measure of risk.

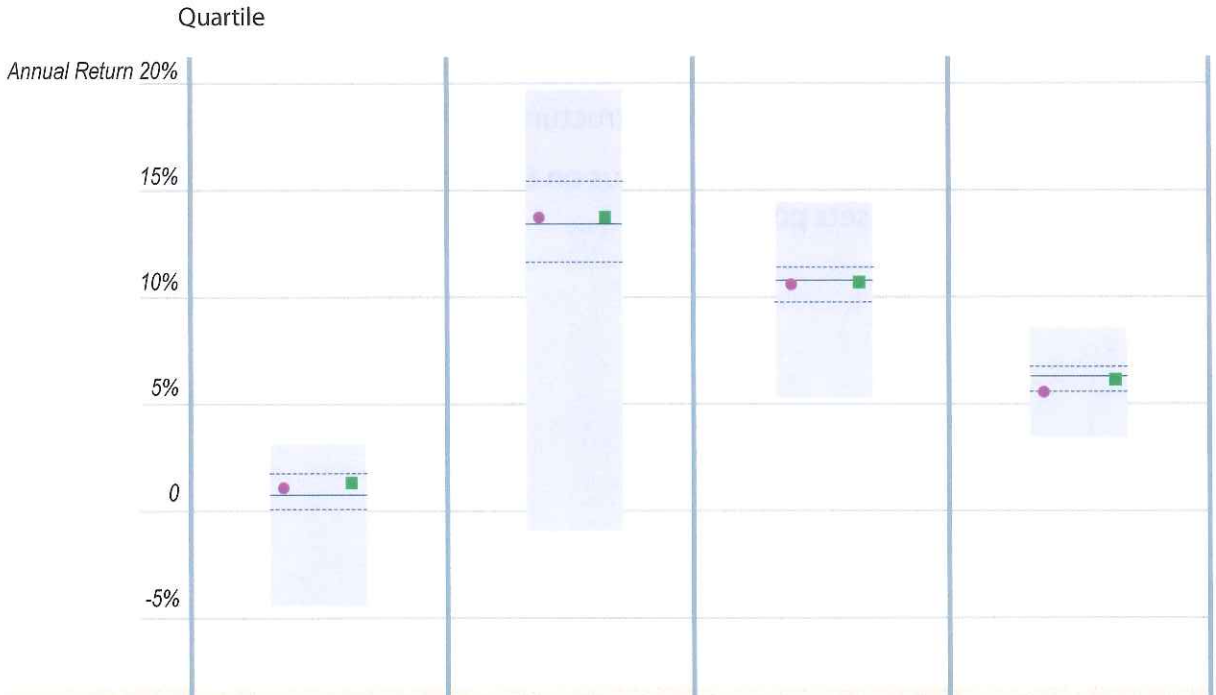
*Net Performance Relative to Benchmarks as of July 31, 2013*

| Account Name | Total YTD Ending End Date: 07/31/2013 | Total 1 YR Ending End Date: 07/31/2013 | Total 3 YRS Ending End Date: 07/31/2013 | Total 5 YRS Ending End Date: 07/31/2013 |
|---|---|---|---|---|
| **Total Fund** | **7.14** | **13.42** | **10.22** | **4.91** |
| **Total Fund Custom Benchmark** | **7.98** | **13.81** | **10.86** | **5.99** |
| Total Global Equity | 12.08 | 20.99 | 11.72 | 3.82 |
| Global Equity Benchmark | 12.00 | 22.08 | 11.44 | 4.56 |
| Total Fixed Income | -2.35 | -1.29 | 4.37 | 7.23 |
| Fixed Income Benchmark | -2.31 | -1.91 | 3.38 | 5.40 |
| Total Absolute Return | 3.53 | 4.56 | N/A | N/A |
| Absolute Return Benchmark | 2.35 | 4.08 | N/A | N/A |
| Total Alternative Growth | 6.08 | 14.31 | 14.36 | 4.15 |
| Private Equity | 6.51 | 15.54 | 14.70 | 7.48 |
| Private Debt | 0.30 | 9.68 | N/A | N/A |
| Real Estate | 7.58 | 13.86 | 15.17 | -2.47 |
| Real Assets | 1.81 | 3.81 | N/A | N/A |
| Opportunistic | 5.15 | 20.27 | N/A | N/A |
| Cambridge US Private Equity Index | 8.11 | 12.85 | 15.09 | 7.46 |
| NCREIF NFI-ODCE Real Estate Index | 6.13 | 11.08 | 13.85 | -1.07 |

- Similar to other institutional investors, FPPA's absolute total fund performance is significantly influenced by the allocation and performance of its public equity exposure.
- A healthy exposure to fixed income muted the decline in total fund performance during 2008.
- Allocations to alternative investments and real estate have been a driver of positive long-term performance.

## Fire & Police Members' Benefit Investment Fund

*Total Funds Billion Dollar - Public (USD) - Monthly as of July 31, 2013.*




| | Qtr Ending Jul 13 | | | 1 Year | | | 3 Years | | | 5 Years | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Value | | | Value | | | Value | | | Value | | |
| Maximum | 3.16 | | | 19.98 | | | 14.30 | | | 8.43 | | |
| 25th Per Percentile | 1.70 | | | 15.44 | | | 11.46 | | | 6.92 | | |
| Median Percentile | 0.89 | | | 13.64 | | | 10.99 | | | 6.13 | | |
| 75th Percentile | 0.00 | | | 11.94 | | | 9.96 | | | 5.46 | | |
| Minimum | -4.48 | | | -0.93 | | | 5.07 | | | 3.48 | | |
| # of Portfolios | 57 | | | 57 | | | 56 | | | 56 | | |
| | | %Tile | Rank | | %Tile | Rank | | %Tile | Rank | | %Tile | Rank |
| FPPA Total Fund ● | 1.19 | 35 | 20 | 13.81 | 49 | 28 | 10.71 | 65 | 37 | 5.44 | 76 | 43 |
| FPPA Policy Benchmark ■ | 1.37 | 32 | 19 | 13.81 | 49 | 28 | 10.86 | 56 | 32 | 5.99 | 57 | 33 |

- FPPA performance relative to peer pension funds (Percentile Rankings: lower numbers are better).
- FPPA's slightly higher allocations to public equity, alternative investments and real estate relative to peers were likely factors in poorer relative rankings to peers last year.

*Universe Source: The Bank of New York Mellon Corporation; Universe Status*

## Investment Portfolio Changes

- Internal oversight of alternatives strategies continues
- Asset liability analyses now being conducted on an annual basis
- Current effort to restructure the fixed income portfolio
- Future effort will focus on the further development of the real assets portfolio

