



**Twenty Sixth Comprehensive Annual
Financial Report
Fiscal Year Ended
December 31, 2008**

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Prepared by:
**Arkansas Local Police and Fire Retirement System
David B. Clark, Executive Director
Robert A. Bartholmey, Chief Financial Officer**

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Introductory Section

BOARD OF TRUSTEES



JOANNE H. BUSH
Chairman, Employer Trustee
Lake Village
Term Expires Jan. 1, 2010



MIKE GASKILL
Employer Trustee
Paragould
Term Expires Jan. 1, 2011



TIMOTHY WEBB
Police Employee Trustee
Searcy
Term Expires Jan. 1, 2010



JIM HENSON
Fire Employee Trustee
Little Rock
Term Expires Jan. 1, 2012



DAN CURTNER
Retired Fire Employee Trustee
Forrest City
Term Expires Jan. 1, 2012



DONNA ADKINS
Retired Police Trustee
Hot Springs
Term Expires Jan. 1, 2012



BEV LAMBERT
Public Trustee
Little Rock
Term Expires Jan. 1, 2011

Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Arkansas Local Police and Fire Retirement System

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

LOPFI

ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

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Letter of Transmittal

May 29, 2009

Board of Trustees
Arkansas Local Police and Fire Retirement System
620 W. 3rd, Suite 200
Little Rock, AR 72201-2223

Dear Trustees:

I am pleased to provide to you the Comprehensive Annual Financial Report (CAFR) of the Arkansas Local Police and Fire Retirement System (LOPFI) for the year ended December 31, 2008. This report recognizes LOPFI's 26th year of providing retirement benefits to the covered police officers and firefighters in the State. A primary duty of the System is to ensure its operations are handled in a responsible manner and the information within this report helps provide that assurance.

An Overview of LOPFI

LOPFI is a statewide defined benefit retirement system available to police officers and firefighters of political subdivisions in the State of Arkansas. The benefit structure of the System is governed by State law and Board policy. A seven member Board of Trustees appoints an Executive Director to administer the System in a manner consistent with law and Board policy. Responsibility for the disclosure of LOPFI's financial condition and the contents of this report are borne by the System's management. Internal controls are employed to provide reasonable assurance that safeguarding of the assets and fair presentation of the financial statements, supporting schedules, and statistical tables are clearly present.

In 2008, LOPFI began a major overhaul of its data processing services by partnering with Tegrit Technologies. Data processing is a vital aspect of the System's operation. Fundamental work items such as monthly employer reporting, enrollment of new members and service credit accrual for active members are being handled more efficiently with this change. In addition, LOPFI's alliance with Tegrit Technologies has allowed us to build a solid framework from which enhanced on-line services will soon be available to all active and retired members. As a result, we are very excited with the direction our customer service is headed.

LOPFI also guided several additional local pension funds in consolidating their administrative responsibilities with LOPFI. At the end of 2008, the System broke

through the 100 mark in the number of local plans administered by the System. The advantages for consolidation are many and include protecting the promised benefits to the members of consolidated plans, and helps employer groups establish a reasonable funding schedule that will fully fund the benefits earned by their members.

Financial Information Summary

The following schedule is a summary of the System's additions and deductions for the years ended December 31, 2008 and December 31, 2007.

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Additions	(\$142,100,091)	\$ 125,588,528
Deductions	32,575,412	30,229,982
Net Change	(\$174,675,503)	\$ 95,358,546

The change in Additions was a direct correlation to the decline in investments. Deductions increased by \$2,345,430 as a result of an increased number of members entering retirement and an equivalent increase in administrative functions. Both events are appropriate given the age of LOPFI. Greater details of the financial condition can be found in the Management's Discussion and Analysis located on page 19 in the Financial Section of this report.

The System's Financial State

LOPFI's funding objective is to meet benefit promises through contributions based upon level-rate principles. These principles seek to maintain contributions that remain approximately level as a percent of member payroll over decades of time. The Schedule of Funding Progress beginning on page 108 of this report shows we continue to meet this objective. As of December 31, 2008, the funded ratio for the entire LOPFI portfolio was 66%. This decrease is a product of the worldwide investment upheaval and the correct recognition of liabilities of the increasing number of local pension funds administered by LOPFI. While the majority of these pension funds were quite underfunded at the time of consolidation, their respective employers have assumed responsibility and are on schedule to fully fund all costs. Regarding the investment program, LOPFI remains vigilant in its investment approach which assures members their retirement benefits are, in fact, secure. Further details on the funded condition of LOPFI can be found in the Actuarial Section of this report.

Investment Activity

The LOPFI portfolio realized a negative 25.54% return for the year ended December 31, 2008. The mortgage calamity brought on by the poor decisions and greed of others shook investment markets around the globe. The damage inflicted could have been deeper and this fact reinforces the wisdom of using a diverse investment strategy. Understandably, the System will continue its use of diversification in the years ahead.

Please review the Investment Section of this report to gain a deeper understanding of the System's investment results.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to LOPFI for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the sixth consecutive year that LOPFI has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Conclusion

This report was the result of the combined efforts of System staff and advisors working together. The report's purpose is to provide sufficient detail to confirm integrity is maintained in the overall management of LOPFI. As in previous years, LOPFI received an unqualified opinion from an independent auditor on the financial statements included in this report. The opinion of the auditor is located on page 18 of this report.

This CAFR is made available to Legislative Audit, Legislative Council and all participating employer groups. In addition, through its design, we hope that all readers of this report will find it easy to read as well as informative.

I appreciate working with a dedicated staff that truly enjoys providing the best service to all of our members. Finally, I wish to express to all active and retired members and participating employer groups that we do value your input regarding LOPFI. If you have comments on how we may improve our service, please feel free to contact me or a member of staff.

Respectfully,



David B. Clark
Executive Director

Administrative Organization

STAFF

David B. Clark
Executive Director

Robert A. Bartholmey
Chief Financial Officer

ACTUARY

Gabriel, Roeder, Smith and Company
David Hoffman and Mita Drazilov
Southfield, Michigan

AUDITOR

William T. Kinneman, CPA
Little Rock, Arkansas

LEGAL COUNSEL

Eichenbaum, Liles & Heister, P.A.
Richard L. Ramsay
Little Rock, Arkansas

DATA PROCESSING

Tegrit Technologies
Livonia, Michigan

INVESTMENT MANAGEMENT

- *300 North Capital*
Pasadena, California
- *Aberdeen Asset Management*
Philadelphia, Pennsylvania
- *Barrow, Hanley, Mewhinney & Strauss*
Dallas, Texas
- *Brandywine Group Trust*
Wilmington, Delaware
- *Citigroup Private Equity*
New York, New York
- *Davis, Hamilton, Jackson & Associates*
Houston, Texas
- *Dodge & Cox*
Braintree, Massachusetts
- *Fisher Investments*
Woodside, California
- *JP Morgan Investment Management, Inc. (Real Estate & Infrastructure)*
New York, New York
- *Macquarie Infrastructure Partners, Inc.*
New York, New York
- *Neuberger Berman Private Equity*
Dallas, Texas
- *Pacific Investment Management Company (PIMCO)*
Newport Beach, California
- *State Street Global Advisors*
Boston, Massachusetts
- *Wellington Management Company*
Boston, Massachusetts
- *Western Asset Management Company (WAMCO)*
Pasadena, California

INVESTMENT CONSULTANT

Stephens, Inc.
Larry Middleton
Little Rock, Arkansas

INVESTMENT MONITOR

Thistle Asset Consulting Group
John McCann
Boynton Beach, Florida

Information regarding Investment Managers and Consultants can be found in the Investment Section beginning on page 35.

Summary of LOPFI Plan Provisions

PURPOSE

The Arkansas Local Police and Fire Retirement System (LOPFI) is a statewide retirement plan for police officers and firefighters of political subdivisions of the State of Arkansas. It is a non-profit entity established under the authority of Act 364 of 1981, and bears a fiduciary obligation to the political subdivisions and their employees, who are its participants.

ADMINISTRATION

The general administration and the responsibility for the proper operation of the system is vested in a seven member Board of Trustees. All Trustees are appointed by the Governor. The normal term of office for a Trustee is four years. Four of the appointed Trustees are employee representatives: an active firefighter and an active police officer and a retired firefighter and a retired police officer are selected from lists submitted by the Joint Committee on Public Retirement and Social Security Programs. Two members are employer trustees, who represent the political subdivisions of the state. They are not members of the System, but their political subdivisions must have covered employees in the System. The employer trustees are selected from among a list submitted by the Arkansas Municipal League. These members must possess management experience and may be elected or appointed city officials. The remaining member is the public trustee, who represents the citizenry of the State of Arkansas. The public trustee is not a member of any governing body of a political subdivision of the State and is selected from a list submitted by the Legislative Joint Committee on Public Retirement and Social Security programs. A list of the Board of Trustees and their terms of office is included in this report.

The Board of Trustees has vested the day to day management of LOPFI with an Executive Director. The Executive Director acts as an advisor to the Board on all matters pertaining to the System and, with the approval of the Board, employs the remaining staff and seeks professional consultants needed to operate the System.

PARTICIPATION

LOPFI became effective July 1, 1981 and has different provisions for participation.

(1) Political subdivisions which had a local pension and relief fund for its firefighters and police officers as of July 1, 1981:

(a) All employees hired after January 1, 1983 (operative date), who would have participated under the "old plans", will become LOPFI members.

(b) By voluntary mutual agreement of a political subdivision's governing body and the LOPFI Board, arrangement can be made for the "old plan" to be administered by LOPFI. This is not mandatory and does not mean there would be a change in the benefit provisions applicable to "old plan" members. It would be a change only in administrative structure.

(2) Political subdivisions which did not have a local pension and relief fund for its firefighters and police officers as of July 1, 1981:

(a) Effective July 1, 1981, no new "old plans" may be established.

(b) The governing body of a political subdivision may elect to cover its firefighters and police officers under LOPFI. Memberships become effective the first day of the month after the LOPFI Board is notified that the local governing body has elected to provide such coverage.

CREDITED SERVICE

Credited service is the combination of an employee's years of covered employment in paid service and volunteer service. Service may be counted as both paid service and volunteer service for the same period of time, but must be earned under different employers.

Because LOPFI is a statewide retirement system with many participating political subdivisions, credited service can be a combination of service with several employers.

NORMAL RETIREMENT

A member may retire after completing both age and service requirements. The minimum service retirement age is 55, if the member has at least 20 years of service. For those desiring retirement with less than twenty years of service, but who have at least five years of service, the minimum age is 60 or a member may retire at any age with 28 years of credited service.

EARLY RETIREMENT

A member may retire with an early retirement benefit after completing both: 1) age 50; and, 2) have at least 20 years of credited service. With early retirement the benefit is computed as a normal benefit, but is then reduced to account for the fact that benefit payments began at a younger age. The amount of the reduction is 1/2 of 1% per month for each month that the retirant is younger than 55.

DEFERRED RETIREMENT

If a member leaves LOPFI-covered employment (1) before attaining his early retirement age, and (2) after completing 5 years of credited service, he/she becomes eligible for a vested termination annuity; provided he lives to his normal retirement age and does not withdraw his accumulated contributions. The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service and pay record at time of leaving LOPFI coverage. When the effective date of the annuity is at least twelve (12) full months after termination, final average pay is adjusted for changes in inflation. The amount of the adjustment is one-half of any percentage increase in the Consumer Price Index for the period from three months immediately preceding termination to three months immediately preceding the effective date of the benefit.

FINAL AVERAGE PAY

Final Average Pay is the average of a member's monthly pay during the 36 consecutive months of paid service producing the highest income, which is contained within the last 120 months of paid service. In the majority of cases, this is the last 3 years of employment. The pays usable in the determination of final average pay are limited by the following tests: pays used during any one annual segment are

usable only to the extent that such pays do not exceed 31% of the total pays in the final average pay period (4 contiguous segments); and that if the final average pay period is less than four full years, the maximum usable 31% shall be increased proportionally. Final Average Pay is not applicable to volunteer service.

AGE AND SERVICE BENEFIT

The normal retirement benefit is payable monthly to the member for life. The monthly benefit equals a specified amount multiplied by the member's number of years of credited service. The monthly amount depends on: 1) the amount and type of credited service the member has; 2) whether or not the member's paid service is covered by Social Security; and, 3) the member's final average pay. The following formulas apply under the stated conditions:

(a) Paid service position not covered by Social Security

$2.7\% \times \text{FAP} \times \text{Years of Service}$

(b) Paid service position covered by Social Security

$2.7\% \times \text{FAP} \times \text{Years of Service}$

until first eligible for an unreduced Social Security Benefit

THEN $1.7\% \times \text{FAP} \times \text{Years of Service}$

when first eligible for unreduced Social Security Benefit

(c) Volunteer

$\$5.48 \text{ per month} \times \text{Years of Service}$ (The \$5.48 Benefit is indexed annually for inflation).

The maximum benefit for paid service is 85% of FAP. For volunteer service the maximum benefit is \$219.20 per month, indexed annually for inflation.

DUTY DISABILITY BENEFIT

A member who becomes totally and permanently disabled from duty-related injury or disease is eligible for a disability benefit. The benefit shall either be equal to 65% of final average pay or equal to the annuity paid to retirants

for each year of paid service resulting from employment as provided for in A.C.A. 24-10-602, whichever is greater.

NON-DUTY DISABILITY BENEFIT

A paid member with five (5) or more years of credited service who becomes totally and permanently disabled from causes other than duty-related receives a non-duty benefit computed in the same manner as an age and service benefit, but based upon actual service and final average pay at time of disability.

SURVIVOR BENEFIT

Upon the death of a member from duty-related causes, regardless of length of service, the surviving spouse receives an annuity equal to the Option B50 annuity, computed as if the member had 25 years of credited service. When a paid member dies from non-duty related causes, who has at least five (5) years of credited service the surviving spouse benefit is the same as a B50 annuity but is computed upon the deceased member's service and pay record at time of death.

POST RETIREMENT ADJUSTMENT

Beginning the first July following twelve (12) months of retirement, there is an annual redetermination of the monthly benefit amount. The redetermined amount shall be the amount of the benefit as of the immediately preceding July 1 increased by three percent (3%).

OPTIONAL FORMS OF PAYMENT

When a LOPFI member makes application for retirement, benefits are calculated in four optional forms and the member selects the one that best fits his/her retirement needs. The election of the form of payment is made immediately prior to the receipt of the first benefit check and once it is made, it is irrevocable, except with the death of a beneficiary, or divorce or other marriage dissolution after retirement.

The options are:

Option A60: Under Option A60 a retirant receives an annuity for life, with the added provision that if he/she dies before being paid a total of 60 monthly payments, the same amount will be continued to his/ her designated beneficiary until a

total of 60 monthly payments have been made. Option A60 pays an amount equal to 100% of the life benefit.

Option A120: This option has the same general provisions as Option A60 but the guaranteed payment period is 120 months rather than 60 months. This option pays a benefit equal to 98% of the life benefit.

Option B50: Under Option B50 a retirant receives a reduced monthly lifetime benefit with the added provision that should he/she die before his/her beneficiary, the beneficiary will receive a monthly benefit for life equal to 50% of the reduced amount received by the retirant.

Option B75: Option B75 has the same general provisions as Option B50, but the percent of the reduced life benefit to the designated beneficiary is 75% instead of 50%.

DEFERRED RETIREMENT OPTION PLAN (DROP)

The Deferred Retirement Option Plan (DROP) allows a paid service member who has attained at least 28 years of service or who has attained at least 20 years of paid service and is at least age 55, to accumulate a portion of their retirement benefit, without terminating employment, in a separate account. The member defers receipt of benefits as described below.

For purposes of DROP, credited service shall not include volunteer service or other credited service that was purchased. However, military service credit earned under A.C.A. 24-10-502 shall count towards the total credited service.

When a member elects to enter DROP, their monthly retirement benefit is calculated as though that person were leaving employment at that time. For members that have at least 28 years of service and elect to participate in DROP, 75% of the member's monthly benefit is placed into the member's DROP account. For members who have at least 20 years but less than 28 years of service and are at least age 55 before electing to participate in DROP, 72% of the member's monthly benefit is placed into the member's DROP account. The member's DROP account balance earns interest at the rate of 6% annually. During the DROP period the employee contributions, for contributory members, and employer contributions shall continue and are credited to the retirement system.

The member may remain in DROP up to a maximum of 5 years. At the conclusion of the DROP period the member shall terminate employment and begin receiving their monthly retirement benefit they would have received had they retired at the time they entered DROP. At the option of the member, the member shall receive their DROP balance as either a lump-sum payment equal to the payments into their DROP account; or as a monthly annuity that is the actuarial equivalent of the lump-sum and paid in the form of one of the annuity options under A.C.A. 24-10-603; or another form of payment if another form is approved by the LOPFI Board of Trustees.

If a member dies during the DROP period a lump-sum payment equal to their DROP account balance shall be paid to their survivor(s) or, if none, their estate.

If a member becomes disabled during the DROP period, the member shall be treated as though they had concluded their DROP participation.

PARTIAL-ANNUITY and LUMP-SUM OPTION

Any vested member who does not terminate LOPFI-covered employment, and is eligible for an unreduced annuity and who was not eligible or did not elect to participate in the DROP, may elect to participate in the partial-annuity and lump-sum option.

A member who elects to participate in this option shall be eligible to receive, at the time of retirement, a lump-sum distribution in an amount not exceeding one month of benefit for each completed month of service beyond eligibility for an unreduced retirement benefit. The lump-sum shall not exceed an amount equal to 60 months of retirement benefits.

If a member elects to participate in the partial-annuity and lump-sum option, the member's retirement benefit shall be reduced by an amount that is the actuarial equivalent of the withdrawal amount.

MEMBER CONTRIBUTIONS

Member contribution rates are dependent upon the type of service being rendered and whether or not that service is also covered by Social Security. The different member contribution rates are:

- (1) Paid service not covered by Social Security: 6% of pay.
- (2) Paid service also covered by Social Security: No contribution.
- (3) Paid service under Benefit Program 2: 6% of pay.
- (4) Volunteer service: No contribution.

EMPLOYER CONTRIBUTIONS

LOPFI requires that each employer make contributions in order to finance the benefits that political subdivisions have promised their employees. Initial contribution rates for employers are varied based on age at time of employment. However, the actuary adjusts these rates annually to reflect each employer's individual experience rating. A chart showing current employer contribution rates is included in this report.

Summary of Plan Provisions

for Local Fire and Police Pension and Relief Funds

Under LOPFI Administration

HISTORY

Legislative action dating back to 1921 and 1937 provided cities and towns with the option to establish retirement and relief fund programs for firefighters and policemen, respectively. However, such authority was cancelled with the effective date of LOPFI, July 1981. Therefore, all current relief funds were established prior to this date.

ADMINISTRATION

By voluntary mutual agreement, the City's governing body may enter into a management agreement for the administration of a local relief plan with the LOPFI Board of Trustees. Under the arrangement, coverage provided by LOPFI is administrative only and does not change the benefit structure of the relief plan.

PARTICIPANTS

Under the relief plans, membership is extended to certified uniformed paid and volunteer personnel of police and fire departments in cities and towns with established plans.

CREDITED SERVICE

Credited service is the combination of an employee's years of covered employment in paid and /or volunteer service. For police members and paid fire members, only service credit that is accrued under 1 employer is counted. However, volunteer members may combine service of five year increments or more from other employers for retirement.

NORMAL RETIREMENT

A member may retire with 20 years of service regardless of age.

SERVICE BENEFIT

Paid Members

Annual benefits equal 50% of final pay of final rank for firefighters and 50% of the highest salary for police officers. The minimum benefit is \$4,200 per year. If more than 20 years of service credit is accrued, \$240 annually is granted for each additional year of service credit, up to \$1,200 for 25 years of service. For retirants who accrue more than 25 years service and are age 60, an additional benefit of 1.25% of final pay is payable for each year over 25 years of service to a maximum of 100% of final pay or salary.

Volunteer Members

The minimum annual benefit is \$1200 per year. An additional benefit of \$120 annually for each year of service over 20 is granted up to a maximum amount of \$1800 annually for 25 years of service or more.

DISABILITY RETIREMENT

Members with a total and permanent physical or mental disability resulting from a duty related injury are granted 65% of final pay as attached to rank. Members found to be suffering with a non-duty disability are granted 50% of final pay or highest compensation.

Volunteer members receive a disability benefit that equals the same as a regular retirement benefit. The minimum is \$100 per month.

SURVIVOR BENEFITS

A widow receives the same amount the member was receiving or eligible for, excluding the 1.25% additional formula for service over 25 years. Surviving children may receive \$1,500 annually up to age 19 for fire, up to age 18 for police or until marriage if it occurs before the age limit. The age limit may be extended to age 23 if attending college.

The spouse of a volunteer member receives the benefit the member received or would have received. Surviving children may receive \$300 annually up to age 19 or marriage, whichever occurs first.

MEMBER CONTRIBUTIONS

Paid members contribute 6% of salary if they do not participate in social security. For members participating in social security, the required contribution is 4% of salary. Volunteer members contribute \$12 per year.



Financial Section

William T. Kinneman
Certified Public Accountant

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Independent Auditor's Report

The Board of Trustees
Arkansas Local Police and Fire Retirement System
Little Rock, Arkansas

I have audited the accompanying statements of plan net assets of Arkansas Local Police and Fire Retirement System defined benefit pension plan at December 31, 2008 and 2007 and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of Arkansas Local Police and Fire Retirement System defined benefit pension plan at December 31, 2008 and 2007 and the related changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audits were made primarily for the purpose of expressing an opinion on the basic financial statements taken as a whole. The accompanying supplementary Management Discussion and Analysis including the Summary of Comparative Statements of Plan Net Assets and Changes in Plan Net Assets for 2008 and 2007, and the Schedule of Funding Progress and Employer Contributions are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. The Schedule of Administrative and Investment Expenses and the Schedule of Actual Versus Budgeted expenses are presented for purposes of additional analysis and are not required by generally accepted accounting principles. Such additional information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



April 30, 2009
Little Rock, Arkansas

Arkansas Local Police and Fire Retirement System

Required Supplementary Information

Management Discussion and Analysis

The basic financial statements contained in this section of the Comprehensive Annual Financial Report consist of:

The *Statement of Plan Net Assets*, which reports the pension fund assets, liabilities, and net assets available at the end of the calendar year. The *Statement of Plan Net Assets* is prepared on the accrual basis and for the most part, the plan's net assets are reported on a fair value basis.

The *Statement of Changes in Plan Net Assets*, which reports the pension fund transactions that occurred during the calendar year where Additions – Deductions = Net Change in Net Assets. It is an operating statement that reports the net increase or decrease in net plan assets from the beginning of the year until the end of the year.

The *Notes to the Financial Statements* are an integral part of the above financial statements and include additional information not readily evident in the statements themselves.

The *Required Supplementary Information and Schedules* following the *Notes to the Financial Statements* provide added historical and detailed information considered useful in evaluating the condition of the Arkansas Local Police and Fire Retirement System (LOFPI).

The following pages contain summary comparative statements of LOPFI's pension trust fund for years 2008 and 2007.

Arkansas Local Police and Fire Retirement System
Year ended December 31, 2008

Summary of Comparative Statements of Plan Net Assets

	<u>As of</u> <u>December 31, 2008</u>	<u>As of</u> <u>December 31, 2007</u>	<u>Percent</u> <u>Change</u>
Cash and short-term investments	\$ 68,300,827	\$ 26,442,075	158.30 %
Invested securities lending collateral	65,862,794	86,370,283	(23.74)
Due from brokers-unsettled trades	34,269,980	19,727,228	73.72
Total receivables	6,362,496	7,401,074	(14.03)
Prepaid expense and other assets	107,305	41,930	65.38
Investments	637,340,325	825,669,736	(228.09)
Land, building, furniture and equipment	3,951,668	3,968,276	(.41)
Total assets	<u>\$ 816,195,395</u>	<u>\$ 969,620,602</u>	(15.82) %
Accounts payable and accrued expenses	\$ 334,815	\$ 427,808	(21.74) %
Refunds payable	57,248	48,945	16.96
Due to Pension Review Board	189,460	531,728	(64.37)
Due to brokers-unsettled trades	92,556,843	50,372,100	83.75
Collateral for securities on loan	65,862,794	86,370,283	23.74
Total liabilities	<u>159,001,160</u>	<u>137,750,864</u>	15.43
Net assets held for pension benefits	<u>657,194,235</u>	<u>831,869,738</u>	21.00
Total liabilities and net assets held for pension benefits	<u>\$ 816,195,395</u>	<u>\$ 969,620,602</u>	(15.82) %

The increase in cash and short term investments is a result of assets being reallocated by investment fund managers, while the overall decrease in total investments reflects the performance of the financial markets in 2008. However, investments were enhanced by the receipt of \$6.5 million in assets received as a result of several local plans consolidating into LOPFI as well as 2 police departments transferring their coverage from APERS to LOPFI during the year. Total receivables were reduced this year due to improved collection efforts. Other assets increased due to the fact that there were more prepaid expenses at the end of the current year. Book value of land, building, furniture and equipment decreased as a result of the normal process of depreciating fixed assets. Securities lending collateral decreased due to a decrease in securities lending activity.

**Arkansas Local Police and Fire Retirement System
Year ended December 31, 2008**

Summary of Comparative Statements of Changes in Plan Net Assets

	Year ended <u>December 31, 2008</u>	Year ended <u>December 31, 2007</u>	Percent <u>Change</u>
Contributions	\$ 69,918,855	\$ 61,166,007	14.31 %
Net investment income (loss)	<u>(212,018,946)</u>	<u>64,422,521</u>	(429.11)
Total additions (reductions)	<u>(142,100,091)</u>	<u>125,588,528</u>	(213.15)
Benefits paid	27,671,177	25,233,346	9.66
Refunds of contributions	995,285	1,031,045	(3.47)
Administrative expenses	1,839,547	1,519,684	21.05
Deferred retirement option distributions	<u>2,069,403</u>	<u>2,445,907</u>	(15.39)
Total deductions	<u>32,575,412</u>	<u>30,229,982</u>	7.76
Net increase (decrease) in plan net assets	(174,675,503)	95,358,546	(283.18)
Plan net assets-beginning of year	<u>831,869,738</u>	<u>736,511,192</u>	12.94
Plan net assets-end of year	<u>\$ 657,194,235</u>	<u>\$ 831,869,738</u>	(21.00) %

Contributions increased as a result of a 5.22% increase in active membership. This membership growth was due to a combination of new hires in existing LOPFI covered employer groups, the consolidation of several Local Plans into LOPFI, and the addition of new departments which adopted LOPFI coverage. Net investment income posted a large decrease due to falling market conditions which resulted in an increase in unrealized losses. Benefits paid increased as a result of both an increase in retired LOPFI members and the addition of retirees from the newly consolidated Local Plans. The decrease in refunds of contributions is a result of a fewer number of members terminating coverage with the system and electing to remove their member contributions. Administrative expenses showed moderate growth for the current year caused, in part, by the addition of another staff position during the year which is a reflection of the growth of the system. Deferred Retirement Option Plan (DROP) distributions decreased as a result of the retirement of fewer Local Plan members.

Arkansas Local Police and Fire Retirement System
Year ended December 31, 2008

Summary of Comparative Statements of Plan Net Assets

	As of <u>December 31, 2007</u>	As of <u>December 31, 2006*</u>	Percent <u>Change</u>
Cash and short-term investments	\$ 26,442,075	\$ 27,625,836	(4.28) %
Invested securities lending collateral	86,370,283	75,978,765	10.39
Due from brokers-unsettled trades	19,727,228	2,896,059	581.12
Total receivables	7,401,074	5,648,615	31.02
Prepaid expense and other assets	41,930	96,375	(56.49)
Investments	825,669,736	753,888,352	9.52
Land, building, furniture and equipment	3,968,276	4,135,411	(4.04)
Total assets	<u>\$ 969,620,602</u>	<u>\$ 870,269,413</u>	11.42
Accounts payable and accrued expenses	\$ 427,808	\$ 465,278	(8.05) %
Refunds payable	48,945	37,040	32.14
Due to Pension Review Board	531,728	307,504	72.92
Due to brokers-unsettled trades	50,372,100	56,969,634	(11.58)
Collateral for securities on loan	86,370,283	75,978,765	10.39
Total liabilities	<u>137,750,864</u>	<u>133,758,221</u>	2.98
Net assets held for pension benefits	<u>831,869,738</u>	<u>736,511,192</u>	12.95
Total liabilities and net assets held for pension benefits	<u>\$ 969,620,602</u>	<u>\$ 870,269,413</u>	11.42 %

The increase in cash and short-term investments and the increase in investments reflect continuing improvement in financial markets. Investments were also bolstered by the receipt of \$4.1 million in assets from several local plans consolidating into LOPFI during the year. Total receivables were higher due to the fact that overall expense to the employer groups in the system grew at a faster rate than the dollars received from the State Insurance Tax Turnback program resulting in more employer groups owing money at the end of the year. Other assets are lower because there were no prepaid expenses at the end of the year. The book value of land, building, furniture and equipment decreased as a result of the normal process of depreciating fixed assets. Securities lending collateral is higher due to increased securities lending activity.

