



FIRE & POLICE PENSION ASSOCIATION OF COLORADO

MEMORANDUM

TO: Affiliated FPPA Old Hire and Volunteer Pension Plan Employers
FROM: Dalan Raffaghello, Senior Accountant
DATE: August 4, 2014
SUBJECT: Second Quarter 2014 Allocation Report

Enclosed is your 2014 YTD Allocation Report through June 30, 2014.

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund ("Fund"). Returns for the Fund are as follows (returns for periods longer than one year are annualized):

As of 6/30/2014	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Fund Net of Investment Fees	3.85%	4.82%	15.28%	9.12%	12.38%

The table below summarizes expenses as a percentage of net assets for the Fund.

Year	FPPA Administrative Expense*	Investment Expense	Total Expense Ratio
2014 YTD	0.10%	0.23%	0.33%
2013	0.22%	0.73%	0.95%
2012	0.23%	0.66%	0.89%
2011	0.21%	0.55%	0.76%

*FPPA Administrative Expenses are not included in the Total Fund Net of Investment Fees percentages.

Your report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Allocated Plan Expense/Income*. As such, your plan's administrative expenses may differ from the Fund. In order to calculate your plan's administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Allocated Plan Expense/Income* and *Allocated Fees & Expenses* and divide by the *Total Ending Balance*.

In the enclosed Allocation Report, please review the items *Member Contributions*, *Employer Contributions*, *Refunds*, *Affiliations*, *Net Benefits*, *Plan Directed Expenses* and *State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by August 22, 2014. If FPPA does not receive a response by August 22nd, you are confirming that these report items are correct.**

Also enclosed is a schedule of your 2014 contributions received by FPPA year to date through June 30, 2014. This schedule compares contributions received in the current year to the actuarial required contributions for 2014. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.** All required contributions are due to FPPA before December 31, 2014.

If you have any questions regarding your allocation report, please call me at (303) 770-3772 in Metro Denver or 1-800-332-3772.

**Fire and Police Pension Association
Old Hire Example Plan
For the Six Months Ending June 30, 2014**

Beginning Balance	\$53,459,024.39
Plan Direct Inflows and Outflows	
Member Contributions	\$2,820.91
Employer Contributions	\$851,071.03
Refunds	
Affiliations	
Net Benefits	(\$2,892,892.31)
Plan Directed Expenses	(\$4,998.38)
State Funding	
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Plan Direct Inflows and Outflows Sub-Total	(\$2,043,998.75)
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Allocated Income and Expense	
Interest	\$76,942.85
Dividends	\$317,868.65
Other Income	\$157,469.55
Net Change Accrued Income	(\$1,560.48)
Unrealized Gain/Loss	\$1,283,601.22
Realized Gain/Loss	\$804,362.77
Defined Contribution Earnings (Net)	
Direct Allocated Plan Expense/Income	(\$1,286.23)
Allocated Fees & Expenses	(\$163,940.41)
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Allocated Income and Expense Sub-Total	\$2,473,457.92
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Total Ending Balance	\$53,888,483.56



FIRE & POLICE PENSION ASSOCIATION OF COLORADO

MEMORANDUM

TO: Affiliated FPPA Old Hire and Volunteer Pension Plan Employers
FROM: Dalan Raffaghello, Senior Accountant
DATE: August 4, 2014
SUBJECT: YTD Direct Allocated Plan Expense/Income

Enclosed is a statement of expenses directly allocated to your plan. For FPPA affiliated old hire and volunteer fire pension plans, the Colorado Revised Statutes allows FPPA to allocate expenses that are directly related to the administration of the plan from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI) for old hire plans and C.R.S. 31-31-705(2)(f) for volunteer fire plans.

The expenses directly allocated to the plan are comprised of costs for actuarial services, audit costs regarding the Statement on Standards for Attestation Engagements Service Organization Controls (SSAE 16 SOC 1 Type 2 report) of FPPA related to processing data and transactions related to your plan, and any other plan specific costs incurred. The SSAE 16 SOC 1 Type 2 report is a new requirement beginning in 2014 as addressed by the American Institute of Certified Public Accountants (AICPA) for the implementation of Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. To address the issue of confirming the fiduciary net position for agent multiple-employer plans (FPPA affiliated old hire and volunteer fire pension plans), the AICPA is requiring the plan auditor to issue the SSAE 16 SOC 1 Type 2 report on the allocation of inflows and outflows of the plan to individual employer accounts.