## Schedule of Funding Progress *(Unaudited) as of December 31, 2012*

| Year | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|
| Defined Benefit System - Statewide Defined Benefit Plan | | | | | |
| 2013 | 1/1/2013 | $1,374,576,631 | $1,404,607,765 | $30,031,134 | 97.9% |
| 2012 | 1/1/2012 | 1,225,537,747 | 1,271,490,169 | 45,952,422 | 96.4 |
| 2011 | 1/1/2011 | 1,080,284,447 | 1,049,622,033 | (30,662,414) | 102.9 |
| 2010 | 1/1/2010 | 963,500,681 | 963,300,852 | (199,829) | 100.0 |
| 2009 | 1/1/2009 | 856,090,014 | 847,821,122 | (8,268,898) | 101.0 |
| 2008 | 1/1/2008 | 950,114,346 | 795,499,983 | (154,614,363) | 119.4 |
| 2007 | 1/1/2007 | 801,426,848 | 654,097,657 | (147,329,191) | 122.5 |
| 2006 | 1/1/2006 | 681,193,087 | 569,819,934 | (111,373,153) | 119.5 |
| 2005 | 1/1/2005 | 557,949,693 | 495,915,617 | (62,034,076) | 112.5 |
| 2004 | 1/1/2004 | 473,006,658 | 426,673,675 | (46,332,983) | 110.9 |
| Defined Benefit System - Statewide Hybrid Plan (*The first actuarial valuation completed on the Defined Benefit System- Statewide Hybrid Plan was in 2005.*) | | | | | |
| 2013 | 1/1/2013 | $29,758,000 | $23,313,204 | $(6,444,796) | 127.6% |
| 2012 | 1/1/2012 | 23,666,933 | 18,832,849 | (4,834,084) | 125.7 |
| 2011 | 1/1/2011 | 18,107,030 | 13,658,025 | (4,449,005) | 132.6 |
| 2010 | 1/1/2010 | 15,373,546 | 12,107,329 | (3,266,217) | 127.0 |
| 2009 | 1/1/2009 | 13,642,709 | 10,648,712 | (2,993,997) | 128.1 |
| 2008 | 1/1/2008 | 14,075,984 | 9,774,906 | (4,301,078) | 144.0 |
| 2007 | 1/1/2007 | 9,624,239 | 6,299,422 | (3,324,817) | 152.8 |
| 2006 | 1/1/2006 | 7,998,356 | 5,366,912 | (2,631,444) | 149.0 |
| 2005 | 1/1/2005 | 5,040,067 | 4,035,894 | (1,004,173) | 124.9 |
| Defined Benefit System - Colorado Springs New Hire Pension Plan - Police Component (*The first actuarial valuation completed on the Defined Benefit System- Colorado Springs New Hire Pension Plan - Police Component was in 2007 as the program began 10/1/2006. This plan is closed to new participants.*) | | | | | |
| 2013 | 1/1/2013 | $212,428,394 | $260,299,428 | $47,871,034 | 81.6% |
| 2012 | 1/1/2012 | 197,710,046 | 246,518,300 | 48,808,254 | 80.2 |
| 2011 | 1/1/2011 | 187,249,190 | 226,088,133 | 38,838,943 | 82.8 |
| 2010 | 1/1/2010 | 170,960,335 | 213,764,095 | 42,803,760 | 80.0 |
| 2009 | 1/1/2009 | 156,099,012 | 198,695,916 | 42,596,904 | 78.6 |
| 2008 | 1/1/2008 | 178,548,095 | 188,263,204 | 9,715,109 | 94.8 |
| 2007 | 1/1/2007 | 159,508,243 | 161,530,980 | 2,022,737 | 98.7 |
| 2006 | 1/1/2006 | N/A | N/A | N/A | N/A |
| Defined Benefit System - Colorado Springs New Hire Pension Plan - Fire Component (*The first actuarial valuation completed on the Defined Benefit System- Colorado Springs New Hire Pension Plan - Fire Component was in 2007 as the program began 10/1/2006. This plan is closed to new participants.*) | | | | | |
| 2013 | 1/1/2013 | $103,516,709 | $130,209,116 | $26,692,407 | 79.5% |
| 2012 | 1/1/2012 | 98,326,872 | 124,211,363 | 25,884,491 | 79.2 |
| 2011 | 1/1/2011 | 108,848,941 | 127,909,057 | 19,060,116 | 85.1 |
| 2010 | 1/1/2010 | 100,709,022 | 121,361,624 | 20,652,602 | 83.0 |
| 2009 | 1/1/2009 | 92,515,096 | 113,068,434 | 20,553,338 | 81.8 |
| 2008 | 1/1/2008 | 104,946,386 | 107,389,383 | 2,442,997 | 97.7 |
| 2007 | 1/1/2007 | 98,290,761 | 99,137,903 | 847,142 | 99.1 |
| 2006 | 1/1/2006 | N/A | N/A | N/A | N/A |

## Schedule of Funding Progress *(Unaudited) as of December 31, 2012*

*continued*

| Year | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|
| Affiliated Local Plans - See the 1/1/2011 and 1/1/2012 details by Plan in Appendix D at the end of this document. | | | | | |
| 2012 | 1/1/2011 and 1/1/2012 | $1,501,490,065 | $2,027,014,020 | $525,523,955 | 74.1% |
| 2011 | 1/1/2010 and 1/1/2011 | 1,626,454,118 | 2,038,237,183 | 411,783,065 | 79.8 |
| 2010 | 1/1/2009 and 1/1/2010 | 1,618,455,903 | 2,036,107,581 | 417,651,678 | 79.5 |
| 2009 | 1/1/2008 and 1/1/2009 | 1,855,493,729 | 2,081,304,156 | 225,810,427 | 89.2 |
| 2008 | 1/1/2007 and 1/1/2008 | 1,859,987,228 | 2,064,576,138 | 204,588,910 | 90.1 |
| 2006 | 1/1/2005 and 1/1/2006 | 1,818,993,571 | 2,246,572,810 | 427,579,239 | 81.0 |
| 2004 | 1/1/2003 and 1/1/2004 | 1,642,270,820 | 2,160,729,353 | 518,458,533 | 76.0 |
| 2002 | 1/1/2001 and 1/1/2002 | 1,902,729,069 | 2,086,914,286 | 184,185,217 | 91.2 |
| 2000 | 1/1/1999 and 1/1/2000 | 1,824,520,033 | 1,958,959,749 | 134,439,716 | 93.1 |

[1] *The State completed it's statutory requirement to fund old hire plans as of May 31, 2013.*

[2] *Actuarial studies are completed every other year for the Affiliated Local Plans. The affiliated volunteer fire pension plans' actuarial studies are completed on the odd years and the old hire actuarial pension plans' actuarial studies are completed on the even years. Each employer participating in the system is financially responsible for its own liabilities. Accordingly, the aggregate numbers presented in this chart are indicative only of the overall condition of the system and are not indicative of the status of any one employer. The old hire plans are closed to new participants.*

Statewide Death & Disability Plan - Results Using the Aggregate Funding Method

*(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.)*

| | | | | | |
|---|---|---|---|---|---|
| 2013 | 1/1/2013 | $305,454,945 | $272,350,253 | $(33,104,692) | 112.2% |
| 2012 | 1/1/2012 | 290,988,339 | 255,841,269 | (35,147,070) | 113.7 |
| 2011 | 1/1/2011 | 281,577,454 | 260,688,472 | (20,888,983) | 108.0 |
| 2010 | 1/1/2010 | 266,477,875 | 250,709,436 | (15,768,440) | 106.3 |
| 2009 | 1/1/2009 | 257,279,496 | 241,813,411 | (15,466,086) | 106.4 |
| 2008 | 1/1/2008 | 300,642,721 | 223,999,678 | (76,643,043) | 134.2 |
| 2007 | 1/1/2007 | 274,091,581 | 258,243,478 | (15,848,103) | 106.1 |
| 2006 | 1/1/2006 | 249,299,173 | 258,726,894 | 9,427,721 | 96.4 |
| 2005 | 1/1/2005 | 223,389,097 | 231,252,507 | 7,863,410 | 96.6 |
| 2004 | 1/1/2004 | 212,273,124 | 241,966,436 | 29,693,312 | 87.7 |

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 this purpose. The information presented below is intended to serve as a surrogate for the funded status and funding progress of the plan. Data is only available since 2008.

