



**Twenty Seventh Comprehensive Annual
Financial Report
Fiscal Year Ended
December 31, 2009**

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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



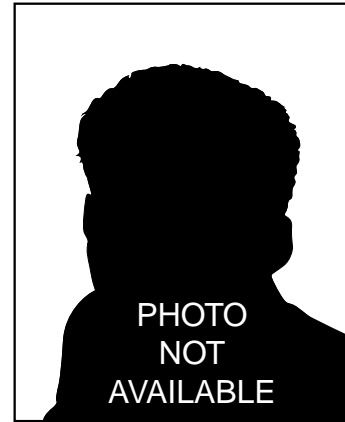
JIM HENSON
Fire Employee Trustee
Little Rock
Term Expires Jan. 1, 2012



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, 2008

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.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

LOPFI

ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

Letter of Transmittal

May 28, 2010

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

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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, 2009. This report recognizes LOPFI's 27th year of administering retirement benefits for the covered police officers and firefighters in the State. An essential function of the system is to make certain 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 engaged to provide reasonable assurance that safeguarding of the assets and fair presentation of the financial statements, supporting schedules, and statistical tables are clearly present.

LOPFI continued its enhancement of data processing services during the 2009 year. Our collaboration with Tegrity Technologies allowed the jettisoning of processes that were severely outdated. Core functions associated with data processing have seen vast improvements in terms of efficiencies and the caliber of service provided to members and employers. The future promises greater refinements that will keep our progress moving ahead. These changes simply mean even more streamlined and timely service without sacrificing the integrity of system data.

Financial Information Summary

The following schedule is a summary of the system's additions and deductions for the years ended December 31, 2009 and December 31, 2008.

| | <u>December 31, 2009</u> | <u>December 31, 2008</u> |
|------------|---------------------------------|---------------------------------|
| Additions | \$ 207,471,553 | (\$ 142,100,091) |
| Deductions | 36,896,298 | 32,575,412 |
| Net Change | \$ 170,575,255 | (\$ 174,675,503) |

The change in Additions was a reflection of the investment performance for 2009. Deductions increased as a result of an increase in the number of members entering retirement and participating in DROP, and a small increase in members who terminated coverage and elected to withdraw their member contributions. As LOPFI continues to mature the frequency of retirements and DROP participation will understandably accelerate. Further details regarding the financial condition can be located in the Management's Discussion and Analysis beginning on page 19 in the Financial Section of this report.

The System's Financial Position

LOPFI's funding objective is to meet all benefit promises funded by investment earnings and contributions that remain approximately level as a percent of member payroll over decades of time. The Schedule of Funding Progress beginning on page 32 of this report shows the system continues to meet this objective. As of December 31, 2009, the funded ratio for the entire portfolio was 64%. The decrease is a product of the smoothing of the investment loss from 2008 and the recognition of liabilities of the increasing number of local pension funds administered by LOPFI. The funded ratio is expected to decrease over the next couple of years as a result of the complete recognition of the 2008 investment experience. And while many of the local funds were underfunded at the time of consolidation, their respective employers have assumed responsibility and are scheduled to fully fund all associated costs. Further details on the funded condition of LOPFI can be found in the Actuarial Section of this report.

Investment Results

The LOPFI portfolio experienced an 18.07% return for the year ended December 31, 2009. This was both a welcomed and significant rebound from the previous year's results. The system is very methodical in the manner in which investments are handled. This vigilant approach assures members their retirement benefits are secure. The Investment Section of this report provides additional information 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, 2008. This was the seventh 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 CAFR was developed as a result of the combined efforts of system staff and its advisors working together. The report's purpose is to provide satisfactory 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.

Each CAFR is made available to Legislative Audit, Legislative Council and all participating employer groups. Through its intuitive design, we hope readers will find the report easy to navigate as well as informative.

I am fortunate to work with a dedicated staff that truly enjoys providing the best service to a vital segment of the citizenry—police officers and firefighters. Finally, all active and retired members and participating employer groups should know that we value your feedback. Please contact me or a member of staff with your comments on how we may enhance our service.

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*

DATA PROCESSING

*Tegrit Technologies
Livonia, Michigan*

INVESTMENT CONSULTANT

*Stephens, Inc.
Larry Middleton
Little Rock, Arkansas*

INVESTMENT MONITOR

*Thistle Asset Consulting Group
John McCann
Boynton Beach, Florida*

LEGAL COUNSEL

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

INVESTMENT MANAGEMENT

- *300 North Capital
Pasadena, California*
- *Aberdeen Asset Management
Philadelphia, Pennsylvania*
- *Advent Capital Management
New York, New York*
- *Barrow, Hanley, Mewhinney & Strauss
Dallas, Texas*
- *Black Rock Fund Advisors (EAFE)
San Francisco, California*
- *Citigroup Private Equity
New York, New York*
- *Davis, Hamilton, Jackson & Associates
Houston, Texas*
- *Dodge & Cox
Braintree, Massachusetts*
- *Fisher Investments
Woodside, California*
- *Global Currents Investments
Wilmington, Delaware*
- *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*

*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 25 years of paid service or at least age 50 and has 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

$2.94\% \times \text{FAP} \times \text{Years of Service}$

(b) Paid service position covered by Social Security

$2.94\% \times \text{FAP} \times \text{Years of Service}$

until first eligible for an unreduced Social Security Benefit

THEN $1.94\% \times \text{FAP} \times \text{Years of Service}$

when first eligible for unreduced Social Security Benefit

(c) Volunteer

$\$5.72 \text{ per month} \times \text{Years of Service}$ (The \$5.72 Benefit is indexed annually for inflation).

The maximum benefit for paid service is 100% of FAP. For volunteer service the maximum benefit is \$228.80 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: 8.5% of pay.
- (2) Paid service also covered by Social Security: 2.5% of pay.
- (3) Paid service under Benefit Program 2: 8.5% 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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LITTLE ROCK, ARKANSAS 72211

TELEPHONE (501) 223-3581
FAX (501) 604-9880
E-MAIL wtkcpa@windstream.net

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, 2009 and 2008 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, 2009 and 2008 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 2009 and 2008, 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.



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 2009 and 2008.

Arkansas Local Police and Fire Retirement System
Year ended December 31, 2009

Summary of Comparative Statements of Plan Net Assets

| | <u>As of</u> <u>December 31, 2009</u> | <u>As of</u> <u>December 31, 2008</u> | <u>Percent</u> <u>Change</u> |
|---|--|--|---------------------------------|
| Cash and short-term investments | \$ 88,117,672 | \$ 68,300,827 | 29.01 % |
| Invested securities lending collateral | 44,552,779 | 65,862,794 | (32.36) |
| Due from brokers-unsettled trades | 17,260,699 | 34,269,980 | (49.63) |
| Total receivables | 8,418,218 | 6,362,496 | 32.31 |
| Prepaid expense and other assets | 84,633 | 107,305 | (21.13) |
| Investments | 736,604,807 | 637,340,325 | 15.57 |
| Land, building, furniture and equipment | 3,808,319 | 3,951,668 | (3.63) |
| Total assets | <u>\$ 898,847,127</u> | <u>\$ 816,195,395</u> | 10.13 % |
| Accounts payable and accrued expenses | \$ 779,953 | \$ 334,815 | 132.95 % |
| Refunds payable | 95,929 | 57,248 | 67.57 |
| Due to Pension Review Board | 213,620 | 189,460 | 12.75 |
| Due to brokers-unsettled trades | 25,435,356 | 92,556,843 | (72.52) |
| Collateral for securities on loan | 44,552,779 | 65,862,794 | (32.36) |
| Total liabilities | <u>71,077,637</u> | <u>159,001,160</u> | (55.30) |
| Net assets held for pension benefits | <u>827,769,490</u> | <u>657,194,235</u> | 25.96 |
| Total liabilities and net assets held for pension benefits | <u>\$ 898,847,127</u> | <u>\$ 816,195,395</u> | 10.13 % |

The increase in cash and short term investments is a result of assets being reallocated to shorter term investments, while the overall increase in total investments is an indication of the rebound of the financial markets in 2009. Investments were also enhanced by the receipt of \$15.6 million in assets received as a result of several local plans consolidating into LOPFI. The increase in total receivables reflects an overall increase in the number of active members which in turn produces an increase in both employer and member contributions. Other assets decreased due to the fact that there were less 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, 2009**

Summary of Comparative Statements of Changes in Plan Net Assets

| | Year ended December 31, 2009 | Year ended December 31, 2008 | Percent Change |
|--|---------------------------------|---------------------------------|-------------------|
| Contributions | \$ 84,447,061 | \$ 69,918,855 | 20.78 % |
| Net investment income (loss) | 123,024,492 | (212,018,946) | 158.03 |
| Total additions (reductions) | <u>207,471,553</u> | <u>(142,100,091)</u> | 246.00 |
| Benefits paid | 30,669,255 | 27,671,177 | 10.83 |
| Refunds of contributions | 1,027,093 | 995,285 | 3.20 |
| Administrative expenses | 1,948,267 | 1,839,547 | 5.91 |
| Deferred retirement option distributions | 3,251,683 | 2,069,403 | 57.13 |
| Total deductions | <u>36,896,298</u> | <u>32,575,412</u> | 13.26 |
| Net increase (decrease) in plan net assets | 170,575,255 | (174,675,503) | 197.65 |
| Plan net assets-beginning of year | 657,194,235 | 831,869,738 | 21.00 |
| Plan net assets-end of year | <u>\$ 827,769,490</u> | <u>\$ 657,194,235</u> | 25.96 % |

Contributions increased as a result of a 1.77 % 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 that adopted LOPFI coverage. Also, because of legislation introduced in 2009, the contribution rate for all active paid members was increased by 2.5%. Net investment income posted a large increase due the rebound of the financial markets in 2009. 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. There was a slight increase in refunds of member contributions as a result of an increase in the 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 System's upgrading of its data processing functions. Deferred Retirement Option Plan (DROP) distributions increased as a natural result of a greater number of retirements due to the overall growth and age of the system.

Arkansas Local Police and Fire Retirement System
Year ended December 31, 2009

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 | 159,001,160 | 137,750,864 | 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, 2009**

Summary of Comparative Statements of Changes in Plan Net Assets

| | Year ended December 31, 2008 | Year ended December 31, 2007 | Percent Change |
|--|---------------------------------|---------------------------------|-------------------|
| Contributions | \$ 69,918,855 | \$ 61,166,007 | 14.31 % |
| Net investment income (loss) | (212,018,946) | 64,422,521 | (429.11) |
| Total additions (reductions) | (142,100,091) | 125,588,528 | (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 | 2,069,403 | 2,445,907 | (15.39) |
| Total deductions | 32,575,412 | 30,229,982 | 7.76 |
| Net increase (decrease) in plan net assets | (174,675,503) | 95,358,546 | (283.18) |
| Plan net assets-beginning of year | 831,869,738 | 736,511,192 | 12.94 |
| Plan net assets-end of year | \$ 657,194,235 | \$ 831,869,738 | (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

Statement of Plan Net Assets

December 31, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|------------------------|------------------------|
| <u>Assets</u> | | |
| Cash and short-term investments | \$ 88,117,672 | \$ 68,300,827 |
| Receivables: | | |
| Contributions receivable | 5,758,089 | 4,142,674 |
| Accrued interest and dividends | 2,654,340 | 2,212,834 |
| Other receivables | 5,789 | 6,988 |
| Total receivables | <u>8,418,218</u> | <u>6,362,496</u> |
| Prepaid expense | <u>34,862</u> | <u>74,786</u> |
| Investments at fair value: | | |
| U. S. Government, agencies, and state obligations | 150,832,280 | 148,037,725 |
| Collateralized mortgage obligations-non govt. | 21,275,994 | 26,736,901 |
| Corporate and municipal obligations | 80,316,063 | 74,102,497 |
| Foreign bonds | 1,622,750 | 1,379,143 |
| Fixed income collective trusts | 114,784,843 | 70,009,817 |
| Common and preferred stocks | 74,118,793 | 57,446,400 |
| Special situation properties, etc. | 42,861,042 | 22,069,856 |
| Equity mutual collective trusts | 250,793,042 | 237,557,986 |
| Total investments | <u>736,604,807</u> | <u>637,340,325</u> |
| Invested securities lending collateral | <u>44,552,779</u> | <u>65,862,794</u> |
| Due from brokers-unsettled trades | 17,260,699 | 34,269,980 |
| Land, building, furniture and equipment-at cost | 3,808,319 | 3,951,668 |
| Other assets | <u>49,771</u> | <u>32,519</u> |
| | <u>\$ 898,847,127</u> | <u>\$ 816,195,395</u> |
| <u>Liabilities and net assets held in trust for pension benefits</u> | | |
| <u>Liabilities:</u> | | |
| Accounts payable and accrued expenses | \$ 779,953 | \$ 334,815 |
| Refunds payable | 95,929 | 57,248 |
| Due to Pension Review Board | 213,620 | 189,460 |
| Collateral for securities on loan | 44,552,779 | 65,862,794 |
| Due to brokers-unsettled trades | 25,435,356 | 92,556,843 |
| Total liabilities | <u>71,077,637</u> | <u>159,001,160</u> |
| Net assets held in trust for pension benefits | <u>827,769,490</u> | <u>657,194,235</u> |
| | <u>\$ 898,847,127</u> | <u>\$ 816,195,395</u> |

See accompanying notes.