* Reclassified to conform to current classification.

Arkansas Local Police and Fire Retirement System
Year ended December 31, 2008

Summary of Comparative Statements of Changes in Plan Net Assets

	Year ended December 31, 2007	Year ended December 31, 2006	Percent Change
Contributions	\$ 61,166,007	\$ 52,014,257	17.59 %
Net investment income	64,422,521	66,308,610	(2.84)
Total additions	<u>125,588,528</u>	<u>118,322,867</u>	6.14
Benefits paid	25,233,346	22,945,150	9.97
Refunds of contributions	1,031,045	1,280,366	(19.47)
Administrative expenses	1,519,684	1,172,982	29.56
Deferred retirement option distributions	2,445,907	3,706,498	34.01
Total deductions	<u>30,229,982</u>	<u>29,104,996</u>	3.87
Net increase in plan net assets	95,358,546	89,217,871	6.89
Plan net assets-beginning of year	736,511,192	647,293,321	13.78
Plan net assets-end of year	<u>\$ 831,869,738</u>	<u>\$ 736,511,192</u>	12.95 %

Contributions increased as a result of a 12.33 % increase in active membership. This membership growth was due to a combination of new hires in existing LOPFI covered employer groups along with the consolidation of several Local Plans into LOPFI and also 109 new departments which adopted LOPFI coverage. For the second straight year, net investment income posted a large increase this year due to continued improving market conditions resulting in increased unrealized gains. Benefits paid increased as a result of both an increase in retired LOPFI members and the addition of retirees from the newly consolidated Local Plans. The decrease in refunds of contributions is a result of a fewer number of members who terminated coverage with the System and elected to remove their member contributions. Administrative expenses showed moderate growth for the current year, again a reflection of the growth of the System. Deferred Retirement Option Plan (DROP) distributions decreased as a result of the retirement of several Old Plan members.

Arkansas Local Police and Fire Retirement System

Statement of Plan Net Assets

December 31, 2008 and 2007

	<u>2008</u>	<u>2007*</u>
<u>Assets</u>		
Cash and short-term investments	\$ 68,300,827	\$ 26,442,075
Receivables:		
Contributions receivable	4,142,674	4,690,443
Accrued interest and dividends	2,212,834	2,702,442
Other receivables	6,988	8,189
Total receivables	<u>6,362,496</u>	<u>7,401,074</u>
Prepaid expense	<u>74,786</u>	
Investments at fair value:		
U. S. Government, agencies, and state obligations	148,037,725	173,241,690
Collateralized mortgage obligations-non govt.	26,736,901	34,601,597
Corporate and municipal obligations	74,102,497	28,646,949
Foreign bonds	1,379,143	2,099,507
Fixed income collective trusts	70,009,817	59,052,098
Common and preferred stocks	57,446,400	260,087,605
Special situation properties, etc.	22,069,856	17,726,892
Equity mutual collective trusts	<u>237,557,986</u>	<u>250,213,398</u>
Total investments	<u>637,340,325</u>	<u>825,669,736</u>
Invested securities lending collateral	65,862,794	86,370,283
Due from brokers-unsettled trades	34,269,980	19,727,228
Land, building, furniture and equipment-at cost	3,951,668	3,968,276
Other assets	<u>32,519</u>	<u>41,930</u>
	<u>\$ 816,195,395</u>	<u>\$ 969,620,602</u>
 <u>Liabilities and net assets held in trust for pension benefits</u>		
<u>Liabilities:</u>		
Accounts payable and accrued expenses	\$ 334,815	\$ 427,808
Refunds payable	57,248	48,945
Due to Pension Review Board	189,460	531,728
Collateral for securities on loan	65,862,794	86,370,283
Due to brokers-unsettled trades	<u>92,556,843</u>	<u>50,372,100</u>
Total liabilities	<u>159,001,160</u>	<u>137,750,864</u>
 Net assets held in trust for pension benefits:		
(See funding progress schedule on page 15.)	<u>657,194,235</u>	<u>831,869,738</u>
	<u>\$ 816,195,395</u>	<u>\$ 969,620,602</u>

* Reclassified to conform to current classification.

See accompanying notes.

Arkansas Local Police and Fire Retirement System

Statement of Changes in Plan Net Assets

Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Additions:</u>		
Contributions:		
Member contributions	\$ 10,371,754	\$ 10,437,131
Employer contributions	52,911,629	46,456,241
Local plan administrative mergers and paid military time	6,635,472	4,272,635
Total contributions	<u>69,918,855</u>	<u>61,166,007</u>
Investment income (loss):		
Net increase (decrease) in fair value of investments	(226,732,762)	49,820,451
Interest, dividends, and other income	17,558,063	17,508,780
Investment expenses	(3,468,286)	(3,225,907)
Total investing income (loss) before securities lending	<u>(212,642,985)</u>	<u>64,103,324</u>
From securities lending activity:		
Securities lending income	2,491,214	5,112,739
Securities lending expenses:		
Borrower rebates	(1,615,263)	(4,662,933)
Management fees	(251,912)	(130,609)
Net income from securities lending activities	<u>624,039</u>	<u>319,197</u>
Total investment income (loss)	<u>(212,018,946)</u>	<u>64,422,521</u>
Total additions (reductions)	<u>(142,100,091)</u>	<u>125,588,528</u>
<u>Deductions:</u>		
Benefits paid	27,671,177	25,233,346
Refunds of contributions	995,285	1,031,045
Administrative expenses	1,839,547	1,519,684
Deferred retirement option distributions	2,069,403	2,445,907
Total deductions	<u>32,575,412</u>	<u>30,229,982</u>
Net increase (decrease) in plan net assets	<u>(174,675,503)</u>	<u>95,358,546</u>
Plan net assets-beginning of year	<u>831,869,738</u>	<u>736,511,192</u>
Plan net assets-end of year	<u>\$ 657,194,235</u>	<u>\$ 831,869,738</u>

See accompanying notes.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2008 and 2007

Note 1: Plan Description

The Arkansas Local Police and Fire Retirement System (LOPFI) maintains a defined benefit pension plan for local police officers and firefighters hired by the respective local governmental unit after January 1, 1983. LOPFI is an agent PERS responsible for the operation and maintenance of the plan in accordance with Act 364 of the 1981 Arkansas General Assembly. As of December 31, 2008 and 2007, the number of participating political subdivisions was 460 and 458 respectively. At that date membership consisted of the following:

<u>Membership classification</u>	<u>Number of employees</u>	
	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits:		
LOPFI police without social security	133	116
Local plan police without social security	347	343
LOPFI police with social security	381	327
LOPFI policemen benefit program 2 without social security	20	16
LOPFI fire without social security	136	112
LOPFI fire with social security	13	7
Local plan fire without social security	579	571
LOPFI volunteer fire	527	413
Local volunteer fire	687	524
Local plan police with social security	107	106
LOPFI volunteer police	14	13
LOPFI firemen benefit program 2-with social security	4	2
LOPFI policemen benefit program 2-with social security	4	3
LOPFI firemen benefit program 2 without social security	18	11
Subtotal for retirees and beneficiaries	2,970	2,564
Active employees:		
LOPFI staff	8	8
Local police with social security	1	1
LOPFI police with social security	1,778	1,727
LOPFI police without social security	1,128	1,117
Local plan police without social security	5	6
LOPFI firemen with social security	51	54
LOPFI firemen without social security	1,893	1,942
Local plan firemen without social security	11	16
LOPFI volunteer firemen	6,480	6,502
Local plan volunteer firemen	6	7
LOPFI volunteer police	123	118
LOPFI firemen benefit program 2 with social security	26	26
LOPFI firemen benefit program 2 without social security	299	294
LOPFI policemen benefit program 2 with social security	42	39
LOPFI police benefit program 2 without social security	371	357
Local plan part paid contributory firemen	1	1
Subtotal for active employees	12,223	12,215
Terminated Vested Members	3,288	2,785
Total membership	18,481	17,564

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2008 and 2007

Note 1: Plan Description (continued):

Included in the above figures for 2008 and 2007 respectively are 1,744 and 1,575 members of the local fire and police pension plans now administered by LOPFI. LOPFI has absorbed both the old plan assets and responsibilities. The benefits of these members are the same as under the local plan legislation. The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by social security. The different employee contribution rates are:

- a. Paid service not covered by social security: 6% of gross pay
- b. Paid service also covered by social security: no employee contribution
- c. Volunteer service: no employee contribution
- d. Paid service-benefit program 2: 6% of gross pay

The employer contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to insure that the individual system employers can honor their benefit commitments to covered employees. An individual entry age actuarial cost method of valuation is used in determining normal cost. Because LOPFI is an agent PERS, contribution rates vary from unit to unit, but are all actuarially computed.

Benefit Program 1: Pension benefits to a member with five or more years of credited service in force who has attained his normal retirement age consists of an annuity equal to the following:

- (a) For each year of paid service resulting from employment in a position not also covered by social security, 2.7% of his final average pay (2.2% for those with retirement date prior to July 1, 2003); plus
- (b) For each year of paid service resulting from employment in a position also covered by social security, 1.7% of his final average pay (1.2% for those with retirement date prior to July 1, 2003). In addition, if such member is retiring and if such member's age at retirement is younger than social security's minimum age for an unreduced retirement benefit, then such member receives a temporary annuity equal to 1% of his final average pay for each such year of paid service. Such temporary annuity terminates at the end of the calendar month in which the earliest of the following events occur: such member's death; or his attainment of such social security minimum age for unreduced benefits.
- (c) In no event will the total of (a) plus (b) exceed, at time of retirement, 85% of such final average pay; plus
- (d) Effective July 1, 2008, for each year of volunteer service, \$5.72 per month, to a maximum of \$228.80 monthly; Effective July 1, 2007, \$5.48 per month, to a maximum of \$219.20.
- (e) Before the date that the first payment of his annuity becomes due, but not thereafter, a member may elect in writing to receive his annuity as a life annuity or he may elect to have his life annuity reduced but not any temporary annuity which may be payable, and nominate a beneficiary in accordance with the provisions of one of four options. If a member does not elect an option, his annuity shall be paid to him as a life annuity.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2008 and 2007

Note 1: Plan Description (continued)

Benefit Program 2: For each year of paid service rendered on or after the election date of Benefit 2 and resulting from employment in a position not also covered by social security, 3.1% of his or her final average pay, plus for each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position also covered by social security, 2.6% of his or her final average pay.

A member will receive disability benefits computed in the same manner as normal retirement benefits if the member has 5 or more years of credited service and terminates employment because of becoming permanently disabled from non-duty related causes. If the disability is determined to be duty related, a benefit is received regardless of the amount of service. Effective July 1, 2001, the duty related disability benefit is 65% of the member's final average pay. Prior to that date, the benefit was computed as if the member had completed 25 years of service.

Deferred Retirement Option Plan (DROP)

During 1993 the Arkansas General Assembly passed legislation (Acts 757 and 1004) allowing paid policemen and firefighters to elect to continue working for a period of ten years if a member of a Local Plan and five years if a member of LOPFI past normal retirement age. This deferred retirement option plan ("DROP") is only available to participants having at least 20 years of service. The DROP member continues his payroll withholding (if a contributory member), the employee's contribution is credited according to law to the defined benefit pension plan and the DROP, and the monthly benefits that would have been payable had the member elected to cease employment and receive a service retirement shall be paid into a separate DROP account. At final termination of employment, the employee is paid the balance in his DROP account. At December 31, 2008 and 2007, the DROP accounts totaled \$11,506,607 and \$12,417,612 respectively.

Note 2: Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

LOPFI prepares its financial statements using the accrual basis of accounting. Employee and employer contributions are recognized when due and pursuant to formal commitments, as well as statutory or contractual requirements; expenses are recorded when the corresponding liabilities are incurred; and benefits and refunds are recognized when due and payable.

Furniture and Equipment

Furniture and equipment are capitalized at cost when acquired. The threshold for capitalization is \$1,000. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over useful lives of 3 to 10 years for equipment and furniture, and 30 years for buildings. Depreciation expense for 2008 and 2007 was \$168,186 and \$180,863 respectively.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2008 and 2007

Note 2: Summary of Significant Accounting Policies and Plan Asset Matters (continued)

Cash and Investment Collateralization

Cash balances represent both operating cash accounts held by banks and investment cash held on deposit with the investment custodian. All operating cash accounts are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. By using the “sweep account” concept, cash balances each night are transferred into an investment trust money market account collateralized as other investments. The bank has pledged pooled U. S. Government Agency Obligations held at the Federal Reserve Bank for all amounts held in trust.

Method Used to Value Investments

Per GASB No. 25, and effective for 1997, the investments are stated at fair value and are priced by the investment custodian using the last trade price information as supplied by various price data vendors. At December 31, 2008 and 2007, the System did not have investments in any one organization, other than those issued by the U. S. government, which represented greater than five percent of plan net assets.

Categories of Asset Risks

Credit Risk-As a matter of practice, there are no overall limitations for credit risk exposures within the portfolio. Each portfolio is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality of overall portfolios. The invested securities lending collateral, as well as open ended mutual funds, are not considered securities, and are not categorized for custodial credit risk.

Ratings Dispersion Detail

<u>Credit Rating Level</u>	<u>Corporate and Foreign Bonds</u>	<u>Mortgage Obligations</u>
Agencies		\$ 120,199,047
A to AAA	\$ 58,623,103	25,861,643
BBB and below or unrated	\$ 13,779,966	875,258
Total	<u>\$ 72,403,069</u>	<u>\$ 146,935,948</u>

Foreign Currency Risk-The Plan has no investments denominated in foreign currency that would give rise to any exposure. All Foreign investments are denominated in US currency.

Interest Rate Risk- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Operational guidelines specify the degree of interest rate risk taken within the system’s fixed income portfolios. The effective duration of fixed income investments by fixed income managers ranges from 3.06 to 6.51 years and averages 3.87 years.

Securities Lending Program

The board of trustees’ investment policy permits the pension trust funds to participate in a securities lending program. Securities lending provides an additional investment option by enhancing current

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2008 and 2007

Note 2: Summary of Significant Accounting Policies and Plan Asset Matters (continued)

Securities Lending Program (continued)

income sources. Under this program, collateralized loans of certain securities are made to eligible broker/dealers who participate in the securities lending program. In turn, the borrower pays a predetermined fee to the lender. As custodian for the pension trust funds, Regions Bank provides securities lending services through a partnership with The Bank of New York. The Bank of New York initiated its U.S. lending program in 1977 and its non-U.S. lending program in 1988. As Lending Agent, The Bank of New York requires loans to be collateralized for 102% of market value plus accrued interest for fixed income securities and 102% of market value for equities. Both cash and U.S. Government securities are acceptable collateral. All loans are marked-to-market daily to ensure that the margin is properly maintained for the duration of the loan, thereby reducing marginal price risk. At December 31, 2008 and 2007, the term to maturity of the securities lent is matched with the term to maturity of the investment of the cash collateral. These loans can be terminated on demand by either the lender or borrower. LOPFI cannot pledge or sell non-cash collateral unless the borrower defaults. As of December 31, 2008 and 2007 LOPFI had lending arrangements outstanding with a total market value for securities lent of \$65,862,794 and \$97,927,832, and a total market value for securities received as collateral of \$67,544,033 and \$99,867,205, respectively, resulting in no credit risk to LOPFI. Under the indemnified program, The Bank of New York is responsible for the replacement of the lender's securities that are not returned as a result of a borrower's insolvency, performing daily marks-to-market, ensuring proper collateralization, and compliance with reinvestment guidelines. Securities lending revenue is shared on a percentage basis between the lender, LOPFI, and the lending agent, The Bank of New York, net of rebates. As a result, there is an incentive for the lending agent to maximize lending earnings. The split is applicable for both positive and negative earnings and there are no hidden fees associated with the program. In addition, The Bank of New York does not charge any money management fee on the reinvestment of cash collateral. Under the current agreement, LOPFI receives 70% of the net securities lending revenue with The Bank of New York receiving 30%. Regions Bank, the custodian, does not receive any revenue from this securities lending arrangement. The net income earned from securities lending was \$624,039 for 2008 and \$319,197 for 2007.

Note 3: Contributions and Reserves

The respective units of local government are obligated by State law to make all required contributions to the LOPFI plan. The required contributions are expressed as a percentage of covered payroll and are actuarially determined using an individual entry age actuarial cost method. Costs of administering the plan is financed from either the contributions or investment income. State law specifies net assets be segregated into the following reserves:

	<u>2008</u>	<u>2007</u>
Member's Deposit Account	\$ 108,841,240	\$ 103,452,936
Employer Accumulation Account	260,482,404	414,548,744
Retirement Reserve Account	276,363,984	301,450,446
Income-Expense Account	0	0
Deferred Retirement Option Plan	11,506,607	12,417,612
	<u>\$ 657,194,235</u>	<u>\$ 831,869,738</u>

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2008 and 2007

Note 4: Employee Pension Program

Until 2007 LOPFI employees were covered by the Arkansas Public Employee Retirement System (APERS). APERS is a cost-sharing multiple employer defined benefit plan covering various employees of the State of Arkansas and its related agencies. APERS board of trustees set the contribution percentage that entities would contribute on behalf of the entity's employees. Benefit provisions were established by state law and may be amended only by the Arkansas General Assembly. LOPFI had always made the required contribution to APERS on behalf of its employees. Effective for 2007 LOPFI employee membership was terminated in APERS and all employees became members of the LOPFI plan. LOPFI received approximately \$190,000 from APERS for the transfer of benefit obligation. Under the LOPFI plan LOPFI employees are eligible for full benefits (1) at age sixty with five years of service, (2) at any age with twenty-eight years of service, or (3) at age fifty-five with twenty years of service (full retirement), or (4) at age fifty with twenty years of service (reduced ½ of 1% for each month under age 55). The normal retirement benefit is determined by the member's final average salary and the number of years of service. For 2006, 2007, and 2008, LOPFI recorded as administrative expense of \$46,202, \$62,698, and \$87,037 respectively. Amounts shown for 2007 and 2008 and shown as administrative expense were transferred to member and employer deposit accounts of LOPFI.

Arkansas Local Police and Fire Retirement System
Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (c)	Funded Ratio (d)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/99*	\$361,113,458	\$369,233,854	\$8,120,396	98	\$136,976,242	6
12/31/00*	425,122,202	416,222,207	(8,899,995)	102	142,778,723	-
12/31/01*	481,431,953	428,840,581	(52,951,372)	112	152,883,342	-
12/31/02	515,600,263	534,533,175	18,932,912	96	163,420,616	12
12/31/03 +	553,057,228	620,393,297	67,336,069	89	181,429,964	37
12/31/04*	601,798,909	754,004,285	152,205,376	80	193,586,972	79
12/31/05	636,316,197	823,038,981	186,722,784	77	207,342,091	90
12/31/06	724,746,827	927,816,659	203,069,832	78	222,107,556	91
12/31/07	827,546,002	1,054,599,720	227,053,718	78	235,337,218	96
12/31/08	788,633,082	1,151,441,603	362,808,521	68	245,775,341	148
12/31/08+	788,633,082	1,153,627,693	364,994,611	68	245,775,341	148
12/31/08*	788,633,082	1,200,515,663	411,882,581	66	245,775,341	168

* After legislated benefit increases for LOPFI members

+ After changes in actuarial assumptions

Schedule of Employer Contributions

Fiscal year ending	Annual Required Contribution	Percent Contributed
12/31/99	\$19,522,826	100%
12/31/00	22,321,326	100%
12/31/01	22,420,300	100%
12/31/02	18,261,057	100%
12/31/03	18,712,140	100%
12/31/04	26,925,018	100%
12/31/05	30,184,341	100%
12/31/06	39,758,875	100%
12/31/07	43,362,966	100%
12/31/08	49,518,628	100%

Note to the required supplementary information

Actuarial methods & assumptions for valuation performed December 31, 2008

The entry age normal actuarial cost method of valuation is used in determining liabilities and normal cost. Differences in the past between assumed experience and actual experience ("actuarial gains and losses") become part of actuarial accrued liabilities. Unfunded actuarial accrued liabilities are amortized to produce payments (principal and interest) which are expressed as a percent of payroll. The amortization period used for the December 31, 2008 valuations was 30 years using a level percent open method. For local plans under LOPFI administration, a level percent closed method of varying periods is used. The actuarial value of assets is based on a five year smoothed market method with a 20% market value corridor. The investment return rate used is 8% per year. The inflation rate assumed is 4% per year. Projected salary increase assumptions range from 4% to 9% including a wage inflation rate of 4% per year. A cost of living adjustment (COLA) is based on a 3% compound escalator for the LOPFI plan only. A number of local plans under LOPFI administration have guaranteed post-retirement benefit increases.

See accompanying Independent Auditor's Report.

Arkansas Local Police and Fire Retirement System

Schedule of Administrative and Investment Expenses

Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Personnel Services</u>		
Staff salaries	\$ 299,967	\$ 257,677
Social security tax	33,766	29,588
Staff retirement plan contribution	87,037	62,698
Health insurance	60,653	45,034
Unemployment insurance	799	790
Total personnel services	<u>482,222</u>	<u>395,787</u>
<u>Professional Services</u>		
Actuarial services	256,844	226,214
Professional accounting services	8,600	8,350
Legal consultation	87,417	87,140
Data processing	632,660	270,922
Medical advisor	37,426	49,968
Total professional services	<u>1,022,947</u>	<u>642,594</u>
<u>Communications</u>		
Printing	19,774	56,185
Telephone	9,762	10,205
Postage	18,513	10,340
Meetings and travel	17,571	13,761
Total communications	<u>65,620</u>	<u>90,491</u>
<u>Miscellaneous</u>		
Insurance-bond and property	70,418	69,500
Office equipment rent	10,744	6,521
Depreciation	168,186	180,863
Publications	1,189	1,046
Office supplies	16,056	15,288
Other miscellaneous	2,165	3,626
Interest paid to Pension Review Board		113,968
Total miscellaneous	<u>268,758</u>	<u>390,812</u>
Total administrative expenses	<u>1,839,547</u>	<u>1,519,684</u>
<u>Investment expenses</u>		
Investment manager fees	3,047,146	2,806,907
Custodial fees	216,000	216,000
Investment consulting fee	160,000	160,000
Investment monitoring fee	45,140	43,000
Total investment expenses	<u>3,468,286</u>	<u>3,225,907</u>
Total administrative and investment expenses	<u>\$ 5,307,833</u>	<u>\$ 4,745,591</u>

See accompanying Independent Auditor's Report.

Arkansas Local Police and Fire Retirement System

Schedule of Actual versus Budgeted Expenses

Year ended December 31, 2008

	<u>Budgeted</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Personnel Services</u>	<u>516,164</u>	<u>482,222</u>	<u>33,942</u>
<u>Professional Services</u>			
Actuarial services (1)	251,250	256,844	(5,594)
Professional accounting services	8,700	8,600	100
Legal consultation	87,000	87,417	(417)
Data processing	686,000	632,660	53,340
Medical advisor	41,000	37,426	3,574
Total professional services	<u>1,073,950</u>	<u>1,022,947</u>	<u>51,003</u>
<u>Communications</u>			
Printing	21,500	19,774	1,726
Telephone	14,100	9,762	4,338
Postage (2)	17,250	18,513	(1,263)
Meetings and travel	27,600	17,571	10,029
Total communications	<u>80,450</u>	<u>65,620</u>	<u>14,830</u>
<u>Miscellaneous</u>			
Insurance-bond and property	74,400	70,418	3,982
Rent (3)	50,981		50,981
Office equipment rent	10,800	10,744	56
Depreciation	168,186	168,186	-
Publications	3,200	1,189	2,011
Office supplies	21,900	16,056	5,844
Other miscellaneous	5,100	2,165	2,935
Interest paid to Pension Review Board (4)	-	-	-
Total miscellaneous	<u>334,567</u>	<u>268,758</u>	<u>65,809</u>
Total administrative expenses	<u>2,005,131</u>	<u>1,839,547</u>	<u>165,584</u>
<u>Investment expenses</u>			
Investment manager fees (5)	3,911,656	3,047,146	864,510
Custodial fees	216,000	216,000	-
Investment consulting fee	160,000	160,000	-
Investment monitoring fee	45,150	45,140	10
Total investment expenses	<u>4,332,806</u>	<u>3,468,286</u>	<u>864,520</u>
Total administrative and investment expenses	<u>\$6,337,937</u>	<u>\$5,307,833</u>	<u>\$1,030,104</u>

- (1) Actuarial expense was higher due to larger number of plans being evaluated.
(2) Postage costs were higher due to increase in postage rates.
(3) Office rent is eliminated against rent income since LOPFI owns the building.
(4) There is no interest awarded to the PRB due to investment loss by LOPFI.
(5) Investment manager fees were lower due to loss of market value of assets.

See accompanying Independent Auditor's Report.



Stephens Inc.

April 2009

Dear Trustees:

For the benefit of the Arkansas Local Police and Fire Retirement System (LOPFI) Plan, we have prepared a year-end review of the Plan's investment returns and the portfolio's targeted/actual allocations among their respective asset classes. The Plan's investments are consistent with the stated Investment Policy.

LOPFI's portfolio structure is based on the Fund's Investment Policy and the targeted asset mix is consistent with the long-term investment objectives and risk parameters of the Plan. The portfolio's current allocations fall in the permissible range as stated in the Investment Policy and are as follows:

	Allocation As of 12/31/08	Permissible Range
Domestic Equities		
Value	13	15-30%
Growth	13	15-30%
Small	5	10-20%
Foreign Equities	8	0-10%
Index	9	5-15%
US Bonds	39	20-50%
Foreign Bonds	10	0-10%
Alternative Investments	3	0-10%
Cash	0	0-20%

LOPFI earned -25.54%* for the fiscal year ended 2008 (as reported by GRS/Thistle Asset Consulting) versus the comparative index return of -22.85%* and the Plan has earned an annualized return of 3.9% for the past 10 years. These long-term positive investment results have been achieved in spite of the challenging investment market that was experienced in 2001, 2002 and 2008.

The ending market value of the LOPFI portfolio as of December 31, 2008 was \$622.3 million**.

Investment Bankers

www.stephens.com

111 Center Street P.O. Box 3507 Little Rock, Arkansas 72203 501-374-4361 Fax 501-377-2666

The Plan's investment operations continue to meet the long-term objectives of the Plan and its participants under the purview of the Trustees.

Sincerely,



Larry Middleton

* Thistle Asset Consulting employs monthly time-weighted performance measurement techniques. We use the market value of the portfolio, with accruals as of the trade date. We do not use the performance of a composite portfolio but the performance of the plan's actual portfolio. These reporting techniques are consistent with the Charter Financial Analyst Institute performance presentation standards.

** As reported on a non-accrual basis from third party consultant (GRS/Thistle Asset Consulting) report dated 12/31/08.

Please note: as reported by our international managers, all foreign investments are denominated in US Currency.

The statements contained herein, while not guaranteed, are taken from sources we consider to be reliable. Month-end statements should remain as your documents of record. Past performance is no guarantee of future results.