Statewide Death & Disability Plan - Results Using the Entry Age Normal Funding Method

| | | | | | |
|---|---|---|---|---|---|
| 2013 | 1/1/2013 | $305,454,945 | $274,068,253 | $(31,386,692) | 111.5% |
| 2012 | 1/1/2012 | 290,988,339 | 253,869,640 | (37,118,699) | 114.6 |
| 2011 | 1/1/2011 | 281,577,454 | 229,959,016 | (51,618,439) | 122.4 |
| 2010 | 1/1/2010 | 266,477,875 | 216,103,895 | (50,373,981) | 123.3 |
| 2009 | 1/1/2009 | 257,279,496 | 203,673,786 | (53,605,710) | 126.3 |
| 2008 | 1/1/2008 | 300,642,721 | 182,814,659 | (117,828,062) | 164.5 |

## Summary Of Unfunded Liabilities For State Assisted Plans

*as of January 1, 2013*

| Department | 1994 Required Employer Contribution (Level Dollar Amount) | Amortization Required Contribution per 1/1/2012 Actuarial Study | Period (years) per 1/1/2012 Actuarial Study | Unfunded Liability as of 1/1/1996 | Unfunded Liability as of 1/1/2011 | Unfunded Liability as of 1/1/2012 | Estimated 1/1/2014 after final State payment | Final 2013 State Contribution |
|---|---|---|---|---|---|---|---|---|
| Aurora Police | $1,248,291 | n/a | n/a | $17,805,221 | n/a | n/a | n/a | n/a |
| Colorado Springs Fire | 470,614 | n/a | n/a | 6,589,942 | n/a | n/a | n/a | n/a |
| Colorado Springs Police | 722,581 | n/a | n/a | 12,727,742 | n/a | n/a | n/a | n/a |
| Denver Fire | 11,631,977 | n/a | n/a | 174,566,094 | n/a | n/a | n/a | n/a |
| Denver Police | 16,261,604 | $19,468,864 | 20 | 232,262,926 | 189,321,284 | 206,833,404 | $93,770,369 | $120,284,688 |
| Grand Junction Fire | 298,132 | n/a | n/a | 5,212,339 | n/a | n/a | n/a | n/a |
| Grand Junction Police | 426,798 | n/a | n/a | 6,206,956 | 2,604,011 | 1,518,852 | n/a | 1,131,664 |
| Greeley Fire (Union Colony) | 288,931 | n/a | n/a | 6,759,091 | 2,507,144 | 2,978,217 | n/a | 2,829,726 |
| La Salle Police | 7,326 | n/a | n/a | 239,150 | n/a | n/a | n/a | n/a |
| Lakewood Fire | 562,858 | 571,067 | 16 | 9,326,883 | 5,927,724 | 5,591,320 | 701,741 | 5,299,452 |
| North Washington Fire | 45,912 | 375,468 | 12 | 1,408,283 | 2,246,536 | 2,926,382 | 1,737,087 | 1,583,753 |
| Pueblo Fire | 1,028,768 | 2,889,497 | 13 | 16,164,342 | 24,875,280 | 24,304,698 | 15,202,383 | 11,280,056 |
| Rocky Ford Fire | 10,522 | n/a | n/a | 101,210 | n/a | n/a | n/a | n/a |
| **Total** | **$33,004,314** | **$23,304,896** | | **$489,370,179** | **$227,481,979** | **$244,152,873** | **$111,411,580** | **$142,409,339** |

Note: Colorado Senate Bill 2013-234 completed the State's obligation to fund old hire plans as of 5/31/2013.

# 2014 Proposed Legislation Summary

***Legislation proposed by the FPPA Board to the Firefighter and Police Officer Pension Reform Commission for introduction in 2014:***

## Bill 1 Concerning the administration and management of volunteer firefighter pension plans affiliated with FPPA

- Allow for direct distribution by DOLA of state assistance to volunteer firefighter pension plans to FPPA on behalf of FPPA affiliated plans.
- Enumerate the responsibilities of the FPPA and of the participating departments with regard to the administration and management of the volunteer firefighter pension plans affiliated with FPPA .

## Bill 2 Concerning Old Hire Pension Plans

- Modify authority to purchase annuities to wind down an old hire plan.
- Repeal sections of the statute implementing state assistance to old hire plans.
- End level dollar employer contributions for state assisted plans which began in 1994. Beginning in 2015, require that contributions be made in an amount determined as required by the plan's actuary.
- Clarify that the amortization period for old hire plans not fully funded to not exceed the lesser of twenty years or the number of years equal to the average remaining life expectancy of the pension fund's members.
- Enumerate the responsibilities of the FPPA and of the participating departments with regard to the administration and management of the old hire pension plans affiliated with FPPA .

## Study of the Volunteer Firefighter Pension System

- Please see the memorandum (on the next page) regarding this issue.

# Study of the Volunteer Firefighter Pension System

MEMORANDUM

To: Police Officers' and Firefighters' Pension Reform Commission

From: Fire and Police Pension Association

Re: Volunteer Firefighter Plans

Date: September 4, 2013

There are a number of issues related to the Colorado Volunteer Firefighter Pension system which need to be addressed. FPPA recommends that these issues be studied along with any other issues that are raised in the process. The PRC has statutory authority to review and propose legislation for the volunteer firefighter pension system. C.R.S. Section 31-31-1001(2)(n).

These issues have come to light through research by the FPPA staff, FPPA consultants, and comments and inquiries made by volunteer departments and their legal counsel. Many of the issues have come to light with the new GASB reporting requirements.

First, here is some background on volunteer firefighter plans in Colorado as they relate to FPPA. FPPA believes there are over 225 volunteer firefighter plans in Colorado. Of these plans, 175 plans are affiliated with FPPA. This would mean that that about 20-25% of the volunteer plans in the state are not affiliated with FPPA. Affiliated plans may choose to disaffiliate as the costs of administration rise under new financial reporting requirements. Volunteer firefighter plans account for 75% of the individual plans administered by FPPA and about 4% of the assets held and invested by FPPA. The costs charged to plans by FPPA will increase, especially plans with smaller assets and plans with larger unfunded liabilities. GASB and other regulators have increased the services required to be provided to individual plans for financial reporting.

The issues which need study or further consideration are as follows:

**Federal and Regulatory Issues**

- Whether the IRS recognizes volunteer firefighter plans created under Section 401(a) of the Internal Revenue Code (IRC). Current state law mandates that the plans be created under Section 401(a). If plan assets are not qualified under Section 401(a), there is an impact on how FPPA can invest these funds.
- Federal law does provide for deferred compensation plans for public safety volunteers under IRC 457(e)(11) (Length of service plans or LOSAP). Currently, FPPA does not have authority to administer such plans.
- Some volunteer plans may provide benefits to volunteers in excess of what is allowed to paid to volunteers under a myriad of federal laws, including the IRC and Bureau of Labor standards.

**State Matching Funds**

- Implications for the State of Colorado's financial statements with regard to state assistance under new GASB reporting requirements.
- The state assistance program for volunteer plans is not based on a plan's need for

## Study of the Volunteer Firefighter Pension System - *continued*

additional funding. Fully funded plans can receive additional state assistance.

- Under current law, the State does not award matching funds to LOSAP plans.

**Operational Issues**

- There is no requirement in state law that volunteer plans complete periodic actuarial valuations. Plans affiliated with FPPA do receive an actuarial valuation every two years as a matter of FPPA practice.
- Under state law, there is no requirement that any contributions to the plans be made, even where additional benefits accrue and an unfunded liability exists.
- No process exists to close volunteer plans or convert plans into an alternate benefit. Such a process could allow annuities, lump sum pay outs, or move to a defined contribution style plan.
- Coordination of benefits between volunteer departments when a volunteer has worked at multiple departments is difficult. It is difficult to track liability for individuals. (Not all volunteer benefits are administered by FPPA.)
- Many departments no longer feel that they are well served by a pension system that requires volunteers to participate 10 or 20 years to receive a benefit at age 50.
- Meeting the burdens for tracking beneficiaries, complying with regulatory requirements, maintaining a local pension board, maintaining records regarding service and eligibility is demanding on local volunteer pension boards.
- Separate local plans have become expensive to administer with increased reporting requirements under GASB.
- A multi-employer plan, whether defined contribution or defined benefit, would function more efficiently than individual local plans. This remains true even with central administration of local plans due to new financial reporting requirements.
- FPPA has no authority to administer any type of plan other than the current statutory local defined benefit plan.