Arkansas Local Police and Fire Retirement System

Statement of Changes in Plan Net Assets

Years ended December 31, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|--------------------------|--------------------------|
| <u>Additions:</u> | | |
| Contributions: | | |
| Member contributions | \$ 14,354,314 | \$ 10,371,754 |
| Employer contributions | 54,473,529 | 52,911,629 |
| Local plan administrative mergers and paid military time | 15,619,218 | 6,635,472 |
| Total contributions | <u>84,447,061</u> | <u>69,918,855</u> |
| Investment income (loss): | | |
| Net increase (decrease) in fair value of investments | 109,183,788 | (226,732,762) |
| Interest, dividends, and other income | 16,413,329 | 17,558,063 |
| Investment expenses | (2,977,848) | (3,468,286) |
| Total investing income (loss) before securities lending | <u>122,619,269</u> | <u>(212,642,985)</u> |
| From securities lending activity: | | |
| Securities lending income | 703,980 | 2,491,214 |
| Securities lending expenses: | | |
| Borrower rebates | (164,214) | (1,615,263) |
| Management fees | (134,543) | (251,912) |
| Net income from securities lending activities | <u>405,223</u> | <u>624,039</u> |
| Total investment income (loss) | <u>123,024,492</u> | <u>(212,018,946)</u> |
| Total additions (reductions) | <u>207,471,553</u> | <u>(142,100,091)</u> |
| <u>Deductions:</u> | | |
| Benefits paid | 30,669,255 | 27,671,177 |
| Refunds of contributions | 1,027,093 | 995,285 |
| Administrative expenses | 1,948,267 | 1,839,547 |
| Deferred retirement option distributions | 3,251,683 | 2,069,403 |
| Total deductions | <u>36,896,298</u> | <u>32,575,412</u> |
| Net increase (decrease) in plan net assets | <u>170,575,255</u> | <u>(174,675,503)</u> |
| Plan net assets-beginning of year | <u>657,194,235</u> | <u>831,869,738</u> |
| Plan net assets-end of year | <u>\$827,769,490</u> | <u>\$657,194,235</u> |

See accompanying notes.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2009 and 2008

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, 2009 and 2008, the number of participating political subdivisions was 464 and 460 respectively. At that date membership consisted of the following:

| <u>Membership classification</u> | <u>Number of employees</u> | |
|---|----------------------------|-------------|
| | <u>2009</u> | <u>2008</u> |
| Retirees and beneficiaries currently receiving benefits: | | |
| LOPFI staff | 1 | |
| LOPFI police without social security | 144 | 133 |
| Local plan police without social security | 354 | 347 |
| LOPFI police with social security | 439 | 381 |
| LOPFI policemen benefit program 2 without social security | 29 | 20 |
| LOPFI fire without social security | 161 | 136 |
| LOPFI fire with social security | 14 | 13 |
| Local plan fire without social security | 566 | 579 |
| LOPFI volunteer fire | 802 | 527 |
| Local volunteer fire | 830 | 687 |
| Local plan police with social security | 108 | 107 |
| LOPFI volunteer police | 18 | 14 |
| LOPFI firemen benefit program 2-with social security | 4 | 4 |
| LOPFI policemen benefit program 2-with social security | 5 | 4 |
| LOPFI firemen benefit program 2 without social security | 23 | 18 |
| Subtotal for retirees and beneficiaries | 3,498 | 2,970 |
| Active employees: | | |
| LOPFI staff | 8 | 8 |
| Local police with social security | 0 | 1 |
| LOPFI police with social security | 1,844 | 1,778 |
| LOPFI police without social security | 1,160 | 1,128 |
| Local plan police without social security | 5 | 5 |
| LOPFI firemen with social security | 57 | 51 |
| LOPFI firemen without social security | 2,055 | 1,893 |
| Local plan firemen without social security | 10 | 11 |
| LOPFI volunteer firemen | 6,412 | 6,480 |
| Local plan volunteer firemen | 9 | 6 |
| LOPFI volunteer police | 139 | 123 |
| LOPFI firemen benefit program 2 with social security | 27 | 26 |
| LOPFI firemen benefit program 2 without social security | 294 | 299 |
| LOPFI policemen benefit program 2 with social security | 43 | 42 |
| LOPFI police benefit program 2 without social security | 374 | 371 |
| Local plan part paid contributory firemen | 2 | 1 |
| Subtotal for active employees | 12,439 | 12,223 |
| Terminated Vested Members | 4,149 | 3,288 |
| Total membership | 20,086 | 18,481 |

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2009 and 2008

Note 1: Plan Description (continued):

Included in the above figures for 2009 and 2008 respectively are 1,884 and 1,744 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: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- b. Paid service also covered by social security: 2.5% of gross pay beginning July 1, 2009; no employee contributions prior to that date
- c. Volunteer service: no employee contribution
- d. Paid service-benefit program 2: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date

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, 2.94% of his final average pay (2.7% for those with retirement date prior to July 1, 2009); plus
- (b) For each year of paid service resulting from employment in a position also covered by social security, 1.94% of his final average pay (1.7% for those with retirement date prior to July 1, 2009). 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, 100% 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, 2009 and 2008

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, 3.28% 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, 3.28% 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 paid 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, 2009 and 2008, the DROP accounts totaled \$8,805,733 and \$11,506,607 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 2009 and 2008 was \$143,109 and \$168,186 respectively.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2009 and 2008

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, 2009 and 2008, 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 | | \$ 53,717,515 |
| A to AAA | \$ 62,239,326 | 8,693,022 |
| BBB and below or unrated | 19,699,487 | 13,582,972 |
| Total | <u>\$ 81,938,813</u> | <u>\$ 74,993,709</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 4.01 to 6.60 years and averages 4.75 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, 2009 and 2008

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, 2009 and 2008, 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, 2009 and 2008 LOPFI had lending arrangements outstanding with a total market value for securities lent of \$44,552,779 and \$65,862,794, and a total market value for securities received as collateral of \$45,558,525 and \$67,544,033, 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 \$405,223 for 2009 and \$624,039 for 2008.

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>2009</u> | <u>2008</u> |
|---------------------------------|-----------------------|-----------------------|
| Member's Deposit Account | \$ 124,849,760 | \$ 108,841,240 |
| Employer Accumulation Account | 444,056,429 | 260,482,404 |
| Retirement Reserve Account | 250,057,568 | 276,363,984 |
| Income-Expense Account | 0 | 0 |
| Deferred Retirement Option Plan | 8,805,733 | 11,506,607 |
| | <u>\$ 827,769,490</u> | <u>\$ 657,194,235</u> |

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2009 and 2008

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), (4) at age fifty with twenty years of service (reduced ½ of 1% for each month under age 55); or (5) at any age with 25 years of paid 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 2007, 2008, and 2009, LOPFI recorded as administrative expense of \$62,698, \$87,037, and \$115,131 respectively. Amounts shown as administrative expense for these years were transferred to member and employer deposit accounts of LOPFI.

Note 5: Funded Status and Funding Progress

The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. At December 31, 2009, the actuarial value of plan assets was \$878,958,364, and the actuarial accrued liability was \$1,379,093,412. The resulting funded ratio is 64 %.

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, 2009 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.

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 |
|--------------------------|-------------------------------|---|-------------------------|------------------|------------------------|---|
| 12/31/00 * | 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 | 625,021,624 | 71,964,396 | 88 | 178,850,477 | 40 |
| 12/31/04 * # | 601,798,909 | 754,004,285 | 152,205,376 | 80 | 193,670,943 | 79 |
| 12/31/05 # | 653,546,976 | 842,926,984 | 189,380,008 | 78 | 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 | 1,200,515,663 | 411,882,581 | 66 | 245,775,341 | 168 |
| 12/31/09 | 878,958,364 | 1,379,093,412 | 500,135,048 | 64 | 265,123,993 | 189 |

* After legislated benefit increases for LOPFI members
+ After changes in actuarial assumptions
Revised in 2009 for actuarial corrections.

Schedule of Employer Contributions

| Fiscal year ending | Annual Required Contribution | Percent Contributed |
|--------------------|------------------------------|---------------------|
| 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% |
| 12/31/09 | 53,051,887 | 100% |

Note to the required supplementary information

Actuarial methods & assumptions for valuation performed December 31, 2009

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, 2009 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, 2009 and 2008

| | | |
|---|---------------------|---------------------|
| <u>Personnel Services</u> | <u>2009</u> | <u>2008</u> |
| Staff salaries | \$ 325,423 | \$ 299,967 |
| Social security tax | 35,756 | 33,766 |
| Staff retirement plan contribution | 115,131 | 87,037 |
| Health insurance | 55,680 | 60,653 |
| Unemployment insurance | 990 | 799 |
| Total personnel services | <u>532,980</u> | <u>482,222</u> |
| <u>Professional Services</u> | | |
| Actuarial services | 238,329 | 256,844 |
| Professional accounting services | 8,800 | 8,600 |
| Legal consultation | 95,000 | 87,417 |
| Data processing | 664,739 | 632,660 |
| Medical advisor | 45,696 | 37,426 |
| Total professional services | <u>1,052,564</u> | <u>1,022,947</u> |
| <u>Communications</u> | | |
| Printing | 47,844 | 19,774 |
| Telephone | 9,688 | 9,762 |
| Postage | 39,253 | 18,513 |
| Meetings and travel | 13,432 | 17,571 |
| Total communications | <u>110,217</u> | <u>65,620</u> |
| <u>Miscellaneous</u> | | |
| Insurance-bond and property | 73,995 | 70,418 |
| Office equipment rent | 12,426 | 10,744 |
| Depreciation | 143,109 | 168,186 |
| Publications | 605 | 1,189 |
| Office supplies | 20,421 | 16,056 |
| Other miscellaneous | 1,950 | 2,165 |
| Total miscellaneous | <u>252,506</u> | <u>268,758</u> |
| Total administrative expenses | <u>1,948,267</u> | <u>1,839,547</u> |
| <u>Investment expenses</u> | | |
| Investment manager fees | 2,456,700 | 3,047,146 |
| Custodial fees | 216,000 | 216,000 |
| Investment consulting fee | 250,000 | 160,000 |
| Investment monitoring fee | 55,148 | 45,140 |
| Total investment expenses | <u>2,977,848</u> | <u>3,468,286</u> |
| Total administrative and investment expenses | <u>\$ 4,926,115</u> | <u>\$ 5,307,833</u> |

Arkansas Local Police and Fire Retirement System

Schedule of Actual versus Budgeted Expenses

Year ended December 31, 2009

| | <u>Budgeted</u> | <u>Actual</u> | Favorable (Unfavorable) |
|---|--------------------|--------------------|----------------------------|
| <u>Personnel Services</u> | 655,808 | 532,980 | 122,828 |
| <u>Professional Services</u> | | | |
| Actuarial services | 244,800 | 238,329 | 6,471 |
| Professional accounting services | 8,900 | 8,800 | 100 |
| Legal consultation (1) | 90,000 | 95,000 | (5,000) |
| Data processing | 781,253 | 664,739 | 116,514 |
| Medical advisor (2) | 41,000 | 45,696 | (4,696) |
| Total professional services | <u>1,165,953</u> | <u>1,052,564</u> | <u>113,389</u> |
| <u>Communications</u> | | | |
| Printing | 49,100 | 47,844 | 1,256 |
| Telephone | 14,100 | 9,688 | 4,412 |
| Postage | 40,250 | 39,253 | 997 |
| Meetings and travel | 23,400 | 13,432 | 9,968 |
| Total communications | <u>126,850</u> | <u>110,217</u> | <u>16,633</u> |
| <u>Miscellaneous</u> | | | |
| Insurance-bond and property | 74,400 | 73,995 | 405 |
| Office equipment rent | 12,500 | 12,426 | 74 |
| Depreciation | 143,109 | 143,109 | - |
| Publications | 2,200 | 605 | 1,595 |
| Office supplies | 20,500 | 20,421 | 79 |
| Other miscellaneous | 2,900 | 1,950 | 950 |
| Total miscellaneous | <u>255,609</u> | <u>252,506</u> | <u>3,103</u> |
| Total administrative expenses | <u>2,204,220</u> | <u>1,948,267</u> | <u>255,953</u> |
| <u>Investment expenses</u> | | | |
| Investment manager fees | 2,808,390 | 2,456,700 | 351,690 |
| Custodial fees | 216,000 | 216,000 | - |
| Investment consulting fee | 250,000 | 250,000 | - |
| Investment monitoring fee | 55,150 | 55,148 | 2 |
| Total investment expenses | <u>3,329,540</u> | <u>2,977,848</u> | <u>351,692</u> |
| Total administrative and investment expenses | <u>\$5,533,760</u> | <u>\$4,926,115</u> | <u>\$ 607,645</u> |

(1)Legal consultation was higher due to the cost of acquiring a determination letter in regards to the plan.

(2)Higher actual costs are due to a higher number of disability cases than were expected.



Investment Section



May 2010

Stephens Inc.

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.

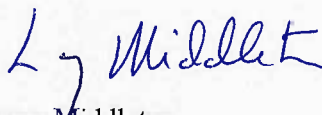
LOPFI's portfolio structure is based on the Fund's Investment Policy and the targeted asset mix is consistent with the long-term investment objectives and risk parameters of the Plan. The portfolio's current allocations fall in the permissible range as stated in the Investment Policy and are as follows:

| | Allocation As of 12/31/09 | Permissible Range |
|--------------------------------|--------------------------------------|------------------------------|
| Domestic Equities | | |
| Value | 14 | 15-30% |
| Growth | 14 | 15-30% |
| Small | 6 | 10-20% |
| Foreign Equities | 9 | 0-10% |
| Index | 9 | 5-15% |
| US Bonds | 36 | 20-50% |
| Foreign Bonds | 9 | 0-10% |
| Alternative Investments | 3 | 0-10% |
| Cash | 0 | 0-20% |

LOPFI earned 18.07%* for the fiscal year ended 2009 (as reported by Thistle Asset Consulting) versus the comparative index return of 19.60%*.

The ending market value of the LOPFI portfolio as of December 31, 2009 was \$809.9 million which includes balances held in the liquidation account (as reported by the custodian, Regions Morgan Keegan Trust).

Sincerely,



Larry Middleton
EVP/Managing Director

* 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.

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.