LOPFI INVESTMENT PERFORMANCE Ten Year History

ANNUAL VALUES Investment Return % (TW*) For Period [Asset Market Value (millions) End of Period]					
Period Ended	Total Fund	Inflation + 3%**	Equities	Fixed Income	Cash
12/31/98	16.1% [\$351.65]	4.6%	20.5% [\$218.27]	10.2% [\$122.28]	5.1% [\$11.10]
12/31/99	20.3% [\$435.07]	5.7%	32.7% [\$297.18]	-0.5% [\$125.39]	5.1% [\$12.50]
12/31/00	2.3% [\$458.10]	6.6%	-0.6% [\$296.76]	7.8% [\$147.63]	9.81% [\$13.72]
12/31/01	-0.8% [\$466.21]	4.7%	-2.9% [\$245.47]	4.1% [\$156.23]	2.9% [\$64.51]
12/31/02	-10.42% [\$428.70]	5.5%	-19.0% [\$243.61]	7.9% [\$172.32]	0.4% [\$12.77]
12/31/03	22.82% [\$529.86]	4.9%	33.54% [\$329.87]	7.86% [\$185.33]	5.97% [\$14.66]
12/31/04	8.79% [\$601.35]	6.6%	10.75% [\$363.27]	4.78% [\$211.48]	11.50% [\$11.31]
12/31/05	2.92% [\$637.94]	6.6%	4.71% [\$366.01]	-0.37% [\$247.11]	19.68% [\$-29.35]
12/31/06	10.60% [\$720.75]	5.8%	13.32% [\$488.73]	4.47% [\$267.16]	-9.68% [\$-35.15]
12/31/07	11.52% [\$808.88]	7.1%	13.07% [\$528.41]	6.67% [\$300.22]	-11.29% [\$-19.72]
12/31/08	-25.54% [\$622,321]	3.1%	-39.85% [\$317,201]	-0.27% [\$324,485]	-34.40% [\$-19.35]

QUARTERLY VALUES (RETURNS)

Period Ended	Total Fund	Equities	Fixed Income
12/31/2008	-11.00%	-20.40%	1.08%

EQUITIES means common stocks and real estate

FIXED INCOME means long-term debt investment and convertibles

CASH means cash and cash equivalents (short term debt)

TOTAL FUND means equities plus fixed income plus cash (Net of investment fees beginning 2008)

* Time-weighted based on market rate of return

**December 31 to December 31

Arkansas LOPFI Retirement System
Executive Summary
Market Values

December 31, 2008

MANAGER	Wellington	Barrow Hanley	State Street Global Advisors	300. N. Capital	Fisher Investments	EAFE	Brandywine	Dodge & Cox	Citigroup	Lehman Crossroads	JP Morgan RE
(Thousand's omitted)	\$77,651	\$44,670	\$56,816	\$31,073	\$14,080	\$18,899	\$16,287	\$38,358	\$1,500	\$3,269	\$14,519
AMOUNT MANAGED											
MANAGER	DHI (Core)	PIMCO (Intmed.)	WAMCO (Aggregate)	Aberdeen Asset Management	JP Morgan Infrastructure	Macquarie Infrastructure					Total Fund**
(Thousand's omitted)	\$42,660	\$121,243	\$73,925	\$55,990	\$50	\$2,748					\$622,322
(Original range)	(15-30)		(10-20)								

AMOUNT MANAGED



ARKANSAS LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

December 31, 2008

	Current Quarter	One Year	Three Years	Five Years	2007	2006	2005	2004	2003
TOTAL FUND NET (Inc. 12/31/97)									
					<i>Calendar Year End</i>				
Return	-11.00%	-25.54%	-3.67%	-0.19%	8.98%	10.14%	2.38%	8.28%	21.71%
Ranking	6	41	19	40	27	61	86	60	50
Policy Return *	-12.75%	-22.85%	-2.78%	1.18%	5.58%	12.83%	4.08%	10.88%	23.82%
TOTAL EQUITIES (Inc. 12/31/97)									
Return	-20.40%	-39.85%	-9.20%	-2.71%	9.82%	13.32%	4.95%	10.93%	33.38%
Ranking	9	78	60	82	15	73	84	67	34
Policy Return**	-22.97%	-37.01%	-8.29%	-1.26%	3.83%	17.93%	6.51%	14.22%	34.30%
TOTAL FIXED INCOME (Inc. 12/31/1997)									
Return	1.08%	-0.27%	3.58%	3.02%	6.67%	4.47%	-0.37%	4.78%	7.86%
Ranking	27	26	19	21	13	84	100	29	22
Policy Return***	6.24%	6.33%	6.31%	4.75%	8.12%	4.52%	-0.24%	5.23%	7.06%

* 23% R1000V , 16% R1000G, 14% R2000, 5% S&P500, 5% EAFE, 15% BCGC, 15% BCIGC, 7% Non-US Bond

**37% R1000V, 25% R1000G, 22% R2000, 8% S&P500, 8% EAFE

***41% BCIGC, 40% BCGC & 19% Non US Bond

Gold indicates equal to or beat the index, or in upper 40% of universe

Red indicates bottom 40% of universe

ARKANSAS LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

December 31, 2008

	Current Quarter	One Year	Three Years	Five Years	2007	2006	2005	2004	2003	
WELLINGTON EQUITY (Inc. 12/31/1997)										
Return	-19.68%	-39.89%	-9.77%	-2.33%	16.39%	4.99%	5.46%	14.75%	34.51%	
Ranking	2	55	49	29	26	75	67	12	16	
Policy Return (Russell 1000 Growth)	-22.79%	-38.44%	-9.11%	-3.43%	11.81%	9.07%	5.26%	6.30%	29.75%	
BARROW HANLEY LARGE CAP VALUE (Inc. 12/31/2005)										
				<i>Inception</i>						
Return	-17.86%	-34.84%	-7.36%	-7.36%	3.90%	17.43%	n/a	n/a	n/a	
Ranking (Broad Large Cap Growth)	8	26	29	29	50	48	n/a	n/a	n/a	
Policy Return (R1000 Value)	-22.18%	-36.85%	-8.32%	-8.32%	-0.17%	22.25%	n/a	n/a	n/a	
300 NORTH CAPITAL SMALL CAP EQUITY (Inc. 12/31/1997 (formerly PIC))										
Return	-22.56%	-46.25%	-10.82%	-4.36%	16.37%	13.37%	4.39%	8.08%	52.22%	
Ranking (Broad Small Cap)	11	92	65	86	28	39	68	74	19	
Policy Return (Russell 2000 Growth)	-27.45%	-38.54%	-9.32%	-2.35%	7.05%	13.34%	4.15%	14.31%	48.54%	
FISHER INVESTMENTS INTERNATIONAL EQUITY (12/31/2001)										
Return	-23.69%	-45.41%	-8.62%	1.39%	17.30%	19.15%	19.34%	17.65%	41.22%	
Ranking (Broad Small Cap)	73	58	62	58	23	100	37	67	43	
Policy Return (MSCI EAFE)	-19.90%	-43.06%	-6.92%	2.10%	11.63%	26.86%	14.02%	20.70%	39.17%	

Gold indicates equal to or beat the index, or in upper 40% of universe
 Red indicates bottom 40% of universe



ARKANSAS LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

December 31, 2008									
Current Quarter	One Year	Three Years	Five Years	2007	2006	2005	2004	2003	2002
EAFE i-SHARES (Inc. 5/31/2004)									
	<u>4-Years</u>			<u>Calendar Year End</u>					
Return	-18.24%	-5.77%	-1.69%	9.87%	25.67%	11.63%	n/a	n/a	n/a
Ranking (Broad Large Cap Growth)	19	26	40	64	74	85	n/a	n/a	n/a
Policy Return (R1000 Value)	-19.90%	-43.06%	-6.92%	-2.08%	26.86%	14.02%	n/a	n/a	n/a
SSGA INDEX PLUS (Inc. 01/31/2005)									
	<u>Inception</u>								
Return	-22.72%	-9.94%	-5.89%	2.83%	15.87%	n/a	n/a	n/a	n/a
Ranking (Broad Large Cap Value)	77	82	81	85	30	n/a	n/a	n/a	n/a
Policy Return (S&P 500)	-21.94%	-37.00%	-8.36%	-4.72%	15.80%	n/a	n/a	n/a	n/a
BRANDYWINE INTERNATIONAL EQUITY (Inc. 1/31/2005)									
	<u>Inception</u>								
Return	-20.16%	-42.67%	-7.91%	-1.27%	25.40%	n/a	n/a	n/a	n/a
Ranking	41	38	55	n/a	76	n/a	n/a	n/a	n/a
Policy Return (MSCI EAFE)	-19.90%	-43.06%	-6.92%	-1.66%	26.86%	n/a	n/a	n/a	n/a
DODGE & COX LARGE CAP EQUITY (Inc. 12/31/2005)									
	<u>Inception</u>								
Return	-23.34%	-43.31%	-12.36%	-12.36%	12.94%	n/a	n/a	n/a	n/a
Ranking	86	100	100	55	73	n/a	n/a	n/a	n/a
Policy Return (MSCI EAFE)	-21.94%	-37.00%	-8.36%	-8.36%	15.80%	n/a	n/a	n/a	n/a

Gold indicates equal to or beat the index, or in upper 40% of universe
 Red indicates bottom 40% of universe



ARKANSAS LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

December 31, 2008

	Current Quarter	Calendar Year End				
		One Year	Three Years	Five Years	2007	2004
LEHMAN CROSSROADS (Inc. 06/30/2007)						
		<u>2-Qtrs</u>	<u>3-Qtrs</u>	<u>1-Year</u>	<u>Fiscal Year End</u>	
Return	-0.67%	-0.67%	-0.58%	-0.57%	n/a	n/a
Ranking	1	1	1	1	n/a	n/a
Policy Return (R3000)	-22.78%	-29.52%	-30.71%	-37.31%	n/a	n/a
CITIGROUP PRIVATE EQUITY (Inc. 07/31/2007)						
		<u>2-Qtrs</u>	<u>3-Qtrs</u>	<u>1-Year</u>		
Return	-3.89%	-3.89%	-3.89%	-18.31%	n/a	n/a
Ranking (Broad Large Cap)	1	1	1	1	n/a	n/a
Policy Return (S&P500)	-21.94%	-28.48%	-30.43%	-37.00%	n/a	n/a
J.P. MORGAN REAL ESTATE (Inc. 09/30/2007)						
		<u>2-Qtrs</u>	<u>3-Qtrs</u>	<u>1-Year</u>		
Return	-8.90%	-10.22%	-9.67%	-8.92%	n/a	n/a
Ranking	1	1	1	1	n/a	n/a
Policy Return (NCREIF Property Index)	-8.29%	-8.45%	-7.93%	-6.46%	n/a	n/a

Gold indicates equal to or beat the index, or in upper 40% of universe
Red indicates bottom 40% of universe



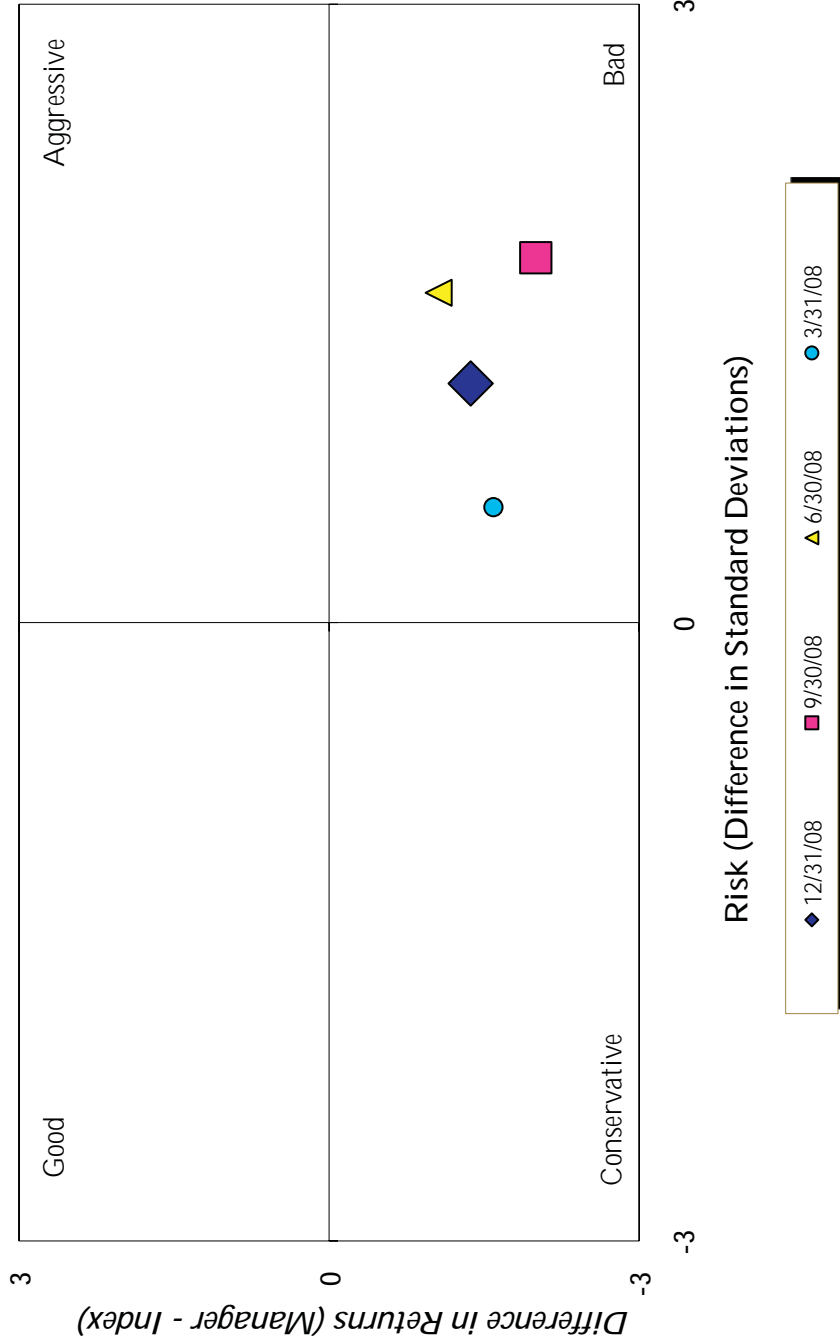
ARKANSAS LOPEL RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

		December 31, 2008								
	Current Quarter	One Year	Three Years	Five Years	2007	2006	2005	2004	2003	
						Calendar Year End				
ABERDEEN ASSET MANAGEMENT INTERNATIONAL BOND (Inc. 12/31/1997)										
Return	6.67%	7.23%	8.08%	5.01%	9.98%	7.04%	-9.21%	11.38%	19.71%	
Ranking(N/A)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Policy Return (Citigroup Non US Dollar Bond)	8.80%	10.11%	9.49%	5.97%	11.46%	6.94%	-9.20%	12.14%	18.52%	
PIMCO INTERMEDIATE BOND (Inc. 09/30/2002)										
Return	3.69%	6.04%	6.46%	4.78%	8.78%	4.60%	1.98%	2.63%	6.90%	
Ranking (Intermediate Fixed)	19	4	1	4	1	86	48	76	1	
Policy Return (Lehman Gov/Credit-Intermediate)	4.84%	5.08%	5.51%	4.21%	7.40%	4.07%	1.57%	3.04%	4.30%	
WAMCO AGGREGATE BOND (Inc. 09/30/2002)										
Return	-6.90%	-12.06%	-0.73%	0.99%	5.50%	5.45%	2.54%	4.71%	4.66%	
Ranking (Broad Fixed)	72	70	63	63	27	53	27	29	37	
Policy Return (Lehman Aggregate Bond)	4.57%	5.24%	5.51%	4.65%	6.96%	4.33%	2.43%	4.34%	4.11%	
DHJ Fixed Income (Inc 01/31/2005)										
<i>Inception</i>										
Return	4.98%	5.06%	5.85%	4.96%	8.25%	4.28%				
Ranking (Broad Fixed)	6	10	5	n/a	5	88				
Policy Return (Lehman Gov/Credit Bond)	6.42%	5.71%	5.57%	4.67%	7.25%	3.77%				



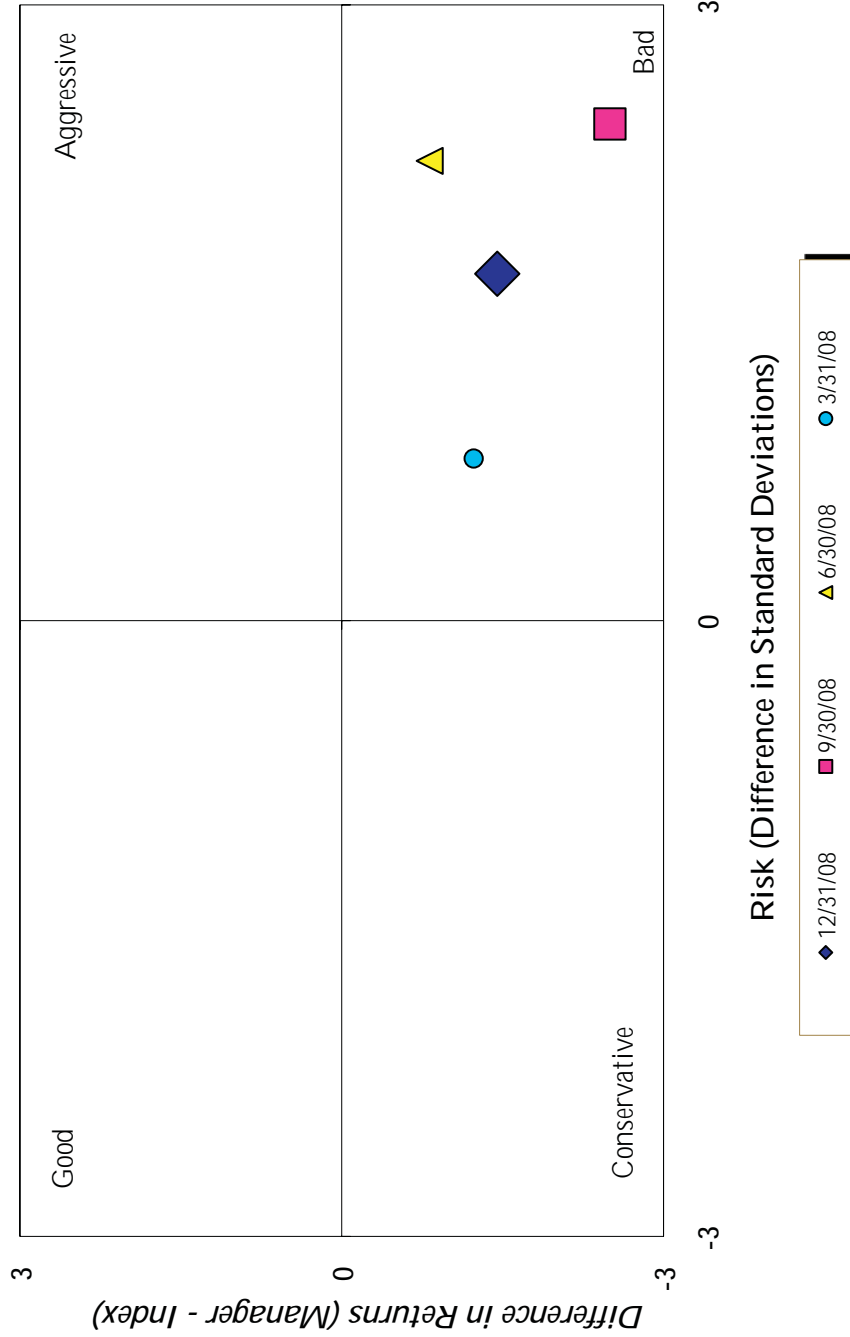
ARKANSAS LOPFI RETIREMENT SYSTEM
Total Fund Trailing 5-Years

December 31, 2008



ARKANSAS LOPFI RETIREMENT SYSTEM
Total Equities Trailing 5-Years

December 31, 2008



ARKANSAS LOPFI RETIREMENT SYSTEM
Total Fixed Trailing 5-Years

December 31, 2008



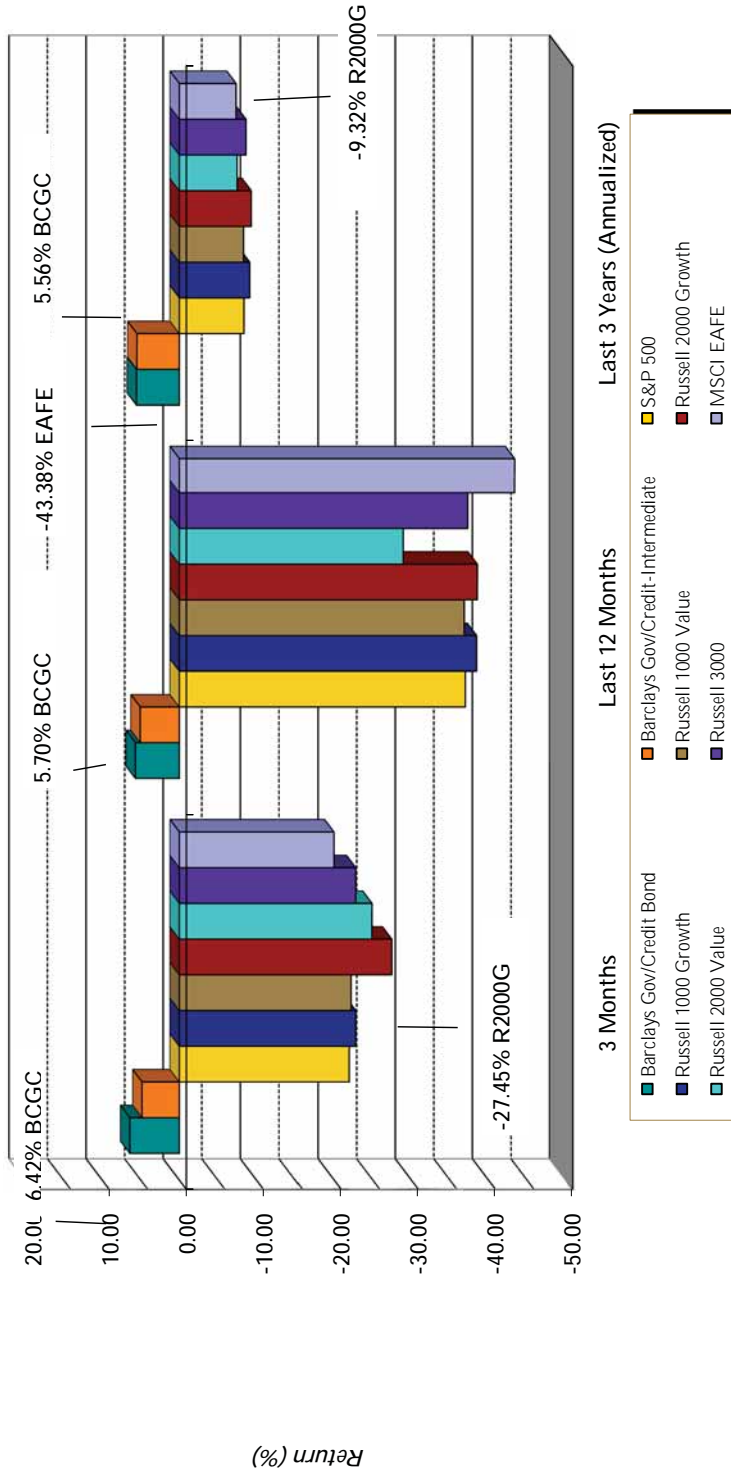
ARKANSAS LOPFI RETIREMENT SYSTEM

**TOTAL ANNUAL RETURNS 2004 - 2008(Net of Investment Management Fees beginning 2008)
(Time-weighted)**

Manager	Annual Return				5 Years Annualized (Shorter periods as indicated)
	2004	2005	2006	2007	
Wellington	14.75%	5.46%	4.99%	16.39%	-2.33%
Barrow Hanley			17.43%	3.90%	-7.36%
300 North Capital	8.08%	4.39%	13.37%	16.37%	-4.36%
Fisher	17.65%	19.34%	19.15%	17.30%	1.39%
EAFE I-Shares		11.63%	25.67%	9.87%	2.39%
PIMCO	2.63%	1.98%	4.60%	8.78%	4.78%
WAMCO	4.71%	2.54%	5.45%	5.50%	0.99%
Aberdeen	11.38%	-9.21%	7.04%	9.98%	5.01%
SSGA Index Plus			15.87%	2.83%	-5.89%
Brandywine Intl. Eq.			25.40%	8.64%	-1.27%
DHJ			4.28%	8.25%	4.96%
Dodge & Cox			12.94%	12.94%	-12.36%
Lehman Crossroads					1 year, 6 months
Citigroup Pr. Equity					1 year, 5 months
JP Morgan R.E.					1 year, 3 months
TOTAL FUND	8.79%	2.92%	10.60%	11.52%	-0.19%

Index Comparison

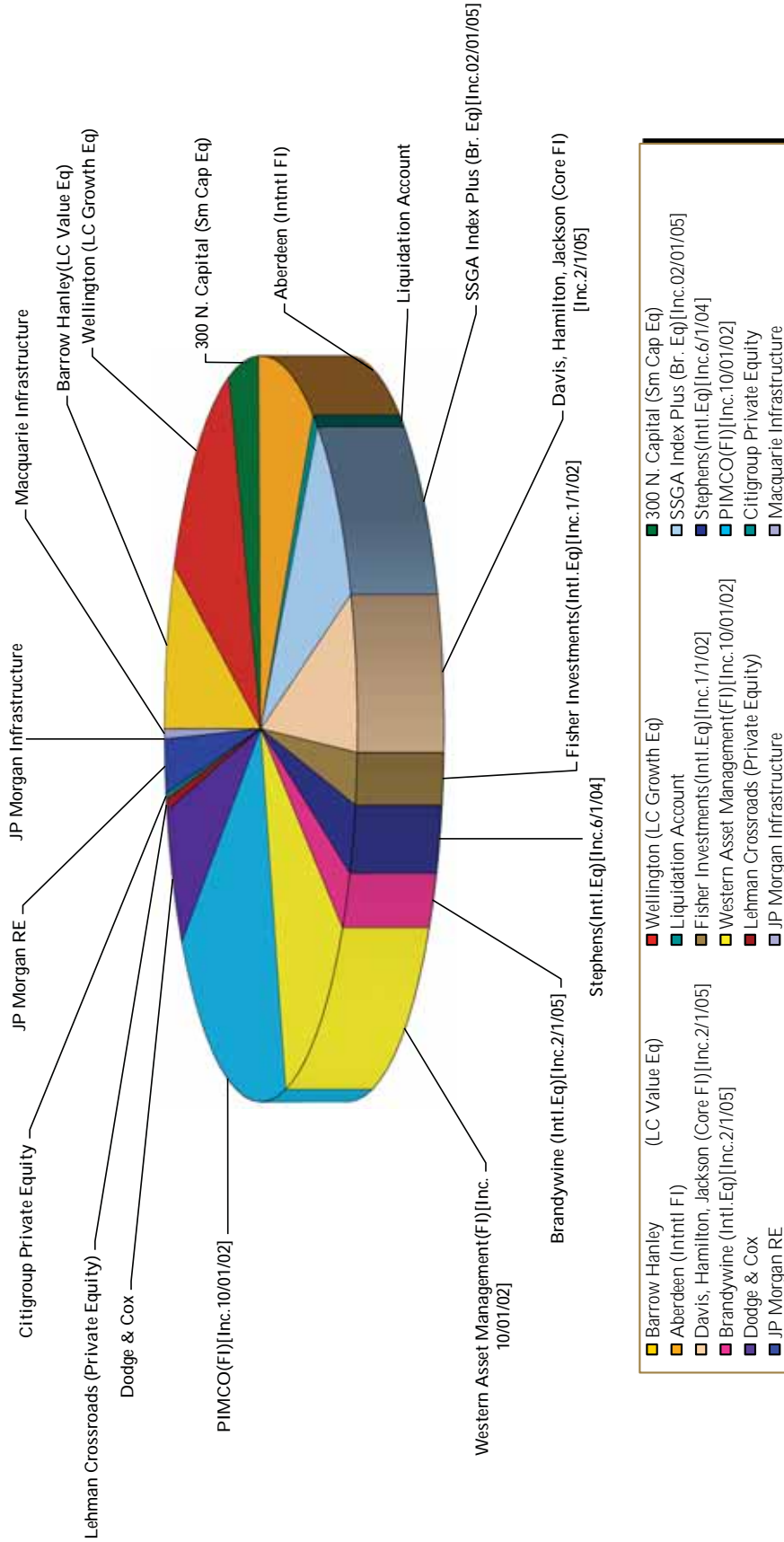
December 31, 2008



	3 Months	Last 12 Month	Last 3 Years (Annualized)
Barclays Gov/Credit Bond	6.42	5.70	5.56
Barclays Gov/Credit-Intermediate	4.84	5.07	5.50
Russell 1000 Growth	-22.79	-38.44	-9.11
Russell 1000 Value	-22.18	-36.85	-8.32
Russell 3000	-22.78	-37.31	-8.63
MSCI EAFE	-19.95	-43.38	-7.35
S&P 500	-21.94	-37.00	-8.36
Russell 2000 Growth	-27.45	-38.54	-9.32
Russell 2000 Value	-24.89	-28.93	-7.49