The study required is beyond the scope of FPPA's authority. The issues raised have impacts well beyond FPPA's interests and expertise. FPPA has no funds to undertake the study required to address these issues. FPPA's structure is such that it does not have unencumbered operating money. All of its funds belong to one of the plans it administers. There are significant legal issues involved which will require the expertise of tax counsel. Funding for the work required to address these issues is critical.

# FPPA Staff Report on Governmental Accounting Standards Board Statements 67 & 68

**Summary**
In 2006, the Governmental Accounting Standards Board (GASB) embarked on a project to review its accounting standards for pensions. The project resulted in two new standards relating to financial reporting for state and local defined benefit plans and defined contribution plans and was approved in June 2012. According to GASB, the objective of the new Statements is to improve financial reporting by state and local governmental pension plans. The new standards were designed to increase transparency and comparability among accounting for pension plans, and do not address how a government should go about funding the plans.

**Statement No. 67, Financial Reporting for Pension Plans**
This Statement replaces the requirements under GASB Statement No. 25, *Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts. **Statement No. 67 provides guidance to pension plans** that are administered through trusts or similar arrangements, increases the amount of information added to financial statements (note disclosures), and requires new required supplementary information (RSI) schedules for both defined benefit and defined contribution pension plans. This Statement applies to pension plan reporting, and is effective for financial statements for fiscal years beginning after June 15, 2013.

**Statement No. 68, Accounting and Financial Reporting for Pensions**
This statement replaces the requirements under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*. **Statement No. 68 significantly changes employer reporting** of pension assets and liabilities at the entity-wide and enterprise-fund level. Currently, employers are only required to record a pension liability or asset when they do not make the required annual contribution (liability) or make a contribution in excess of the required annual contribution (asset) to the plan. However, the new pension standards will require immediate recognition of the net long-term liability of future pension benefits in excess of accumulated plan assets. This Statement applies to pension reporting for the sponsoring state or local governmental entity, and is effective for fiscal years beginning after June 15, 2014.

Distinctions are made regarding the particular requirements depending upon the type of pension plan administered, as follows:

- Agent multiple-employer pension plans – those in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing multiple-employer pension plans – those in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

FPPA has both cost-sharing multiple-employer pension plans (Statewide Defined Benefit Plan and Statewide Hybrid Plan with 252 employer plans), as well as agent multiple-employer pension plans (2 Colorado Springs New Hire Plans, 50 local "old hire" plans and 175 volunteer fire plans). The Statewide Death & Disability Plan has been determined to report under GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*.

The most significant change from the current to the new GASB Statements is the de-linking of pension accounting and funding. Currently under Statement 27, the amount reported as a pension liability in governmental financial statements results from a comparison of the actuarial required contribution (ARC), as adjusted, compared to actual employer contributions made during the reporting period. Governmental employers who had a pattern of underfunding their ARCs reported a year-to-

# FPPA Staff Report on Governmental Accounting Standards Board Statements 67 & 68 - *continued*

year increase in their liability (net pension obligation). Governmental employers who demonstrated a pattern of fully funding their ARCs reported no liability, and governmental employers who funded more than the ARC reported an asset. The amounts reported as liabilities (or assets) in the financial statements do not represent the net unfunded (or overfunded) pension liability; instead they represent the cumulative funding of contribution requirements since the transition date set by the GASB in Statement 27 (1986 for most governments). This method does not fully consider a plans' actual performance compared to the actuarial assumptions used because these types of differences are amortized over periods into the future (up to 30 years).

Additionally, under current standards, the sponsor's pension liability is the net pension obligation (NPO), and is measured as the difference between the actual contributions and the ARC. GASB's new standards state that the unfunded portion of a pension liability meets the definition of a liability, and therefore should be reported on the financial statements of the sponsoring entity. This liability will be reported as the net pension liability (NPL), and will be measured as the total pension liability (TPL) net of the pension plan's net assets.

Current standards also require the sponsor to report the annual pension cost (APC), measured as the ARC adjusted for interest on the NPO. The new standards require sponsors to report a pension expense. The pension expense will represent the change in the NPL from the beginning of the year to the end of the year, adjusted for the deferred recognition of gains and losses from actuarial assumptions, investment gains and losses, and recognition of actuarial assumption changes.

The accounting changes will not alter the underlying fundamentals; $1,000 owed to a retiree in ten years under the current standards will remain $1,000 owed in ten years under the new standards.

**Implementation**

FPPA has identified the following projects for implementation of the new reporting requirements.

- Educate staff on the new standards.
  - A team of FPPA accounting staff is studying the GASB 67 and 68 statements and reviewing the GASB 67 implementation guide published in July 2013. (Note: The GASB 68 implementation guide will be available in January 2014.)
  - Staff is participating in a monthly telephone conference with the Public Pension Financial Forum (P2F2). The P2F2 members include peer public retirement plans across the United States. P2F2 has had GASB staff and the American Institute of Certified Public Accountants (AICPA) on the call to address questions.
  - Staff regularly meets with Colorado PERA and the State Auditor's Office to discuss implementation process and concerns. Since we have many of the same constituents, we are working to implement similar processes and educational information to assist our employers.
- Determine the measurement date for each employer.
  - In August 2013, staff sent a survey to participating employers to identify their financial reporting contact, their audit firm, and the date of their financial year. The timing of an employer's yearend may impact additional reporting needs.
- Determine the actuarial reporting requirements.
  - Staff is working with FPPA's actuarial firm, Gabriel Roeder Smith (GRS), on the reporting requirements that will need to be incorporated into the actuarial reports including the roll-forward information. Staff is working to discuss the timing and frequency of the actuarial valuation with GRS and how/when information will be disseminated to each agent multiple-employer plans. For the cost-sharing multiple-employer pension plans, staff is working with GRS to determine the method to be used for calculating the proportionate shares.

## FPPA Staff Report on Governmental Accounting Standards Board Statements 67 & 68 - *continued*

- Determine the educational needs of the employers and audit firms.
  - FPPA anticipates the related communications with participating employers will require significant effort. FPPA has many small employers that will rely on us for information. The State Auditor's Office noted that there are approximately 100 different audit firms used throughout the State for financial reporting.
  - The Colorado Society of CPAs has invited FPPA and Colorado PERA to give a presentation on GASB 67/68 implementation at their annual conference scheduled for October 24.
  - FPPA is hosting an employer seminar on October 2. The afternoon session will be on GASB 67/68 implementation.
- Consider the messaging of this reporting requirement within the employer's financials.
  - This information will be needed for those who report their financials to their local boards and to the public. Staff will work to inform the employers about the impacts of underfunding. A significantly underfunded plan will not go un-noticed by the rating agencies and certain other users of an employer's financial statements.
- Expand FPPA's employer website with information about the GASB 67 and 68 reporting.
  - We have posted general information onto FPPA's website. Examples on the GASB reporting will be posted in 2014.
  - We will prepare sample note disclosures for the cost-sharing multiple-employer plans that will be posted to this website.
- Implement additional audit requirements for agent multiple-employer plans.
  - The AICPA at a December 2012 Government Finance Officers Association (GFOA) meeting presented that plan auditors issue a Service Organization Controls Report (SOC 1 Type 2) on agent multiple-employer plans on the allocation of inflows and outflows of the plan to individual employer accounts, and on census data controlled by the plan. Staff is working with other agent multiple-employer plans to determine the expectations and period needed for the SOC 1 Type 2 report. The AICPA will publish their audit requirements on this matter in October 2013. Once determined, FPPA will work with a consulting firm to assist staff in a readiness exercise and the determination of the control points.
- Draft the new footnotes and required supplementary information.
  - This will be a time-consuming task. FPPA has formed a project team to begin working on this item.
  - Since volunteer plans receive state funds, we are working to determine the reporting needed (if any) for the State as they may get a portion of the net pension liability. Preliminary research on this matter indicates that FPPA may not need to report on this requirement.
  - FPPA staff participates in the Colorado PERA retirement plan. Staff is working to determine how to incorporate that unfunded liability into FPPA's financials.
- Address the new reporting requirements and additional expenses in the volunteer fire plan affiliation agreements.
  - FPPA is updating the affiliation agreement language for the volunteer fire plans and will require the adoption of the new agreements to remain affiliated with FPPA. Those volunteer plans that typically apply for an exemption from audit may not want to remain affiliated with FPPA due to the additional expense in administering the new reporting requirements.
  - FPPA is suggesting that the state study pension reform for the volunteer plans.