Investment Bankers

www.stephens.com

111 Center Street P.O. Box 3507 Little Rock, Arkansas 72203 501-377-3493 Fax 501-210-4619



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 |
| 12/31/99 | 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] |
| 12/31/09 | 18.07% [\$811,937] | 5.7% | 27.75% [\$411,003] | 11.10% [\$328,637] | 2.03% [\$72,307] |

QUARTERLY VALUES (RETURNS)

| Period Ended | Total Fund | Equities | Fixed Income |
|--------------|------------|----------|--------------|
| 12/31/2009 | 2.79% | 5.38% | 0.19% |

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, 2009

| MANAGER | Wellington | Barrow Hanley | State Street Global Advisors | 300. N. Capital | Fisher Investments | EAFE | Brandywine | Dodge & Cox | Citigroup |
|---------|------------|---------------|------------------------------|-----------------|--------------------|------|------------|-------------|-----------|
|---------|------------|---------------|------------------------------|-----------------|--------------------|------|------------|-------------|-----------|

AMOUNT MANAGED

| | | | | | | | | | |
|----------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| (Thousand's omitted) | \$ 105,675 | \$ 56,140 | \$ 71,357 | \$ 43,334 | \$ 19,800 | \$ 23,489 | \$ 21,781 | \$ 50,352 | \$ 2,400 |
|----------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|

| MANAGER | DHJ (Core) | PIMCO (Intmed.) | WAMCO (Aggregate) | Aberdeen Asset Management | JP Morgan Infrastructure | Macquarie Infrastructure | Advent Capital |
|---------|------------|-----------------|-------------------|---------------------------|--------------------------|--------------------------|----------------|
|---------|------------|-----------------|-------------------|---------------------------|--------------------------|--------------------------|----------------|

AMOUNT MANAGED

| | | | | | | | |
|----------------------|-----------|------------|-----------|-----------|-------|----------|----------|
| (Thousand's omitted) | \$ 46,983 | \$ 131,909 | \$ 87,460 | \$ 63,395 | \$ 50 | \$ 5,214 | \$ 2,000 |
|----------------------|-----------|------------|-----------|-----------|-------|----------|----------|



ARKANSAS LOPIFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

| December 31, 2009 | | | | | | | | | |
|---|-----------|-----------|-------------|------------|-----------|-----------|-----------|------------|-----------|
| Current Quarter | FYTD | One Year | Three Years | Five Years | 2008 | 2007 | 2006 | 2005 | 2004 |
| TOTAL FUND NET (Inc. 12/31/97) | | | | | | | | | |
| Return | 18.07% | 18.07% | -1.41% | 1.56% | -25.54% | 8.98% | 10.14% | 2.38% | 8.28% |
| Ranking | 89 | 89 | 47 | 75 | 38 | 27 | 69 | 92 | 65 |
| Policy Return * | 19.60% | 19.60% | -0.82% | 2.71% | -22.87% | 5.75% | 12.59% | 4.09% | 10.77% |
| TOTAL EQUITIES (Inc. 12/31/97) | | | | | | | | | |
| Return | 27.75% | 27.75% | -5.50% | 0.07% | -39.85% | 9.82% | 13.32% | 4.95% | 10.93% |
| Ranking | 76 | 76 | 70 | 93 | 77 | 20 | 68 | 92 | 76 |
| Policy Return** | 28.06% | 28.06% | -5.66% | 0.97% | -36.98% | 4.05% | 17.39% | 6.44% | 13.94% |
| TOTAL FIXED INCOME (Inc. 12/31/1997) | | | | | | | | | |
| Return | 11.10% | 11.10% | 5.73% | 4.23% | -0.27% | 6.67% | 4.47% | -0.37% | 4.78% |
| Ranking | 64 | 64 | 18 | 33 | 26 | 13 | 84 | 100 | 29 |
| Policy Return*** | 4.85% | 4.85% | 6.42% | 4.68% | 6.33% | 8.12% | 4.52% | -0.24% | 5.23% |

* 23% R1000V, 20% R1000G, 15% R2000, 5% EAFE, 15% BCGC, 15% BCIGC, 7% Non-US Bond
 **37% R1000V, 32% R1000G, 24% R2000, 7% 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 LOPIFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

December 31, 2009

| Current Quarter | One Year | Three Years | Five Years | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|-----------|-------------|------------|-----------|-----------|------------|-----------|-----------|
| WELLINGTON EQUITY (Inc. 12/31/1997) | | | | | | | | |
| Return | 5.61% | 36.22% | 1.08% | -39.89% | 16.39% | 4.99% | 5.46% | 14.75% |
| Ranking (Broad Large Cap Growth) | 76 | 37 | 27 | 55 | 26 | 75 | 67 | 12 |
| Policy Return (R1000G) | 7.94% | 37.21% | -1.89% | -38.44% | 11.81% | 9.07% | 5.26% | 6.30% |
| BARROW HANLEY LARGE CAP VALUE (Inc. 12/31/2005) | | | | | | | | |
| Return | 7.60% | 23.74% | -5.73% | -34.84% | 3.90% | 17.43% | n/a | n/a |
| Ranking (Broad Large Cap Value) | 4 | 59 | 33 | 26 | 50 | 48 | n/a | n/a |
| Policy Return (R1000V) | 4.22% | 19.69% | -8.96% | -36.85% | -0.17% | 22.25% | n/a | n/a |
| 300 NORTH CAPITAL SMALL CAP EQUITY (Inc. 12/31/1997)[formerly PIC] | | | | | | | | |
| Return | 8.01% | 39.46% | -4.45% | -46.25% | 16.37% | 13.37% | 4.39% | 8.08% |
| Ranking (Broad Small Cap Growth) | 1 | 34 | 48 | 65 | 28 | 39 | 68 | 74 |
| Policy Return (R2000G) | 4.14% | 34.47% | -4.00% | -38.54% | 7.05% | 13.34% | 4.15% | 14.31% |
| FISHER INVESTMENTS INTERNATIONAL EQUITY (12/31/2001) | | | | | | | | |
| Return | 3.73% | 41.39% | -3.26% | -45.41% | 17.30% | 19.15% | 19.34% | 17.65% |
| Ranking (International Equity) | 33 | 20 | 24 | 36 | 23 | 100 | 37 | 67 |
| Policy Return (MSCI EAFE) | 2.22% | 32.46% | -5.57% | -43.06% | 11.63% | 26.86% | 14.02% | 20.70% |

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



ARKANSAS LOPIFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

December 31, 2009

| Current Quarter | One Year | Three Years | Five Years | 2008 | 2007 | 2006 | 2005 | 2004 |
|-----------------|----------|-------------|------------|------|------|------|------|------|
|-----------------|----------|-------------|------------|------|------|------|------|------|

EAFE i-SHARES (Inc. 5/31/2004)

| | <i>Calendar Year End</i> | | | | | | | | |
|--------------------------------|--------------------------|-----------|--------|-----------|-----------|-----------|-----------|-----------|-----|
| Return | 1.84% | 24.33% | -6.11% | 3.03% | -39.40% | 9.87% | 25.67% | 11.63% | n/a |
| Ranking (International Equity) | 68 | 85 | 56 | 69 | 13 | 64 | 74 | 85 | n/a |
| Policy Return (MSCI EAFE) | 2.22% | 32.46% | -5.57% | 4.02% | -43.06% | 11.63% | 26.86% | 14.02% | n/a |

SSGA INDEX PLUS (Inc. 01/31/2005)

| | <i>4-Years</i> | | | | | | | | |
|--------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|--------|-----|-----|
| Return | 6.68% | 25.59% | -7.48% | -2.13% | -38.69% | 2.83% | 15.87% | n/a | n/a |
| Ranking (Broad Large Cap Core) | 17 | 77 | 87 | 87 | 82 | 85 | 30 | n/a | n/a |
| Policy Return (S&P 500) | 6.04% | 26.46% | -5.63% | -0.67% | -37.00% | 5.49% | 15.80% | n/a | n/a |

GLOBAL CURRENTS INTERNATIONAL EQUITY (Inc. 1/31/2005)[formerly Brandywine]

| | <i>4-Years</i> | | | | | | | | |
|--------------------------------|----------------|--------|--------|-------|---------|-----------|-----------|-----|-----|
| Return | 3.46% | 33.73% | -5.91% | 1.10% | -42.67% | 8.64% | 25.40% | n/a | n/a |
| Ranking (International Equity) | 39 | 45 | 54 | 55 | 38 | 73 | 76 | n/a | n/a |
| Policy Return (MSCI EAFE) | 2.22% | 32.46% | -5.57% | 1.66% | -43.06% | 11.63% | 26.86% | n/a | n/a |

DODGE & COX LARGE CAP EQUITY (Inc. 12/31/2005)

| | <i>4-Years</i> | | | | | | | | |
|--------------------------------|----------------|--------|-----------|-----------|------------|-------|-----------|-----|-----|
| Return | 4.48% | 31.27% | -7.85% | -3.04% | -43.31% | 5.15% | 12.94% | n/a | n/a |
| Ranking (Broad Large Cap Core) | 86 | 28 | 89 | 98 | 100 | 55 | 73 | n/a | n/a |
| Policy Return (S&P 500) | 6.04% | 26.46% | -5.63% | -0.67% | -37.00% | 5.49% | 15.80% | 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, 2009 | | | | | | | | | |
|---|---------------|---------------|---------------|---------|--------------------------|------|------|------|-----|
| Current Quarter | One Year | Three Years | Five Years | 2008 | 2007 | 2006 | 2005 | 2004 | |
| LEHMAN CROSSROADS PRIVATE EQUITY (Inc. 06/30/2007) | | | | | | | | | |
| | <u>3-Qtrs</u> | <u>1-Year</u> | <u>2-Year</u> | | <u>Calendar Year End</u> | | | | |
| Return | -23.57% | -23.57% | -12.82% | -0.57% | n/a | n/a | n/a | n/a | n/a |
| Ranking (Broad Large Cap Core) | 100 | 100 | 88 | 1 | n/a | n/a | n/a | n/a | n/a |
| Policy Return (S&P500) | 42.11% | 26.46% | -10.74% | -37.00% | n/a | n/a | n/a | n/a | n/a |
| CITIGROUP PRIVATE EQUITY (Inc. 07/31/2007) | | | | | | | | | |
| | <u>3-Qtrs</u> | <u>1-Year</u> | <u>2-Year</u> | | <u>Calendar Year End</u> | | | | |
| Return | 12.80% | 12.80% | -4.01% | -18.31% | n/a | n/a | n/a | n/a | n/a |
| Ranking (Broad Large Cap Core) | 1 | 100 | 1 | 1 | n/a | n/a | n/a | n/a | n/a |
| Policy Return (S&P500) | 42.11% | 26.46% | -10.74% | -37.00% | n/a | n/a | n/a | n/a | n/a |
| J.P. MORGAN REAL ESTATE (Inc. 09/30/2007) | | | | | | | | | |
| | <u>3-Qtrs</u> | <u>1-Year</u> | <u>2-Year</u> | | <u>Calendar Year End</u> | | | | |
| Return | -15.59% | -26.95% | -18.44% | -8.93% | n/a | n/a | n/a | n/a | n/a |
| Policy Return (NCREIF Property Index) | -8.35% | -15.07% | -10.87% | -6.46% | n/a | n/a | n/a | n/a | n/a |
| J.P. MORGAN INFRASTRUCTURE (Inc. 12/31/2008) | | | | | | | | | |
| | <u>2-Qtrs</u> | <u>3-Qtrs</u> | <u>1-Year</u> | | <u>Calendar Year End</u> | | | | |
| Return | 0.00% | 0.00% | 0.00% | n/a | n/a | n/a | n/a | n/a | n/a |
| Policy Return (NCREIF Property Index) | -3.32% | -8.35% | -15.07% | n/a | n/a | n/a | n/a | n/a | n/a |
| MACQUARIE INFRASTRUCTURE (Inc. 12/31/2008) | | | | | | | | | |
| | <u>2-Qtrs</u> | <u>3-Qtrs</u> | <u>1-Year</u> | | <u>Calendar Year End</u> | | | | |
| Return | 0.16% | -0.24% | -0.94% | n/a | n/a | n/a | n/a | n/a | n/a |
| Policy Return (NCREIF Property Index) | -3.32% | -8.35% | -15.07% | n/a | n/a | 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



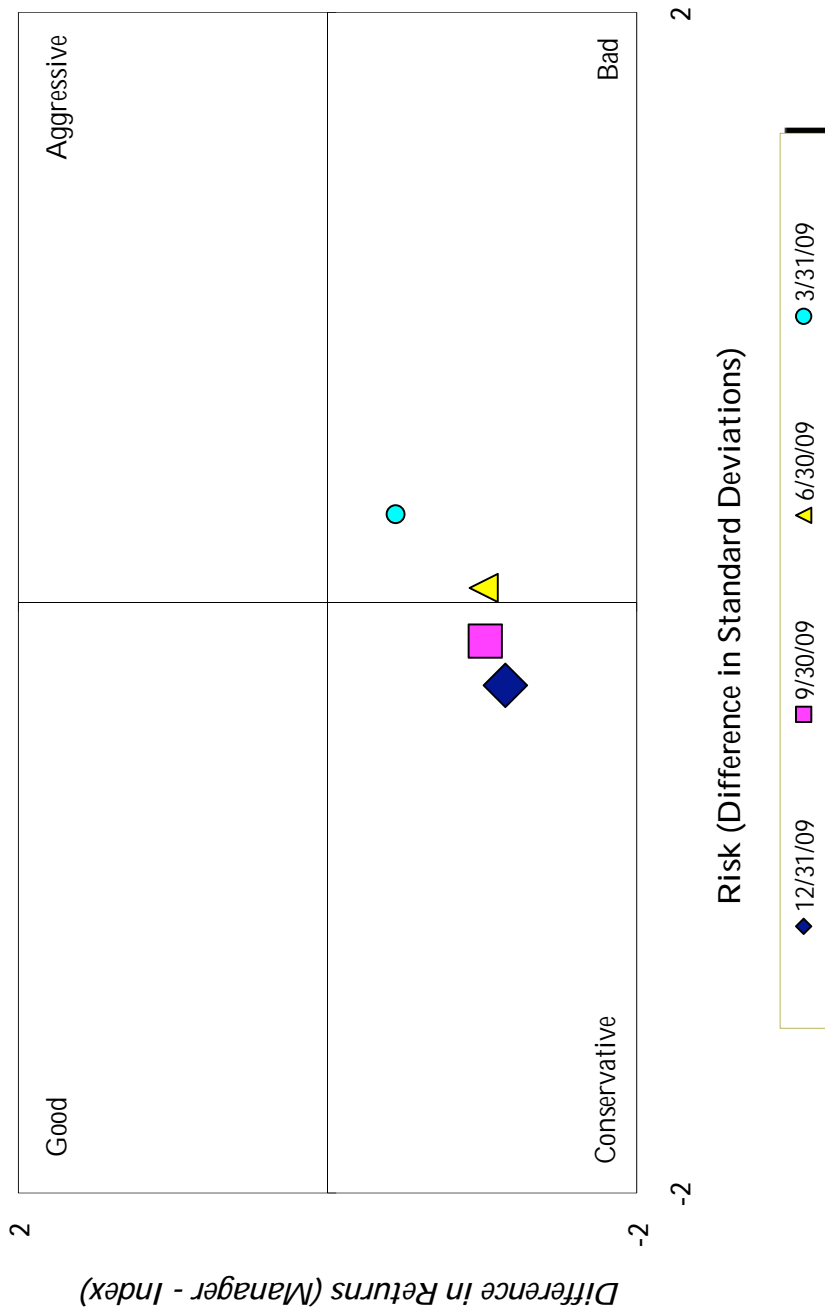
ARKANSAS LOPIFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