Arkansas LOPFI Retirement System Executive Summary

December 31, 2008



Arkansas Local Police & Fire Retirement System
 Schedule of Investment Expenses
 As of December 31, 2008

Professional / Consultant	Nature of Service	Amount
Wellington - Large Cap Growth - Equity	Money Manager	\$ 416,745.93
Barrow, Hanley - Large Cap Value - Equity	Money Manager	\$ 238,831.00
Aberdeen Asset - International Fixed Income	Money Manager	\$ 241,109.11
State Street - Large Cap Core Equity	Money Manager	\$ 178,481.63
Fisher Investments - International Equity	Money Manager	\$ 125,694.96
Global Currents - International Equity	Money Manager	\$ 135,215.72
Davis, Hamilton - Core Fixed Income	Money Manager	\$ 104,108.66
300 North Capital - Small Cap Growth Equity	Money Manager	\$ 602,061.00
PIMCO - International Fixed Income	Money Manager	\$ 316,410.46
WAMCO - Aggregate Fixed Income	Money Manager	\$ 80,284.61
Total Investment Fees		<u>\$ 2,438,943.08</u>
Regions Bank	Custodial Service	<u>\$ 216,000.00</u>
Stephens	Investment Consultant	<u>\$ 160,000.00</u>
Thistle Asset Consulting, Inc.	Investment Monitoring	<u>\$ 45,150.00</u>

Information on investment management and consulting fees can be found in the Financial Section in the Schedule of Administrative and Investment Expenses on page 33

Arkansas Local Police & Fire Retirement System
Schedule of Broker Commissions

Brk #	Broker Name	Broker Commission	Gross Volume of Trades
61610	BARCLAYS CAPITAL LE	\$ 268.00	\$ 223,537.41
57079	BEAR STEARNS and CO. INC	\$ 540.00	\$ 485,265.56
59964	BLOOMBERG TRADEBOOK LLC	\$ 1.25	\$ 278.85
100	BNY BROKERAGE INC	\$ 1,111.50	\$ 1,223,498.88
85704	BUCKINGHAM RESEARCH GROUP INC.	\$ 948.00	\$ 648,172.30
696	CANTOR FITZGERALD AND CO.	\$ 1,945.47	\$ 2,434,631.50
187	CHASE SECURITIES INC.	\$ 172.00	\$ 88,370.16
418	CITIGROUP GLOBAL MARKETS INC.	\$ 751.75	\$ 879,400.24
77318	COWEN AND COMPANY LLC	\$ 924.00	\$ 1,159,470.08
355	CREDIT SUISSE FIRST BOSTON LLC	\$ 3,109.25	\$ 4,244,113.92
715	DAVENPORT AND CO. OF VIRGINIA INC.	\$ 192.00	\$ 107,329.92
573	DEUTSCHE BANK SECURITIES INC.	\$ 2,072.00	\$ 1,703,869.29
571	FAHNESTOCK AND COMPANY INC.	\$ 188.00	\$ 209,979.26
3023	FOX-PITT KELTON INC.	\$ 660.00	\$ 612,333.83
82241	FRIEDMAN BILLINGS AND RAMSEY	\$ 536.00	\$ 298,196.90
5	GOLDMAN SACHS and CO	\$ 443.00	\$ 625,346.10
760	HOWARD WEIL DIV - LEGG MASON	\$ 128.00	\$ 304,429.20
6826	INSTINET	\$ 2,158.00	\$ 4,167,968.08
67	INSTINET CORPORATION	\$ 68.00	\$ 157,687.92
6164	INVESTMENT TECHNOLOGY GROUP INC	\$ 1,333.75	\$ 1,111,627.25
99	ITG INC	\$ 59.75	\$ 156,539.09
60	J P MORGAN	\$ 664.00	\$ 509,948.29
352	J.P. MORGAN SECURITIES INC	\$ 2.00	\$ 4,248.64
374	JANNEY MONTGOMERY SCOTT INC.	\$ 112.00	\$ 42,931.00
19	JEFFERIES and CO INC	\$ 222.00	\$ 244,322.46
77583	JONES TRADING INSTITUTIONAL SERVICES	\$ 69.00	\$ 61,673.12
345	KEEFE BRUYETTE AND WOODS INC	\$ 652.00	\$ 436,865.77
52759	KNIGHT SECURITIES INC.	\$ 432.00	\$ 420,453.16
636	LEHMAN BROTHERS - MUNICIPALS	\$ 503.00	\$ 1,264,961.24
74	LEHMAN BROTHERS INC.	\$ 1,224.00	\$ 1,614,317.94
50091	LIQUIDNET INC	\$ 792.00	\$ 1,289,671.41
73629	Longbow Securities LLC	\$ 96.00	\$ 119,978.64
161	MERRILL LYNCH PIERCE FENNER and	\$ 3,854.00	\$ 2,517,950.70
551	MERRILL LYNCH PROFESSIONAL CLEARING CORP	\$ 16.00	\$ 27,840.00
54959	MIDWEST RESEARCH SECURITIES	\$ 164.00	\$ 167,614.34
50	MORGAN STANLEY	\$ 1,940.00	\$ 1,810,707.54
15	MORGAN STANLEY DW INC.	\$ 143.00	\$ 224,802.23
31	NATEXIX BLEICHROEDER INC	\$ 544.00	\$ 128,243.92
82669	PERSHING	\$ 306.00	\$ 447,841.14
443	PERSHING LLC	\$ 69.00	\$ 149,078.18
725	RAYMOND JAMES and ASSOC. INC.	\$ 124.00	\$ 110,794.93
13	SANFORD C. BERNSTEIN AND CO. LLC	\$ 872.00	\$ 879,440.93
57575	SIMMONS and CO. INTERNATIONAL	\$ 32.00	\$ 66,367.68
750	STERNE AGEE and LEACH INC	\$ 208.00	\$ 336,028.60
793	STIFEL NICOLAUS AND CO.INC.	\$ 72.00	\$ 31,807.80
642	UBS SECURITIES LLC	\$ 4,719.00	\$ 4,122,685.68
250	WACHOVIA CAPITAL MARKETS LLC	\$ 48.00	\$ 108,321.24
9883	WEEDEN AND CO.	\$ 74.50	\$ 196,728.76
57686	WESTMINSTER RES ASOC/ BROADCORT CAPT CL.	\$ 556.00	\$ 584,770.92
TOTAL		\$ 36,119.22	\$ 38,762,442.00

HIGHEST PORTFOLIO HOLDINGS BY MANAGER

TOP THREE SECURITIES
As Of December 31, 2008

	FISHER	LIQUIDATION	BARROW, HANLEY	DAVIS, HAMILTON	WAMCO	PIMCO
	BHP BILLITON LTD - #088606108	REGIONS TRUST MMDA	OCCIDENTAL PETE CORP	REGIONS TRUST MMDA	FNMA PAIR OFF POOL - #01F052417	REPURCHASE AGREEMENT - GOLDMAN SACHS
MATURITY	N/A	N/A	N/A	N/A	1/13/39	1/5/09
Fair Value	\$377,520	\$5,583,712	\$2,117,647	\$3,174,053	\$12,160,610	\$13,500,000
Book Value	\$425,728	\$5,583,712	\$1,637,519	\$3,174,053	\$11,952,032	\$13,500,000
Percent of Fund	2.68%	100.00%	4.74%	7.44%	16.52%	11.22%
	SIEMENS AG - #826197501	VERIZON COMMUNICATIONS	FHLMC - CALLABLE #3128X5WTT1	REGIONS TRUST MMDA	GNMA TBA 30YR POOL	
MATURITY	N/A	N/A	N/A	N/A	1/21/39	
Fair Value	\$359,813	\$0	\$1,918,740	\$2,516,836	\$5,404,263	\$13,077,190
Book Value	\$422,841	\$0	\$1,740,486	\$2,497,707	\$5,404,263	\$12,936,875
Percent of Fund	2.56%	0.00%	4.30%	5.90%	7.34%	10.86%
	MI TSUI & CO LTD - #606827202	BRISTOL MYERS SQUIB CO	FHLMC - CALLABLE #3128X5FL7	FNMA #31415LOW0	PIMCO PRV SHORTERM	
MATURITY	N/A	N/A	N/A	5/1/38	N/A	
Fair Value	\$493,383	\$0	\$1,708,875	\$2,454,846	\$2,028,097	\$10,237,762
Book Value	\$193,056	\$0	\$1,603,273	\$2,329,720	\$1,881,989	\$12,608,568
Percent of Fund	2.67%	0.00%	3.83%	5.75%	2.75%	8.51%

Investment Summary

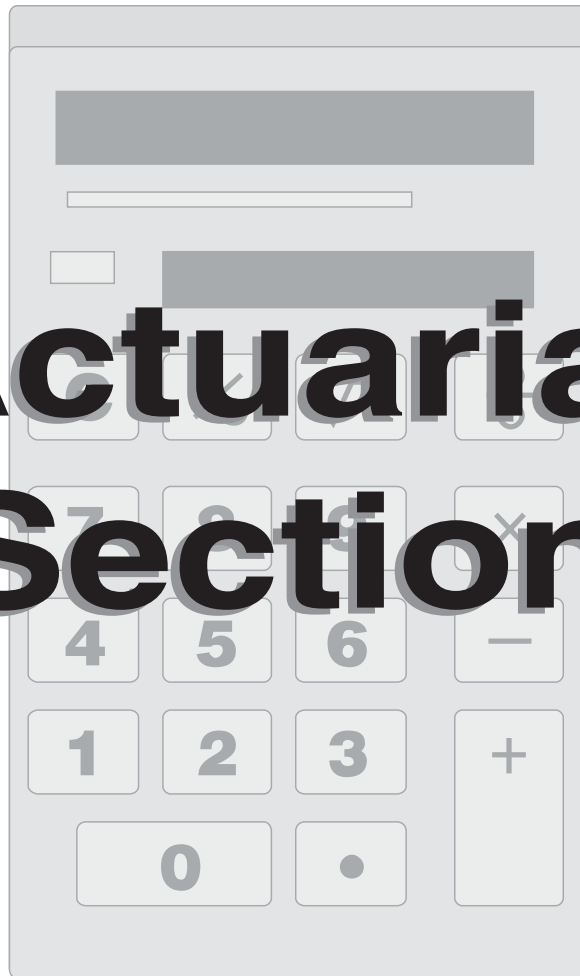
Year Ended December 31, 2008

<u>Type of Investment</u>	December 31, 2008		<u>% of Total</u>
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 68,300,827	\$ 68,300,827	9.6%
Investments:			
U.S. Government Obligations	184,433,136	174,774,626	24.6%
Corporate Obligations	79,516,879	74,102,497	10.4%
Foreign Bonds	1,939,775	1,379,143	0.2%
Fixed Income Collective Trusts	61,630,781	70,009,817	9.9%
Common and Preferred Stocks	79,835,374	57,446,400	8.1%
Special Situation Properties, etc.	23,022,294	22,069,856	3.1%
Equity Mutual Collective Trusts	293,131,900	237,557,986	33.5%
	<u>\$ 723,510,139</u>	<u>\$ 637,340,325</u> *	<u>89.8%</u>
Land and Building	\$ 3,951,668	\$ 3,951,668	0.6%
Total Investments	<u>\$ 795,762,634</u>	<u>\$ 709,592,820</u>	<u>100.0%</u>

<u>Type of Investment</u>	December 31, 2007		<u>% of Total</u>
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 26,442,075	\$ 26,442,075	3.1%
Investments:			
U.S. Government Obligations	204,605,233	207,843,287	24.3%
Corporate Obligations	29,316,750	28,646,949	3.3%
Foreign Bonds	2,078,725	2,099,507	0.2%
Fixed Income Collective Trusts	38,803,193	59,052,098	6.9%
Common and Preferred Stocks	187,775,849	260,087,605	30.4%
Special Situation Properties, etc.	17,362,410	17,726,892	2.1%
Equity Mutual Collective Trusts	150,091,978	250,213,398	29.2%
	<u>\$ 630,034,138</u>	<u>\$ 825,669,736</u> *	<u>96.4%</u>
Land and Building	\$ 3,968,276	\$ 3,968,276	0.5%
Total Investments	<u>\$ 660,444,489</u>	<u>\$ 856,080,087</u>	<u>100.0%</u>

* Per Statements of Plan Net Assets on Page 24

Actuarial Section



ACTUARY'S LETTER

GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

One Towne Square • Suite 800 • Southfield, Michigan 48076 • 248-799-9000 • 800-521-0498 • fax 248-799-9020

June 2, 2009

The Board of Trustees
Arkansas Local Police and Fire Retirement System
Little Rock, Arkansas 72201

The fundamental financial objective of LOPFI is to establish and receive contributions which, when expressed in terms of the percentage of active member payroll, will remain approximately level from generation to generation of local citizens, and when combined with present assets and future investment return will be sufficient to meet the financial obligations of LOPFI to present and future retirees and beneficiaries.

To test how well the fundamental objective is being achieved, annual actuarial valuations are made, individually for each paid service coverage group. These valuations adjust employer contributions, up or down as the case may be, for differences in the past year between assumed financial experiences and actual financial experiences.


As of December 31, 2008, actuarial valuations were made for 715 employer groups. Summary information about the resulting new employer contribution rates is shown in the annual report. Results of the 2008 actuarial valuations indicate that aggregate actuarial accrued liabilities are 66% covered by the actuarial value of assets. This is a decrease from last year's result of 78%. The primary reason for the decrease is investment return in 2008 below assumed levels. The actuarial value of assets are 120% of the market value of assets as of December 31, 2008. These results include the 119 local police and fire pension and relief funds which are closed to new hires and for which LOPFI also serves as administrative agent. Valuation results for those groups are summarized in the annual report and are provided to the local fund and to the LOPFI administrative staff.

The actuarial valuations are based upon financial and participant data which is prepared by Retirement System staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death, and disability among LOPFI members and their beneficiaries. The data is reviewed by us for internal and year-to-year consistency as well as general reasonableness prior to its use in the actuarial valuations. It is also summarized and tabulated for the purpose of analyzing trends. The non-economic assumptions were adopted by the Board of Trustees and were based upon actual experience of LOPFI during the years 2002 through 2007. Economic assumptions used in the December 31, 2008 valuation are based upon an economic assumption study as of December 31, 2007. Assets are valued according to a method that fully recognizes expected investment return and averages unanticipated market return over a five-year period, subject to a 80% to 120% corridor on market value. The assumptions utilized in this valuation, in our opinion, meet the parameters established by the Governmental Accounting Standards Board Statement No. 25.

The current benefit structure is outlined in the introductory section. We provided the information used in the supporting schedules in the actuarial section and the Schedules of Funding Progress in the financial section, as well as the employer contribution rates that were the basis for the annual required contributions shown in the Schedule of Employer Contributions also in the financial section.

On the basis of the 2008 valuations, it is our opinion that the contribution rates recommended in the most recent actuarial report are sufficient to meet LOPFI's financial objective.

Respectfully submitted,


David L. Hoffman


Mita D. Drazilov, ASA, MAAA

DLH:bd

Summary of

FINANCIAL ASSUMPTIONS USED FOR LOPFI ACTUARIAL VALUATIONS

Assumptions Adopted by Board of Trustees After Consulting With Actuary

The actuarial assumptions used in making the valuations are shown in this section of the report.

ECONOMIC ASSUMPTIONS

The investment return rate used in making the valuation was 8.0% per year, compounded annually (net after administrative expenses). This rate of return is not the assumed real rate of return. The real rate of return is defined to be the portion of investment return which is more than the wage inflation rate. With a 4.0% recognition of wage inflation, the 8.0% investment return rate translates to an assumed real rate of return of 4.0%.

Price inflation was assumed to be 3.0% a year. This assumption was utilized to increase the basic benefit factor for volunteer members.

Pay increase assumptions for individual active members are summarized in Schedule A-5. Part of the assumption for each age is for a merit and/or seniority increase, and the other 4.0% recognizes wage inflation.

Total active member payroll is assumed to increase 4.0% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation.

The number of active members is assumed to continue at the present number.

NON-ECONOMIC ASSUMPTIONS

The mortality table used to measure retired life mortality was the 1983 Group Annuity Mortality Table, set forward one year for men and set forward one year for women. Related values are shown in Schedule A-1. Disability post-retirement mortality was assumed to be the same as standard post-retirement mortality set forward an additional 10 years. For death-in-service mortality, fifty percent of the post-retirement mortality tables were used. Fifty percent of deaths-in-service were assumed to be duty related.

The probabilities of retirement for members eligible to retire are shown in Schedule A-3.

The probabilities of withdrawal from service and death-in-service are summarized in Schedule A-4, and the *probabilities of disability* are summarized in Schedule A-2.

An individual entry age actuarial cost method of valuation was used in determining age & service allowance normal costs and the allocation of actuarial present values between service rendered before and after the valuation date. The entry-age actuarial cost method has the following characteristics:

- (i) the annual normal costs for each individual active member, payable from the member's actual date of employment to the member's projected date of retirement are sufficient to accumulate the actuarial present value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is: (a) a constant percentage of the member's year by year projected covered pay for paid service plans, or (b) an increasing dollar amount for volunteer service plans.

Differences in the past between assumed experience and actual experience ("actuarial gains and losses") are inevitable and become part of accrued liabilities. In LOPFI, cumulative actuarial losses and gains are the same as unfunded (or overfunded) accrued liabilities.

Unfunded accrued liabilities are amortized to produce contribution amounts (principal and interest) which are (a) level percent of payroll contributions over a period of future years for paid service plans, or (b) increasing dollar amounts for volunteer service plans.

For volunteer service plans the contribution rates from the December 31, 2002 valuation were developed based on a \$5.00 per month basic benefit factor. This factor is \$5.48 effective July 1, 2007 and is assumed to increase at the assumed rate of price inflation in future years.

OTHER TECHNICAL ASSUMPTIONS -----

Decrements are assumed to occur at the middle of the valuation year.

The probability of being married, for death-in-service benefits, is assumed to be 90%.

Members who are eligible to participate in the DROP are assumed to participate in the DROP program in such a manner that is the most advantageous to them.

Future service credit is always assumed to accrue at the rate of 1 year of credit every 12 calendar months. Lower service accrual rates (service breaks or less-than-full-time employment) or higher service accrual rates (addition of military credit or reinstatement of prior service) are reflected as they are reported. Any lower or higher accrual rates may result in small financial gains or losses when reported.

The form of benefit payment assumed in the valuation for paid service and volunteer service plans is the Five Year Certain and Life Option. For local plans under LOPFI administration, the assumed form of benefit payment is 100% joint and survivor for police plans and the Life Option for fire plans. For local fire plans under LOPFI administration who have adopted Act 397, the assumed form of benefit payment is 100% joint and survivor.

Employer contribution dollars were assumed to be *paid in equal installments* throughout the employer fiscal year.

Present assets (cash & investments) were used based on a smoothed market value.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (M.A.A.A.).

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)**

LOPFI Staff	Valuation Groups	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/2007	1	8	\$ 415,984	\$51,998	4.1 %
12/31/2008	1	8	459,432	57,429	0.0 %

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Paid Police Covered by Social Security	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/85	39	218	\$ 3,066,418	\$14,066	10.7 %	3.8 %
12/31/86	42	276	4,170,832	15,112	7.4	1.1
12/31/87	48	342	5,333,703	15,596	3.2	4.4
12/31/88	54	413	6,759,766	16,367	4.9	4.4
12/31/89	54	457	7,803,548	17,076	4.3	4.6
12/31/90	62	517	9,386,818	18,156	6.3	6.1
12/31/91	73	614	11,618,980	18,923	4.2	3.1
12/31/92	78	683	13,483,829	19,742	4.3	2.9
12/31/93	89	806	16,407,154	20,356	3.1	2.7
12/31/94	98	916	19,373,328	21,150	3.9	2.7
12/31/95	110	1,053	23,212,618	22,044	4.2	2.5
12/31/96	117	1,145	26,154,080	22,842	3.6	3.3
12/31/97	128	1,211	28,971,065	23,923	4.7	1.7
12/31/98	134	1,346	33,301,863	24,741	3.4	1.6
12/31/99	141	1,480	38,187,948	25,803	4.3	2.7
12/31/00	150	1,493	39,080,134	26,176	1.4	3.4
12/31/01	152	1,497	42,193,903	28,186	7.7	1.6
12/31/02	158	1,556	46,480,114	29,872	6.0	2.4
12/31/2003	154	1,583	49,757,738	31,433	5.2	1.9
12/31/2004	154	1,583	51,235,812	32,366	3.0	3.3
12/31/2005	154	1,614	53,061,186	32,876	1.6	3.4
12/31/2006	161	1,680	57,466,068	34,206	4.0	2.5
12/31/2007	166	1,787	62,170,244	34,790	1.7	4.1
12/31/2008	163	1,838	66,243,983	36,041	3.6	0.0

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Paid Police Not Covered by Social Security	Valuation Groups	Active Members			Inflation Increase % (CPI)	
		Number	Annual Payroll	Average Pay		% Increase
12/31/85	13	214	\$ 3,386,482	\$15,825	6.3 %	3.8 %
12/31/86	13	283	4,798,324	16,955	7.1	1.1
12/31/87	13	321	5,812,570	18,108	6.8	4.4
12/31/88	14	410	7,849,599	19,145	5.7	4.4
12/31/89	14	426	8,769,222	20,585	7.5	4.6
12/31/90	14	539	11,392,678	21,137	2.7	6.1
12/31/91	14	629	13,997,170	22,253	5.3	3.1
12/31/92	14	693	16,891,924	24,375	9.5	2.9
12/31/93	14	735	18,643,459	25,365	4.1	2.7
12/31/94	14	866	22,959,944	26,513	4.5	2.7
12/31/95	14	1,002	27,042,274	26,988	1.8	2.5
12/31/96	14	1,087	31,394,960	28,882	7.0	3.3
12/31/97	14	1,154	35,468,514	30,735	6.4	1.7
12/31/98	14	1,220	39,052,564	32,010	4.1	1.6
12/31/99	14	1,257	42,319,350	33,667	5.2	2.7
12/31/00	15	1,300	45,395,466	34,920	3.7	3.4
12/31/01	15	1,310	47,997,431	36,639	4.9	1.6
12/31/02	14	1,309	51,013,420	38,971	6.4	2.4
12/31/2003	14	1,344	54,363,935	40,449	3.8	1.9
12/31/2004	15	1,369	57,397,946	41,927	3.7	3.3
12/31/2005	15	1,410	60,652,180	43,016	2.6	3.4
12/31/2006	14	1,455	64,982,903	44,662	3.8	2.5
12/31/2007	14	1,479	68,484,220	46,304	3.7	4.1
12/31/2008	14	1,507	72,880,723	48,361	4.4	0.0

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Paid Fire Covered by Social Security	Valuation Groups	Active Members			Average Pay	% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Annual Payroll			
12/31/85	2	12	\$ 210,238	\$17,520	7.1 %	3.8 %	
12/31/86	2	14	254,921	18,209	3.9	1.1	
12/31/87	2	16	321,457	20,091	10.3	4.4	
12/31/88	3	19	382,949	20,155	0.3	4.4	
12/31/89	3	17	363,844	21,403	6.2	4.6	
12/31/90	3	22	475,090	21,595	0.9	6.1	
12/31/91	3	23	497,074	21,612	0.1	3.1	
12/31/92	2	23	535,463	23,281	7.7	2.9	
12/31/93	2	24	601,457	25,061	7.6	2.7	
12/31/94	2	22	544,619	24,755	(1.2)	2.7	
12/31/95	2	24	642,998	26,792	8.2	2.5	
12/31/96	2	24	658,401	27,433	2.4	3.3	
12/31/97	2	16	413,344	25,834	(5.8)	1.7	
12/31/98	2	15	427,149	28,477	10.2	1.6	
12/31/99	2	15	443,877	29,592	3.9	2.7	
12/31/00	3	20	550,930	27,547	(6.9)	3.4	
12/31/01	4	34	1,091,894	32,115	16.6	1.6	
12/31/02	5	34	1,236,009	36,353	13.2	2.4	
12/31/2003	6	34	1,297,597	38,165	5.0	1.9	
12/31/2004	7	58	1,881,084	32,432	(15.0)	3.3	
12/31/2005	10	62	2,137,350	34,473	6.3	3.4	
12/31/2006	13	71	2,459,152	34,636	0.5	2.5	
12/31/2007	19	84	3,224,208	38,383	10.8	4.1	
12/31/2008	20	85	3,310,078	38,942	1.5	0.0	

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Paid Fire Not Covered by Social Security	Valuation Groups	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/85	39	256	\$ 3,838,880	\$14,996	9.2 %	3.8 %
12/31/86	40	346	5,619,219	16,241	8.3	1.1
12/31/87	45	439	7,335,514	16,710	2.9	4.4
12/31/88	47	514	9,377,770	18,245	9.2	4.4
12/31/89	47	601	11,449,004	19,050	4.4	4.6
12/31/90	48	661	13,207,386	19,981	4.9	6.1
12/31/91	48	741	15,470,155	20,877	4.5	3.1
12/31/92	48	825	18,328,407	22,216	6.4	2.9
12/31/93	51	912	21,238,851	23,288	4.8	2.7
12/31/94	54	1003	24,431,883	24,359	4.6	2.7
12/31/95	55	1,115	28,317,948	25,397	4.3	2.5
12/31/96	55	1,216	32,183,785	26,467	4.2	3.3
12/31/97	58	1,334	37,011,225	27,745	4.8	1.7
12/31/98	58	1,417	41,048,974	28,969	4.4	1.6
12/31/99	58	1,549	47,249,417	30,503	5.3	2.7
12/31/00	60	1,680	52,268,378	31,112	2.0	3.4
12/31/01	59	1,732	57,430,283	33,158	6.6	1.6
12/31/02	59	1,821	64,691,073	35,525	7.1	2.4
12/31/2003	59	1,888	70,635,697	37,413	5.3	1.9
12/31/2004	60	1,956	76,826,671	39,277	5.0	3.3
12/31/2005	57	2,029	81,650,944	40,242	2.5	3.4
12/31/2006	59	2,122	88,041,571	41,490	3.1	2.5
12/31/2007	61	2,245	95,882,874	42,710	2.9	4.1
12/31/2008	60	2,202	98,780,987	44,860	5.0	0.0

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Total Paid Police and Fire	Valuation Groups	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	93	700	\$ 10,502,018	\$15,003	3.8 %
12/31/86	97	919	14,843,296	16,152	1.1
12/31/87	108	1,118	18,803,244	16,819	4.4
12/31/88	118	1,356	24,370,084	17,972	4.4
12/31/89	118	1,501	28,385,618	18,911	4.6
12/31/90	127	1,739	34,461,972	19,817	6.1
12/31/91	138	2,007	41,583,379	20,719	3.1
12/31/92	142	2,224	49,239,623	22,140	2.9
12/31/93	156	2,477	56,890,921	22,968	2.7
12/31/94	168	2,807	67,309,774	23,979	2.7
12/31/95	181	3,194	79,215,838	24,801	2.5
12/31/96	188	3,472	90,391,226	26,034	3.3
12/31/97	202	3,715	101,864,148	27,420	1.7
12/31/98	208	3,998	113,830,550	28,472	1.6
12/31/99	215	4,301	128,200,592	29,807	2.7
12/31/00	228	4,493	137,294,908	30,558	3.4
12/31/01	230	4,573	148,713,511	32,520	1.6
12/31/02	236	4,720	163,420,616	34,623	2.4
12/31/2003	233	4,849	176,054,967	36,307	1.9
12/31/2004	236	4,966	187,341,513	37,725	3.3
12/31/2005	236	5,115	197,501,660	38,612	3.4
12/31/2006	247	5,328	212,949,694	39,968	2.5
12/31/2007	260	5,595	229,761,546	41,066	4.1
12/31/2008	257	5,632	241,215,771	42,830	0.0

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Volunteer Police	Valuation Groups	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	2	2	N/A	N/A	N/A
12/31/86	2	2	N/A	N/A	N/A
12/31/87	3	8			N/A
12/31/88	3	2			N/A
12/31/89	4	3			N/A
12/31/90	1	1			N/A
12/31/91	2	2			3.1%
12/31/92	4	5			2.9
12/31/93	4	5			2.7
12/31/94	8	10			2.7
12/31/95	8	9			2.5
12/31/96	9	10			3.3
12/31/97	10	14			1.7
12/31/98	7	8			1.6
12/31/99	8	10			2.7
12/31/00	8	9			3.4
12/31/01	10	16			1.6
12/31/02	19	49			2.4
12/31/2003	24	55			1.9
12/31/2004	24	55			3.3
12/31/2005	32	70			3.4
12/31/2006	38	91			2.5
12/31/2007	51	118			4.1
12/31/2008	42	123			0.0

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Continued)**

Volunteer Fire	Valuation Groups	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	166	756	N/A	N/A	N/A
12/31/86	185	1020		N/A	N/A
12/31/87	202	1238			N/A
12/31/88	207	1422			N/A
12/31/89	215	1623			N/A
12/31/90	218	1823			N/A
12/31/91	226	2005			3.1
12/31/92	232	2167			2.9
12/31/93	237	2370			2.7
12/31/94	239	2452			2.7
12/31/95	238	2,684			2.5
12/31/96	243	2,895			3.3
12/31/97	248	3,063			1.7
12/31/98	249	3,175			1.6
12/31/99	253	3,397			2.7
12/31/00	254	3,481			3.4
12/31/01	255	3,585			1.6
12/31/02	261	3,809			2.4
12/31/2003	266	4,033			1.9
12/31/2004	282	4,351			3.3
12/31/2005	293	4,580			3.4
12/31/2006	303	4,814			2.5
12/31/2007	410	6,502			4.1
12/31/2008	415	6,480			0.0

**LOPFI Covered Groups and Covered Persons
(Excluding Local Funds)
(Concluded)**

Total Volunteer	Valuation Groups	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	168	758	N/A	N/A	N/A
12/31/86	187	1,022			N/A
12/31/87	205	1,246			N/A
12/31/88	210	1,424			N/A
12/31/89	219	1,626			N/A
12/31/90	219	1,824			N/A
12/31/91	228	2,007			3.1
12/31/92	236	2,172			2.9
12/31/93	241	2,375			2.7
12/31/94	247	2,462			2.7
12/31/95	246	2,693			2.5
12/31/96	252	2,905			3.3
12/31/97	258	3,077			1.7
12/31/98	256	3,183			1.6
12/31/99	261	3,407			2.7
12/31/00	262	3,490			3.4
12/31/01	265	3,601			1.6
12/31/02	280	3,858			2.4
12/31/2003	290	4,088			1.9
12/31/2004	306	4,406			3.3
12/31/2005	325	4,650			3.4
12/31/2006	341	4,905			2.5
12/31/2007	461	6,620			4.1
12/31/2008	457	6,603			0.0

**LOPFI (Excluding Local Funds)
Paid Service Active Members – December 31, 2008
Attained Age And Years of Service**

Attained Age	Years of Service at Valuation Date								Totals	
									No.	Annual Payroll
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus			
Under 20	1								1	\$ 23,138
20-24	231	16							247	7,282,487
25-29	627	199	29						855	29,631,639
30-34	423	449	176	20					1,068	41,813,623
35-39	210	356	463	129	14				1,172	51,924,318
40-44	135	142	263	313	112	4			969	45,531,792
45-49	56	72	132	189	239	40	3		731	36,651,565
50-54	34	23	34	61	138	39	5		334	16,714,869
55-59	19	25	28	39	44	16	5		176	8,265,835
60-64	11	11	6	15	16	2	4		65	2,872,918
65-69	2	6	3	4	2	2			19	795,802
70+	1		2						3	167,217
Totals	1,750	1,299	1,136	770	565	103	17		5,640	\$ 241,675,203

Average Age: 38.0 years

Average Service: 10.1 years

Average Pay: \$42,850

As a comparison, 5,603 paid service members participated in LOPFI on December 31, 2007.