## FPPA Staff Report on Governmental Accounting Standards Board Statements 67 & 68 - *continued*

- Address the new reporting requirements and additional expenses in the local "old hire" plans.
  - FPPA is proposing legislation in 2014 to address the expenses of the new reporting requirements to be paid from the pension plan assets and to revise the annuity purchase option within the statutes.
  - Staff will contact local "old hire" plans that have 5 or fewer retirees in the plan to consider purchasing annuities and closing the plan.
- Determine the impact of staff time needed to complete the reporting requirements and whether we will need to add accounting staff at FPPA.
  - FPPA is currently evaluating the need for additional staff.

## Affiliated Local Plans

| Affiliated Local Plan Employer | Fire/ Police | Plan Type | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|---|---|
| Alamosa | Fire | Volunteer | 1/1/2011 | $1,404,506 | $1,309,862 | $(94,644) | 107.2% |
| Alamosa County | Fire | Volunteer | 1/1/2011 | 447,825 | 528,876 | 81,051 | 84.7% |
| Allenspark | Fire | Volunteer | 1/1/2011 | 334,071 | 416,824 | 82,753 | 80.1% |
| Aspen | Fire | Volunteer | 1/1/2011 | 1,647,344 | 2,967,479 | 1,320,135 | 55.5% |
| Ault | Fire | Volunteer | 1/1/2011 | 481,127 | 760,242 | 279,115 | 63.3% |
| Aurora | Police | Old Hire | 1/1/2012 | 91,220,252 | 126,318,024 | 35,097,772 | 72.2% |
| Aurora | Fire | Old Hire | 1/1/2012 | 80,886,666 | 101,430,286 | 20,543,620 | 79.7% |
| Bancroft | Fire | Old Hire | 1/1/2012 | 1,015,465 | 6,626,125 | 5,610,660 | 15.3% |
| Basalt | Fire | Volunteer | 1/1/2011 | 1,565,912 | 1,831,434 | 265,522 | 85.5% |
| Bennett | Fire | Volunteer | 1/1/2011 | 665,314 | 446,478 | (218,836) | 149.0% |
| Berthoud | Fire | Volunteer | 1/1/2011 | 524,991 | 745,205 | 220,214 | 70.4% |
| Big Sandy | Fire | Volunteer | 1/1/2011 | 89,256 | 44,570 | (44,686) | 200.3% |
| Big Thompson | Fire | Volunteer | 1/1/2011 | 281,797 | 394,624 | 112,827 | 71.4% |
| Black Forest | Fire | Volunteer | 1/1/2011 | 1,070,737 | 777,696 | (293,041) | 137.7% |
| Blanca | Fire | Volunteer | 1/1/2011 | 120,111 | 64,399 | (55,712) | 186.5% |
| Boone | Fire | Volunteer | 1/1/2011 | 30,170 | 32,454 | 2,284 | 93.0% |
| Boulder Mountain | Fire | Volunteer | 1/1/2011 | 688,866 | 743,139 | 54,273 | 92.7% |
| Boulder Rural | Fire | Volunteer | 1/1/2011 | 576,926 | 1,558,563 | 981,637 | 37.0% |
| Bow Mar | Police | Old Hire | 1/1/2012 | 62,771 | 79,834 | 17,063 | 78.6% |
| Brighton | Fire | Volunteer | 1/1/2011 | 3,556,418 | 3,617,492 | 61,074 | 98.3% |
| Brush Combined | Fire | Volunteer | 1/1/2011 | 719,944 | 1,060,251 | 340,307 | 67.9% |
| Buena Vista | Fire | Volunteer | 1/1/2011 | 336,976 | 384,738 | 47,762 | 87.6% |
| Burning Mountain | Fire | Volunteer | 1/1/2011 | 1,434,676 | 1,949,898 | 515,222 | 73.6% |
| Calhan | Fire | Volunteer | 1/1/2011 | 91,542 | 76,033 | (15,509) | 120.4% |
| Canon City | Fire | Old Hire | 1/1/2012 | 3,069,807 | 5,320,623 | 2,250,816 | 57.7% |
| Canon City | Fire | Volunteer | 1/1/2011 | 218,722 | 360,636 | 141,914 | 60.6% |
| Carbondale | Fire | Volunteer | 1/1/2011 | 1,942,858 | 2,357,823 | 414,965 | 82.4% |
| Cascade | Fire | Volunteer | 1/1/2011 | 266,019 | 296,998 | 30,979 | 89.6% |
| Castle Rock | Fire | Volunteer | 1/1/2011 | 898,079 | 898,913 | 834 | 99.9% |
| Cedaredge | Police | Old Hire | 1/1/2012 | 204,761 | 68,460 | (136,301) | 299.1% |
| Central City | Fire | Volunteer | 1/1/2011 | 419,048 | 446,499 | 27,451 | 93.9% |
| Central Orchard Mesa | Fire | Volunteer | 1/1/2011 | 104,935 | 303,952 | 199,017 | 34.5% |
| Cherry Hills | Fire | Old Hire | 1/1/2012 | 2,565,960 | 4,664,635 | 2,098,675 | 55.0% |
| Cheyenne County #1 | Fire | Volunteer | 1/1/2011 | 284,666 | 271,336 | (13,330) | 104.9% |
| Clear Creek | Fire | Volunteer | 1/1/2011 | 1,641,810 | 1,915,521 | 273,711 | 85.7% |
| Clifton | Fire | Volunteer | 1/1/2011 | 1,840,789 | 1,640,289 | (200,500) | 112.2% |
| Coal Creek | Fire | Volunteer | 1/1/2011 | $855,745 | $1,216,317 | $360,572 | 70.4% |