These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Allocated Plan Expense/Income* row of your Allocation Report. Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If so, you can choose to reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarial required contribution).

Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Paragon Audit & Consulting, Inc and CliftonLarsonAllen LLP.

To reimburse the plan for these costs, please send payment via check or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense.

Mailing Address

Fire and Police Pension Association of Colorado
PO Box 910390
Denver, CO 80291-0390

Wire Instructions

Bank Name: Wells Fargo
Bank Address: 420 Montgomery St.
San Francisco, CA 94104
ABA#: 121000248
Account #: 1010956578
FBO: Fire and Police Pension Association

If you have any questions regarding your allocation report, please call me at (303) 770-3772 in Metro Denver or 1-800-332-3772.

Transaction		Account Description	Vendor Name	Invoice #	Debit Amount	Credit Amount	Net Activity
Plan Number	Date						
0123-030	02/20/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2264	0.67	-	0.67
0123-030	02/20/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2252	5.09	-	5.09
0123-030	02/27/14	Actuarial Expense - Old Hire Example Plan	GABRIEL ROEDER SMITH & CO	405484	240.00	-	240.00
0123-030	03/06/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2275	10.58	-	10.58
0123-030	03/11/14	Actuarial Expense - Old Hire Example Plan	GABRIEL ROEDER SMITH & CO	406006	240.00	-	240.00
0123-030	03/21/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2293	13.39	-	13.39
0123-030	04/04/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2301	6.02	-	6.02
0123-030	04/09/14	Actuarial Expense - Old Hire Example Plan	GABRIEL ROEDER SMITH & CO	406582	240.00	-	240.00
0123-030	05/02/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2323	13.66	-	13.66
0123-030	05/09/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2338	22.10	-	22.10
0123-030	05/13/14	Actuarial Expense - Old Hire Example Plan	GABRIEL ROEDER SMITH & CO	407213	240.00	-	240.00
0123-030	05/22/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2350	6.96	-	6.96
0123-030	06/05/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2362	6.96	-	6.96
0123-030	06/19/14	Actuarial Expense - Old Hire Example Plan	GABRIEL ROEDER SMITH & CO	407649	240.00	-	240.00
0123-030	06/19/14	Audit Expense - Old Hire Example Plan	PARAGON AUDIT & CONSULTING, INC	2372	0.80	-	0.80
							\$ 1,286.23

Example - Level Percentage of Pay Funding 2014 Old Hire Contributions

Contributions Received by FPPA in:	Employee Contributions	Employer Contributions	Wages	Employee %
January	\$809.08	\$139,571.03	\$8,090.75	10.000%
February	\$1,174.03	\$142,300.00	\$11,740.33	10.000%
March	\$837.80	\$142,300.00	\$8,378.03	10.000%
April	\$0.00	\$142,300.00	\$0.00	N/A
May	\$0.00	\$142,300.00	\$0.00	N/A
June	\$0.00	\$142,300.00	\$0.00	N/A
July	\$0.00	\$0.00	\$0.00	N/A
August	\$0.00	\$0.00	\$0.00	N/A
September	\$0.00	\$0.00	\$0.00	N/A
October	\$0.00	\$0.00	\$0.00	N/A
November	\$0.00	\$0.00	\$0.00	N/A
December	\$0.00	\$0.00	\$0.00	N/A
Adjustment	\$0.00	\$0.00	\$0.00	N/A
Total	\$2,820.91	\$851,071.03	\$28,209.11	10.000%

Employee Required Contribution to Rank Escalation Account

10.000%

Total Annual Required Contribution per 1/1/2012 Actuarial Study

\$1,721,259.00

Actual Employee Contribution

\$2,820.91

Required Employee Contribution

\$2,820.91

Employee Difference Over/(Under)

(\$0.00)

Actual Employer + Employee Contributions

\$853,891.94

The Annual Required Contribution Amount is due to FPPA before 12/31/2014

\$1,721,259.00

Difference Over/(Under)

(\$867,367.06)

Percentage of Required Contribution Received

49.61%

The Annual Required Contribution Amount is due to FPPA before 12/31/2014

The Employer's portion is the difference between the Annual Required Contribution and the Employee Contribution