**LOPFI (Excluding Local Funds)
Volunteer Service Active Members – December 31, 2008
Attained Age And Years of Service**

Attained Age	Years of Service at Valuation Date						Totals
	0-4	5-9	10-14	15-19	20-24	25-29	
Under 20	58						58
20-24	514	49					563
25-29	397	288	51				736
30-34	329	242	179	38			788
35-39	323	265	221	137	31		977
40-44	263	219	193	136	104	27	942
45-49	179	169	170	153	129	47	854
50-54	119	131	133	123	91	42	653
55-59	78	81	92	86	62	42	452
60-64	56	56	32	40	28	25	248
65-69	39	42	22	20	25	22	180
70+	17	34	32	19	22	16	152
Totals	2,372	1,576	1,125	752	492	221	65
							6,603

Average Age: 41.3 years

Average Service: 9.6 years

As a comparison, 6,620 volunteer service members participated in LOPFI on December 31, 2007.

LOPFI
Computed Employer Contributions
For Paid Service Members by Valuation Groups
December 31, 2008

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll											Totals				
		Under 9.00%	9.00% -9.99%	10.00% -10.99%	11.00% -11.99%	12.00% -12.99%	13.00% -13.99%	14.00% -14.99%	15.00% -15.99%	16.00% & Above							
LOPFI Staff	8																1
Paid Police	1,838	4	6	2	5	12	14	16	16	16	16	16	16	16	16	16	163
W/SS	1,507	4	1	2	2	2	-	2	2	2	2	2	2	2	2	2	14
W/O SS																	
Paid Fire	85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
W/SS	<u>2,202</u>	<u>5</u>	<u>7</u>	<u>4</u>	<u>5</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>60</u>
W/O SS																	
December 31, 2008 *#	5,640	13	7	3	12	17	17	27	27	26	23	23	23	23	23	23	258
December 31, 2007	5,603	16	7	3	12	16	17	31	30	21	21	21	21	21	21	21	261
December 31, 2006	5,328	13	6	6	7	23	17	30	26	22	22	22	22	22	22	22	247
December 31, 2005	5,115	10	9	6	15	19	14	26	22	29	29	29	29	29	29	29	236
December 31, 2004 #	4,966	13	5	11	14	15	19	22	22	22	22	22	22	22	22	22	236
December 31, 2003 *	4,849	44	10	19	20	31	27	24	24	13	13	13	13	13	13	13	233
December 31, 2002 #	4,720	47	15	15	16	26	29	21	21	21	21	21	21	21	21	21	236
December 31, 2001	4,573	116	10	31	13	14	17	11	11	4	4	4	4	4	4	4	230
December 31, 2000 *#	4,493	81	19	19	15	26	11	14	14	12	12	12	12	12	12	12	228
December 31, 1999	4,301	57	22	37	32	29	14	11	11	5	5	5	5	5	5	5	215
December 31, 1998 *#	3,998	56	16	25	44	23	15	13	13	5	5	5	5	5	5	5	208
December 31, 1997	3,715	52	23	45	24	22	10	17	17	1	1	1	1	1	1	1	202
December 31, 1996 *#	3,472	46	16	42	29	20	15	9	9	6	6	6	6	6	6	6	188
December 31, 1995	3,194	23	20	39	43	28	15	7	7	2	2	2	2	2	2	2	181
December 31, 1994	2,807	20	15	39	47	23	11	4	4	2	2	2	2	2	2	2	168
December 31, 1993	2,477	20	30	42	35	14	6	3	3	4	4	4	4	4	4	4	156
December 31, 1992	2,224	21	26	45	26	12	3	5	5	2	2	2	2	2	2	2	142
December 31, 1991 *	2,007	6	18	38	45	15	10	2	2	1	1	1	1	1	1	1	138
December 31, 1990	1,739	2	2	3	5	13	26	16	16	33	33	33	33	33	33	33	127

* After changes in actuarial valuation assumptions.
 # After legislated benefit increases.

LOPFI
Computed Employer Contributions
For Volunteer Service Members by Valuation Groups
December 31, 2008

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member												Totals		
		Employer Contributions Expressed as Dollars Per Month Per Active Member														
		Under \$10.00	From \$10.00 to \$14.99	From \$15.00 to \$19.99	From \$20.00 to \$24.99	From \$25.00 to \$29.99	From \$30.00 to \$34.99	From \$35.00 to \$39.99	From \$40.00 to \$44.99	From \$45.00 to \$49.99	From \$50.00 to \$54.99	From \$55.00 to \$59.99	From \$60.00 and Over			
Volunteer Police	123	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	42
Volunteer Fire	6,480	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	415
December 31, 2008 *#	6,603	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	457
December 31, 2008 *																
December 31, 2008																
December 31, 2007	6,620	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	461
December 31, 2006	4,905	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	341
December 31, 2005	4,650	1	2	13	49	96	65	32	23	23	8	3	3	10	325	
December 31, 2004	4,406	1	1	13	49	109	62	27	15	14	3	2	2	10	306	
December 31, 2003 *	4,088	2	5	26	80	95	44	11	7	10	3	3	3	4	290	
December 31, 2002 #	3,858	10	17	54	103	47	22	8	6	4	1	2	2	6	280	
December 31, 2001 *	3,601	62	114	55	18	7	3	1	-	2	1	1	1	1	265	
December 31, 2000 #	3,490	79	81	60	16	12	3	4	1	1	1	3	3	1	262	
December 31, 1999	3,407	69	110	48	14	6	2	3	3	2	-	1	1	3	261	

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member												Totals
		Employer Contributions Expressed as Dollars Per Month Per Active Member												
		Under \$4.00	From \$4.00 to \$5.99	From \$6.00 to \$6.99	From \$7.00 to \$7.99	From \$8.00 to \$8.99	From \$9.00 to \$9.99	From \$10.00 to \$10.99	From \$11.00 to \$11.99	From \$12.00 to \$12.99	From \$13.00 to \$13.99	From \$14.00 to \$17.99	From \$18.00 and Over	
December 31, 1998 *#	3,183	19	10	6	7	13	10	19	23	20	41	53	35	256
December 31, 1997	3,077	14	11	7	5	8	11	17	33	19	49	53	31	258
December 31, 1996 *#	2,905	10	11	4	10	11	18	20	32	30	36	46	24	252
December 31, 1995	2,693	28	12	17	26	27	36	20	26	18	11	13	12	246
December 31, 1994	2,462	15	13	14	30	42	31	26	22	16	14	14	10	247
December 31, 1993	2,375	13	14	20	47	33	24	35	14	14	12	7	8	241
December 31, 1992	2,172	8	9	15	37	38	38	29	21	16	10	11	4	236
December 31, 1991 *	2,007	5	11	11	27	37	48	29	28	11	9	8	4	228
December 31, 1990	1,824	-	1	1	2	10	22	40	60	40	32	8	4	220

* After changes in actuarial valuation assumptions.
After legislated benefit increases.

Benefit Program 2 Employers
(Included in Paid Service Schedules)

Employer	Number of Active Members	Payroll
Beaver Lake Paid Fire	1	\$ 44,160
Bella Vista Paid Police	20	814,364
Bella Vista Paid Fire	26	1,301,173
Fayetteville Paid Police	120	6,427,316
Fayetteville Paid Fire	108	5,434,641
Fort Smith Paid Police	159	6,921,177
Fort Smith Paid Fire	119	5,614,593
Hot Springs Paid Police	93	4,332,431
Hot Springs Paid Fire	73	3,664,171
Marion Paid Police	23	759,521
Total BP2	742	\$ 35,313,547

LOPFI
Development of Funding Value of Retirement System Assets
(Including Assets of Pension and Relief Fund Plans Under LOPFI Administration)

Year Ended December 31:	2002	2003	2004	2005	2006	2007	2008
A. Funding Value Beginning of Year	\$481,431,953	\$515,600,263	\$553,057,228	\$601,798,909	\$653,546,976	\$724,746,827	\$827,546,002
B. Market Value End of Year	427,217,730	528,547,847	599,204,559	636,316,197	736,511,192	833,278,709	657,194,235
C. Market Value Beginning of Year	463,744,442	427,217,730	528,547,847	599,204,559	636,316,197	736,511,192	833,278,709
D. Non-Investment Net Cash Flow	7,582,456	2,825,533	19,053,696	22,397,530	24,082,243	31,978,254	39,182,990
E. Investment Income							
E1. Market Total: B - C - D	(44,109,168)	98,504,584	51,603,016	14,714,108	76,112,752	64,789,263	(215,267,464)
E1(a). Assumed Rate of Return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
E2. Amount for Immediate Recognition	38,817,854	41,361,042	45,006,726	49,039,814	53,247,048	59,258,876	67,771,000
E3. Amount for Phased-In Recognition E1-E2	(82,927,022)	57,143,542	6,596,290	(34,325,706)	22,865,704	5,530,387	(283,038,464)
F. Phased-In Recognition of Investment Income							
F1. Current Year: 0.20 x E3	(16,585,404)	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077	(56,607,693)
F2. First Prior Year	(8,986,699)	(16,585,404)	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077
F3. Second Prior Year	(2,494,602)	(8,986,699)	(16,585,404)	11,428,708	1,319,258	(6,865,141)	4,573,141
F4. Third Prior Year	9,908,385	(2,494,602)	(8,986,699)	(16,585,404)	11,428,708	1,319,258	(6,865,141)
F5. Fourth Prior Year	5,926,320	9,908,387	(2,494,604)	(8,986,698)	(16,585,406)	11,428,710	1,319,258
F6. Total Recognized Investment Gain	(12,232,000)	(6,729,610)	(15,318,741)	(19,689,277)	(6,129,440)	11,562,045	(56,474,358)
G. Funding Value End of Year: A + D + E2 + F6	515,600,263	553,057,228	601,798,909	653,546,976	724,746,827	827,546,002	878,025,634
120% Corridor							788,633,082
80% Corridor							525,755,388
Funding Value End of Year:							788,633,082
H. Difference between Market & Funding Value	(88,382,533)	(24,509,381)	(2,594,350)	(17,230,779)	11,764,365	5,732,707	(131,438,847)
I. Recognized Rate of Return	5.48%	6.70%	5.28%	4.79%	7.08%	9.56%	(9.22%)
J. Market Rate of Return	(9.43%)	22.98%	9.59%	2.41%	11.74%	8.61%	(25.24%)
K. Ratio of Funding Value to Market Value	120.69%	104.64%	100.43%	102.71%	98.40%	99.31%	120.00%

LOPFI
Reported Accrued Assets Available for Benefits (Market Value)
December 31, 2008

<u>Group Type</u>	<u>No. #</u>	<u>Employer Accumulation Account</u>	<u>Members' Deposit Account</u>	<u>Retirement Reserve Account &</u>	<u>Total @</u>
LOPFI Staff	1	\$ 354,105	\$ -	\$ -	\$ 354,105
Paid Police W/SS	163	56,005,647	447,170	-	56,452,817
Paid Police W/O SS	14	125,645,645	44,767,263	-	170,412,908
Paid Fire W/SS	20	2,979,639	540,185	-	3,519,824
Paid Fire W/O SS	60	177,511,053	61,732,347	-	239,243,400
Subtotal	257	362,141,985	107,486,965	-	469,628,950
Volunteer Police	42	(811)	-	-	(811)
Volunteer Fire	415	11,741,444	-	-	11,741,444
Subtotal	457	11,740,633	-	-	11,740,633
Retirants and Beneficiaries	-	-	-	122,609,297	122,609,297
Total	715	\$ 374,236,722	\$ 107,486,965	\$ 122,609,297	\$ 604,332,984

The Employer Accumulation Account represents employer contributions accumulated for the payment of annuities.

The Members' Deposit Account represents employee contributions for (1) monthly annuities upon future retirements and (2) refunds upon termination if a monthly annuity is not payable.

The Retirement Reserve Account represents employer and employee contributions accumulated for monthly annuities being paid to present retired lives.

Number of employers with active participants as of December 31, 2008. Totals include accounts for employers with no active participants as of December 31, 2008.

@ Does not include assets of \$52,861,251 invested by LOPFI on behalf of Relief and Pension Funds under LOPFI administration.

& Includes DROP Reserve Account.

LOPFI
Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate
Excluding Pension and Relief Funds Under LOPFI Administration

Paid Participants

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/ Liabilities*	Average Contribution Rate
12/31/86	97	919	\$ 5,521,949	\$ 6,020,364	109 %	- %
12/31/87	108	1,118	9,590,384	9,728,697	101	-
12/31/88	118	1,356	14,771,508	14,870,110	101	-
12/31/89	118	1,501	19,316,282	20,102,433	104	-
12/31/90	127	1,739	25,598,294	26,638,818	104	-
12/31/91 #	138	2,007	28,374,656	36,516,135	129	-
12/31/92	142	2,224	37,077,482	47,889,617	129	-
12/31/93 @	156	2,477	46,556,168	66,541,016	143	10.82
12/31/94	168	2,807	59,089,005	78,271,672	132	11.46
12/31/95	181	3,194	72,577,171	97,412,994	134	11.36
12/31/96 #+	188	3,472	93,046,084	123,339,438	133	10.88
12/31/97	202	3,715	111,523,686	153,499,754	138	10.55
12/31/98	208	3,998	126,526,059	189,595,998	150	9.39
12/31/98 #+	208	3,998	147,606,801	189,595,998	128	11.35
12/31/99	215	4,301	174,627,344	238,203,534	136	10.41
12/31/00	228	4,493	205,214,829	292,881,609	143	9.78
12/31/00 +	228	4,493	218,238,282	292,881,609	134	11.51
12/31/01 #	230	4,573	199,231,298	339,296,397	170	7.15
12/31/02	236	4,720	245,303,677	367,122,230	150	7.43
12/31/02 +	236	4,720	291,184,122	367,122,230	126	10.38
12/31/03	233	4,849	345,943,167	399,726,460	116	11.11
12/31/03 #	233	4,849	370,735,495	399,726,460	108	11.09
12/31/04	236	4,966	424,472,076	429,104,830	101	11.78
12/31/04 +	236	4,966	470,078,530	429,104,830	91	14.82
12/31/2005	236	5,115	526,635,441	483,789,282	92	15.04
12/31/2006	247	5,328	603,842,363	555,752,156	92	15.11
12/31/07	261	5,603	699,800,039	644,631,782	92	15.16
12/31/08	258	5,640	782,983,272	662,380,764	85	16.89
12/31/08 #	258	5,640	778,564,048	662,380,764	85	15.09
12/31/08 #+	258	5,640	825,417,767	662,380,764	80	15.30

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reason-ability.

After changes in actuarial valuation assumptions.

@ Valuation assets based on smoothed-market value beginning December 31, 1993 (cost basis prior to this date).

+ After legislated benefit increases and board policy changes

LOPFI
Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate
Excluding Pension and Relief Funds Under LOPFI Administration (Continued)

Volunteer Participants

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/Liabilities*	Average Contribution Rate
12/31/86	187	1,022	\$ 217,472	\$ 242,378	111 %	\$ -
12/31/87	205	1,246	403,829	409,235	101	-
12/31/88	210	1,424	641,693	727,887	113	-
12/31/89	219	1,626	690,838	743,023	108	-
12/31/90	219	1,824	1,242,840	974,615	78	-
12/31/91 #	228	2,007	1,363,736	1,419,691	104	-
12/31/92	236	2,172	1,697,104	1,691,725	100	-
12/31/93 @	241	2,375	2,125,680	2,306,668	109	9.48
12/31/94	247	2,462	2,604,592	2,712,264	104	10.31
12/31/95	246	2,693	3,122,936	3,321,253	106	10.32
12/31/96 #+	252	2,905	4,202,938	4,143,074	99	13.63
12/31/97	258	3,077	5,079,848	5,049,479	99	14.36
12/31/98	256	3,183	5,641,387	6,172,383	109	13.30
12/31/98 #+	256	3,183	6,339,040	6,172,383	97	14.71
12/31/99	261	3,407	7,421,534	7,804,389	105	14.05
12/31/00	262	3,490	8,178,580	9,638,082	118	13.43
12/31/00 +	262	3,490	8,554,865	9,638,082	113	14.76
12/31/01 #	265	3,601	8,814,220	10,923,088	124	14.13
12/31/02	280	3,858	11,567,315	11,956,886	103	15.79
12/31/02 +	280	3,858	14,587,662	11,956,886	82	24.02
12/31/03	290	4,088	18,769,761	13,069,692	70	27.93
12/31/03 #	290	4,088	19,207,277	13,069,692	68	27.46
12/31/04	306	4,406	22,136,019	13,673,013	62	30.72
12/31/2005	325	4,650	26,240,543	16,517,560	63	32.30
12/31/2006	341	4,905	30,139,607	18,430,385	61	33.91
12/31/07	461	6,620	42,720,023	22,236,583	52	39.15
12/31/08	457	6,603	45,182,414	17,508,921	39	44.70
12/31/08 #	457	6,603	47,019,246	17,508,921	37	46.14

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reason-ability.

After changes in actuarial valuation assumptions.

@ Valuation assets based on smoothed-market value beginning December 31, 1993 (cost basis prior to this date).

+ After legislated benefit increases and board policy changes

LOPFI

**Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate
Excluding Pension and Relief Funds Under LOPFI Administration (Continued)**

Retirees and Beneficiaries

Valuation Date	Valuation Groups	Active Members	Actuarial		Valuation Assets	Assets/ Liabilities*
			Accrued Liabilities	Valuation Assets		
12/31/89	-	-	\$ 519,000	\$	503,427	97 %
12/31/90	-	-	995,966		966,600	97
12/31/91	-	-	1,721,400		1,691,501	98
12/31/91 #	-	-	1,516,885		1,691,501	112
12/31/92	-	-	1,864,953		2,477,618	133
12/31/93	-	-	2,780,124		3,495,960	126
12/31/94	-	-	3,211,812		3,898,615	121
12/31/95	-	-	4,481,762		5,331,275	119
12/31/96 +	-	-	5,828,171		6,714,604	115
12/31/97	-	-	8,108,160		8,810,636	109
12/31/98	-	-	10,027,020		10,962,655	109
12/31/99	-	-	13,364,856		14,462,943	108
12/31/00	-	-	16,360,731		16,943,763	104
12/31/01 #	-	-	19,316,724		19,853,584	103
12/31/02	-	-	27,417,828		27,629,725	101
12/31/02 +	-	-	28,897,704		27,629,725	96
12/31/03	-	-	40,352,228		39,864,734	99
12/31/03 #	-	-	38,810,117		39,864,734	103
12/31/04	-	-	48,878,672		48,455,552	99
12/31/2005	-	-	65,530,656		65,115,240	99
12/31/2006	-	-	79,179,485		80,827,514	102
12/31/07	-	-	95,286,950		100,568,257	106
12/31/08	-	-	122,445,893		120,213,479	98
12/31/08 #	-	-	122,445,893		122,445,893	100

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reason-ability.

After changes in actuarial valuation assumptions.

@ Valuation assets based on smoothed-market value beginning December 31, 1993 (cost basis prior to this date).

+ After legislated benefit increases and board policy changes

LOPFI
Summary of Valuation Assets, Actuarial Accrued Liabilities and Average Contribution Rate
Excluding Pension and Relief Funds Under LOPFI Administration (Concluded)

TOTAL PLAN

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/ Liabilities*
12/31/89	337	3,127	\$ 20,526,120	\$ 21,348,883	104 %
12/31/90	346	3,563	27,837,100	28,580,033	103
12/31/91 #	366	4,014	31,255,277	39,627,327	127
12/31/92	378	4,396	40,639,539	52,058,960	128
12/31/93 @	397	4,852	51,461,972	72,343,644	141
12/31/94	415	5,269	64,905,409	84,882,551	131
12/31/95	427	5,887	80,181,869	106,065,522	132
12/31/96 #+	440	6,377	103,077,193	134,197,116	130
12/31/97	460	6,792	124,711,694	167,359,869	134
12/31/98	464	7,181	142,194,466	206,731,036	145
12/31/98 #+	464	7,181	163,972,861	206,731,036	126
12/31/99	476	7,708	195,413,734	260,470,866	133
12/31/00	490	7,983	229,754,140	319,463,454	139
12/31/00 +	490	7,983	243,153,878	319,463,454	131
12/31/01 #	495	8,174	227,362,242	370,073,069	163
12/31/02	516	8,578	284,288,820	406,708,841	143
12/31/02 +	516	8,578	334,669,488	406,708,841	122
12/31/03	523	8,937	405,065,156	452,660,886	112
12/31/03 #	523	8,937	428,752,889	452,660,886	106
12/31/04	542	9,372	495,486,767	491,233,395	99
12/31/04 +	542	9,372	541,093,221	491,233,395	91
12/31/2005	561	9,765	618,406,640	565,422,082	91
12/31/2006	588	10,233	713,161,455	655,010,055	92
12/31/07	722	12,223	837,807,012	767,436,622	92
12/31/08	715	12,243	950,611,579	800,103,164	84
12/31/08 #	715	12,243	946,192,355	802,335,578	85
12/31/08 #+	715	12,243	994,882,906	802,335,578	81

* If this ratio approximates 100%, it indicates that financial activity is operating within an expected range of reason-ableness.

After changes in actuarial valuation assumptions.

@ Valuation assets based on smoothed-market value beginning December 31, 1993 (cost basis prior to this date).

+ After legislated benefit increases and board policy changes

**Short Condition Test
Comparative Statement**

LOPFI Paid Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
1998	\$ 28,229,899	\$ 10,027,020	\$ 98,296,160	\$ 200,198,930	100	100	165
1999	33,169,622	12,909,768	141,457,722	247,098,752	100	100	142
2000	38,648,453	17,159,916	179,589,829	309,386,866	100	100	141
2001	42,169,151	18,706,212	157,062,147	358,552,550	100	100	190
2002 *	52,884,501	28,132,104	238,299,621	394,018,928	100	100	131
2003 +	60,644,400	37,589,290	310,091,095	438,411,941	100	100	110
2004 *	67,066,543	46,771,629	403,011,987	475,622,588	100	100	90
2005 *	78,117,772	62,901,548	448,517,669	546,315,508	100	100	90
2006	87,986,534	76,104,654	522,751,383	633,759,848	100	100	90
2007	95,667,812	90,980,880	675,497,118	740,968,085	100	100	92
2008	107,486,154	116,390,986	675,497,118	778,148,309	100	100	82
2008 +	107,486,154	116,390,986	671,077,894	778,148,309	100	100	83
2008 +*	107,486,154	116,390,986	717,931,676	778,148,309	100	100	77

Local Paid Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
1999	\$ 4,615,167	\$ 108,288,576	\$ 53,678,292	\$ 105,586,494	100	93	-
2000	4,163,798	126,783,114	54,516,455	105,186,843	100	80	-
2001	4,682,058	125,820,973	54,734,475	110,983,891	100	84	-
2002 *	5,184,816	135,985,913	59,683,011	108,424,415	100	76	-
2003 +	5,239,318	176,372,120	12,200,655	99,627,902	100	54	-
2004	5,618,009	166,420,994	36,722,211	107,970,936	100	62	-
2005	5,785,163	188,485,578	24,147,182	85,936,612	100	43	-
2006	5,894,420	194,874,926	6,274,855	67,629,449	100	32	-
2007	6,087,324	201,530,961	927,380	58,271,540	100	26	-
2008	4,586,196	189,690,459	725,693	(14,784,011)	-	-	-
2008 +	4,586,196	189,690,459	725,693	(14,784,011)	-	-	-

LOPFI Volunteer Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
1999	\$ -	\$ 455,088	\$ 7,421,534	\$ 8,232,117	-	100	105
2000	-	495,360	8,554,865	10,076,713	-	100	112
2001	-	610,512	8,814,220	11,520,519	-	100	124
2002 *	-	765,612	12,138,097	12,689,913	-	100	98
2003 +	-	1,220,827	19,207,277	14,248,945	-	100	68
2004	-	2,107,043	22,136,019	15,610,807	-	100	61
2005	-	2,629,108	26,240,543	19,106,574	-	100	63
2006	-	3,074,831	30,139,607	21,250,207	-	100	60
2007	-	4,306,070	42,720,023	26,468,537	-	100	52
2008	-	6,054,907	45,182,414	24,187,269	-	100	40
2008 +	-	6,054,907	47,019,246	24,187,269	-	100	39

Local Volunteer Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets	(1)	(2)	(3)
	(1)	(2)	(3)				
1999	\$ 1,492	\$ 1,053,780	\$ 201,268	\$ 196,095	100	18	-
2000	1,162	1,182,504	392,143	471,780	100	40	-
2001	834	1,185,540	390,975	374,993	100	32	-
2002 *	-	1,299,876	159,624	467,007	100	36	-
2003 +	998	2,097,817	357,827	768,440	100	37	-
2004	345	3,743,244	406,261	2,594,578	100	69	-
2005	1,966	5,951,007	149,448	2,188,282	100	37	-
2006	2,739	7,312,004	296,260	2,107,323	100	29	-
2007	2,194	8,036,483	208,366	1,837,840	100	23	-
2008	2,279	10,495,474	132,593	1,081,515	100	10	-
2008 +	2,279	10,495,474	132,593	1,081,515	100	10	-

* After legislated benefit increases for LOPFI members
+ After changes in actuarial assumptions

***Derivation of Actuarial Gain (Loss)
Year Ended December 31, 2008
(LOPFI and Local Plans Combined)***

(1)	UAAL* at start of year	\$	227,053,718
(2)	Employer normal cost from last valuation		32,782,709
(3)	Actual employer contributions		49,518,628
(4)	Interest accrual: (1) x .08 + [(2)-(3)] x (.08/2)		17,494,861
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)		227,812,660
(6)	Change from benefit changes*		46,887,970
(7)	Change from revised actuarial assumptions		2,186,090.00
(8)	Expected UAAL after changes		276,886,720
(9)	Actual UAAL at end of year		411,882,581
(10)	Gain (loss) (8) - (9)		(134,995,861)
(11)	Gain (loss) as percent of actuarial accrued liabilities at start of year	\$1,054,599,720	(12.8)%

Valuation Date December 31	Actuarial Gain (Loss) as a Percentage of Beginning Accrued Liabilities
2002	(5.2) %
2003	(1.5)
2004	(5.3)
2005	(3.5)
2006	(0.2)
2007	0.3
2008	(12.8)

**Includes unfunded liability associated with Local Pension Funds added during year.*

**Arkansas LOcal Police and Fire Retirement System
Brief Summary as of December 31, 2008 of LOPFI Coverage for
*PAID SERVICE***

**Benefits and Conditions Evaluated and/or Considered
(Section references are to Arkansas Code of 1987, including
amendments from 2009 General Assembly Session)**

Voluntary Retirement. Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years of credited service, and (ii) attaining his normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

Compulsory Retirement. Section 24-10-605. Established by each employer.