## Affiliated Local Plans - *continued*

| Affiliated Local Plan Employer | Fire/ Police | Plan Type | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|---|---|
| Colorado Springs | Police | Old Hire | 1/1/2012 | $68,736,969 | $84,825,362 | $16,088,393 | 81.0% |
| Colorado Springs | Fire | Old Hire | 1/1/2012 | 82,076,708 | 97,604,971 | 15,528,263 | 84.1% |
| Cortez | Police | Old Hire | 1/1/2012 | 290,734 | 165,800 | (124,934) | 175.4% |
| Crested Butte | Fire | Volunteer | 1/1/2011 | 1,911,943 | 2,300,035 | 388,092 | 83.1% |
| Cripple Creek | Fire | Volunteer | 1/1/2011 | 420,416 | 156,409 | (264,007) | 268.8% |
| Crowley | Fire | Volunteer | 1/1/2011 | 26,387 | 10,600 | (15,787) | 248.9% |
| Crystal Lake | Fire | Volunteer | 1/1/2011 | 159,298 | 69,796 | (89,502) | 228.2% |
| Del Norte | Police | Old Hire | 1/1/2012 | 6,449 | 25,898 | 19,449 | 24.9% |
| Denver | Police | Old Hire | 1/1/2012 | 505,553,053 | 712,386,457 | 206,833,404 | 71.0% |
| Denver | Fire | Old Hire | 1/1/2012 | 371,940,203 | 506,891,917 | 134,951,714 | 73.4% |
| Divide | Fire | Volunteer | 1/1/2011 | 254,522 | 92,438 | (162,084) | 275.3% |
| Donald Westcott | Fire | Volunteer | 1/1/2011 | 856,419 | 510,702 | (345,717) | 167.7% |
| Dove Creek | Fire | Volunteer | 1/1/2011 | 156,383 | 387,267 | 230,884 | 40.4% |
| Durango | Police | Old Hire | 1/1/2012 | 1,733,288 | 2,819,902 | 1,086,614 | 61.5% |
| Durango | Fire | Old Hire | 1/1/2012 | 1,113,048 | 1,977,658 | 864,610 | 56.3% |
| Durango | Fire | Volunteer | 1/1/2011 | 4,860,276 | 5,242,069 | 381,793 | 92.7% |
| Eads | Fire | Volunteer | 1/1/2011 | 121,415 | 85,743 | (35,672) | 141.6% |
| East Grand | Fire | Volunteer | 1/1/2011 | 1,663,505 | 2,057,686 | 394,181 | 80.8% |
| Eaton | Fire | Volunteer | 1/1/2011 | 925,643 | 1,049,692 | 124,049 | 88.2% |
| Eckley | Fire | Volunteer | 1/1/2011 | 19,305 | 51,271 | 31,966 | 37.7% |
| Elbert | Fire | Volunteer | 1/1/2011 | 135,762 | 61,429 | (74,333) | 221.0% |
| Elizabeth | Fire | Volunteer | 1/1/2011 | 1,129,249 | 1,931,036 | 801,787 | 58.5% |
| Elk Creek FPD | Fire | Volunteer | 1/1/2011 | 2,478,057 | 2,012,592 | (465,465) | 123.1% |
| Englewood | Police | Old Hire | 1/1/2012 | 5,422,212 | 9,775,821 | 4,353,609 | 55.5% |
| Englewood | Fire | Old Hire | 1/1/2012 | 7,985,581 | 10,229,033 | 2,243,452 | 78.1% |
| Englewood | Fire | Volunteer | 1/1/2011 | 124,457 | 165,844 | 41,387 | 75.0% |
| Evans | Fire | Volunteer | 1/1/2011 | 468,341 | 1,217,113 | 748,772 | 38.5% |
| Evergreen | Fire | Volunteer | 1/1/2011 | 3,512,008 | 4,911,685 | 1,399,677 | 71.5% |
| Falcon | Fire | Volunteer | 1/1/2011 | 624,482 | 749,971 | 125,489 | 83.3% |
| Federal Heights | Fire | Volunteer | 1/1/2011 | 2,019,061 | 198,586 | (1,820,475) | 1016.7% |
| Firestone | Police | Old Hire | 1/1/2012 | 15,728 | 43,723 | 27,995 | 36.0% |
| Fisher's Peak | Fire | Volunteer | 1/1/2011 | 101,283 | 61,586 | (39,697) | 164.5% |
| Florence | Fire | Volunteer | 1/1/2011 | 1,055,807 | 664,817 | (390,990) | 158.8% |
| Foothills | Fire | Volunteer | 1/1/2011 | 1,100,310 | 1,674,860 | 574,550 | 65.7% |
| Fort Lewis Mesa | Fire | Volunteer | 1/1/2011 | 247,403 | 420,659 | 173,256 | 58.8% |
| Fort Morgan | Police | Old Hire | 1/1/2012 | 576,144 | 1,289,269 | 713,125 | 44.7% |
| Fort Morgan | Fire | Volunteer | 1/1/2011 | $1,139,998 | $2,190,568 | $1,050,570 | 52.0% |

## Affiliated Local Plans - *continued*

| Affiliated Local Plan Employer | Fire/ Police | Plan Type | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|---|---|
| Fort Morgan Rural | Fire | Volunteer | 1/1/2011 | $538,879 | $855,922 | $317,043 | 63.0% |
| Franktown | Fire | Volunteer | 1/1/2011 | 2,037,636 | 475,266 | (1,562,370) | 428.7% |
| Frederick | Fire | Volunteer | 1/1/2011 | 158,411 | 285,971 | 127,560 | 55.4% |
| Galeton | Fire | Volunteer | 1/1/2011 | 519,062 | 756,301 | 237,239 | 68.6% |
| Genesee | Fire | Volunteer | 1/1/2011 | 1,048,027 | 1,450,635 | 402,608 | 72.2% |
| Glacier View | Fire | Volunteer | 1/1/2011 | 162,326 | 119,016 | (43,310) | 136.4% |
| Glendale | Fire | Volunteer | 1/1/2011 | 209,307 | 112,435 | (96,872) | 186.2% |
| Glenwood Sprigs | Fire | Volunteer | 1/1/2011 | 782,947 | 1,110,964 | 328,017 | 70.5% |
| Golden | Fire | Volunteer | 1/1/2011 | 2,766,076 | 4,329,311 | 1,563,235 | 63.9% |
| Golden Gate | Fire | Volunteer | 1/1/2011 | 246,059 | 265,497 | 19,438 | 92.7% |
| Grand FPD #1 | Fire | Volunteer | 1/1/2011 | 1,183,396 | 2,203,065 | 1,019,669 | 53.7% |
| Grand Junction | Police | Old Hire | 1/1/2012 | 3,216,457 | 4,735,309 | 1,518,852 | 67.9% |
| Grand Junction | Fire | Old Hire | 1/1/2012 | 9,909,435 | 12,797,862 | 2,888,427 | 77.4% |
| Grand Lake | Fire | Volunteer | 1/1/2011 | 1,546,617 | 935,728 | (610,889) | 165.3% |
| Grand Valley | Fire | Volunteer | 1/1/2011 | 2,454,389 | 1,601,765 | (852,624) | 153.2% |
| Greeley | Fire | Old Hire | 1/1/2012 | 8,213,770 | 11,191,987 | 2,978,217 | 73.4% |
| Greeley | Police | Old Hire | 1/1/2012 | 1,026,564 | 1,453,868 | 427,304 | 70.6% |
| Green Mountain Falls | Fire | Volunteer | 1/1/2011 | 196,187 | 365,704 | 169,517 | 53.6% |
| Gypsum | Fire | Volunteer | 1/1/2011 | 460,176 | 759,943 | 299,767 | 60.6% |
| Hartsel | Fire | Volunteer | 1/1/2011 | 432,080 | 911,110 | 479,030 | 47.4% |
| Haxtun | Fire | Volunteer | 1/1/2011 | 141,566 | 148,525 | 6,959 | 95.3% |
| Haxtun | Police | Old Hire | 1/1/2012 | 169,034 | 256,937 | 87,903 | 65.8% |
| Hillrose | Fire | Volunteer | 1/1/2011 | 146,181 | 165,046 | 18,865 | 88.6% |
| Holyoke | Fire | Volunteer | 1/1/2011 | 153,604 | 178,348 | 24,744 | 86.1% |
| Holyoke FPD | Fire | Volunteer | 1/1/2011 | 217,793 | 356,938 | 139,145 | 61.0% |
| Hot Sulfur Springs | Fire | Volunteer | 1/1/2011 | 172,764 | 87,239 | (85,525) | 198.0% |
| Hygiene | Fire | Volunteer | 1/1/2011 | 813,237 | 762,742 | (50,495) | 106.6% |
| Indian Hills | Fire | Volunteer | 1/1/2011 | 304,325 | 468,773 | 164,448 | 64.9% |
| Inter-Canyon | Fire | Volunteer | 1/1/2011 | 1,089,544 | 1,732,917 | 643,373 | 62.9% |
| Jackson 105 | Fire | Volunteer | 1/1/2011 | 209,853 | 399,551 | 189,698 | 52.5% |
| Jefferson-Como | Fire | Volunteer | 1/1/2011 | 783,644 | 424,129 | (359,515) | 184.8% |
| Kiowa | Fire | Volunteer | 1/1/2011 | 543,075 | 442,551 | (100,524) | 122.7% |
| Kremmling | Fire | Volunteer | 1/1/2011 | 365,149 | 691,576 | 326,427 | 52.8% |
| La Junta | Police | Old Hire | 1/1/2012 | 830,118 | 1,085,672 | 255,554 | 76.5% |
| La Junta | Fire | Old Hire | 1/1/2012 | 864,670 | 1,320,763 | 456,093 | 65.5% |
| La Junta | Fire | Volunteer | 1/1/2011 | 426,331 | 108,253 | (318,078) | 393.8% |
| La Salle | Police | Old Hire | 1/1/2012 | 881,738 | 817,095 | (64,643) | 107.9% |
| La Salle | Fire | Volunteer | 1/1/2011 | $2,193,976 | $2,229,347 | $35,371 | 98.4% |