| | December 31, 2009 | | | | | | | | | | | |
|--|-------------------|-----------|-------------|----------------|-----------|-----------|-----------|------------|-----------|--|--|--|
| | Current Quarter | One Year | Three Years | Five Years | 2008 | 2007 | 2006 | 2005 | 2004 | | | |
| ABERDEEN ASSET MANAGEMENT INTERNATIONAL BOND (Inc. 12/31/1997) | | | | | | | | | | | | |
| Return | -1.91% | 7.47% | 8.22% | 4.26% | 7.23% | 9.98% | 7.04% | -9.21% | 11.38% | | | |
| Ranking (International Fixed Income) | 100 | 83 | 6 | 50 | 1 | 1 | 7 | 100 | 1 | | | |
| Policy Return (Citigroup Non US Dollar Bond) | -2.15% | 4.39% | 8.61% | 4.46% | 10.11% | 11.46% | 6.94% | -9.20% | 12.14% | | | |
| PIMCO INTERMEDIATE BOND (Inc. 09/30/2002) | | | | | | | | | | | | |
| Return | 0.58% | 9.47% | 8.09% | 6.14% | 6.04% | 8.78% | 4.60% | 1.98% | 2.63% | | | |
| Ranking (Intermediate Fixed) | 72 | 73 | 6 | 5 | 4 | 1 | 86 | 48 | 76 | | | |
| Policy Return (BCIGC) | 0.30% | 5.24% | 5.90% | 4.66% | 5.08% | 7.40% | 4.07% | 1.57% | 3.04% | | | |
| WAMCO AGGREGATE BOND (Inc. 09/30/2002) | | | | | | | | | | | | |
| Return | 1.19% | 18.36% | 3.17% | 3.50% | -12.06% | 5.50% | 5.45% | 2.54% | 4.71% | | | |
| Ranking (Broad Fixed) | 33 | 34 | 66 | 63 | 70 | 27 | 53 | 27 | 29 | | | |
| Policy Return (BCAB) | 0.20% | 5.93% | 6.04% | 4.97% | 5.24% | 6.96% | 4.33% | 2.43% | 4.34% | | | |
| DHJ Fixed Income (Inc 01/31/2005) | | | | | | | | | | | | |
| | | | | <u>4-Years</u> | | | | | | | | |
| Return | 1.09% | 10.37% | 7.87% | 6.96% | 5.06% | 8.25% | 4.28% | n/a | n/a | | | |
| Ranking (Broad Fixed) | 35 | 67 | 1 | 4 | 10 | 5 | 88 | n/a | n/a | | | |
| Policy Return (BCGC) | -0.20% | 4.53% | 5.82% | 5.31% | 5.71% | 7.25% | 3.77% | n/a | n/a | | | |



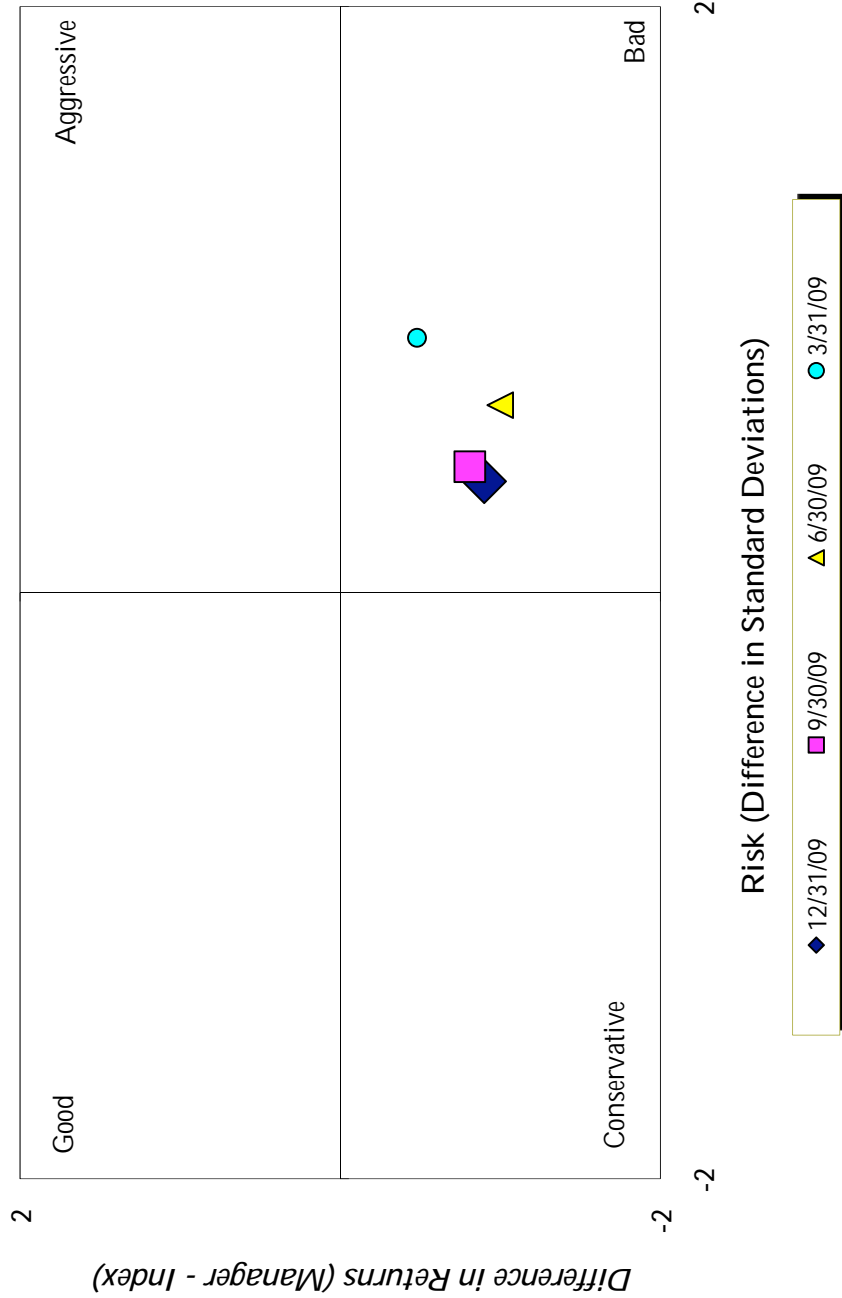
ARKANSAS LOPFI RETIREMENT SYSTEM
Total Fund Trailing 5-Years

December 31, 2009



ARKANSAS LOPFI RETIREMENT SYSTEM
 Total Equities Trailing 5-Years

December 31, 2009



ARKANSAS LOPFI RETIREMENT SYSTEM
Total Fixed Trailing 5-Years

December 31, 2009



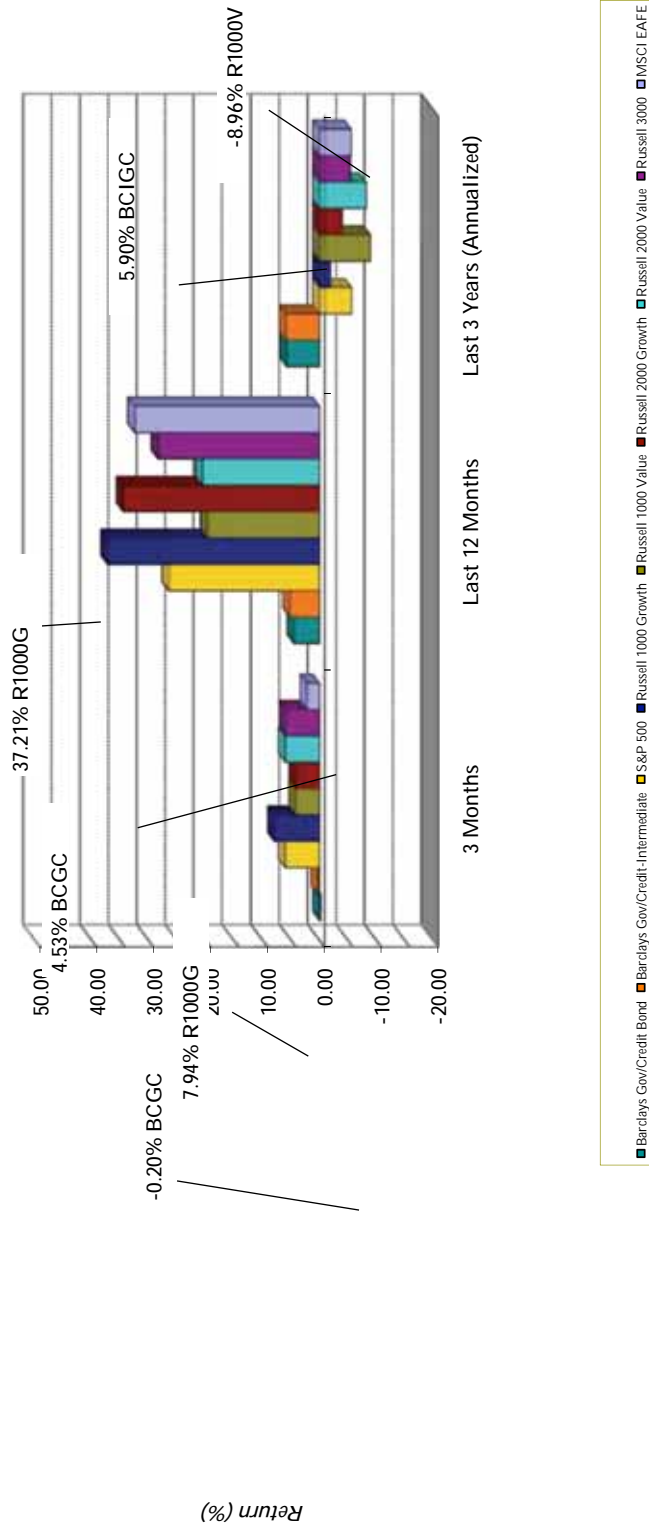
ARKANSAS LOPFI RETIREMENT SYSTEM

TOTAL ANNUAL RETURNS 2005 - 2009 (Net of Investment Management Fees beginning 2008)
(Time-weighted)

| Manager | Annual Return | | | | 5 Years Annualized (Shorter periods as indicated) | |
|--------------------------|---------------|--------|--------|---------|---|---------|
| | 2005 | 2006 | 2007 | 2008 | | 2009 |
| Wellington | 5.46% | 4.99% | 16.39% | -39.89% | 36.22% | 1.08% |
| Barrow Hanley | 17.43% | 17.43% | 3.90% | -34.84% | 23.74% | -0.41% |
| 300 North Capital | 4.39% | 13.37% | 16.37% | -46.25% | 39.46% | 0.64% |
| Fisher | 19.34% | 19.15% | 17.30% | -45.41% | 41.39% | 5.18% |
| EAFE I-Shares | 11.63% | 25.67% | 9.87% | -39.40% | 24.33% | 3.03% |
| PIMCO | 1.98% | 4.60% | 8.78% | 6.04% | 9.47% | 6.14% |
| WAMCO | 2.54% | 5.45% | 5.50% | -12.06% | 18.36% | 3.50% |
| Aberdeen | -9.21% | 7.04% | 9.98% | 7.23% | 7.47% | 4.26% |
| SSGA Index Plus | 15.87% | 15.87% | 2.83% | -38.69% | 25.59% | -0.20% |
| Brandywine Intl. Eq. | 25.40% | 25.40% | 8.64% | -42.67% | 33.73% | 5.02% |
| DHJ | 4.28% | 4.28% | 8.25% | 5.06% | 10.37% | 6.04% |
| Dodge & Cox | 12.94% | 12.94% | 5.15% | -43.31% | 31.27% | -3.04% |
| Lehman Crossroads | | | | -0.57% | -23.57% | -10.45% |
| Citigroup Pr. Equity | | | | -18.31% | 12.80% | -3.33% |
| JP Morgan R.E. | | | | -8.93% | -26.95% | -15.53% |
| JP Morgan Infrastructure | | | | | 0.00% | 0.00% |
| Macquarie | | | | | -0.94% | -0.94% |
| TOTAL FUND | 2.38% | 10.14% | 8.98% | -25.54% | 18.07% | 1.56% |

Index Comparison

December 31, 2009



■ Barclays Gov/Credit Bond ■ Barclays Gov/Credit-Intermedia ■ S&P 500 ■ Russell 1000 Growth ■ Russell 1000 Value ■ Russell 2000 Growth ■ Russell 2000 Value ■ Russell 3000 ■ MSCIEAFE



| | 3 Months | Last 12 Months | Last 3 Years (Annualized) |
|--------------------------------|----------|----------------|---------------------------|
| Barclays Gov/Credit Bond | 6.42 | 5.70 | 5.56 |
| Barclays Gov/Credit-Intermedia | 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 |
| MSCIEAFE | -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 Local Police & Fire Retirement System
Schedule of Investment Expenses
As of December 31, 2009