Paid Service. Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2008 was \$1,198.

Volunteer Service. Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

Final Average Pay. Section 24-10-102(16)(A). The average of a member's monthly pay during the period of 36 consecutive months of credited Paid Service producing the highest monthly average, which period is contained within the 120 consecutive months of credited Paid Service immediately preceding retirement. Not applicable to Volunteer Service.

Age & Service Annuity. Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

A. ***Paid Service Not Covered by Social Security.*** For each year of such service, 2.94% of the member's final average pay.

B. ***Paid Service Also Covered by Social Security.*** For each year of such service, 1.94% of the member's final average pay. In addition, there is a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.

C. At time of retirement, the total of A plus B cannot exceed 100% of final average pay.

Early Annuity. Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50 or (iii) after completing 25 years of credited paid service. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his service and pay record to time of early retirement, but reduced to reflect the fact that his age when payments begin is younger than his normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his age at early retirement is younger than his normal retirement age (age 55 for members with 25 years of credited paid service).

Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his early retirement age, and (ii) after completing 5 years of credited service, he becomes eligible for a vested termination annuity; provided he lives to his normal retirement age and does not withdraw his accumulated contributions. The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service and pay record to time of leaving LOPFI coverage. However, final average pay is increased by one-half of any increase in the inflation index for the period from termination of employment to beginning of annuity payments.

Non-Duty Disability Annuity. Section 24-10-607(a)(1)(A). A member with 5 or more years of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability.

Duty Disability Annuity. Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability. The minimum annuity payable is 65% of the member's final average pay.

Non-Duty Death-in-Service. Paid Member. Section 24-10-608(a)(1). Upon the death, from other than duty-connected causes, of a Paid Service member who had completed 5 years of paid service, his eligible surviving dependents receive the following benefits:

(a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service (and pay) record to time of death. Minimum of 20% of member's final average pay, or \$125 monthly if greater.

(b) While a spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 10% of member's final average pay, or \$25 monthly if greater. The totals for 4 or more children cannot exceed 30% of final average pay, or \$125 monthly if greater.

(c) While no spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 20% of member's final average pay, or \$25 monthly if greater. The total for 3 or more children cannot exceed 50% of final average pay, or \$125 monthly if greater.

(d) If there is neither spouse nor child at time of member's death, each dependent parent receives 20% of final average pay.

Duty Death-in-Service. Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at time of death is less than 25 years, credited service is increased to 25 years.

Benefit Changes After Retirement. Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

Member Contributions. Sections 24-10-404 and 24-10-613. Each member contributes 8.5% of his covered pay if his covered employment is resulting in Paid Service credit and is not covered by Social Security. For other covered employment conditions, each member contributes 2.5% of his covered pay. If a member leaves LOPFI-covered employment before an annuity is payable on his behalf, the member may choose to have his accumulated contributions refunded to him. If he dies, his accumulated contributions are refunded to his designated beneficiary.

Employer Contributions. Section 24-10-405. Each employer contributes the remainder amounts necessary to finance his employees' participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

DROP (Deferred Retirement Option Plan). Sections 24-10-701 through 24-10-708. Paid service members who have attained age 55 with at least 20 years of service or members with at least 28 years of service may participate. A participant with 28 years of service will receive 75% of his accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). A participant with less than 28 years of service will receive 72% of his accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). Employer and employee contributions continue and are used to finance System benefits (i.e., they are not deposited to the participant's DROP account). For additional details please refer to Arkansas Code, Title 24, Chapter 10, Subchapter 7.

LOPFI
Illustrations of Normal Benefit Amounts
for Sample Combinations of Service & Pay

***FOR PAID SERVICE WHICH IS NOT COVERED BY
SOCIAL SECURITY***

**(The Applicable Benefit Program is Years of Paid Service
times 2.94% of FAP ⁽¹⁾)**

Final Average Pay (FAP) ⁽¹⁾	LOPFI BENEFIT ⁽²⁾	
	\$	% of FAP
<u>32 Years of Service</u> ⁽³⁾		
1,800	\$ 1,693	94%
2,200	2,070	94%
2,600	2,446	94%
3,000	2,822	94%
3,400	3,199	94%
<u>28 Years of Service</u> ⁽³⁾		
1,800	\$ 1,482	82%
2,200	1,811	82%
2,600	2,140	82%
3,000	2,470	82%
3,400	2,799	82%
<u>20 Years of Service</u> ⁽³⁾		
1,800	\$ 1,058	59%
2,200	1,294	59%
2,600	1,529	59%
3,000	1,764	59%
3,400	1,999	59%

(1) "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within his last 120 months of paid service.

(2) Amounts are shown to nearest dollar, for simplicity; actual amounts are to nearest cent.

(3) With 28 or more years of service the employee is eligible for normal retirement. With 20 or more years of service the employee is eligible for normal retirement at age 55. With fewer than 20 years, the eligibility age is 60.

LOPFI
Illustrations of Normal Benefit Amounts
for Sample Combinations of Service & Pay

FOR PAID SERVICE WHICH IS COVERED BY SOCIAL SECURITY

(The Applicable Benefit Program is Years of Paid Service times: 1.94% of FAP ⁽¹⁾ for life, plus 1.0% of FAP ⁽¹⁾ temporary to full Social Security retirement age)

Final Average Pay (FAP) ⁽¹⁾	LOPFI Benefit ⁽³⁾		Estimated Social Security ⁽²⁾	Estimated Monthly Total		Percent of FAP	
	To SSRA	At SSRA		To SSRA	At SSRA	To SSRA	At SSRA
<u>32 Years of Service</u> ⁽⁴⁾							
\$1,800	\$ 1,693	\$ 1,117	\$ 937	\$ 1,693	\$ 2,054	94%	114%
2,200	2,070	1,366	1,050	2,070	2,416	94%	110%
2,600	2,446	1,614	1,162	2,446	2,776	94%	107%
3,000	2,822	1,862	1,275	2,822	3,137	94%	105%
3,400	3,199	2,111	1,387	3,199	3,498	94%	103%
<u>28 Years of Service</u> ⁽⁴⁾							
\$1,800	\$ 1,482	\$ 978	\$ 937	\$ 1,482	\$ 1,915	82%	106%
2,200	1,811	1,195	1,050	1,811	2,245	82%	102%
2,600	2,140	1,412	1,162	2,140	2,574	82%	99%
3,000	2,470	1,630	1,275	2,470	2,905	82%	97%
3,400	2,799	1,847	1,387	2,799	3,234	82%	95%
<u>20 Years of Service</u> ⁽⁴⁾							
\$1,800	\$ 1,058	\$ 698	\$ 937	\$ 1,058	\$ 1,635	59%	91%
2,200	1,294	854	1,050	1,294	1,904	59%	87%
2,600	1,529	1,009	1,162	1,529	2,171	59%	83%
3,000	1,764	1,164	1,275	1,764	2,439	59%	81%
3,400	1,999	1,319	1,387	1,999	2,706	59%	80%

- (1) "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within his last 120 months of paid service.
- (2) "Estimated Social Security" means, for an employee covered by Social Security, an employee's estimated OASDI retirement benefit is based upon an estimated "average indexed monthly earnings" for an employee retiring at normal Social Security retirement age (SSRA) in 2009. It does not include any amounts which might be payable to an eligible spouse or children. Note that a member may draw a reduced Social Security benefit as early as age 62.
- (3) Amounts are shown to nearest dollar, for simplicity; actual amounts are to nearest cent.
- (4) With 28 or more years of service the employee is eligible for normal retirement. With 20 or more years of service the employee is eligible for normal retirement at age 55. With fewer than 20 years, the eligibility age is 60.

Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2008 of LOPFI Coverage for
BENEFIT PROGRAM 2 PAID SERVICE
Benefits and Conditions Evaluated and/or Considered
(Section references are to Arkansas Code of 1987, including
amendments from 2009 General Assembly Session)

The provisions for Benefit Program 2 employers are the same as those for Benefit Program 1 employers with the following exception:

Age & Service Annuity. Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

A. Paid Service Not Covered by Social Security.

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 2.94% of the member's final average pay.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 3.28% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

B. Paid Service Also Covered by Social Security.

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 1.94% of the member's final average pay, plus a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 2.94% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

**Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2008
of LOPFI Coverage for *VOLUNTEER SERVICE*
Benefits and Conditions Evaluated and/or Considered
(Section references are to Arkansas Code of 1987, including
amendments from 2009 General Assembly Session)**

Voluntary Retirement. Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years of credited service, and (ii) attaining his normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

Compulsory Retirement. Section 24-10-605. Established by each employer.

Paid Service. Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2008 was \$1,198.

Volunteer Service. Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

Age & Service Annuity. Section 24-10-102(16)(A). The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

Volunteer Service. For each year of Volunteer Service, \$5.00 monthly, to a maximum of \$200 monthly. Beginning in 2003, each July 1 these amounts are indexed for inflation, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2008 valuations was \$5.72 monthly.

Early Annuity. Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his service record to time of early retirement, but reduced to reflect the fact that his age when payments begin is younger than his normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his age at early retirement is younger than his normal retirement age.

Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his early retirement age, and (ii) after completing 5 years of credited service, he becomes eligible for a vested termination annuity; provided he lives to his normal retirement age (and does not withdraw any accumulated contributions). The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service record to time of leaving LOPFI coverage.

Non-Duty Disability Annuity. Section 24-10-607(a)(1)(A). A member with 5 or more years of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his service record to time of disability.

Duty Disability Annuity. Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability. If the member had less than 25 years of service at time of disability, credited service is increased to 25 years.

Non-Duty Death-in-Service. Volunteer Member. Section 24-10-609. Upon the death, from other than duty-connected causes, of a Volunteer member who had completed 5 years of volunteer service, or who was eligible for normal retirement, his eligible surviving dependents receive the following benefits:

(a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service record to time of death.

(b) Each dependent child under age 18 (age 23 if full time student) receives \$15 monthly. The totals for 3 or more children cannot exceed \$40 monthly.

Duty Death-in-Service. Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at the time of death is less than 25 years, credited service is increased to 25 years.

Benefit Changes After Retirement. Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

Member Contributions. For Volunteer Service credit, members do not contribute.

Employer Contributions. Section 24-10-405. Each employer contributes the amounts necessary to finance all employees participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

Schedule A-1

Single Life Retirement Values

Based on the RP-2000 Combined Projected to 2007 Table and 8.0% Interest

(first used for the December 31, 2008 valuations)

Sample Ages	Value at Retirement: \$1.00 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
45	\$140.07	\$143.93	34.35	38.75
50	134.09	139.28	29.63	33.96
55	126.07	132.94	25.03	29.25
60	115.95	124.73	20.64	24.71
65	103.99	114.73	16.60	20.44
70	90.27	103.12	12.94	16.52
75	74.95	89.98	9.69	13.00
80	59.25	75.48	6.97	9.87

Sample Attained Ages	Benefit Increasing 3% Yearly	Portion of Age 55 Lives Still Alive Men	Sample Attained Ages
55	\$100	100%	55
60	116	96	60
65	134	89	65
70	156	79	70
75	181	64	75
80	209	45	80

Schedule A-2

Probabilities of Disability Retirement

Sample Ages	% of Active Members Becoming Disabled Within Next Year			
	Police		Fire	
	Non-Duty	Duty	Non-Duty	Duty
20	0.07%	0.07%	0.01%	0.07%
25	0.07	0.07	0.05	0.07
30	0.10	0.10	0.05	0.10
35	0.13	0.13	0.06	0.13
40	0.20	0.20	0.09	0.20
45	0.31	0.31	0.14	0.31
50	0.52	0.52	0.24	0.52
55	0.91	0.91	0.44	0.91
60	1.36	1.36	0.69	1.36

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire
(first used for December 31, 2004 valuations)

PAID FIREMEN

Retirement Ages	Percents of Active Members Retiring within Next Year		Service	Percents of Active Members Retiring within Next Year
	Early	Normal		
50	2 %			
51	2			
52	2			
53	2			
54	2			
55		25 %	28	25 %
56		25	29	25
57		15	30	25
58		15	31	25
59		15	32	35
60		30	33	40
61		10	34	100
62		30		
63		15		
64		15		
65		100		

A member was assumed eligible for retirement after attaining age 55 with 20 years of service or age 60 with 5 years of service or any age with 28 or more years of service. A member was assumed to retire with 100% probability at 34 or more years of service credit.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service.

The probabilities of retirement shown above represent ultimate termination of employment (whether or not the member participates in the DROP).

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire (Continued)
(first used for December 31, 2004 valuations)

PAID POLICEMEN

Retirement Ages	Percents of Active Members Retiring within Next Year		Service	Percents of Active Members Retiring within Next Year
	Early	Normal		
50	2 %			
51	2			
52	2			
53	2			
54	2			
55		25 %	28	25 %
56		25	29	25
57		25	30	25
58		20	31	25
59		20	32	35
60		60	33	40
61		15	34	100
62		30		
63		15		
64		15		
65		100		

A member was assumed eligible for retirement after attaining age 55 with 20 years of service or age 60 with 5 years of service or any age with 28 or more years of service. A member was assumed to retire with 100% probability at 34 or more years of service credit.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service.

The probabilities of retirement shown above represent ultimate termination of employment (whether or not the member participates in the DROP).

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire (Concluded)
(first used for December 31, 2003 valuations)

VOLUNTEER MEMBERS

Retirement Ages	Percents of Active Members Retiring within Next Year		
	Early	Normal	
		Fire	Police
48		20 %	20 %
49		20	20
50	2 %	20	20
51	2	20	20
52	2	20	20
53	2	20	20
54	2	20	20
55		20	20
56		20	20
57		10	20
58		10	15
59		10	15
60		30	60
61		10	15
62		30	30
63		15	15
64		15	15
65		40	40
66		50	50
67		60	60
68		70	70
69		80	80
70		100	100

A member was assumed to be eligible for retirement after 28 years of service, attaining age 55 with 20 years of service, or age 60 with 5 years of service.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service.

Schedule A-4

Rates of Separation (excluding deaths and disability)

From Active Employment Before Retirement

(first used for the December 31, 2008 valuations)

Sample Ages	Years of Service	% of Active Paid Service Members Separating Within Next Year	
		Police	Fire
ALL	0	20.00%	10.00%
	1	18.00	9.00
	2	15.00	8.00
	3	13.00	7.00
	4	11.00	6.00
25	5 & Over	9.63	4.40
30		8.10	3.80
35		6.21	3.10
40		4.95	2.50
45		3.96	1.80
50		3.15	1.00
55		0.90	0.50
60		0.00	0.00

Schedule A-4 (concluded)

Rates of Separation (excluding deaths and disability)

From Active Employment Before Retirement

(first used for the December 31, 2008 valuations)

Sample Ages	Years of Service	% of Active Volunteer Service Members Separating Within Next Year
ALL	0	23.00%
	1	21.00
	2	19.00
	3	17.00
	4	15.00
25	5 & Over	11.55
30		10.22
35		9.33
40		8.82
45		8.35
50		6.49
55		4.60
60		3.88

Schedule A-5

Pay Increase Assumptions For an Individual Member
(first used for the December 31, 2008 valuations)

Sample Ages	Present Pay Resulting in Pay of \$1,000 at Age 60	Pay Increase Assumptions For an Individual Member		
		Merit and Seniority	Base (Economic)	Increase Next Year
20	\$ 84	6.0%	4.0%	10.0%
25	128	5.1	4.0	9.1
30	187	3.2	4.0	7.2
35	264	1.9	4.0	5.9
40	363	1.2	4.0	5.2
45	487	0.9	4.0	4.9
50	635	0.6	4.0	4.6
55	806	0.4	4.0	4.4
60	1,000	0.3	4.0	4.3

Service related salary increases are assumed to occur during the first five years of employment. The first increase is 3.0% in addition to the age related pay increases shown above. In the following years the increases are 2.5%, 2.0%, 1.5% and 1.0%.

**Combined Results for Local Plans under
LOPFI Administration
December 31, 2008
Paid**

Political Subdivision	LOPFI Members		Actuarial Liability		Valuation Assets		Total	Unfunded Actuarial Liability	Normal Cost	Amortization Payment	Total Employer Rate
	Members	\$	Closed Plan	\$	Closed Plan	\$					
Bald Knob Police	265,475	\$ -	-	\$ -	333,579	\$ (4,739)	\$ 328,840	\$ (63,365)	12.47%	(3.43%)	9.04%
Bella Vista Fire	4,940,569	-	-	4,940,569	3,095,975	(2,024,521)	1,071,454	3,869,115	13.27%	14.72%	27.99%
Blytheville Police	4,217,011	-	-	4,217,011	4,811,809	(722,334)	4,089,475	127,536	11.80%	0.47%	12.27%
Cabot Police	3,216,183	-	-	3,216,183	2,069,275	1,608,749	3,678,024	(461,841)	12.10%	(6.02%)	6.08%
Clarendon Police	199,582	-	-	199,582	200,145	(55,996)	144,149	55,433	12.34%	4.54%	16.88%
El Dorado Police	5,762,253	-	-	5,762,253	9,893,421	(8,723,872)	1,169,549	4,592,704	9.95%	25.41%	35.36%
El Dorado Fire	9,329,058	-	-	9,329,058	11,015,880	(13,438,130)	(2,422,250)	11,751,308	13.14%	34.65%	47.79%
Forrest City Police	2,456,476	-	-	2,456,476	2,457,184	(3,882,640)	(1,425,456)	3,881,932	12.72%	18.81%	31.53%
Fort Smith Police	27,638,811	-	-	27,638,811	28,028,232	(21,820,553)	6,207,679	21,431,132	11.10%	16.65%	27.75%
Fort Smith Fire	25,238,443	-	-	25,238,443	22,453,784	(21,407,441)	1,046,343	24,192,100	14.95%	22.02%	36.97%
Helena - West Helena Fire	3,798,244	-	-	3,798,244	3,358,609	-	3,358,609	439,635	13.08%	2.24%	15.32%
Hot Springs Police	15,774,530	-	-	15,774,530	14,232,311	(21,037,358)	(6,805,047)	22,579,577	11.75%	25.59%	37.34%
Hot Springs Village Fire	17,212,802	-	-	17,212,802	17,300,780	(30,139,907)	(12,839,127)	30,051,929	15.03%	40.98%	56.01%
Hot Springs Village Fire	2,918,210	-	-	2,918,210	2,006,251	(961,180)	1,045,071	1,873,139	15.82%	12.86%	28.68%
Hoxie Fire	26,213	-	-	26,213	48,845	(38,333)	10,512	15,701	13.20%	13.16%	26.36%
Jonesboro Fire	18,641,060	369,633	-	19,010,693	15,682,028	(15,030,149)	651,879	18,358,814	12.73%	23.83%	36.56%
Lonoke Police	692,003	-	-	692,003	693,897	(150,743)	543,154	148,849	13.95%	2.46%	16.41%
Lowell Police	1,120,545	-	-	1,120,545	1,195,552	(352,139)	843,413	277,132	11.77%	2.97%	14.74%
Lowell Fire	924,053	(72,311)	-	851,742	698,157	(958,833)	(260,676)	1,112,418	13.68%	20.48%	34.16%
Magnolia Police	1,637,376	220,080	-	1,857,456	1,261,595	(136,421)	1,125,174	732,282	12.00%	6.44%	18.44%
Malvern Police	1,540,613	-	-	1,540,613	1,117,663	(4,702,980)	(3,585,317)	5,125,930	11.76%	64.64%	76.40%
McCory Police	599,738	-	-	599,738	415,431	(103,640)	311,791	287,947	13.70%	10.17%	23.87%
McGehee Police	484,662	-	-	484,662	714,005	(193,859)	520,146	(35,484)	13.45%	1.65%	15.10%
Mountain Home Fire	3,502,334	332,951	-	3,835,285	2,535,363	(427,707)	2,107,656	1,727,629	12.97%	10.85%	23.82%
North Little Rock Police	32,373,367	1,833,818	-	34,207,185	33,236,555	(24,956,962)	8,279,593	25,927,592	9.31%	15.30%	24.61%
North Little Rock Fire	26,991,199	2,384,060	-	29,375,259	24,015,931	(17,946,316)	6,069,615	23,305,644	12.27%	18.19%	30.89%
Paragould Paid Police	3,290,041	-	-	3,290,041	2,354,226	(1,457,043)	897,183	2,392,858	12.27%	9.12%	21.39%
Paragould Paid Fire	3,281,054	-	-	3,281,054	2,948,481	(901,400)	2,047,081	1,233,973	13.08%	6.57%	19.65%
Pocahontas Fire	600,328	-	-	600,328	470,131	(865,007)	(394,876)	995,204	12.82%	38.17%	50.99%
Searcy Police	3,093,078	-	-	3,093,078	1,830,956	(2,627,070)	(796,114)	3,889,192	12.50%	16.18%	28.68%
Searcy Fire	4,819,268	-	-	4,819,268	4,277,374	(5,272,119)	(994,745)	5,814,013	13.50%	22.37%	35.87%
Trumann Fire	774,069	-	-	774,069	593,160	(512,706)	80,454	693,615	12.24%	23.30%	35.54%
Van Buren Fire	6,309,975	243,658	-	6,553,633	6,529,136	(2,779,182)	3,749,954	2,803,679	12.54%	9.61%	22.15%
Walnut Ridge Fire	510,467	-	-	510,467	668,018	(508,085)	159,933	350,534	12.73%	9.25%	21.98%
Wynne Fire	854,036	-	-	854,036	553,085	4,647	557,732	296,304	13.30%	7.54%	20.84%

**Combined Results for Local Plans under
LOPFI Administration
December 31, 2008
Volunteer**

Political Subdivision	Actuarial Liability	Valuation Assets	Unfunded Actuarial Accrued Liability	Normal Cost	Amortization Payment*	Total Employer Rate
Alzheimer Vol Fire	-	(54,158)	54,158	\$ -	\$ 28.44	\$ 28.44
Arkansas City Vol Fire	-	(152,328)	152,328	\$ -	\$ 55.40	\$ 55.40
Atkins Vol Fire	-	116,537	(116,537)	\$ -	\$ (31.65)	\$ (31.65)
Bald Knob Vol Fire	-	(94,419)	94,419	\$ -	\$ 32.34	\$ 32.34
Belleville Vol Fire	-	57,826	(57,826)	\$ -	\$ (45.06)	\$ (45.06)
Bella Vista Vol Fire	19,517	(30,372)	49,889	\$ -	\$ 54.43	\$ 54.43
Biscoe Vol Fire	-	(108,685)	108,685	\$ -	\$ 98.81	\$ 98.81
Caldwell Vol Fire	-	(63,843)	63,843	\$ -	\$ 167.63	\$ 167.63
Cammack Village Vol Fire	-	36,004	(36,004)	\$ -	\$ --%**	\$ --%**
Caraway Vol Fire	-	(568,703)	568,703	\$ -	\$ 134.88	\$ 134.88
Cave City Vol Fire	-	(211,825)	211,825	\$ -	\$ 46.22	\$ 46.22
Coal Hill Vol Fire	-	(66,638)	66,638	\$ -	\$ 36.35	\$ 36.35
Cooterneck Vol Fire	-	(224,448)	224,448	\$ -	\$ 94.18	\$ 94.18
Cotter Vol Fire	-	(1,970)	1,970	\$ -	\$ 0.97	\$ 0.97
Danville Vol Fire	-	(626,059)	626,059	\$ -	\$ 179.75	\$ 179.75
Devalls Bluff Vol Fire	-	(114,507)	114,507	\$ -	\$ 56.79	\$ 56.79
Diaz Vol Fire	-	(76,476)	76,476	\$ -	\$ 63.20	\$ 63.20
Dover Vol Fire	-	(21,952)	21,952	\$ -	\$ 9.10	\$ 9.10
Farmington Vol Fire	-	62,062	(62,062)	\$ -	\$ (22.22)	\$ (22.22)
Fisher Vol Fire	-	(37,005)	37,005	\$ -	\$ 10.09	\$ 10.09
Garland Vol Fire	-	19,011	(19,011)	\$ -	\$ (24.96)	\$ (24.96)
Gosnell Vol Fire	-	(69,301)	69,301	\$ -	\$ 15.12	\$ 15.12
Gould Vol Fire	15,149	(62,497)	77,646	\$ -	\$ 50.97	\$ 50.97
Grover Township Vol Fire	-	(97,217)	97,217	\$ -	\$ 40.17	\$ 40.17
Hampton Vol Fire	-	(85,661)	85,661	\$ -	\$ 27.49	\$ 27.49
Hardin Vol Fire	-	7,760	(7,760)	\$ -	\$ (8.73)	\$ (8.73)
Hardy Vol Fire	-	(269,525)	269,525	\$ -	\$ 163.31	\$ 163.31
Hartford Vol Fire	-	(79,899)	79,899	\$ -	\$ 33.02	\$ 33.02
Hermitage Vol Fire	-	(165,632)	165,632	\$ -	\$ 112.94	\$ 112.94
Holly Grove Vol Fire	-	16,084	(16,084)	\$ -	\$ (14.08)	\$ (14.08)
Holiday Island Vol Fire	-	(64,727)	64,727	\$ -	\$ 66.87	\$ 66.87
Hot Springs Village Vol Fire	-	(67,450)	67,450	\$ -	\$ 13.14	\$ 13.14
Hoxie Vol Fire	-	86,972	(86,972)	\$ -	\$ (31.25)	\$ (31.25)
Humphrey Vol Fire	-	18,545	(18,545)	\$ -	\$ (9.13)	\$ (9.13)
Imboden Vol Fire	-	(334,122)	334,122	\$ -	\$ 182.27	\$ 182.27
Jasper Vol Fire	-	(193,411)	193,411	\$ -	\$ 87.92	\$ 87.92
Jonesboro Vol Fire	-	(175,287)	175,287	\$ -	\$ --%**	\$ --%**
Lake City Vol Fire	14,009	35,048	(21,039)	\$ -	\$ (4.59)	\$ (4.59)
Lavaca Vol Fire	-	(33,314)	33,314	\$ -	\$ 15.44	\$ 15.44
Lockesburg Vol Fire	796	9,829	(9,033)	\$ -	\$ (3.39)	\$ (3.39)
Lowell Vol Fire	-	(163,075)	163,075	\$ -	\$ 122.52	\$ 122.52
Magazine Vol Fire	17,319	(134,672)	151,991	\$ -	\$ 41.46	\$ 41.46
Marshall Vol Fire	-	(567,075)	567,075	\$ -	\$ 237.96	\$ 237.96
McNeil Vol Fire	-	34,909	(34,909)	\$ -	\$ (34.37)	\$ (34.37)
Melbourne Vol Fire	-	(330,301)	330,301	\$ -	\$ 120.12	\$ 120.12
Monette Vol Fire	-	(338,621)	338,621	\$ -	\$ 115.45	\$ 115.45
Montrose Vol Fire	-	(13,512)	13,512	\$ -	\$ 15.21	\$ 15.21
Moro Vol Fire	-	(11,149)	11,149	\$ -	\$ 9.76	\$ 9.76
Mountain Home Vol Fire	-	(264,253)	264,253	\$ -	\$ 160.17	\$ 160.17
Mountain View Vol Fire	-	(243,437)	243,437	\$ -	\$ 49.18	\$ 49.18
Murfreesboro Vol. Fire	-	(588,024)	588,024	\$ -	\$ 229.12	\$ 229.12
North Crosett Vol Fire	-	(207,113)	207,113	\$ -	\$ 70.61	\$ 70.61
Paragould Vol Fire	-	(158,923)	158,923	\$ -	\$ 433.47	\$ 433.47
Parkin Vol Fire	-	(230,718)	230,718	\$ -	\$ 62.93	\$ 62.93
Perla Vol Fire	-	(70,676)	70,676	\$ -	\$ 194.70	\$ 194.70
Perryville Vol Fire	-	39,266	(39,266)	\$ -	\$ (23.79)	\$ (23.79)
Plumerville Vol Fire	-	(283,088)	283,088	\$ -	\$ 73.54	\$ 73.54
Pocahontas Vol Fire	-	(179,352)	179,352	\$ -	\$ 94.19	\$ 94.19
Prescott Vol Fire	-	89,086	(89,086)	\$ -	\$ (46.78)	\$ (46.78)
Rison Vol Fire	-	(57,546)	57,546	\$ -	\$ 15.70	\$ 15.70
Searcy Vol Fire	-	(445,540)	445,540	\$ -	\$ 1,215.23	\$ 1,215.23
Shannon Hills FD Vol Fire	-	(69,482)	69,482	\$ -	\$ 34.46	\$ 34.46
St. Francis Vol Fire	-	(78,870)	78,870	\$ -	\$ 47.80	\$ 47.80
Sulphur Springs Vol Fire	-	(31,456)	31,456	\$ -	\$ 28.88	\$ 28.88
Thornton Vol Fire	-	(528,662)	528,662	\$ -	\$ 360.49	\$ 360.49
Tracy Area Vol Fire	-	(66,371)	66,371	\$ -	\$ 34.28	\$ 34.28
Trumann Vol Fire	25,000	36,173	(11,173)	\$ -	\$ (4.69)	\$ (4.69)
Tuckerman Vol Fire	-	(83,297)	83,297	\$ -	\$ 50.49	\$ 50.49
Turrell Vol Fire	-	(39,553)	39,553	\$ -	\$ 155.78	\$ 155.78
Tyronza Vol Fire	-	(216,639)	216,639	\$ -	\$ 73.86	\$ 73.86
Vilonia Vol Fire	-	(1,293)	1,293	\$ -	\$ 0.60	\$ 0.60
Viola Vol Fire	-	(348,898)	348,898	\$ -	\$ 111.96	\$ 111.96
Wabbeska Vol Fire	-	(124,688)	124,688	\$ -	\$ 113.36	\$ 113.36
Waldo Vol Fire	-	(47,882)	47,882	\$ -	\$ 20.83	\$ 20.83
Walunt Ridge Vol Fire	20,413	(294,967)	315,380	\$ -	\$ 156.40	\$ 156.40
Washington Vol Fire	-	(14,320)	14,320	\$ -	\$ 7.10	\$ 7.10
Wheatley Vol Fire	-	40,746	(40,746)	\$ -	\$ (22.93)	\$ (22.93)
Wynne Vol Fire	22,669	370,489	(347,820)	\$ -	\$ (135.53)	\$ (135.53)