## Affiliated Local Plans - *continued*

| Affiliated Local Plan Employer | Fire/ Police | Plan Type | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|---|---|
| Lafayette | Fire | Volunteer | 1/1/2011 | $1,179,529 | $2,184,408 | $1,004,879 | 54.0% |
| Lake City Area | Fire | Volunteer | 1/1/2011 | 51,168 | 36,816 | (14,352) | 139.0% |
| Lake Dillon | Fire | Volunteer | 1/1/2011 | 3,129,257 | 3,878,179 | 748,922 | 80.7% |
| Lake George | Fire | Volunteer | 1/1/2011 | 244,007 | 152,009 | (91,998) | 160.5% |
| Lakewood | Fire | Old Hire | 1/1/2012 | 10,728,340 | 16,319,660 | 5,591,320 | 65.7% |
| Lamar | Fire | Old Hire | 1/1/2012 | 785,889 | 341,733 | (444,156) | 230.0% |
| Lamar | Fire | Volunteer | 1/1/2011 | 482,219 | 100,738 | (381,481) | 478.7% |
| Larkspur FPD | Fire | Volunteer | 1/1/2011 | 1,412,415 | 1,970,794 | 558,379 | 71.7% |
| Las Animas | Police | Old Hire | 1/1/2012 | 380,955 | 595,682 | 214,727 | 64.0% |
| Leadville | Fire | Old Hire | 1/1/2012 | 196,945 | 280,501 | 83,556 | 70.2% |
| Left hand | Fire | Volunteer | 1/1/2011 | 934,026 | 726,370 | (207,656) | 128.6% |
| Lewis Arriola | Fire | Volunteer | 1/1/2011 | 1,006,916 | 1,512,995 | 506,079 | 66.6% |
| Limon | Fire | Volunteer | 1/1/2011 | 392,388 | 207,173 | (185,215) | 189.4% |
| Livermore | Fire | Volunteer | 1/1/2011 | 116,598 | 82,725 | (33,873) | 140.9% |
| Log Hill Mesa | Fire | Volunteer | 1/1/2011 | 122,251 | 222,718 | 100,467 | 54.9% |
| Loveland | Fire | Old Hire | 1/1/2012 | 268,172 | 233,271 | (34,901) | 115.0% |
| Loveland & Rural | Fire | Volunteer | 1/1/2011 | 2,712,194 | 3,289,671 | 577,477 | 82.4% |
| Lower Valley | Fire | Volunteer | 1/1/2011 | 858,079 | 829,866 | (28,213) | 103.4% |
| Lyons | Fire | Volunteer | 1/1/2011 | 759,810 | 668,474 | (91,336) | 113.7% |
| Mancos | Fire | Volunteer | 1/1/2011 | 609,750 | 249,401 | (360,349) | 244.5% |
| Manitou Springs | Fire | Old Hire | 1/1/2012 | 362,683 | 561,305 | 198,622 | 64.6% |
| Manitou Springs | Fire | Volunteer | 1/1/2011 | 361,599 | 575,929 | 214,330 | 62.8% |
| Manzanola | Fire | Volunteer | 1/1/2011 | 122,608 | 55,751 | (66,857) | 219.9% |
| Milliken | Fire | Volunteer | 1/1/2011 | 564,333 | 948,258 | 383,925 | 59.5% |
| Montrose | Fire | Old Hire | 1/1/2012 | 160,531 | 295,101 | 134,570 | 54.4% |
| Montrose | Fire | Volunteer | 1/1/2011 | 546,850 | 903,041 | 356,191 | 60.6% |
| Mountain View | Fire | Old Hire | 1/1/2012 | 352,045 | 578,833 | 226,788 | 60.8% |
| Mountain View | Fire | Volunteer | 1/1/2011 | 2,304,184 | 2,522,911 | 218,727 | 91.3% |
| Nederland | Fire | Volunteer | 1/1/2011 | 454,811 | 595,609 | 140,798 | 76.4% |
| New Raymer/Stoneham | Fire | Volunteer | 1/1/2011 | 152,156 | 193,289 | 41,133 | 78.7% |
| North Fork | Fire | Volunteer | 1/1/2011 | 183,532 | 301,169 | 117,637 | 60.9% |
| North Routt | Fire | Volunteer | 1/1/2011 | 153,225 | 295,010 | 141,785 | 51.9% |
| North Washington | Fire | Old Hire | 1/1/2012 | 2,426,628 | 5,353,010 | 2,926,382 | 45.3% |
| North Washington | Fire | Volunteer | 1/1/2011 | 157,127 | 75,293 | (81,834) | 208.7% |
| Northeast Teller | Fire | Volunteer | 1/1/2011 | 487,088 | 707,777 | 220,689 | 68.8% |
| Northwest Conejos | Fire | Volunteer | 1/1/2011 | 404,403 | 524,580 | 120,177 | 77.1% |
| Northwest FPD | Fire | Volunteer | 1/1/2011 | 318,446 | 588,714 | 270,268 | 54.1% |
| Norwood | Fire | Volunteer | 1/1/2011 | $226,956 | $269,696 | $42,740 | 84.2% |