| Professional / Consultant | Nature of Service | Amount |
|---|-----------------------|------------------------|
| Wellington - Large Cap Growth - Equity | Money Manager | \$ 353,791.96 |
| Barrow, Hanley - Large Cap Value - Equity | Money Manager | \$ 200,923.00 |
| Aberdeen Asset - International Fixed Income | Money Manager | \$ 257,308.56 |
| State Street - Large Cap Core Equity | Money Manager | \$ 145,360.89 |
| Fisher Investments - International Equity | Money Manager | \$ 125,987.61 |
| Global Currents - International Equity | Money Manager | \$ 116,042.45 |
| Davis, Hamilton - Core Fixed Income | Money Manager | \$ 112,704.99 |
| 300 North Capital - Small Cap Growth Equity | Money Manager | \$ 336,127.00 |
| PIMCO - International Fixed Income | Money Manager | \$ 365,124.79 |
| WAMCO - Aggregate Fixed Income | Money Manager | \$ 443,328.86 |
| Total Investment Fees | | <u>\$ 2,456,700.11</u> |
| Regions Bank | Custodial Service | <u>\$ 216,000.00</u> |
| Stephens | Investment Consultant | <u>\$ 250,000.00</u> |
| Thistle Asset Consulting, Inc. | Investment Monitoring | <u>\$ 55,148.00</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 Commissions | Gross Volume of Trades |
|--------------|-----------------------------------|-----------------------|---------------------------|
| 100 | CONVERGEX | \$ 1,360.00 | \$ 644,812.76 |
| 13 | SANFORD C. BERNSTEIN AND CO., LLC | \$ 1,184.00 | \$ 1,138,736.06 |
| 15 | MORGAN STANLEY DW INC. | \$ 297.00 | \$ 491,232.04 |
| 161 | MERRILL LYNCH, PIERCE, FENNER and | \$ 2,497.94 | \$ 2,213,908.83 |
| 235 | RBC DAIN RAUSCHER INC | \$ 416.00 | \$ 149,928.75 |
| 3023 | FOX-PITT KELTON INC. | \$ 372.00 | \$ 188,267.22 |
| 345 | KEEFE BRUYETTE AND WOODS INC | \$ 1,896.50 | \$ 808,963.24 |
| 352 | J.P. MORGAN SECURITIES INC | \$ 100.00 | \$ 60,588.00 |
| 355 | CREDIT SUISSE FIRST BOSTON LLC | \$ 1,121.00 | \$ 716,282.60 |
| 374 | JANNEY MONTGOMERY SCOTT INC. | \$ 206.50 | \$ 140,547.13 |
| 418 | CITIGROUP GLOBAL MARKETS INC. | \$ 1,427.00 | \$ 988,775.04 |
| 46171 | FIRST UNION CAPITAL MARKETS | \$ 651.00 | \$ 455,471.71 |
| 50 | MORGAN STANLEY | \$ 88.00 | \$ 55,297.42 |
| 50091 | LIQUIDNET INC | \$ 579.20 | \$ 991,492.31 |
| 51174 | THE BENCHMARK COMPANY, LLC. | \$ 312.00 | \$ 172,310.70 |
| 52759 | KNIGHT SECURITIES, INC. | \$ 234.00 | \$ 151,758.48 |
| 54233 | LEERINK SWANN AND COMPANY | \$ 64.00 | \$ 75,091.04 |
| 54959 | MIDWEST RESEARCH SECURITIES | \$ 116.00 | \$ 142,568.93 |
| 55528 | JNK SECURITIES INC. | \$ 498.00 | \$ 299,547.00 |
| 573 | DEUTSCHE BANK SECURITIES, INC. | \$ 766.75 | \$ 535,965.92 |
| 57656 | PULSE TRADING, LLC | \$ 80.50 | \$ 117,962.79 |
| 59964 | BLOOMBERG TRADEBOOK LLC | \$ 10.00 | \$ 20,214.24 |
| 60 | J P MORGAN | \$ 668.00 | \$ 613,615.84 |
| 61374 | CSI US INSTITUTIONAL DESK | \$ 202.00 | \$ 364,227.57 |
| 61610 | BARCLAYS CAPITAL LE | \$ 472.50 | \$ 351,695.40 |
| 6164 | INVESTMENT TECHNOLOGY GROUP, INC | \$ 114.50 | \$ 408,509.47 |
| 642 | UBS SECURITIES LLC | \$ 470.00 | \$ 72,357.02 |
| 652 | UBS WARBURG LLC CMO 652 | \$ 36.00 | \$ 38,877.66 |
| 67 | INSTINET CORPORATION | \$ 8.00 | \$ 35,940.32 |
| 6826 | INSTINET | \$ 2,823.50 | \$ 3,386,852.52 |
| 696 | CANTOR FITZGERALD AND CO. | \$ 2,187.79 | \$ 735,159.38 |
| 70943 | PIPELINE TRADING SYSTEMS LLC | \$ 503.00 | \$ 1,560,353.56 |
| 71761 | DOWLING AND PARTNERS | \$ 133.00 | \$ 316,383.48 |
| 725 | RAYMOND JAMES and ASSOC. INC. | \$ 149.50 | \$ 133,726.93 |
| 7331 | MAN FINANCIAL INC | \$ 640.00 | \$ 273,384.00 |
| 750 | STERNE , AGEE and LEACH, INC | \$ 248.00 | \$ 268,807.07 |
| 75945 | PICKERING ENERGY PARTNERS, INC | \$ 136.00 | \$ 209,243.39 |
| 76099 | MACQUARIE SECURITIES INC | \$ 28.00 | \$ 26,146.08 |
| 77318 | COWEN AND COMPANY LLC | \$ 1,488.00 | \$ 698,287.72 |
| 780 | MORGAN KEEGAN and CO., INC. | \$ 16.00 | \$ 5,536.52 |
| 793 | STIFEL, NICOLAUS AND CO.,INC. | \$ 244.00 | \$ 102,021.28 |
| 799 | KEYBANC CAPITAL MARKETS INC. | \$ 268.00 | \$ 152,810.50 |
| 82241 | FRIEDMAN BILLINGS AND RAMSEY | \$ 12.00 | \$ 21,392.28 |
| 83213 | ISI GROUP, INC | \$ 1,865.50 | \$ 1,630,992.65 |
| 85704 | BUCKINGHAM RESEARCH GROUP, INC. | \$ 360.00 | \$ 217,668.15 |
| 9883 | WEEDEN AND CO. | \$ 123.00 | \$ 138,369.70 |
| TOTAL | | \$27,473.68 | \$22,322,080.70 |

Highest Portfolio Holdings by Manager

Top Three Securities
As Of December 31, 2009

| | FISHER | LIQUIDATION | BARROW, HANLEY | DAVIS, HAMILTON | WAMCO |
|-----------------|--|-----------------------|---------------------------|-------------------------------------|---|
| 1 | MAKITA COPR | REGIONS TRUST MMDA | OCCIDENTAL PETE CORP | MORGAN STANLEY GROUP INC. SERIES | REGIONS TRUST MMDA |
| MATURITY | N/A | N/A | N/A | N/A | N/A |
| Fair Value | \$475,740 | \$67,328,760 | \$2,082,560 | \$2,367,762 | \$5,073,779 |
| Book Value | \$455,737 | \$67,328,760 | \$1,203,121 | \$2,248,399 | \$5,073,779 |
| Percent of Fund | 2.42% | 100.00% | 3.71% | 5.04% | 5.80% |
| 2 | MITSUI & CO LTD SPONS ADR | N/A | PFIZER INC | BANK OF AMERICA COPR DTD | UNITED STATES TREASURY N/B DTD - #912810QA9 |
| MATURITY | N/A | N/A | N/A | N/A | 5/15/39 |
| Fair Value | \$435,632 | \$0 | \$1,899,545 | \$2,319,685 | \$3,390,908 |
| Book Value | \$496,977 | \$0 | \$2,448,678 | \$2,497,707 | \$3,596,748 |
| Percent of Fund | 2.22% | 0.00% | 3.38% | 4.94% | 3.88% |
| 3 | SEIMENS AD SPONSORED ADR ONE ADR | N/A | BRISTOL MYERS SQUIB CO | GENERAL ELECTRIC CAPITAL CORP | UNITED STATES TREASURY N/B DTD - #912828LP3 |
| MATURITY | N/A | N/A | N/A | N/A | 9/30/16 |
| Fair Value | \$435,575 | \$0 | \$1,858,400 | \$2,264,675 | \$2,159,256 |
| Book Value | \$422,841 | \$0 | \$1,602,960 | \$2,100,680 | \$2,210,835 |
| Percent of Fund | 2.22% | 0.00% | 3.31% | 4.82% | 2.47% |

Investment Summary

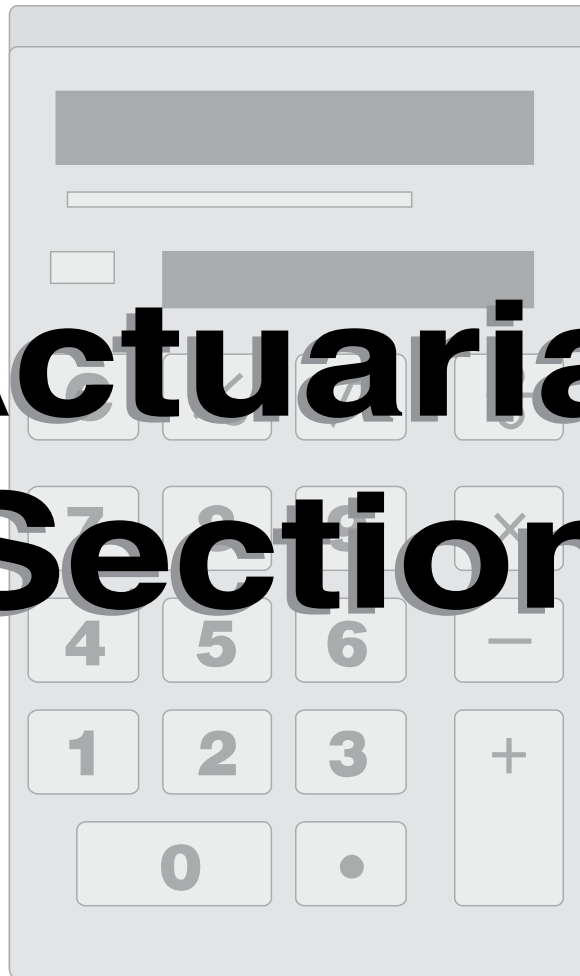
Year Ended December 31, 2009

| <u>Type of Investment</u> | December 31, 2009 | | % of Total |
|------------------------------------|-----------------------|-----------------------|---------------|
| | <u>Cost Value</u> | <u>Fair Value</u> | |
| Cash and Short Term Investments | \$ 88,117,672 | \$ 88,117,672 | 10.6% |
| Investments: | | | |
| U.S. Government Obligations | 153,258,098 | 153,690,475 | 18.5% |
| Corporate Obligations | 102,353,839 | 98,733,862 | 11.9% |
| Foreign Bonds | 2,009,155 | 1,622,750 | 0.2% |
| Fixed Income Collective Trusts | 60,698,836 | 114,784,843 | 13.9% |
| Common and Preferred Stocks | 78,822,679 | 74,118,793 | 8.9% |
| Special Situation Properties, etc. | 44,990,561 | 42,861,042 | 5.2% |
| Equity Mutual Collective Trusts | 274,028,944 | 250,793,042 | 30.3% |
| | <u>\$ 716,162,112</u> | <u>\$ 736,604,807</u> | <u>88.9%</u> |
| Land and Building | \$ 3,808,319 | \$ 3,808,319 | 0.5% |
| Total Investments | <u>\$ 808,088,103</u> | <u>\$ 828,530,798</u> | <u>100.0%</u> |

| <u>Type of Investment</u> | December 31, 2008 | | % of Total |
|------------------------------------|-----------------------|-----------------------|---------------|
| | <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> |

* 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 11, 2010

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

Dear Board Members:

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.

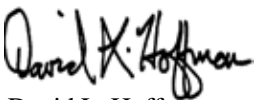
As of December 31, 2009, actuarial valuations were made for 737 employer groups. Summary information about the resulting new employer contribution rates is shown in the annual report. Results of the 2009 actuarial valuations indicate that aggregate actuarial accrued liabilities are 64% covered by the actuarial value of assets. This is a decrease from last year's result of 66%. The actuarial value of assets is 106% of the market value of assets as of December 31, 2009. These results include the 135 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, 2009 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 2009 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:MDD:mdd



**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 RP-2000 Combined Projected to 2007 Table, set forward two years for men. 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 \$5.88 effective July 1, 2010 and is assumed to increase at the assumed rate of price inflation in future years.

OTHER TECHNICAL ASSUMPTIONS

*Decrement*s 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* | | | Average Pay | % Increase | Inflation Increase % (CPI) |
|-------------|------------------|-----------------|----------------|----------|-------------|------------|----------------------------|
| | | Number | Annual Payroll | | | | |
| 12/31/2007 | 1 | 8 | \$ 415,984 | \$51,998 | N/A | 4.1 % | |
| 12/31/2008 | 1 | 8 | 459,432 | 57,429 | 10.4% | 0.1 % | |
| 12/31/2009 | 1 | 8 | 487,527 | 60,941 | 6.1% | 2.7 % | |

* Includes DROP participants, if any.

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

| Paid Police Covered by Social Security | Valuation Groups | Active Members* | | | Average Pay | % Increase | Inflation Increase % (CPI) |
|--|------------------|-----------------|----------------|----------------|-------------|------------|----------------------------|
| | | Number | Annual Payroll | Annual Payroll | | | |
| 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 | 0.1 | |
| 12/31/2009 | 172 | 1,905 | 71,687,015 | 37,631 | 4.4 | 2.7 | |

* Includes DROP participants, if any.

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

| Paid Police Not Covered by Social Security | Valuation Groups | Active Members* | | | Average Pay | % Increase | Inflation Increase % (CPI) |
|---|---------------------|-----------------|-------------------|-------------------|----------------|---------------|----------------------------------|
| | | Number | Annual Payroll | Annual Payroll | | | |
| 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 | 0.1 | |
| 12/31/2009 | 14 | 1,544 | 77,374,468 | 50,113 | 3.6 | 2.7 | |

* Includes DROP participants, if any.

**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 | 0.1 | |
| 12/31/2009 | 21 | 90 | 3,794,410 | 42,160 | 8.3 | 2.7 | |

* Includes DROP participants, if any.

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

| Paid Fire Not Covered by Social Security | Valuation Groups | Active Members* | | | Average Pay | % Increase | Inflation Increase % (CPI) |
|---|---------------------|-----------------|-------------------|----|----------------|---------------|----------------------------------|
| | | Number | Annual Payroll | \$ | | | |
| 12/31/85 | 39 | 256 | 3,838,880 | \$ | 9.2 % | 3.8 % | |
| 12/31/86 | 40 | 346 | 5,619,219 | | 8.3 | 1.1 | |
| 12/31/87 | 45 | 439 | 7,335,514 | | 2.9 | 4.4 | |
| 12/31/88 | 47 | 514 | 9,377,770 | | 9.2 | 4.4 | |
| 12/31/89 | 47 | 601 | 11,449,004 | | 4.4 | 4.6 | |
| 12/31/90 | 48 | 661 | 13,207,386 | | 4.9 | 6.1 | |
| 12/31/91 | 48 | 741 | 15,470,155 | | 4.5 | 3.1 | |
| 12/31/92 | 48 | 825 | 18,328,407 | | 6.4 | 2.9 | |
| 12/31/93 | 51 | 912 | 21,238,851 | | 4.8 | 2.7 | |
| 12/31/94 | 54 | 1003 | 24,431,883 | | 4.6 | 2.7 | |
| 12/31/95 | 55 | 1,115 | 28,317,948 | | 4.3 | 2.5 | |
| 12/31/96 | 55 | 1,216 | 32,183,785 | | 4.2 | 3.3 | |
| 12/31/97 | 58 | 1,334 | 37,011,225 | | 4.8 | 1.7 | |
| 12/31/98 | 58 | 1,417 | 41,048,974 | | 4.4 | 1.6 | |
| 12/31/99 | 58 | 1,549 | 47,249,417 | | 5.3 | 2.7 | |
| 12/31/00 | 60 | 1,680 | 52,268,378 | | 2.0 | 3.4 | |
| 12/31/01 | 59 | 1,732 | 57,430,283 | | 6.6 | 1.6 | |
| 12/31/02 | 59 | 1,821 | 64,691,073 | | 7.1 | 2.4 | |
| 12/31/2003 | 59 | 1,888 | 70,635,697 | | 5.3 | 1.9 | |
| 12/31/2004 | 60 | 1,956 | 76,826,671 | | 5.0 | 3.3 | |
| 12/31/2005 | 57 | 2,029 | 81,650,944 | | 2.5 | 3.4 | |
| 12/31/2006 | 59 | 2,122 | 88,041,571 | | 3.1 | 2.5 | |
| 12/31/2007 | 61 | 2,245 | 95,882,874 | | 2.9 | 4.1 | |
| 12/31/2008 | 60 | 2,202 | 98,780,987 | | 5.0 | 0.1 | |
| 12/31/2009 | 61 | 2,360 | 108,383,023 | | 2.4 | 2.7 | |

* Includes DROP participants, if any.