**Retirants and Beneficiaries* Added to and Removed From Rolls
Comparative Statement**

LOPFI Paid Service

	Added		Removed		End of Year		% Increase		Average	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	Annual Allowance	% Increase in Allowance
December 31, 2002	35	\$ 522,036	7	\$ 38,207	189	\$ 2,091,092	30.10	\$ 11,064	10.83	
Retirement										
Survivor of active	5	17,142	1	2,101	19	76,004	24.67	4,000	(1.57)	
Survivor of retired	10	66,190	2	18,865	26	138,198	52.08	5,315	5.27	
December 31, 2003	36	917,140	4	41,484	221	2,966,748	41.88	13,424	21.33	
Retirement										
Survivor of active	3	19,266	1		21	95,270	25.35	4,537	13.43	
Survivor of retired	7	32,752			33	170,950	23.70	5,180	(2.54)	
December 31, 2004	59	828,798	5	60,865	275	3,734,681	25.88	13,581	1.17	
Retirement										
Survivor of active	1	5,903	2	12,233	20	88,940	(6.64)	4,447	(1.98)	
Survivor of retired	7	64,551	2	6,931	38	228,570	33.71	6,015	16.12	
December 31, 2005	53	854,578	5	31,250	323	4,558,009	22.05	14,111	3.90	
Retirement										
Survivor of active	13	79,176	4	12,798	29	155,318	74.63	5,356	20.44	
Survivor of retired	3	26,136	1	4,052	40	250,654	9.66	6,266	4.17	
December 31, 2006	83	1,218,719	8	79,942	398	5,696,786	24.98	14,314	1.44	
Retirement										
Survivor of active	32	147,836			61	303,154	95.18	4,970	(7.21)	
Survivor of retired	6	25,590	24	157,930	22	118,314	(52.80)	5,378	(14.17)	
December 31, 2007	120	1,834,311	14	210,138	504	7,320,959	28.51	14,526	1.48	
Retirement										
Survivor of active	12	80,577	5	22,320	68	361,411	19.22	5,315	6.94	
Survivor of retired	3	28,971	3	9,917	22	137,368	16.10	6,244	16.10	
December 31, 2008	120	1,896,855	6	25,908	618	9,191,906	25.56	14,874	2.40	
Retirement										
Survivor of active	7	50,387			75	411,798	13.94	5,491	3.31	
Survivor of retired	1	4,408	2	8,225	21	133,551	(2.78)	6,360	1.86	

* Includes DROP members.

**Retirees and Beneficiaries Added to and Removed From Rolls
Comparative Statement
(Continued)**

LOPFI Volunteer Service

	Added		Removed		End of Year		% Increase		Average	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	Annual Allowance	% Increase in Allowance
December 31, 2002	16	\$ 12,007	2	\$ 323	88	\$ 69,448	20.23	\$ 789	\$ 789	1.02
Survivor of active		36			7	2,019	1.82	288	288	1.77
Survivor of retired		42			4	1,971	2.18	493	493	2.28
December 31, 2003	40	38,124	3	1,324	125	106,248	52.99	850	850	7.73
Survivor of active		60			7	2,079	2.97	297	297	3.13
Survivor of retired	5	2,238			9	4,209	113.55	468	468	(5.07)
December 31, 2004	79	75,481	2	5,966	202	175,763	65.43	870	870	2.35
Survivor of active	4	910			11	2,989	43.77	272	272	(8.42)
Survivor of retired	4	2,331			13	6,540	55.38	503	503	7.48
December 31, 2005	35	33,733	4	3,861	233	205,635	17.00	883	883	1.49
Survivor of active	6	2,453	1	195	16	5,247	75.54	328	328	20.59
Survivor of retired	2	2,199	1	1,020	14	7,719	18.03	551	551	9.54
December 31, 2006	46	52,227	6	5,421	273	252,441	22.76	925	925	4.76
Survivor of active	12	6,173	1	201	27	11,219	113.82	416	416	26.83
Survivor of retired	5	3,111	6	2,862	13	7,968	3.23	613	613	11.25
December 31, 2007	105	108,046	12	10,337	366	350,150	38.71	957	957	3.46
Survivor of active	14	3,896			41	15,115	34.73	369	369	(11.30)
Survivor of retired	7	3,879	1	689	19	11,158	40.04	587	587	(4.24)
December 31, 2008	106	134,401	9	6,415	463	478,136	36.55	1,033	1,033	7.94
Survivor of active	15	4,235	2	452	54	18,898	25.03	350	350	(5.15)
Survivor of retired	6	5,511	1	375	24	16,294	46.03	679	679	15.67

**Retirants and Beneficiaries* Added to and Removed From Rolls
Comparative Statement
(Continued)**

Local Paid Service

	Added			Removed			End of Year			Average		
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	% Increase in Annual Allowance	
December 31, 2002	38	\$ 803,831	21	\$ 285,140	747	\$ 12,688,397	4.26	\$ 16,986	1.89			
Survivor of active	1	2,230			5	43,859	5.36	8,772	(15.71)			
Survivor of retired	16	225,025	8	66,106	174	1,740,880	10.05	10,005	4.98			
December 31, 2003	37	1,059,838	21	311,655	763	13,436,580	5.90	17,610	3.67			
Survivor of active	1	9,817	1	1,500	5	52,176	18.96	10,435	18.96			
Survivor of retired	18	275,181	9	80,017	183	1,936,044	11.21	10,579	5.74			
December 31, 2004	35	719,279	18	204,748	780	13,951,111	3.83	17,886	1.57			
Survivor of active		697			5	52,873	1.34	10,575	1.34			
Survivor of retired	25	285,505	3	20,259	205	2,201,290	13.70	10,738	1.50			
December 31, 2005	24	863,690	14	155,808	790	14,658,993	5.07	18,556	3.75			
Survivor of active	2	17,741	1	9,337	6	61,277	15.89	10,213	(3.42)			
Survivor of retired	11	136,786	7	47,333	209	2,290,743	4.06	10,960	2.07			
December 31, 2006	33	1,030,560	29	454,338	794	15,235,215	3.93	19,188	3.41			
Survivor of active	1	2,643	1	7,513	6	56,407	(7.95)	9,401	(7.95)			
Survivor of retired	34	468,021	31	252,697	212	2,506,067	9.40	11,821	7.86			
December 31, 2007	20	719,958	18	234,794	796	15,720,379	3.18	19,749	2.92			
Survivor of active		986	2	16,012	4	41,381	(26.64)	10,345	10.04			
Survivor of retired	20	324,366	12	116,168	220	2,714,265	8.31	12,338	4.37			
December 31, 2008	39	1,076,014	25	384,056	810	16,412,337	4.40	20,262	2.60			
Survivor of active	3	83,382			7	124,763	201.50	17,823	72.29			
Survivor of retired	18	346,417	22	173,580	216	2,887,102	6.37	13,366	8.33			

* Includes DROP members.

**Retirants and Beneficiaries Added to and Removed From Rolls
Comparative Statement
(Concluded)**

Local Volunteer Service

	Added			Removed			End of Year			Average		
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	% Increase in Allowance	
December 31, 2002	8	\$ 16,620	3	\$ 1,800	99	\$ 114,480	14.87	\$ 1,156	9.06			
Retirement					1	600	0.00	600	0.00			
Survivor of active					35	28,320	11.32	809	(4.60)			
Survivor of retired	5	2,880										
December 31, 2003	30	67,620	3	3,060	126	179,040	56.39	1,421	22.92			
Retirement					0	0	(100.00)	N/A	N/A			
Survivor of active					44	47,976	69.41	1,090	34.73			
Survivor of retired	12	23,376	3	3,720								
December 31, 2004	93	148,692	1	1,800	218	325,932	82.04	1,495	5.21			
Retirement					0	0	-	N/A	N/A			
Survivor of active					59	49,410	2.99	837	(23.21)			
Survivor of retired	17	15,810	2	14,376								
December 31, 2005	79	125,077	4	4,200	293	446,809	37.09	1,525	2.01			
Retirement					1	1,483	0.00	1,483	N/A			
Survivor of active	1	1,483			80	98,496	99.34	1,231	47.07			
Survivor of retired	23	50,376	2	1,290								
December 31, 2006	93	155,365	10	13,236	376	588,938	31.81	1,566	2.69			
Retirement					1	1,528	3.03	1,528	3.03			
Survivor of active					99	123,530	25.42	1,248	1.38			
Survivor of retired	21	27,434	2	2,400								
December 31, 2007	39	65,303	14	22,176	401	632,065	7.32	1,576	0.64			
Retirement					2	3,374	120.81	1,687	10.41			
Survivor of active	1	1,846			121	155,084	25.54	1,282	2.72			
Survivor of retired	24	34,027	2	2,473								
December 31, 2008	130	240,216	5	7,007	526	865,274	36.90	1,645	4.38			
Retirement					5	8,701	157.89	1,740	3.14			
Survivor of active	3	5,327			156	205,941	32.79	1,320	2.96			
Survivor of retired	45	63,123	10	12,266								



Statistical Section Summary

Retirement

Page 106 reflects Demographic Data for active, inactive vested, retirees and survivors as of December 31, 2008. Benefits payable as of December 31, 2008 by Option Type is shown on page 107.

Assets vs. Liabilities

Page 108 reflects the LOPFI and Local plans, administered by LOPFI, Schedule of Funding Progress for the last 14 years. The existence of the unfunded actuarial accrued liabilities is not necessarily an indication of financial problems, however, the fluctuations are important and should be monitored and controlled with utmost prudence.

Schedule of Expenses by Type

Page 109 reflects the last 10 years of Benefits Paid, Refunds to termed contributory members, Administrative Expenses, Investment Expenses and DROP Distributions. Benefits Paid growth has been the result of Local Plan Mergers with LOPFI, increase in LOPFI members retiring, and benefit enhancements. Refunds are directly associated with contributory members terminating and withdrawing their member contributions,

Schedule of Revenues by Source

Page 109 reflects the last 10 years of Member Contributions; Employer Contributions; Local Plan Mergers, Military and Prior Service Purchase; and Investment Income (Loss). Investment income includes the Net Increase (Decrease) in Fair Value of Investments. Member and Employer Contributions growth has occurred from an increase in membership, consolidation of Local Plans, and benefit enhancements. Investment Income (Loss) has a direct correlation to the economy and each Money Managers' investment performance.

Schedule of Changes in Plan Net Assets

Page 109 reflects the last 10 years of Changes of Net Plan Assets, which is the difference between Total Revenues and Total Expenses.

Schedules of Retirement Payments

Pages 110-120 present schedules of retirement payments showing type of retirement, option selected by each type of department.

Participating Employer Groups

Page 121 shows the Top Ten Participating Employers in the plan.

LOPFI Demographic Data
(Excluding Local Funds)
As of December 31, 2008

Active Paid Members

Number.....	5,640
Average Age.....	35.0 years
Average Length of Service.....	10.1 years
Average Annual Salary.....	\$42,850.00

Active Volunteer Members

Number.....	6,640
Average Age.....	41.3 years
Average Length of Service.....	9.6 years

Inactive Vested Members

3,288

Total Retirees and Survivors

Number.....	1,233
Average Monthly Benefit.....	\$634

2008 Retirees and Survivors

Normal

Number	727
Average Age	63.9 years
Average Length of Service	14.6 years
Average Monthly Benefit	\$363

Duty Related Disability

Number	193
Average Age	48.6 years
Average Length of Service	10.1 years
Average Monthly Benefit	\$2,025

Survivors (Death in Service)

Number	186
Average Age	42.3 years
Average Monthly Benefit	\$270

Non-Duty Related Disability

Number	127
Average Age	52.1 years
Average Length of Service	11.3 years
Average Monthly Benefit	\$669

Benefits Payable December 31, 2008

LOPFI and Local Funds Tabulated by Option and Type of Benefit

Number of Beneficiaries Receiving:	Number	Total 2008 Benefits	2008 Average Monthly Benefit (Per Member)
Local Plan	352	\$ 3,300,450	\$384
LOPFI	186	\$ 602,743	\$270
Number of Retirees Receiving:			
Local Plan:			
Normal	1233	\$ 15,302,874	\$1,034
Duty Disability	62	\$ 1,168,406	\$1,570
Non Duty Disability	23	\$ 245,617	\$890
LOPFI*			
No Option	202	\$ 2,256,461	\$931
Option A60	279	\$ 2,749,680	\$821
Option A120	256	\$ 999,749	\$323
Option B50	141	\$ 1,678,779	\$992
Option B75	169	\$ 1,198,276	\$591

(*See Previous Page for breakdown of Normal Service, Survivors and Disabilitants)

Please refer to page 14 (last yrs pg) of this report for an explanation of the benefit payment options.

**LOPFI and Local Plan
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (c)	Funded Ratio (d)	Annual Covered Payroll (e)	UAAL as a Percentage of Covered Payroll (c)/(e)
12/31/1995	\$ 166,697,056	\$ 184,722,940	\$ 18,025,884	90%	\$ 92,609,526	19%
12/31/1996 *	\$ 200,004,954	\$ 242,501,504	\$ 42,496,550	82%	\$ 114,814,558	37%
12/31/1997	\$ 242,849,773	\$ 279,592,905	\$ 36,743,132	87%	\$ 129,797,633	28%
12/31/1998 *+	\$ 295,664,808	\$ 328,182,052	\$ 32,517,244	90%	\$ 135,372,764	24%
12/31/1999 *	\$ 361,113,458	\$ 369,233,854	\$ 8,120,396	98%	\$ 136,976,242	6%
12/31/2000 *	\$ 425,122,202	\$ 416,222,207	\$ (8,899,995)	102%	\$ 142,778,723	-%
12/31/2001 +	\$ 481,431,953	\$ 428,840,581	\$ (52,591,372)	112%	\$ 152,883,342	-%
12/31/2002 *	\$ 515,600,263	\$ 534,533,175	\$ 18,932,912	96%	\$ 163,420,616	12%
12/31/2003 +	\$ 553,057,228	\$ 625,021,624	\$ 71,964,396	88%	\$ 178,850,477	40%
12/31/2004 *	\$ 601,798,909	\$ 754,004,285	\$ 152,205,376	80%	\$ 193,670,943	79%
12/31/2005	\$ 653,546,976	\$ 842,926,984	\$ 189,380,008	78%	\$ 207,890,440	91%
12/31/2006	\$ 724,746,827	\$ 927,816,659	\$ 203,069,832	78%	\$ 222,107,556	91%
12/31/2007	\$ 827,546,002	\$ 1,054,599,720	\$ 227,053,718	78%	\$ 235,337,218	96%
12/31/2008	\$ 788,726,984	\$ 1,151,441,603	\$ 362,714,619	68%	\$ 245,775,341	148%
12/31/2008 +	\$ 788,726,984	\$ 1,153,627,693	\$ 364,900,709	68%	\$ 245,775,341	148%
12/31/2008 *	\$ 788,726,984	\$ 1,200,515,663	\$ 411,788,679	66%	\$ 245,775,341	168%

* After legislated benefit increases and Board policy changes.

+ After changes in actuarial assumptions.

LOPFI
Expenses by Type
Last Ten Calendar Years

Year	Benefits Paid	Refunds	Administrative Expenses	DROP Distributions	Total Expenses
1999	\$11,075,910	\$902,902	\$710,370	\$2,395,301	\$15,084,483
2000	\$12,143,665	\$986,614	\$757,232	\$2,926,444	\$16,813,955
2001	\$13,272,211	\$1,175,269	\$845,024	\$1,465,787	\$16,758,291
2002	\$14,604,923	\$1,037,067	\$910,408	\$2,469,774	\$19,022,172
2003	\$17,127,556	\$1,020,567	\$1,043,293	\$2,892,885	\$22,084,301
2004	\$17,669,863	\$1,278,586	\$1,034,523	\$1,770,312	\$21,753,284
2005	\$20,588,418	\$882,766	\$1,156,384	\$830,226	\$23,457,794
2006	\$22,945,150	\$1,280,366	\$1,170,219	\$3,706,498	\$29,102,233
2007	\$25,233,346	\$1,031,045	\$1,519,684	\$2,445,907	\$30,229,982
2008	\$27,671,177	\$995,285	\$1,839,547	\$2,069,403	\$32,575,412

LOPFI
Revenues by Source
Last Ten Calendar Years

Year	Member Contributions	Employer Contributions	Local Plan Merger / Military Purchase	Investment Income (Loss)	Total Income (Loss)
1999	\$5,884,269	\$19,522,826	\$1,760,940	\$71,526,345	\$98,694,380
2000	\$6,408,172	\$22,321,326	\$3,928,286	\$7,424,480	\$40,082,264
2001	\$6,987,768	\$22,420,300	\$881,852	(\$5,159,772)	\$25,130,148
2002	\$7,425,163	\$18,261,057	\$2,894,751	(\$46,547,609)	(\$17,966,638)
2003	\$7,997,262	\$22,412,513	\$485,767	\$94,768,863	\$125,664,405
2004	\$7,611,322	\$30,802,924	\$7,745,078	\$46,531,092	\$92,690,416
2005	\$8,954,827	\$33,217,304	\$4,649,705	\$16,755,216	\$63,577,052
2006	\$9,594,183	\$41,270,116	\$1,149,958	\$66,305,847	\$118,320,104
2007	\$10,437,131	\$46,456,241	\$4,272,635	\$64,422,521	\$125,588,528
2008	\$10,371,754	\$52,911,629	\$6,635,472	(\$212,018,946)	(\$142,100,091)

LOPFI
Changes in Net Assets
Last Ten Calendar Years

Year	Change in Plan Net Assets
1999	\$ 83,609,897
2000	\$ 23,268,309
2001	\$ 8,371,857
2002	\$ (36,988,810)
2003	\$ 103,580,104
2004	\$ 70,937,132
2005	\$ 40,119,258
2006	\$ 89,217,871
2007	\$ 95,358,546
2008	\$ (174,675,503)

For years 1997 and forward, Investment Income (Loss) includes Net Increase (Decrease) in Fair Value of Investments, Interest, Dividends, and other investment income.

Schedule of Retirements by Type of Benefit and Department

Paid Police (Excluding Local Plan)

Monthly Benefit	No. of Retirees	Type of Retirement*						Option Selected#			
		1	2	3	4	5	6	Life	Opt. A	Opt. B	Opt. C
\$1-500	206	124	2	6	36	4	34	76	34	58	38
501-1,000	98	48	6	6	15	2	14	42	14	26	16
1,001-1,500	66	24	3	18	11	8	10	38	10	10	8
1,501-2,000	86	18	1	47	9	11	9	56	9	14	7
2,001-2,500	48	10	1	28	5	4	6	29	6	9	4
2,501-3,000	24	5	0	16	2	1	1	15	1	7	1
3,001-3,500	11	4	1	6	0	0	1	4	1	5	1
3,501-4,000	3	0	0	3	0	0	0	3	0	0	0
Over \$4,000	0	0	0	0	0	0	0	0	0	0	0
Total	542	233	14	130	78	30	57	263	75	129	75

* Type of Retirement

1. Normal retirement for age and service
2. Early retirement for age and service
3. Duty disability retirement
4. Non-Duty disability retirement
5. DROP retirement
6. Survivor payment

Option Selected at Retirement

- Normal - normal form of annuity for 5 years certain and life thereafter
- Opt. A - 75% survivor annuity
- Opt. B - 50% survivor annuity
- Opt. C - annuity for 10 years certain and life thereafter

Schedule of Retirements by Type of Benefit and Department

Paid Fire (Excluding Local Plan)

Monthly Benefit	No. of Retirees	Type of Retirement*										Option Selected#		
		1	2	3	4	5	6	Life	Opt. A	Opt. B	Opt. C			
\$1-500	35	10	0	1	5	1	18	7	3	24	1			
501-1,000	27	9	1	3	2	5	7	12	2	9	4			
1,001-1,500	32	9	1	7	4	8	3	16	9	5	2			
1,501-2,000	30	3	1	21	2	3	0	21	3	4	2			
2,001-2,500	27	2	0	23	1	1	0	18	1	6	2			
2,501-3,000	16	0	0	14	1	1	0	12	3	1	0			
3,001-3,500	5	2	0	3	0	0	0	3	1	1	0			
3,501-4,000	0	0	0	0	0	0	0	0	0	0	0			
Over \$4,000	0	0	0	0	0	0	0	0	0	0	0			
Total	172	35	3	72	15	19	28	89	22	50	11			

* Type of Retirement

1. Normal retirement for age and service
2. Early retirement for age and service
3. Duty disability retirement
4. Non-Duty disability retirement
5. DROP retirement
6. Survivor payment

Option Selected at Retirement

Normal - normal form of annuity for 5 years certain and life thereafter

Opt. A - 75% survivor annuity

Opt. B - 50% survivor annuity

Opt. C - annuity for 10 years certain and life thereafter

Schedule of Retirements by Type of Benefit and Department

Volunteer Police (Excluding Local Plan)

Monthly Benefit	No. of Retirants	Type of Retirement*					Option Selected#			
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C
\$1-50	10	9	0	0	1	0	5	1	1	3
51-75	1	1	0	0	0	0	1	0	0	0
76-100	0	0	0	0	0	0	0	0	0	0
101-125	1	1	0	0	0	0	1	0	0	0
126-150	1	1	0	0	0	0	0	1	0	0
151-175	1	1	0	0	0	0	1	0	0	0
176-200	0	0	0	0	0	0	0	0	0	0
201-225	0	0	0	0	0	0	0	0	0	0
Over \$225	0	0	0	0	0	0	0	0	0	0
Total	14	13	0	0	1	0	8	2	1	3

* Type of Retirement

1. Normal retirement for age and service
2. Early retirement for age and service
3. Duty disability retirement
4. Non-Duty disability retirement
5. Survivor payment

Option Selected at Retirement

- Normal - normal form of annuity for 5 years certain and life thereafter
 Opt. A - 75% survivor annuity
 Opt. B - 50% survivor annuity
 Opt. C - annuity for 10 years certain and life thereafter

Schedule of Retirements by Type of Benefit and Department

Volunteer Fire (Excluding Local Plan)

Monthly Benefit	No. of Retirants	Type of Retirement*					Option Selected#			
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C
\$1-50	157	88	1	2	9	57	45	12	59	41
51-75	99	73	2	0	11	13	35	18	19	27
76-100	95	72	7	0	13	3	37	19	9	30
101-125	96	89	6	0	0	1	28	17	9	42
126-150	45	43	0	1	0	1	21	9	2	13
151-175	28	28	0	0	0	0	5	2	3	18
176-200	5	5	0	0	0	0	0	2	0	3
201-225	2	2	0	0	0	0	0	0	1	1
Over \$225	0	0	0	0	0	0	0	0	0	0
Total	527	400	16	3	33	75	171	79	102	175

* Type of Retirement

1. Normal retirement for age and service
2. Early retirement for age and service
3. Duty disability retirement
4. Non-Duty disability retirement
5. Survivor payment

Option Selected at Retirement

- Normal - normal form of annuity for 5 years certain and life thereafter
- Opt. A - 75% survivor annuity
- Opt. B - 50% survivor annuity
- Opt. C - annuity for 10 years certain and life thereafter

Schedule of Retirements by Type of Benefit and Department

LOPFI Paid Police

Retirement Effective Dates January 1, 1999 to December 31, 2008		Service at Retirement							
		0-4#	5-9	10-14	15-19	20-24	25-29	30+	
01/01/99	- 12/31/99	Average Monthly Benefit	\$ 521	\$ 577	\$ 622	\$ 678	\$ 761	\$ 808	\$ 483
		Final Average Pay*	\$ 35,362	\$ 18,879	\$ 26,787	\$ 19,358	\$ 23,150	\$ 18,477	\$ 19,789
		Number of Active Retirees	25	41	30	7	9	2	1
		* Final Average Pay for 88 members was not provided. # Includes 2 members whose service was not provided.							
01/01/00	- 12/31/00	Average Monthly Benefit	\$ 539	\$ 606	\$ 618	\$ 637	\$ 738	\$ 831	\$ 496
		Final Average Pay*	\$ 22,479	\$ 18,879	\$ 26,787	\$ 19,358	\$ 23,150	\$ 18,477	\$ 19,789
		Number of Active Retirees	25	44	31	7	9	2	1
		* Final Average Pay for 93 members was not provided. # Includes 3 members whose service was not provided.							
01/01/01	- 12/31/01	Average Monthly Benefit	\$ 523	\$ 583	\$ 693	\$ 928	\$ 864	\$ 1,336	\$ 509
		Final Average Pay*	\$ 29,354	\$ 28,105	\$ 32,009	\$ 22,234	\$ 24,128	\$ 38,374	\$ 19,789
		Number of Active Retirees	30	58	41	11	14	6	1
		* Final Average Pay for 110 members was not provided. # Includes 4 members whose service was not provided.							
01/01/02	- 12/31/02	Average Monthly Benefit	\$ 466	\$ 625	\$ 729	\$ 1,070	\$ 975	\$ 1,267	\$ 2,060
		Final Average Pay*	\$ 27,122	\$ 28,548	\$ 32,418	\$ 27,967	\$ 25,706	\$ 36,863	\$ 36,888
		Number of Active Retirees	33	65	47	18	18	7	2
		* Final Average Pay for 125 members was not provided. # Includes 6 members whose service was not provided.							
01/01/03	- 12/31/03	Average Monthly Benefit	\$ 641	\$ 818	\$ 859	\$ 1,066	\$ 1,106	\$ 1,394	\$ 2,122
		Final Average Pay*	\$ 30,418	\$ 27,642	\$ 32,574	\$ 31,212	\$ 28,675	\$ 36,863	\$ 36,888
		Number of Active Retirees	41	73	56	24	22	8	2
		* Final Average Pay for 147 members was not provided. # Includes 8 members whose service was not provided.							
01/01/04	- 12/31/04	Average Monthly Benefit	\$ 547	\$ 846	\$ 945	\$ 1,211	\$ 1,271	\$ 1,420	\$ 2,186
		Final Average Pay*	\$ 33,172	\$ 27,656	\$ 32,724	\$ 32,734	\$ 32,479	\$ 36,698	\$ 36,888
		Number of Active Retirees	65	74	63	26	33	10	2
		* Final Average Pay for 146 members was not provided. # Includes 11 members whose service was not provided.							
01/01/05	- 12/31/05	Average Monthly Benefit	\$ 545	\$ 877	\$ 1,029	\$ 1,252	\$ 1,313	\$ 1,445	\$ 2,251
		Final Average Pay*	\$ 31,313	\$ 30,536	\$ 34,439	\$ 33,461	\$ 34,075	\$ 36,447	\$ 36,888
		Number of Active Retirees	66	81	67	31	44	14	2
		* Final Average Pay for 144 members was not provided. # Includes 4 members whose service was not provided.							
01/01/06	- 12/31/06	Average Monthly Benefit	\$ 683	\$ 843	\$ 1,080	\$ 1,413	\$ 1,362	\$ 1,170	\$ 1,605
		Final Average Pay*	\$ 34,231	\$ 32,187	\$ 34,769	\$ 38,385	\$ 35,023	\$ 36,570	\$ 34,266
		Number of Active Retirees	100	99	74	45	44	10	3
		* Final Average Pay for 154 members was not provided. # Includes 21 members whose service was not provided.							
01/01/07	- 12/31/07	Average Monthly Benefit	\$ 485	\$ 831	\$ 1,162	\$ 1,511	\$ 1,498	\$ 1,528	\$ 1,746
		Final Average Pay*	\$ 33,441	\$ 34,135	\$ 37,023	\$ 39,344	\$ 37,483	\$ 36,781	\$ 34,266
		Number of Active Retirees	109	126	90	54	60	16	7
		* Final Average Pay for 158 members was not provided. # Includes 6 members whose service was not provided.							
01/01/08	- 12/31/08	Average Monthly Benefit	\$ 474	\$ 859	\$ 1,218	\$ 1,581	\$ 1,639	\$ 1,499	\$ 1,837
		Final Average Pay*	\$ 32,235	\$ 32,524	\$ 36,536	\$ 40,407	\$ 41,602	\$ 42,257	\$ 49,064
		Number of Active Retirees	140	137	100	59	76	18	8
		* Final Average Pay for 43 members was not provided. # Includes 10 members whose service was not provided.							