## Affiliated Local Plans - *continued*

| Affiliated Local Plan Employer | Fire/ Police | Plan Type | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|---|---|
| Nucla-Naturita | Fire | Volunteer | 1/1/2011 | $437,471 | $483,138 | $45,667 | 90.5% |
| Nunn | Fire | Volunteer | 1/1/2011 | 563,310 | 283,635 | (279,675) | 198.6% |
| Oak Creek | Fire | Volunteer | 1/1/2011 | 237,792 | 359,602 | 121,810 | 66.1% |
| Olathe | Fire | Volunteer | 1/1/2011 | 505,335 | 684,890 | 179,555 | 73.8% |
| Olney Springs | Fire | Volunteer | 1/1/2011 | 155,577 | 85,154 | (70,423) | 182.7% |
| Ordway | Fire | Volunteer | 1/1/2011 | 171,326 | 44,248 | (127,078) | 387.2% |
| Ouray | Fire | Volunteer | 1/1/2011 | 280,268 | 198,987 | (81,281) | 140.8% |
| Palisade VFD | Fire | Volunteer | 1/1/2011 | 568,057 | 115,619 | (452,438) | 491.3% |
| Palmer Lake | Fire | Volunteer | 1/1/2011 | 11,530 | 154,974 | 143,444 | 7.4% |
| Parker | Fire | Volunteer | 1/1/2011 | 478,700 | 728,936 | 250,236 | 65.7% |
| Pawnee | Fire | Volunteer | 1/1/2011 | 98,491 | 26,944 | (71,547) | 365.5% |
| Peetz | Fire | Volunteer | 1/1/2011 | 46,969 | 31 | (46,938) | 151512.9% |
| Peyton | Fire | Volunteer | 1/1/2011 | 17,497 | 22,510 | 5,013 | 77.7% |
| Pinewood Springs | Fire | Volunteer | 1/1/2011 | 113,423 | 133,755 | 20,332 | 84.8% |
| Plateau Valley | Fire | Volunteer | 1/1/2011 | 727,199 | 307,388 | (419,811) | 236.6% |
| Platte Canyon | Fire | Volunteer | 1/1/2011 | 954,405 | 1,392,632 | 438,227 | 68.5% |
| Platte Valley | Fire | Volunteer | 1/1/2011 | 2,138,221 | 1,238,948 | (899,273) | 172.6% |
| Platteville | Fire | Volunteer | 1/1/2011 | 2,963,928 | 3,654,312 | 690,384 | 81.1% |
| Pleasant View | Fire | Volunteer | 1/1/2011 | 235,008 | 391,194 | 156,186 | 60.1% |
| Pleasant View Metro | Fire | Volunteer | 1/1/2011 | 1,369,640 | 654,482 | (715,158) | 209.3% |
| Poudre Valley | Fire | Volunteer | 1/1/2011 | 114,930 | 128,006 | 13,076 | 89.8% |
| Pueblo | Police | Old Hire | 1/1/2012 | 54,483,182 | 71,337,041 | 16,853,859 | 76.4% |
| Pueblo | Fire | Old Hire | 1/1/2012 | 30,103,852 | 54,408,550 | 24,304,698 | 55.3% |
| Pueblo Rural | Fire | Old Hire | 1/1/2012 | 2,241,103 | 2,554,000 | 312,897 | 87.7% |
| Rangley Rural | Fire | Volunteer | 1/1/2011 | 520,676 | 560,762 | 40,086 | 92.9% |
| Rattlesnake | Fire | Volunteer | 1/1/2011 | 731,506 | 850,012 | 118,506 | 86.1% |
| Red Feather Lakes | Fire | Volunteer | 1/1/2011 | 233,089 | 366,870 | 133,781 | 63.5% |
| Red White Blue | Fire | Volunteer | 1/1/2011 | 1,231,393 | 831,274 | (400,119) | 148.1% |
| Red White Blue | Fire | Old Hire | 1/1/2012 | 320,265 | 652,398 | 332,133 | 49.1% |
| Ridgway | Fire | Volunteer | 1/1/2011 | 456,508 | 289,433 | (167,075) | 157.7% |
| Rifle | Fire | Volunteer | 1/1/2011 | 3,462,839 | 3,103,675 | (359,164) | 111.6% |
| Rio Blanco | Fire | Volunteer | 1/1/2011 | 1,874,683 | 2,136,449 | 261,766 | 87.7% |
| Rocky Ford | Police | Old Hire | 1/1/2012 | 364,492 | 598,748 | 234,256 | 60.9% |
| Rocky Ford | Fire | Old Hire | 1/1/2012 | 308,551 | 103,522 | (205,029) | 298.1% |
| Rocky Ford | Fire | Volunteer | 1/1/2011 | 54,221 | 20,638 | (33,583) | 262.7% |
| Rocky Mountain | Fire | Volunteer | 1/1/2011 | 432,830 | 508,749 | 75,919 | 85.1% |
| Sable Altura | Fire | Volunteer | 1/1/2011 | 534,210 | 592,786 | 58,576 | 90.1% |
| Salida | Police | Old Hire | 1/1/2012 | $713,917 | $1,307,196 | $593,279 | 54.6% |

## Affiliated Local Plans - *continued*

| Affiliated Local Plan Employer | Fire/ Police | Plan Type | Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded (Surplus) Actuarial Accrued Liability | Actuarial Funded Ratio |
|---|---|---|---|---|---|---|---|
| Salida | Fire | Old Hire | 1/1/2012 | $185,561 | $230,364 | $44,803 | 80.6% |
| Sheridan | Fire | Volunteer | 1/1/2011 | 493,462 | 947,560 | 454,098 | 52.1% |
| Silverton | Fire | Volunteer | 1/1/2011 | 185,688 | 252,959 | 67,271 | 73.4% |
| South Adams County | Fire | Volunteer | 1/1/2011 | 4,055,988 | 5,263,317 | 1,207,329 | 77.1% |
| South Adams County | Fire | Old Hire | 1/1/2012 | 451,908 | 620,793 | 168,885 | 72.8% |
| South Arkansas | Fire | Volunteer | 1/1/2011 | 195,267 | 152,995 | (42,272) | 127.6% |
| South Conejos | Fire | Volunteer | 1/1/2011 | 185,998 | 243,065 | 57,067 | 76.5% |
| South Metro Rescue | Fire | Volunteer | 1/1/2011 | 383,672 | 331,260 | (52,412) | 115.8% |
| Southwest Washington | Fire | Volunteer | 1/1/2011 | 83,244 | 41,854 | (41,390) | 198.9% |
| Springfield | Police | Old Hire | 1/1/2012 | 492,577 | 292,222 | (200,355) | 168.6% |
| Springfield | Fire | Volunteer | 1/1/2011 | 108,285 | 67,834 | (40,451) | 159.6% |
| Steamboat Springs | Fire | Volunteer | 1/1/2011 | 997,830 | 1,515,683 | 517,853 | 65.8% |
| Sterling | Police | Old Hire | 1/1/2012 | 1,396,356 | 134,376 | (1,261,980) | 1039.1% |
| Sterling | Fire | Old Hire | 1/1/2012 | 769,333 | 1,261,870 | 492,537 | 61.0% |
| Sterling | Fire | Volunteer | 1/1/2011 | 383,257 | 494,304 | 111,047 | 77.5% |
| Stonewall | Fire | Volunteer | 1/1/2011 | 446,798 | 389,488 | (57,310) | 114.7% |
| Stratton | Fire | Volunteer | 1/1/2011 | 90,653 | 39,312 | (51,341) | 230.6% |
| Sugar City | Fire | Volunteer | 1/1/2011 | 100,396 | 98,167 | (2,229) | 102.3% |
| Sugar Loaf | Fire | Volunteer | 1/1/2011 | 356,224 | 451,395 | 95,171 | 78.9% |
| Telluride | Fire | Volunteer | 1/1/2011 | 1,145,823 | 2,116,009 | 970,186 | 54.2% |
| Thornton | Fire | Old Hire | 1/1/2012 | 6,354,083 | 8,288,176 | 1,934,093 | 76.7% |
| Timberline | Fire | Volunteer | 1/1/2011 | 1,422,337 | 1,493,523 | 71,186 | 95.2% |
| Trinidad | Police | Old Hire | 1/1/2012 | 86,290 | 131,732 | 45,442 | 65.5% |
| Trinidad | Fire | Old Hire | 1/1/2012 | 652,659 | 1,344,367 | 691,708 | 48.5% |
| Walsh | Fire | Volunteer | 1/1/2011 | 45,029 | 40,365 | (4,664) | 111.6% |
| Wellington | Fire | Volunteer | 1/1/2011 | 1,027,664 | 1,201,506 | 173,842 | 85.5% |
| West Cheyenne | Fire | Volunteer | 1/1/2011 | 111,803 | 97,831 | (13,972) | 114.3% |
| West Douglas County | Fire | Volunteer | 1/1/2011 | 502,921 | 686,981 | 184,060 | 73.2% |
| West Metro | Fire | Volunteer | 1/1/2011 | 719,015 | 813,887 | 94,872 | 88.3% |
| West Routt | Fire | Volunteer | 1/1/2011 | 2,110,278 | 1,964,533 | (145,745) | 107.4% |
| Westminster | Fire | Volunteer | 1/1/2011 | 2,594,924 | 1,855,408 | (739,516) | 139.9% |
| Wet Mountain | Fire | Volunteer | 1/1/2011 | 1,108,745 | 867,229 | (241,516) | 127.8% |
| Wiggins Rural | Fire | Volunteer | 1/1/2011 | 645,810 | 582,222 | (63,588) | 110.9% |
| Wiley Rural | Fire | Volunteer | 1/1/2011 | 102,665 | 69,334 | (33,331) | 148.1% |
| Windsor Severance | Fire | Volunteer | 1/1/2011 | 2,400,738 | 2,726,763 | 326,025 | 88.0% |
| Yampa | Fire | Volunteer | 1/1/2011 | 397,325 | 475,191 | 77,866 | 83.6% |
| Yuma | Fire | Volunteer | 1/1/2011 | 389,840 | 259,343 | (130,497) | 150.3% |
| | | | | **$1,501,490,065** | **$2,027,014,020** | **$525,523,955** | **74.1%** |