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

| Total Paid | Valuation Groups | Active Members* | | | Average Pay | % Increase | Inflation Increase % (CPI) |
|------------|------------------|-----------------|----------------|----------|-------------|------------|----------------------------|
| | | Number | Annual Payroll | | | | |
| 12/31/85 | 93 | 700 | \$ 10,502,018 | \$15,003 | 9.3 % | 3.8 % | |
| 12/31/86 | 97 | 919 | 14,843,296 | 16,152 | 7.7 | 1.1 | |
| 12/31/87 | 108 | 1,118 | 18,803,244 | 16,819 | 4.1 | 4.4 | |
| 12/31/88 | 118 | 1,356 | 24,370,084 | 17,972 | 6.9 | 4.4 | |
| 12/31/89 | 118 | 1,501 | 28,385,618 | 18,911 | 5.2 | 4.6 | |
| 12/31/90 | 127 | 1,739 | 34,461,972 | 19,817 | 4.8 | 6.1 | |
| 12/31/91 | 138 | 2,007 | 41,583,379 | 20,719 | 4.6 | 3.1 | |
| 12/31/92 | 142 | 2,224 | 49,239,623 | 22,140 | 6.9 | 2.9 | |
| 12/31/93 | 156 | 2,477 | 56,890,921 | 22,968 | 3.7 | 2.7 | |
| 12/31/94 | 168 | 2,807 | 67,309,774 | 23,979 | 4.4 | 2.7 | |
| 12/31/95 | 181 | 3,194 | 79,215,838 | 24,801 | 3.4 | 2.5 | |
| 12/31/96 | 188 | 3,472 | 90,391,226 | 26,034 | 5.0 | 3.3 | |
| 12/31/97 | 202 | 3,715 | 101,864,148 | 27,420 | 5.3 | 1.7 | |
| 12/31/98 | 208 | 3,998 | 113,830,550 | 28,472 | 3.8 | 1.6 | |
| 12/31/99 | 215 | 4,301 | 128,200,592 | 29,807 | 4.7 | 2.7 | |
| 12/31/00 | 228 | 4,493 | 137,294,908 | 30,558 | 2.5 | 3.4 | |
| 12/31/01 | 230 | 4,573 | 148,713,511 | 32,520 | 6.4 | 1.6 | |
| 12/31/02 | 236 | 4,720 | 163,420,616 | 34,623 | 6.5 | 2.4 | |
| 12/31/2003 | 233 | 4,849 | 176,054,967 | 36,307 | 4.9 | 1.9 | |
| 12/31/2004 | 236 | 4,966 | 187,341,513 | 37,725 | 3.9 | 3.3 | |
| 12/31/2005 | 236 | 5,115 | 197,501,660 | 38,612 | 2.4 | 3.4 | |
| 12/31/2006 | 247 | 5,328 | 212,949,694 | 39,968 | 3.5 | 2.5 | |
| 12/31/2007 | 261 | 5,603 | 230,177,530 | 41,081 | 2.7 | 4.1 | |
| 12/31/2008 | 258 | 5,640 | 241,675,203 | 42,850 | 4.3 | 0.1 | |
| 12/31/2009 | 269 | 5,907 | 261,726,443 | 44,308 | 3.4 | 2.7 | |

* Includes DROP participants, if any.

**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 |
| 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 | | | 0.1 |
| 12/31/2009 | 44 | 139 | | | 2.7 |

**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 | | | 0.1 |
| 12/31/2009 | 424 | 6,412 | | | 2.7 |

**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 | 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 | | | 0.1 |
| 12/31/2009 | 468 | 6,551 | | | 2.7 |

**LOPFI (Excluding Local Funds)
Paid Service Active Members – December 31, 2009
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 | \$ 17,970 |
| 20-24 | 245 | 8 | | | | | | 253 | 7,581,579 |
| 25-29 | 628 | 186 | 45 | | | | | 859 | 30,575,619 |
| 30-34 | 408 | 428 | 188 | 43 | | | | 1,067 | 42,886,280 |
| 35-39 | 207 | 371 | 454 | 163 | 36 | | | 1,231 | 55,406,368 |
| 40-44 | 132 | 151 | 293 | 335 | 121 | 17 | | 1,049 | 51,148,097 |
| 45-49 | 58 | 70 | 115 | 206 | 247 | 76 | 8 | 780 | 40,274,953 |
| 50-54 | 26 | 28 | 39 | 65 | 149 | 75 | 13 | 395 | 20,735,211 |
| 55-59 | 13 | 30 | 27 | 28 | 50 | 27 | 5 | 180 | 8,866,328 |
| 60-64 | 8 | 12 | 5 | 19 | 16 | 3 | 5 | 68 | 3,118,675 |
| 65-69 | 2 | 5 | 2 | 4 | 3 | 4 | | 20 | 898,908 |
| 70+ | 1 | | 1 | 2 | | | | 4 | 216,455 |
| Totals | 1,729 | 1,289 | 1,169 | 865 | 622 | 202 | 31 | 5,907 | \$ 261,726,443 |

Average Age: 38.3 years

Average Service: 10.8 years

Average Pay: \$44,308

* Includes DROP participants.

**LOPFI (Excluding Local Funds)
 Volunteer Service Active Members – December 31, 2009
 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 | 30 Plus | |
| Under 20 | 67 | | | | | | | 67 |
| 20-24 | 516 | 36 | | | | | | 552 |
| 25-29 | 449 | 273 | 59 | | | | | 781 |
| 30-34 | 343 | 245 | 182 | 45 | | | | 815 |
| 35-39 | 302 | 235 | 218 | 133 | 32 | | | 920 |
| 40-44 | 229 | 222 | 200 | 139 | 102 | 31 | | 923 |
| 45-49 | 182 | 196 | 169 | 147 | 128 | 58 | 12 | 892 |
| 50-54 | 129 | 121 | 148 | 114 | 105 | 44 | 20 | 681 |
| 55-59 | 73 | 94 | 87 | 88 | 60 | 38 | 7 | 447 |
| 60-64 | 42 | 56 | 43 | 42 | 27 | 24 | 9 | 243 |
| 65-69 | 32 | 37 | 22 | 10 | 10 | 10 | 4 | 125 |
| 70+ | 22 | 31 | 22 | 12 | 6 | 4 | 8 | 105 |
| Totals | 2,386 | 1,546 | 1,150 | 730 | 470 | 209 | 60 | 6,551 |

Average Age: 40.8 years

Average Service: 9.4 years

LOPFI
Computed Employer Contributions
For Paid Service Members by Valuation Groups
December 31, 2009

| 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 | | | | | | | | | | | | | | | | | | | | | | |
| W/SS | 1,905 | 2 | 5 | 6 | 3 | 4 | 15 | 16 | 18 | 103 | 172 | | | | | | | | | | | |
| W/O SS | 1,544 | 3 | 1 | 1 | 1 | 2 | 1 | - | 2 | 3 | 14 | | | | | | | | | | | |
| Paid Fire | | | | | | | | | | | | | | | | | | | | | | |
| W/SS | 90 | - | - | - | - | - | - | - | - | - | 2 | 19 | | | | | | | | | | |
| W/O SS | 2,360 | 3 | 2 | 1 | 1 | 5 | 4 | 1 | 11 | 33 | 61 | | | | | | | | | | | |
| December 31, 2009 | 5,907 | 8 | 8 | 8 | 5 | 11 | 20 | 17 | 33 | 159 | 269 | | | | | | | | | | | |
| December 31, 2008 # | 5,640 | 13 | 7 | 4 | 12 | 17 | 17 | 27 | 26 | 135 | 258 | | | | | | | | | | | |
| December 31, 2007 | 5,603 | 16 | 7 | 3 | 12 | 16 | 17 | 31 | 23 | 136 | 261 | | | | | | | | | | | |
| December 31, 2006 | 5,328 | 13 | 6 | 6 | 7 | 23 | 17 | 30 | 21 | 124 | 247 | | | | | | | | | | | |
| December 31, 2005 | 5,115 | 10 | 9 | 6 | 15 | 19 | 14 | 26 | 22 | 115 | 236 | | | | | | | | | | | |
| December 31, 2004 # | 4,966 | 13 | 5 | 11 | 14 | 15 | 19 | 22 | 29 | 108 | 236 | | | | | | | | | | | |
| December 31, 2003 * | 4,849 | 44 | 10 | 19 | 20 | 31 | 27 | 24 | 13 | 45 | 233 | | | | | | | | | | | |
| December 31, 2002 # | 4,720 | 47 | 15 | 15 | 16 | 26 | 29 | 21 | 21 | 46 | 236 | | | | | | | | | | | |
| December 31, 2001 | 4,573 | 116 | 10 | 31 | 13 | 14 | 17 | 11 | 4 | 14 | 230 | | | | | | | | | | | |
| December 31, 2000 ** | 4,493 | 81 | 19 | 19 | 15 | 26 | 11 | 14 | 12 | 31 | 228 | | | | | | | | | | | |
| December 31, 1999 | 4,301 | 57 | 22 | 37 | 32 | 29 | 14 | 11 | 5 | 8 | 215 | | | | | | | | | | | |
| December 31, 1998 ** | 3,998 | 56 | 16 | 25 | 44 | 23 | 15 | 13 | 5 | 11 | 208 | | | | | | | | | | | |
| December 31, 1997 | 3,715 | 52 | 23 | 45 | 24 | 22 | 10 | 17 | 1 | 8 | 202 | | | | | | | | | | | |
| December 31, 1996 ** | 3,472 | 46 | 16 | 42 | 29 | 20 | 15 | 9 | 6 | 5 | 188 | | | | | | | | | | | |
| December 31, 1995 | 3,194 | 23 | 20 | 39 | 43 | 28 | 15 | 7 | 2 | 4 | 181 | | | | | | | | | | | |
| December 31, 1994 | 2,807 | 20 | 15 | 39 | 47 | 23 | 11 | 4 | 2 | 7 | 168 | | | | | | | | | | | |
| December 31, 1993 | 2,477 | 20 | 30 | 42 | 35 | 14 | 6 | 3 | 4 | 2 | 156 | | | | | | | | | | | |
| December 31, 1992 | 2,224 | 21 | 26 | 45 | 26 | 12 | 3 | 5 | 2 | 2 | 142 | | | | | | | | | | | |
| December 31, 1991 * | 2,007 | 6 | 18 | 38 | 45 | 15 | 10 | 2 | 1 | 3 | 138 | | | | | | | | | | | |
| December 31, 1990 | 1,739 | 2 | 2 | 3 | 5 | 13 | 26 | 16 | 33 | 27 | 127 | | | | | | | | | | | |

* After changes in actuarial valuation assumptions.

After legislated benefit increases.

LOPEI
Computed Employer Contributions
For Volunteer Service Members by Valuation Groups
December 31, 2009

| Group | Number of Active Members | Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member | | | | | | | | | | | | | | Totals | | | | | | | | | |
|---------------------|--------------------------|--|-------------------------|-----|-------------------------|-----|-------------------------|-----|-------------------------|-----|-------------------------|-----|-------------------------|-----|-------------------------|--------|-------------------------|-----|-------------------------|-----|-------------------------|-----|-----------------------|-----|-----|
| | | 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 | 139 | 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 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 44 |
| Volunteer Fire | 6,412 | 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 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 424 |
| December 31, 2009 | 6,551 | 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 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 468 |
| 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 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 457 |
| 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 | 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 | 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 | 27 | 23 | 8 | 23 | 23 | 8 | 3 | 10 | 325 | | | | | | | | 325 |
| December 31, 2004 | 4,406 | 1 | 1 | 13 | 49 | 109 | 62 | 27 | 14 | 3 | 2 | 10 | 306 | | | | | | | | | | | | 306 |
| December 31, 2003 * | 4,088 | 2 | 5 | 26 | 80 | 95 | 44 | 11 | 7 | 3 | 3 | 290 | | | | | | | | | | | | | 290 |
| December 31, 2002 # | 3,858 | 10 | 17 | 54 | 103 | 47 | 22 | 8 | 6 | 2 | 6 | 280 | | | | | | | | | | | | | 280 |
| December 31, 2001 * | 3,601 | 62 | 114 | 55 | 18 | 7 | 3 | 1 | - | 2 | 1 | 265 | | | | | | | | | | | | | 265 |
| December 31, 2000 # | 3,490 | 79 | 81 | 60 | 16 | 12 | 3 | 4 | 1 | 1 | 1 | 262 | | | | | | | | | | | | | 262 |
| December 31, 1999 | 3,407 | 69 | 110 | 48 | 14 | 6 | 2 | 3 | 3 | 2 | 1 | 261 | | | | | | | | | | | | | 261 |

| Group | Number of Active Members | Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member | | | | | | | | | | | | | | Totals | | | | | | | | | |
|---------------------|--------------------------|--|-----------------------|----|-----------------------|----|-----------------------|----|-----------------------|----|-----------------------|----|-------------------------|--|-------------------------|--------|-------------------------|--|-------------------------|--|-------------------------|--|-----------------------|--|-----|
| | | 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 | 35 | 256 | | | | | | | | | | | | 256 |
| December 31, 1997 | 3,077 | 14 | 11 | 7 | 5 | 8 | 11 | 17 | 33 | 19 | 49 | 53 | 258 | | | | | | | | | | | | 258 |
| December 31, 1996 # | 2,905 | 10 | 11 | 4 | 10 | 11 | 18 | 20 | 32 | 30 | 36 | 46 | 252 | | | | | | | | | | | | 252 |
| December 31, 1995 | 2,693 | 28 | 12 | 17 | 26 | 27 | 36 | 20 | 26 | 18 | 11 | 13 | 246 | | | | | | | | | | | | 246 |
| December 31, 1994 | 2,462 | 15 | 13 | 14 | 30 | 42 | 31 | 26 | 22 | 16 | 14 | 10 | 247 | | | | | | | | | | | | 247 |
| December 31, 1993 | 2,375 | 13 | 14 | 20 | 47 | 33 | 24 | 35 | 14 | 14 | 12 | 8 | 241 | | | | | | | | | | | | 241 |
| December 31, 1992 | 2,172 | 8 | 9 | 15 | 37 | 38 | 38 | 29 | 21 | 16 | 10 | 4 | 236 | | | | | | | | | | | | 236 |
| December 31, 1991 * | 2,007 | 5 | 11 | 11 | 27 | 37 | 48 | 29 | 28 | 11 | 9 | 4 | 228 | | | | | | | | | | | | 228 |
| December 31, 1990 | 1,824 | - | 1 | 1 | 2 | 10 | 22 | 40 | 60 | 40 | 32 | 8 | 220 | | | | | | | | | | | | 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 | 937,797 |
| Bella Vista Paid Fire | 27 | 1,572,533 |
| Fayetteville Paid Police | 118 | 6,631,501 |
| Fayetteville Paid Fire | 104 | 5,508,981 |
| Fort Smith Paid Police | 163 | 7,856,058 |
| Fort Smith Paid Fire | 120 | 6,366,568 |
| Hot Springs Paid Police | 95 | 4,433,325 |
| Hot Springs Paid Fire | 73 | 3,698,634 |
| Marion Paid Police | 23 | 789,194 |
| Total BP2 | 744 | \$ 37,838,751 |