Schedule of Retirements by Type of Benefit and Department

LOPFI Paid Fire

Retirement Effective Dates January 1, 1999 to December 31, 2008			Service at Retirement							
			0-4#	5-9	10-14	15-19	20-24	25-29	30+	
01/01/99	-	12/31/99	Average Monthly Benefit	\$ 802	\$ 759	\$ 1,045	\$ -	\$ -	\$ -	\$ -
			Final Average Pay*	\$ -	\$ -	\$ 41,480	\$ -	\$ -	\$ -	\$ -
			Number of Active Retirees	4	8	14	-	-	-	-
			* Final Average Pay for 23 members was not provided. # Includes 1 member whose service was not provided.							
01/01/00	-	12/31/00	Average Monthly Benefit	\$ 816	\$ 837	\$ 1,102	\$ -	\$ -	\$ -	\$ -
			Final Average Pay*	\$ -	\$ -	\$ 41,480	\$ -	\$ -	\$ -	\$ -
			Number of Active Retirees	4	9	14	-	-	-	-
			* Final Average Pay for 24 members was not provided. # Includes 1 member whose service was not provided.							
01/01/01	-	12/31/01	Average Monthly Benefit	\$ 955	\$ 1,135	\$ 1,107	\$ 1,693	\$ -	\$ -	\$ -
			Final Average Pay*	\$ -	\$ -	\$ 41,480	\$ 67,394	\$ -	\$ -	\$ -
			Number of Active Retirees	5	10	15	3	-	-	-
			* Final Average Pay for 29 members was not provided. # Includes 1 member whose service was not provided.							
01/01/02	-	12/31/02	Average Monthly Benefit	\$ 798	\$ 1,279	\$ 1,105	\$ 1,824	\$ -	\$ -	\$ -
			Final Average Pay*	\$ -	\$ 32,271	\$ 39,439	\$ 67,394	\$ -	\$ -	\$ -
			Number of Active Retirees	9	11	18	6	-	-	-
			* Final Average Pay for 37 members was not provided. # Includes 5 members whose service was not provided.							
01/01/03	-	12/31/03	Average Monthly Benefit	\$ 978	\$ 1,626	\$ 1,336	\$ 1,836	\$ -	\$ -	\$ -
			Final Average Pay*	\$ -	\$ 30,394	\$ 39,355	\$ 45,014	\$ -	\$ -	\$ -
			Number of Active Retirees	9	13	19	8	-	-	-
			* Final Average Pay for 39 members was not provided. # Includes 5 members whose service was not provided.							
01/01/04	-	12/31/04	Average Monthly Benefit	\$ 1,076	\$ 1,701	\$ 1,338	\$ 1,883	\$ -	\$ -	\$ -
			Final Average Pay*	\$ 32,889	\$ 32,129	\$ 36,358	\$ 41,209	\$ -	\$ -	\$ -
			Number of Active Retirees	13	17	21	9	-	-	-
			* Final Average Pay for 40 members was not provided. # Includes 4 members whose service was not provided.							
01/01/05	-	12/31/05	Average Monthly Benefit	\$ 970	\$ 1,687	\$ 1,211	\$ 1,996	\$ 1,552	\$ -	\$ -
			Final Average Pay*	\$ 38,750	\$ 32,129	\$ 36,136	\$ 39,876	\$ 41,740	\$ -	\$ -
			Number of Active Retirees	21	18	29	10	5	-	-
			* Final Average Pay for 42 members was not provided. # Includes 3 members whose service was not provided.							
01/01/06	-	12/31/06	Average Monthly Benefit	\$ 885	\$ 1,720	\$ 1,258	\$ 1,759	\$ 1,541	\$ -	\$ 1,581
			Final Average Pay*	\$ 40,550	\$ 31,383	\$ 37,886	\$ 43,668	\$ 38,283	\$ -	\$ 23,717
			Number of Active Retirees	34	19	33	14	5	-	1
			* Final Average Pay for 52 members was not provided. # Includes 14 members whose service was not provided.							
01/01/07	-	12/31/07	Average Monthly Benefit	\$ 891	\$ 1,579	\$ 1,401	\$ 1,729	\$ 1,221	\$ -	\$ 1,350
			Final Average Pay*	\$ 41,214	\$ 39,597	\$ 40,315	\$ 41,844	\$ 42,065	\$ -	\$ 34,849
			Number of Active Retirees	23	24	41	22	18	-	4
			* Final Average Pay for 47 members was not provided. # Includes 2 members whose service was not provided.							
01/01/08	-	12/31/08	Average Monthly Benefit	\$ 871	\$ 1,464	\$ 1,447	\$ 1,742	\$ 1,477	\$ 2,522	\$ 1,469
			Final Average Pay*	\$ 38,088	\$ 36,763	\$ 38,317	\$ 40,619	\$ 45,494	\$ 56,500	\$ 31,572
			Number of Active Retirees	36	33	44	24	25	4	5
			* Final Average Pay for 12 members was not provided. # Includes 7 members whose service was not provided.							

Schedule of Retirements by Type of Benefit and Department

LOPFI Volunteer Police

Retirement Effective Dates January 1, 1999 to December 31, 2008			Service at Retirement								
			0-4	5-9	10-14	15-19	20-24	25-29	30+		
01/01/99	-	12/31/99	Average Monthly Benefit	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	-	-	-	1	-	-	-	-
01/01/00	-	12/31/00	Average Monthly Benefit	\$ -	\$ -	\$ -	\$ 52	\$ -	\$ -	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	-	-	-	1	-	-	-	-
01/01/01	-	12/31/01	Average Monthly Benefit	\$ -	\$ -	\$ -	\$ 54	\$ -	\$ -	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	-	-	-	1	-	-	-	-
01/01/02	-	12/31/02	Average Monthly Benefit	\$ -	\$ -	\$ 46	\$ 54	\$ -	\$ -	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	-	-	1	1	-	-	-	-
01/01/03	-	12/31/03	Average Monthly Benefit	\$ -	\$ -	\$ 46	\$ 74	\$ -	\$ -	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	-	-	1	2	-	-	-	-
01/01/04	-	12/31/04	Average Monthly Benefit	\$ 11	\$ 33	\$ 48	\$ 74	\$ -	\$ 133	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	2	1	1	2	-	2	-	-
01/01/05	-	12/31/05	Average Monthly Benefit	\$ 9	\$ 34	\$ 49	\$ 77	\$ -	\$ 136	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	3	1	1	2	-	2	-	-
01/01/06	-	12/31/06	Average Monthly Benefit	\$ 8	\$ 35	\$ -	\$ 79	\$ -	\$ 140	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	4	1	-	2	-	2	-	-
01/01/07	-	12/31/07	Average Monthly Benefit	\$ 8	\$ 34	\$ -	\$ 82	\$ -	\$ 144	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	4	5	-	2	-	2	-	-
01/01/08	-	12/31/08	Average Monthly Benefit	\$ 10	\$ 35	\$ -	\$ 84	\$ -	\$ 148	\$ -	-
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
			Number of Active Retirees	5	5	-	2	-	2	-	-

Schedule of Retirements by Type of Benefit and Department

LOPFI Volunteer Fire

Retirement Effective Dates January 1, 1999 to December 31, 2008			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
01/01/99	- 12/31/99	Average Monthly Benefit	\$ 24	\$ 85	\$ 35	\$ 56	\$ 66	\$ 79	\$ 113
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	6	5	11	11	19	4	6
		# Includes 5 members whose service was not provided.							
01/01/00	- 12/31/00	Average Monthly Benefit	\$ 25	\$ 87	\$ 36	\$ 58	\$ 67	\$ 81	\$ 102
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	6	5	11	11	18	4	4
		# Includes 5 members whose service was not provided.							
01/01/01	- 12/31/01	Average Monthly Benefit	\$ 25	\$ 54	\$ 39	\$ 60	\$ 70	\$ 103	\$ 107
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	6	12	15	18	24	5	4
		# Includes 5 members whose service was not provided.							
01/01/02	- 12/31/02	Average Monthly Benefit	\$ 26	\$ 51	\$ 43	\$ 65	\$ 72	\$ 103	\$ 108
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	6	15	19	21	26	6	4
		# Includes 5 members whose service was not provided.							
01/01/03	- 12/31/03	Average Monthly Benefit	\$ 28	\$ 45	\$ 57	\$ 71	\$ 79	\$ 111	\$ 111
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	8	21	32	32	34	7	4
		# Includes 5 members whose service was not provided.							
01/01/04	- 12/31/04	Average Monthly Benefit	\$ 21	\$ 45	\$ 49	\$ 79	\$ 89	\$ 119	\$ 128
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	20	32	44	50	55	10	7
		# Includes 5 members whose service was not provided.							
01/01/05	- 12/31/05	Average Monthly Benefit	\$ 21	\$ 42	\$ 51	\$ 76	\$ 93	\$ 125	\$ 128
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	18	46	51	54	62	13	10
		# Includes 2 members whose service was not provided.							
01/01/06	- 12/31/06	Average Monthly Benefit	\$ 31	\$ 43	\$ 55	\$ 74	\$ 98	\$ 120	\$ 138
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	21	52	64	63	75	16	13
		# Includes 5 members whose service was not provided.							
01/01/07	- 12/31/07	Average Monthly Benefit	\$ 19	\$ 36	\$ 56	\$ 78	\$ 102	\$ 132	\$ 148
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	31	78	77	76	103	29	19
		# Includes 5 members whose service was not provided.							
01/01/08	- 12/31/08	Average Monthly Benefit	\$ 21	\$ 37	\$ 60	\$ 82	\$ 106	\$ 139	\$ 166
		Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Active Retirees	49	92	95	83	135	49	24
		# Includes 20 members whose service was not provided.							

Schedule of Retirements by Type of Benefit and Department

Local Plan Paid Police

Retirement Effective Dates January 1, 1999 to December 31, 2008		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
01/01/99 - 12/31/99	Average Monthly Benefit	\$ 604	\$ 978	\$ 1,289	\$ 1,282	\$ 1,544	\$ 1,197	\$ 989
	Final Average Pay	\$ 16,425	\$ 17,949	\$ 25,647	\$ 33,702	\$ 34,683	\$ 31,513	\$ 43,104
	Number of Active Retirees	78	4	11	16	91	68	109
* Final Average Pay for 283 members was not provided. # Includes 78 members whose service was not provided.								
01/01/00 - 12/31/00	Average Monthly Benefit	\$ 633	\$ 1,007	\$ 1,295	\$ 1,297	\$ 1,559	\$ 1,220	\$ 1,016
	Final Average Pay	\$ 16,425	\$ 17,949	\$ 25,647	\$ 33,702	\$ 34,436	\$ 31,899	\$ 45,030
	Number of Active Retirees	74	4	11	16	86	69	104
* Final Average Pay for 275 members was not provided. # Includes 74 members whose service was not provided.								
01/01/01 - 12/31/01	Average Monthly Benefit	\$ 666	\$ 1,064	\$ 1,328	\$ 1,396	\$ 1,654	\$ 1,306	\$ 1,164
	Final Average Pay	\$ 16,425	\$ 17,949	\$ 25,647	\$ 33,391	\$ 36,773	\$ 32,732	\$ 42,637
	Number of Active Retirees	74	4	11	16	98	77	101
* Final Average Pay for 273 members was not provided. # Includes 74 members whose service was not provided.								
01/01/02 - 12/31/02	Average Monthly Benefit	\$ 777	\$ 1,096	\$ 1,335	\$ 1,444	\$ 1,683	\$ 1,328	\$ 1,182
	Final Average Pay	\$ 34,511	\$ 17,949	\$ 25,647	\$ 34,836	\$ 37,793	\$ 32,358	\$ 42,637
	Number of Active Retirees	77	4	11	17	101	78	99
* Final Average Pay for 272 members was not provided. # Includes 77 members whose service was not provided.								
01/01/03 - 12/31/03	Average Monthly Benefit	\$ 948	\$ 1,129	\$ 1,353	\$ 1,477	\$ 1,716	\$ 1,387	\$ 1,187
	Final Average Pay	\$ 29,786	\$ 17,949	\$ 25,647	\$ 34,836	\$ 38,052	\$ 33,538	\$ 42,637
	Number of Active Retirees	84	4	11	17	101	83	98
* Final Average Pay for 281 members was not provided. # Includes 83 members whose service was not provided.								
01/01/04 - 12/31/04	Average Monthly Benefit	\$ 940	\$ 1,163	\$ 1,274	\$ 1,481	\$ 1,725	\$ 1,418	\$ 1,141
	Final Average Pay	\$ 29,786	\$ 17,949	\$ 25,647	\$ 34,836	\$ 38,034	\$ 33,205	\$ 41,171
	Number of Active Retirees	84	4	12	17	106	93	112
* Final Average Pay for 301 members was not provided. # Includes 82 members whose service was not provided.								
01/01/05 - 12/31/05	Average Monthly Benefit	\$ 850	\$ 1,198	\$ 1,291	\$ 1,505	\$ 1,797	\$ 1,513	\$ 1,215
	Final Average Pay	\$ 16,425	\$ 17,949	\$ 25,647	\$ 34,232	\$ 38,497	\$ 34,151	\$ 40,283
	Number of Active Retirees	76	4	12	18	106	99	116
* Final Average Pay for 302 members was not provided. # Includes 74 members whose service was not provided.								
01/01/06 - 12/31/06	Average Monthly Benefit	\$ 1,230	\$ 1,234	\$ 1,298	\$ 1,464	\$ 1,739	\$ 1,501	\$ 1,199
	Final Average Pay	\$ 37,553	\$ 17,949	\$ 25,647	\$ 34,232	\$ 38,497	\$ 35,299	\$ 40,221
	Number of Active Retirees	97	4	12	19	99	96	115
* Final Average Pay for 310 members was not provided. # Includes 94 members whose service was not provided.								
01/01/07 - 12/31/07	Average Monthly Benefit	\$ 942	\$ 1,271	\$ 1,305	\$ 1,564	\$ 1,786	\$ 1,639	\$ 1,321
	Final Average Pay	\$ 34,880	\$ 17,949	\$ 25,647	\$ 34,232	\$ 38,497	\$ 35,540	\$ 40,191
	Number of Active Retirees	87	4	12	18	103	108	117
* Final Average Pay for 316 members was not provided. # Includes 84 members whose service was not provided.								
01/01/08 - 12/31/08	Average Monthly Benefit	\$ 927	\$ 1,427	\$ 1,293	\$ 1,589	\$ 1,767	\$ 1,715	\$ 1,373
	Final Average Pay	\$ 34,880	\$ 17,949	\$ 25,647	\$ 34,232	\$ 40,382	\$ 41,303	\$ 47,486
	Number of Active Retirees	73	3	11	18	103	111	135
* Final Average Pay for 293 members was not provided. # Includes 70 members whose service was not provided.								

Schedule of Retirements by Type of Benefit and Department

Local Plan Paid Fire

Retirement Effective Dates January 1, 1999 to December 31, 2008		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
01/01/99 - 12/31/99	Average Monthly Benefit	\$ 903	\$ -	\$ 1,181	\$ 1,187	\$ 1,419	\$ 1,449	\$ 1,165
	Final Average Pay	\$ 21,206	\$ -	\$ 28,350	\$ 26,139	\$ 31,376	\$ 32,208	\$ 35,152
	Number of Active Retirees	143	-	1	11	83	78	175
* Final Average Pay for 266 members was not provided. # Includes 143 members whose service was not provided.								
01/01/00 - 12/31/00	Average Monthly Benefit	\$ 942	\$ -	\$ 1,181	\$ 1,208	\$ 1,444	\$ 1,429	\$ 1,203
	Final Average Pay	\$ 21,206	\$ -	\$ 28,350	\$ 26,139	\$ 31,494	\$ 31,615	\$ 35,322
	Number of Active Retirees	139	-	1	11	78	73	175
* Final Average Pay for 257 members was not provided. # Includes 139 members whose service was not provided.								
01/01/01 - 12/31/01	Average Monthly Benefit	\$ 954	\$ -	\$ 1,181	\$ 1,244	\$ 1,512	\$ 1,525	\$ 1,387
	Final Average Pay	\$ 21,206	\$ -	\$ 28,350	\$ 26,139	\$ 33,459	\$ 33,215	\$ 38,653
	Number of Active Retirees	144	-	1	11	90	86	187
* Final Average Pay for 263 members was not provided. # Includes 143 members whose service was not provided.								
01/01/02 - 12/31/02	Average Monthly Benefit	\$ 996	\$ -	\$ 1,181	\$ 1,440	\$ 1,528	\$ 1,537	\$ 1,405
	Final Average Pay	\$ 24,015	\$ -	\$ 28,350	\$ 28,122	\$ 33,601	\$ 33,281	\$ 38,605
	Number of Active Retirees	166	-	1	12	90	85	185
* Final Average Pay for 280 members was not provided. # Includes 165 members whose service was not provided.								
01/01/03 - 12/31/03	Average Monthly Benefit	\$ 1,103	\$ -	\$ 1,181	\$ 1,405	\$ 1,563	\$ 1,556	\$ 1,431
	Final Average Pay	\$ 26,675	\$ -	\$ 28,350	\$ 28,122	\$ 34,199	\$ 33,506	\$ 38,495
	Number of Active Retirees	175	-	1	12	90	91	184
* Final Average Pay for 284 members was not provided. # Includes 174 members whose service was not provided.								
01/01/04 - 12/31/04	Average Monthly Benefit	\$ 1,107	\$ -	\$ 1,181	\$ 1,425	\$ 1,590	\$ 1,549	\$ 1,480
	Final Average Pay	\$ 25,982	\$ -	\$ 28,350	\$ 28,122	\$ 34,458	\$ 32,893	\$ 38,768
	Number of Active Retirees	171	-	1	12	95	91	192
* Final Average Pay for 292 members was not provided. # Includes 170 members whose service was not provided.								
01/01/05 - 12/31/05	Average Monthly Benefit	\$ 1,010	\$ -	\$ 1,181	\$ 1,448	\$ 1,607	\$ 1,580	\$ 1,591
	Final Average Pay	\$ 21,206	\$ -	\$ 28,350	\$ 28,122	\$ 35,091	\$ 33,261	\$ 39,582
	Number of Active Retirees	150	-	1	12	95	105	211
* Final Average Pay for 303 members was not provided. # Includes 149 members whose service was not provided.								
01/01/06 - 12/31/06	Average Monthly Benefit	\$ 1,413	\$ -	\$ 1,181	\$ 1,496	\$ 1,612	\$ 1,569	\$ 1,528
	Final Average Pay	\$ 25,781	\$ -	\$ 28,350	\$ 28,122	\$ 34,851	\$ 33,281	\$ 39,079
	Number of Active Retirees	178	-	1	12	91	98	190
* Final Average Pay for 294 members was not provided. # Includes 177 members whose service was not provided.								
01/01/07 - 12/31/07	Average Monthly Benefit	\$ 1,218	\$ 3,056	\$ 1,796	\$ 1,534	\$ 1,644	\$ 1,695	\$ 1,690
	Final Average Pay	\$ 24,272	\$ -	\$ 28,350	\$ 28,122	\$ 34,742	\$ 33,533	\$ 39,582
	Number of Active Retirees	143	1	2	12	93	115	205
* Final Average Pay for 293 members was not provided. # Includes 140 members whose service was not provided.								
01/01/08 - 12/31/08	Average Monthly Benefit	\$ 1,423	\$ 3,056	\$ 1,796	\$ 1,535	\$ 1,666	\$ 1,713	\$ 1,685
	Final Average Pay	\$ 25,727	\$ 39,805	\$ 40,394	\$ 28,122	\$ 34,252	\$ 38,941	\$ 43,016
	Number of Active Retirees	118	1	2	13	92	130	223
* Final Average Pay for 266 members was not provided. # Includes 114 members whose service was not provided.								

Schedule of Retirements by Type of Benefit and Department

Local Plan Volunteer Fire

Retirement Effective Dates January 1, 1999 to December 31, 2008			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
01/01/99 - 12/31/99	Average Monthly Benefit	\$ 74	\$ -	\$ -	\$ 105	\$ 88	\$ 101	\$ 107	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	75	-	-	5	14	7	7	
	# Includes 75 members whose service was not provided.								
01/01/00 - 12/31/00	Average Monthly Benefit	\$ 73	\$ -	\$ -	\$ 105	\$ 88	\$ 101	\$ 107	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	70	-	-	5	14	7	7	
	# Includes 70 members whose service was not provided.								
01/01/01 - 12/31/01	Average Monthly Benefit	\$ 72	\$ -	\$ -	\$ 104	\$ 84	\$ 104	\$ 112	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	72	-	-	6	17	17	13	
	# Includes 72 members whose service was not provided.								
01/01/02 - 12/31/02	Average Monthly Benefit	\$ 70	\$ -	\$ -	\$ 103	\$ 133	\$ 104	\$ 112	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	79	-	-	9	17	17	13	
	# Includes 79 members whose service was not provided.								
01/01/03 - 12/31/03	Average Monthly Benefit	\$ 93	\$ 110	\$ 138	\$ 108	\$ 117	\$ 133	\$ 166	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	96	2	2	10	19	19	22	
	# Includes 96 members whose service was not provided.								
01/01/04 - 12/31/04	Average Monthly Benefit	\$ 93	\$ 123	\$ 150	\$ 108	\$ 114	\$ 131	\$ 124	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	97	3	1	10	26	47	93	
	# Includes 96 members whose service was not provided.								
01/01/05 - 12/31/05	Average Monthly Benefit	\$ 109	\$ 123	\$ 150	\$ 108	\$ 121	\$ 128	\$ 127	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	95	3	1	10	34	76	155	
	# Includes 95 members whose service was not provided.								
01/01/06 - 12/31/06	Average Monthly Benefit	\$ 109	\$ 130	\$ 127	\$ 107	\$ 125	\$ 131	\$ 130	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	95	4	2	11	46	99	219	
	# Includes 95 members whose service was not provided.								
01/01/07 - 12/31/07	Average Monthly Benefit	\$ 112	\$ 130	\$ 128	\$ 107	\$ 127	\$ 133	\$ 131	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	125	4	2	11	48	106	228	
	# Includes 125 members whose service was not provided.								
01/01/08 - 12/31/08	Average Monthly Benefit	\$ 131	\$ 117	\$ 150	\$ 111	\$ 128	\$ 133	\$ 132	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	277	3	1	11	50	118	227	
	# Includes 273 members whose service was not provided.								

LOPFI Top Ten Participating Employers

	2008		2007		2006		2005		2004		2003		2002		2001		2000		1999	
	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees
Fayetteville Paid Police	120	2.1%	120	2.1%	115	2.2%	115	2.2%	105	2.1%	101	2.1%	89	1.9%	91	2.0%	87	1.9%	79	1.8%
Fort Smith Paid Fire	119	2.1%	119	2.1%	113	2.2%	115	2.2%	111	2.2%	109	2.2%	105	2.2%	96	2.1%	92	2.0%	76	1.8%
Fort Smith Paid Police	159	2.8%	152	2.7%	148	2.9%	158	3.0%	149	3.0%	141	2.9%	123	2.6%	130	2.8%	122	2.7%	121	2.8%
Jonesboro Paid Police	131	2.3%	127	2.3%	117	2.3%	119	2.2%	118	2.4%	118	2.4%	105	2.2%	102	2.2%	105	2.3%	101	2.3%
Little Rock Paid Fire	316	5.6%	324	5.8%	310	6.1%	312	5.9%	293	5.9%	290	6.0%	280	5.9%	263	5.8%	250	5.6%	226	5.3%
Little Rock Paid Police	480	8.5%	476	8.5%	438	8.6%	460	8.6%	420	8.5%	413	8.5%	426	9.0%	426	9.3%	414	9.2%	417	9.7%
North Little Rock Paid Fire	130	2.3%	131	2.3%	115	2.2%	126	2.4%	115	2.3%	109	2.2%	109	2.3%	106	2.3%	102	2.3%	97	2.3%
North Little Rock Paid Police	177	3.1%	181	3.2%	185	3.6%	177	3.3%	183	3.7%	180	3.7%	181	3.8%	177	3.9%	181	4.0%	169	3.9%
Pine Bluff Paid Police	131	2.3%	127	2.3%	126	2.5%	132	2.5%	129	2.6%	134	2.8%	128	2.7%	128	2.8%	130	2.9%	122	2.8%
Springdale Paid Police	115	2.0%	110	2.0%	93	1.8%	99	1.9%	91	1.8%	91	1.9%	91	1.9%	91	2.0%	77	1.7%	77	1.8%