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

| Year Ended December 31: | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| A. Funding Value Beginning of Year | \$515,600,263 | \$553,057,228 | \$601,798,909 | \$653,546,976 | \$724,746,827 | \$827,546,002 | \$788,633,082 |
| B. Market Value End of Year | 528,547,847 | 599,204,559 | 636,316,197 | 736,511,192 | 833,278,709 | 657,194,235 | 827,769,490 |
| C. Market Value Beginning of Year | 427,217,730 | 528,547,847 | 599,204,559 | 636,316,197 | 736,511,192 | 833,278,709 | 657,194,235 |
| D. Non-Investment Net Cash Flow | 2,825,533 | 19,053,696 | 22,397,530 | 24,082,243 | 31,978,254 | 39,182,990 | 49,499,030 |
| E. Investment Income | | | | | | | |
| E1. Market Total: B - C - D | 98,504,584 | 51,603,016 | 14,714,108 | 76,112,752 | 64,789,263 | (215,267,464) | 121,076,225 |
| 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 | 41,361,042 | 45,006,726 | 49,039,814 | 53,247,048 | 59,258,876 | 67,771,000 | 65,070,608 |
| E3. Amount for Phased-In Recognition E1-E2 | 57,143,542 | 6,596,290 | (34,325,706) | 22,865,704 | 5,530,387 | (283,038,464) | 56,005,617 |
| F. Phased-In Recognition of Investment Income | | | | | | | |
| F1. Current Year: 0.20 x E3 | 11,428,708 | 1,319,258 | (6,865,141) | 4,573,141 | 1,106,077 | (56,607,693) | 11,201,123 |
| F2. First Prior Year | (16,585,404) | 11,428,708 | 1,319,258 | (6,865,141) | 4,573,141 | 1,106,077 | (34,259,555) |
| F3. Second Prior Year | (8,986,699) | (16,585,404) | 11,428,708 | 1,319,258 | (6,865,141) | 4,573,141 | 1,106,077 |
| F4. Third Prior Year | (2,494,602) | (8,986,699) | (16,585,404) | 11,428,708 | 1,319,258 | (6,865,141) | 4,573,141 |
| F5. Fourth Prior Year | 9,908,387 | (2,494,604) | (8,986,698) | (16,585,406) | 11,428,710 | 1,319,258 | (6,865,142) |
| F6. Total Recognized Investment Gain | (6,729,610) | (15,318,741) | (19,689,277) | (6,129,440) | 11,562,045 | (56,474,358) | (24,244,356) |
| G. Funding Value End of Year: A + D + E2 + F6 | 553,057,228 | 601,798,909 | 653,546,976 | 724,746,827 | 827,546,002 | 878,025,634 | 878,958,364 |
| 120% Corridor | | | | | | 788,633,082 | 993,323,388 |
| 80% Corridor | | | | | | 525,755,388 | 662,215,592 |
| Funding Value End of Year: | | | | | | 788,633,082 | 878,958,364 |
| H. Difference between Market & Funding Value | (24,509,381) | (2,594,350) | (17,230,779) | 11,764,365 | 5,732,707 | (131,438,847) | (51,188,874) |
| I. Recognized Rate of Return | 6.70% | 5.28% | 4.79% | 7.08% | 9.56% | (9.22%) | 5.02% |
| J. Market Rate of Return | 22.98% | 9.59% | 2.41% | 11.74% | 8.61% | (25.24%) | 17.75% |
| K. Ratio of Funding Value to Market Value | 104.64% | 100.43% | 102.71% | 98.40% | 99.31% | 120.00% | 106.18% |

LOPFI
Reported Accrued Assets Available for Benefits
December 31, 2009

| <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 | \$ 364,094 | \$ 6,351 | \$ - | \$ 370,445 |
| Paid Police W/SS | 172 | 75,577,665 | 1,420,308 | - | 76,997,973 |
| Paid Police W/O SS | 14 | 151,440,204 | 52,370,582 | - | 203,810,786 |
| Paid Fire W/SS | 21 | 4,117,315 | 731,933 | - | 4,849,248 |
| Paid Fire W/O SS | <u>61</u> | <u>218,203,808</u> | <u>71,681,162</u> | - | <u>289,884,970</u> |
| Subtotal | 268 | 449,338,992 | 126,203,985 | - | 575,542,977 |
| Volunteer Police | 44 | (499,855) | - | - | (499,855) |
| Volunteer Fire | <u>424</u> | <u>15,955,499</u> | - | - | <u>15,955,499</u> |
| Subtotal | 468 | 15,455,644 | - | - | 15,455,644 |
| Retirants and Beneficiaries | <u>-</u> | <u>-</u> | <u>-</u> | <u>154,933,575</u> | <u>154,933,575</u> |
| Total | 737 | \$ 465,158,730 | \$ 126,210,336 | \$ 154,933,575 | \$ 746,302,641 |

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, 2009. Totals include accounts for employers with no active participants as of December 31, 2009.

@ Does not include assets of \$81,466,849 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 |
|----------------|------------------|----------------|-------------------------------|------------------|---------------------|---------------------------|
| 12/31/90 | 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 | 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 | 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 | 291,184,122 | 367,122,230 | 126 | 10.38 |
| 12/31/03 # | 233 | 4,849 | 370,735,495 | 399,726,460 | 108 | 11.09 |
| 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 | 825,417,767 | 662,380,764 | 80 | 15.30 |
| 12/31/09 | 269 | 5,907 | 946,423,135 | 622,560,540 | 66 | 17.25 |

* 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 |
|-------------------|---------------------|-------------------|-------------------------------------|---------------------|-------------------------|---------------------------------|
| | | | | | | |
| 12/31/90 | 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 | 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 | 8,554,865 | 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 | 14,587,662 | 11,956,886 | 82 | 24.02 |
| 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 | 47,019,246 | 17,508,921 | 37 | 46.14 |
| 12/31/09 | 468 | 6,551 | 48,890,402 | 17,034,083 | 35 | 49.15 |

* 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)

Retirants and Beneficiaries

| Valuation Date | Valuation Groups | Active Members | Actuarial | | Valuation Assets | Assets/ Liabilities* |
|----------------|------------------|----------------|---------------------|------------------|------------------|----------------------|
| | | | Accrued Liabilities | Valuation Assets | | |
| 12/31/90 | - | - | \$ 995,966 | \$ | 966,600 | 97 % |
| 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 + | - | - | 28,897,704 | | 27,629,725 | 96 |
| 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 | | 122,445,893 | 100 |
| 12/31/09 | - | - | 152,859,019 | | 152,859,019 | 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 | | Valuation Assets | Assets/ Liabilities* |
|-------------------|---------------------|-------------------|------------------------|---------------------|---------------------|-------------------------|
| | | | Accrued Liabilities | Valuation Assets | | |
| 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 | 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 | 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 | 334,669,488 | | 406,708,841 | 122 |
| 12/31/03 # | 523 | 8,937 | 428,752,889 | | 452,660,886 | 106 |
| 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 | 994,882,906 | | 802,335,578 | 81 |
| 12/31/09 | 737 | 12,458 | 1,148,172,556 | | 792,453,642 | 69 |

* 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 | Actuarial Accrued Liabilities for | | | | Actuarial Value of Assets | Portion of Present Values Covered by Assets | | |
|----------------|-----------------------------------|------------------------------------|--|----------------|---------------------------|---|-----|-----|
| | Member Contributions | Current Retirees and Beneficiaries | Active and Inactive Members, Employer Financed Portion | | | (1) | (2) | (3) |
| | | | | | | December 31 | (1) | (2) |
| 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 | 515,855,829 | 633,759,848 | 100 | 100 | 91 | |
| 2007 | 95,667,812 | 90,980,880 | 675,497,118 | 740,968,085 | 100 | 100 | 92 | |
| 2008 +* | 107,486,154 | 116,390,986 | 717,931,676 | 778,148,309 | 100 | 100 | 77 | |
| 2009 | 126,212,081 | 142,789,842 | 820,211,054 | 765,350,382 | 100 | 100 | 61 | |

Local Paid Service

| Valuation Date | Actuarial Accrued Liabilities for | | | | Actuarial Value of Assets | Portion of Present Values Covered by Assets | | |
|----------------|-----------------------------------|------------------------------------|--|----------------|---------------------------|---|-----|-----|
| | Member Contributions | Current Retirees and Beneficiaries | Active and Inactive Members, Employer Financed Portion | | | (1) | (2) | (3) |
| | | | | | | December 31 | (1) | (2) |
| 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) | - | - | - | |
| 2009 | 3,163,233 | 185,486,259 | 29,522,904 | 80,902,787 | 100 | 42 | - | |

LOPFI Volunteer Service

| Valuation Date | Actuarial Accrued Liabilities for | | | | Actuarial Value of Assets | Portion of Present Values Covered by Assets | | |
|----------------|-----------------------------------|------------------------------------|--|---------------|---------------------------|---|-----|-----|
| | Member Contributions | Current Retirees and Beneficiaries | Active and Inactive Members, Employer Financed Portion | | | (1) | (2) | (3) |
| | | | | | | December 31 | (1) | (2) |
| 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 | 47,019,246 | 24,187,269 | - | 100 | 39 | |
| 2009 | - | 10,069,177 | 48,890,402 | 27,103,260 | - | 100 | 35 | |

Local Volunteer Service

| Valuation Date | Actuarial Accrued Liabilities for | | | | Actuarial Value of Assets | Portion of Present Values Covered by Assets | | |
|----------------|-----------------------------------|------------------------------------|--|------------|---------------------------|---|-----|-----|
| | Member Contributions | Current Retirees and Beneficiaries | Active and Inactive Members, Employer Financed Portion | | | (1) | (2) | (3) |
| | | | | | | December 31 | (1) | (2) |
| 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 | - | |
| 2009 | 3,065 | 12,395,214 | 350,181 | 5,601,935 | 100 | 45 | - | |

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

***Derivation of Actuarial Gain (Loss)
Year Ended December 31, 2009
(LOPFI and Local Plans Combined)***

| | | | |
|------|--|-----------------|---------------|
| (1) | UAAL* at start of year | \$ | 411,882,581 |
| (2) | Employer normal cost from last valuation | | 45,780,148 |
| (3) | Actual employer contributions | | 49,612,324 |
| (4) | Interest accrual: (1) x .08 + [(2)-(3)] x (.08/2) | | 32,797,319 |
| (5) | Expected UAAL before changes: (1) + (2) - (3) + (4) | | 440,847,724 |
| (6) | Change from benefit changes* | | 1,020,742 |
| (7) | Change from revised actuarial assumptions | | 24,000,000.00 |
| (8) | Expected UAAL after changes | | 465,868,466 |
| (9) | Actual UAAL at end of year | | 500,135,048 |
| (10) | Gain (loss) (8) - (9) | | (34,266,582) |
| (11) | Gain (loss) as percent of actuarial accrued liabilities at start of year | \$1,200,515,663 | (2.9)% |

| 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) |
| 2009 | (2.9) |

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

**Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2009 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 2009 was \$1,244.

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 ⁽³⁾</u> | | |
| \$ 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 ⁽³⁾</u> | | |
| \$ 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 ⁽³⁾</u> | | |
| \$ 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 |
| 32 Years of Service ⁽⁴⁾ | | | | | | | |
| \$1,800 | \$ 1,693 | \$ 1,117 | \$ 962 | \$ 1,693 | \$ 2,079 | 94 % | 116 % |
| 2,200 | 2,070 | 1,366 | 1,081 | 2,070 | 2,447 | 94 | 111 |
| 2,600 | 2,446 | 1,614 | 1,200 | 2,446 | 2,814 | 94 | 108 |
| 3,000 | 2,822 | 1,862 | 1,319 | 2,822 | 3,181 | 94 | 106 |
| 3,400 | 3,199 | 2,111 | 1,440 | 3,199 | 3,551 | 94 | 104 |
| 28 Years of Service ⁽⁴⁾ | | | | | | | |
| \$1,800 | \$ 1,482 | \$ 978 | \$ 962 | \$ 1,482 | \$ 1,940 | 82 % | 108 % |
| 2,200 | 1,811 | 1,195 | 1,081 | 1,811 | 2,276 | 82 | 103 |
| 2,600 | 2,140 | 1,412 | 1,200 | 2,140 | 2,612 | 82 | 100 |
| 3,000 | 2,470 | 1,630 | 1,319 | 2,470 | 2,949 | 82 | 98 |
| 3,400 | 2,799 | 1,847 | 1,440 | 2,799 | 3,287 | 82 | 97 |
| 20 Years of Service ⁽⁴⁾ | | | | | | | |
| \$1,800 | \$ 1,058 | \$ 698 | \$ 962 | \$ 1,058 | \$ 1,660 | 59 % | 92 % |
| 2,200 | 1,294 | 854 | 1,081 | 1,294 | 1,935 | 59 | 88 |
| 2,600 | 1,529 | 1,009 | 1,200 | 1,529 | 2,209 | 59 | 85 |
| 3,000 | 1,764 | 1,164 | 1,319 | 1,764 | 2,483 | 59 | 83 |
| 3,400 | 1,999 | 1,319 | 1,440 | 1,999 | 2,759 | 59 | 81 |

- (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 2010. 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, 2009 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, 2009
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 2009 was \$1,244.

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, 2009 valuations was \$5.88 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 December 31, 2008 valuations)

| Sample Attained 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 | Sample Attained Ages |
|----------------------------|------------------------------------|--|----------------------------|
| 55 | \$100 | 100 % | 55 |
| 60 | 116 | 97 | 60 |
| 65 | 134 | 91 | 65 |
| 70 | 156 | 83 | 70 |
| 75 | 181 | 69 | 75 |
| 80 | 209 | 50 | 80 |

Schedule A-2
Probabilities of Disability Retirement
(first used for December 31, 2008 valuations)

PAID FIREMEN

| Sample Ages | Percent Becoming Disabled within Next Year | |
|----------------|---|--------|
| | Non-Duty | Duty |
| 20 | 0.01 % | 0.07 % |
| 25 | 0.05 | 0.07 |
| 30 | 0.05 | 0.10 |
| 35 | 0.06 | 0.13 |
| 40 | 0.09 | 0.20 |
| 45 | 0.14 | 0.31 |
| 50 | 0.24 | 0.52 |
| 55 | 0.44 | 0.91 |
| 60 | 0.69 | 1.36 |

PAID POLICEMEN

| Sample Ages | Percent Becoming Disabled within Next Year | |
|----------------|---|--------|
| | Non-Duty | Duty |
| 20 | 0.07 % | 0.07 % |
| 25 | 0.07 | 0.07 |
| 30 | 0.10 | 0.10 |
| 35 | 0.13 | 0.13 |
| 40 | 0.20 | 0.20 |
| 45 | 0.31 | 0.31 |
| 50 | 0.52 | 0.52 |
| 55 | 0.91 | 0.91 |
| 60 | 1.36 | 1.36 |

Schedule A-2
Probabilities of Disability Retirement (Continued)
(first used for December 31, 2003 valuations)

VOLUNTEER MEMBERS

| Sample Ages | Percent Becoming Disabled within Next Year | |
|------------------------|---|-------------|
| | Non-Duty | Duty |
| 20 | 0.03 % | 0.04 % |
| 25 | 0.03 | 0.04 |
| 30 | 0.03 | 0.04 |
| 35 | 0.03 | 0.04 |
| 40 | 0.07 | 0.11 |
| 45 | 0.10 | 0.15 |
| 50 | 0.18 | 0.27 |
| 55 | 0.33 | 0.49 |
| 60 | 0.52 | 0.78 |

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 | | Years of Service | Percents of Active Members Retiring within Next Year |
|--------------------|--|--------|---------------------|--|
| | Early | Normal | | |
| 45 | 2 % | | | |
| 46 | 2 | | | |
| 47 | 2 | | | |
| 48 | 2 | | | |
| 49 | 2 | | | |
| 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 or any age with 25 or more years of paid service credit.

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 | | Years of Service | Percents of Active Members Retiring within Next Year |
|--------------------|--|--------|---------------------|--|
| | Early | Normal | | |
| 45 | 2 % | | | |
| 46 | 2 | | | |
| 47 | 2 | | | |
| 48 | 2 | | | |
| 49 | 2 | | | |
| 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 or any age with 25 or more years of paid service credit.

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 December 31, 2008 valuations)

PAID SERVICE FIREMEN

| Sample Ages | Years of Service | % of Active Members Separating within Next Year |
|----------------|---------------------|--|
| ALL | 0 | 10.00 % |
| | 1 | 9.00 |
| | 2 | 8.00 |
| | 3 | 7.00 |
| | 4 | 6.00 |
| 25 | 5 & Over | 4.40 |
| 30 | | 3.80 |
| 35 | | 3.10 |
| 40 | | 2.50 |
| 45 | | 1.80 |
| 50 | | 1.00 |
| 55 | | 0.50 |
| 60 | | 0.00 |

PAID SERVICE POLICEMEN

| Sample Ages | Years of Service | % of Active Members Separating within Next Year |
|----------------|---------------------|--|
| ALL | 0 | 20.00 % |
| | 1 | 18.00 |
| | 2 | 15.00 |
| | 3 | 13.00 |
| | 4 | 11.00 |
| 25 | 5 & Over | 9.63 |
| 30 | | 8.10 |
| 35 | | 6.21 |
| 40 | | 4.95 |
| 45 | | 3.96 |
| 50 | | 3.15 |
| 55 | | 0.90 |
| 60 | | 0.00 |

Schedule A-4 (Concluded)
Rates of Separation (excluding deaths and disability)
From Active Employment Before Retirement
(first used for December 31, 2008 valuations)

VOLUNTEER SERVICE MEMBERS

| Sample Ages | Years of Service | % of Active 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 Paid Service Member
(first used for 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, 2009
Paid**

| Political Subdivision | Actuarial Liability | | Valuation Assets | | LOPFI Members | Total | LOPFI Members | Total | Unfunded Actuarial Liability | Normal Cost | Amortization Payment | Total Employer Rate |
|---------------------------|---------------------|---------------|------------------|----------------|----------------|------------------|---------------|----------------|------------------------------|-------------|----------------------|---------------------|
| | LOPFI Members | Closed Plan | Closed Plan | Total | | | | | | | | |
| Bald Knob Police | \$ 297,202 | \$ - | \$ - | \$ 315,504 | 315,504 | \$ (417) | \$ 315,087 | \$ (17,885) | 13.00% | (0.73%) | 12.27% | |
| Bella Vista Fire | 6,212,914 | 3,021,939 | 1,299,394 | 3,119,162 | 3,119,162 | 1,299,394 | 4,418,556 | 4,816,297 | 13.30% | 16.14% | 29.44% | |
| Blytheville Police | 3,806,832 | 394,275 | (69,504) | 4,184,408 | 4,184,408 | (69,504) | 4,114,904 | 86,203 | 11.93% | 0.40% | 12.33% | |
| Brinkley Police | 975,275 | - | 975,275 | 975,275 | 975,275 | - | 1,068,412 | (93,137) | 10.47% | (0.28%) | 10.19% | |
| Cabot Police | 4,231,739 | - | 4,231,739 | 2,241,960 | 2,241,960 | 1,410,791 | 3,652,751 | 578,988 | 12.19% | 7.41% | 19.60% | |
| Clarendon Police | 203,633 | - | 203,633 | 186,390 | 186,390 | (378,760) | (192,370) | 396,003 | 13.46% | 6.14% | 19.60% | |
| Clinton Fire | 19,446 | - | 19,446 | 4,029 | 4,029 | (53,878) | (49,849) | 69,295 | 15.47% | 30.28% | 45.75% | |
| El Dorado Police | 5,905,878 | - | 5,905,878 | 8,344,843 | 8,344,843 | (7,822,026) | 522,817 | 5,383,061 | 9.94% | 19.01% | 28.95% | |
| El Dorado Fire | 9,338,421 | - | 9,338,421 | 7,081,663 | 7,081,663 | (7,944,796) | (863,133) | 10,201,554 | 13.43% | 28.06% | 41.49% | |
| Forrest City Police | 2,824,667 | - | 2,824,667 | 1,134,712 | 1,134,712 | (2,774,144) | (1,639,432) | 4,464,099 | 12.52% | 20.78% | 33.30% | |
| Fort Smith Police | 32,229,734 | 3,426,371 | 3,426,371 | 22,975,883 | 22,975,883 | (10,571,862) | 12,404,021 | 23,252,084 | 11.11% | 16.42% | 27.53% | |
| Fort Smith Fire | 32,868,368 | 7,438,171 | 7,438,171 | 18,635,161 | 18,635,161 | (6,952,277) | 11,682,884 | 28,623,655 | 14.98% | 24.16% | 39.14% | |
| Helena - West Helena Fire | 2,853,564 | - | 2,853,564 | 3,348,416 | 3,348,416 | (1,406,048) | 1,942,368 | 911,196 | 13.02% | 5.22% | 18.24% | |
| Hot Springs Police | 16,504,994 | 4,017,360 | 4,017,360 | 8,804,356 | 8,804,356 | (3,666,458) | 5,137,898 | 15,384,456 | 11.68% | 18.79% | 30.47% | |
| Hot Springs Fire | 17,735,654 | 3,612,694 | 3,612,694 | 10,959,322 | 10,959,322 | (12,511,462) | (1,552,140) | 22,900,488 | 14.98% | 33.18% | 48.16% | |
| Hot Springs Village Fire | 3,311,616 | - | 3,311,616 | 2,465,161 | 2,465,161 | (407,554) | 2,057,607 | 1,254,009 | 15.85% | 7.98% | 23.81% | |
| Hoxie Fire | 43,581 | - | 43,581 | 52,570 | 52,570 | (28,832) | 23,738 | 19,843 | 13.21% | 9.29% | 22.50% | |
| Jonesboro Fire | 20,452,446 | 388,774 | 388,774 | 14,157,685 | 14,157,685 | (10,788,962) | 3,368,723 | 17,472,497 | 12.89% | 19.80% | 32.69% | |
| Lonoke Police | 759,809 | - | 759,809 | 700,296 | 700,296 | (120,853) | 579,443 | 180,366 | 13.93% | 3.01% | 16.94% | |
| Lowell Police | 1,273,312 | - | 1,273,312 | 1,333,577 | 1,333,577 | (239,895) | 1,093,682 | 179,630 | 11.94% | 1.88% | 13.82% | |
| Lowell Fire | 1,016,280 | - | 1,016,280 | 801,784 | 801,784 | (355,158) | 446,626 | 569,654 | 13.63% | 11.08% | 24.71% | |
| Magnolia Police | 1,858,726 | - | 1,858,726 | 1,352,191 | 1,352,191 | (592,889) | 759,302 | 1,099,424 | 12.02% | 9.17% | 21.19% | |
| Malvern Police | 1,797,349 | - | 1,797,349 | 1,151,342 | 1,151,342 | (3,709,156) | (2,557,814) | 4,355,163 | 11.96% | 7.24% | 19.20% | |
| McCory Police | 460,381 | - | 460,381 | 350,470 | 350,470 | (79,980) | 270,490 | 189,891 | 13.22% | 7.12% | 20.34% | |
| McGehee Police | 538,658 | - | 538,658 | 737,218 | 737,218 | 125,657 | 862,875 | (324,217) | 13.27% | (1.27%) | 12.00% | |
| Mountain Home Fire | 4,288,669 | 550,302 | 550,302 | 2,876,854 | 2,876,854 | (478,160) | 2,398,694 | 2,440,277 | 13.43% | 13.02% | 26.45% | |
| North Little Rock Police | 33,661,652 | 3,122,298 | 3,122,298 | 29,821,526 | 29,821,526 | (16,144,376) | 13,677,150 | 23,106,800 | 9.35% | 13.97% | 23.32% | |
| North Little Rock Fire | 30,206,663 | 4,427,454 | 4,427,454 | 21,470,818 | 21,470,818 | (11,225,017) | 10,245,801 | 24,388,316 | 12.85% | 19.03% | 31.88% | |
| Paragould Paid Police | 4,175,798 | 9,224 | 9,224 | 2,367,204 | 2,367,204 | (1,636,383) | 730,821 | 3,454,201 | 12.44% | 12.22% | 24.66% | |
| Paragould Paid Fire | 3,716,487 | - | 3,716,487 | 3,233,739 | 3,233,739 | (480,224) | 2,753,515 | 962,972 | 12.99% | 4.48% | 17.47% | |
| Pocahontas Fire | 645,933 | 259,525 | 259,525 | 450,737 | 450,737 | (103,610) | 347,127 | 558,331 | 12.83% | 22.99% | 35.82% | |
| Searcy Police | 3,487,431 | 1,142,012 | 1,142,012 | 1,174,834 | 1,174,834 | (841,652) | 333,182 | 4,296,261 | 12.57% | 15.83% | 28.40% | |
| Searcy Fire | 4,743,199 | 608,615 | 608,615 | 3,701,814 | 3,701,814 | (2,977,879) | 724,116 | 4,627,698 | 13.45% | 14.39% | 27.84% | |
| Trumann Fire | 836,579 | - | 836,579 | 615,571 | 615,571 | (147,948) | 467,623 | 368,956 | 12.30% | 9.73% | 22.03% | |
| Van Buren Fire | 7,223,860 | 267,123 | 267,123 | 6,000,444 | 6,000,444 | (1,722,737) | 4,277,707 | 3,213,276 | 12.63% | 10.25% | 22.88% | |
| Walnut Ridge Fire | 595,169 | - | 595,169 | 666,198 | 666,198 | (491,213) | 174,985 | 420,184 | 12.93% | 9.91% | 22.84% | |
| Wynne Fire | 1,084,589 | - | 1,084,589 | 329,646 | 329,646 | (766,895) | (437,249) | 1,521,838 | 13.36% | 21.93% | 35.29% | |
| | \$ 262,186,508 | \$ 32,686,137 | \$ 32,686,137 | \$ 188,144,390 | \$ 188,144,390 | \$ (104,583,472) | \$ 83,560,918 | \$ 211,311,727 | | | | |

**Combined Results for Local Plans under
LOPFI Administration
December 31, 2009
Volunteer**

| Political Subdivision | Actuarial Liability | Valuation Assets | Unfunded Actuarial Accrued Liability | Normal Cost | Amortization Payment* | Total Employer Rate |
|-------------------------------|------------------------|---------------------|---|----------------|--------------------------|---------------------------|
| Altheimer Vol Fire | - | (41,375) | 41,375 | \$ - | \$ - | \$ 27.00 |
| Arkansas City Vol Fire | - | (75,937) | 75,937 | \$ - | \$ - | \$ 29.00 |
| Atkins Vol Fire | - | 62,239 | (62,239) | \$ - | \$ - | \$ 4.20 |
| Bald Knob Vol Fire | 16,032 | (114,242) | 130,274 | \$ - | \$ - | \$ 51.01 |
| Bearden Vol Fire | - | 25,249 | (25,249) | \$ - | \$ - | \$ 4.20 |
| Bella Vista Vol Fire | 19,073 | (19,373) | 38,446 | \$ - | \$ - | \$ 30.88 |
| Belleville Vol Fire | - | 55,819 | (55,819) | \$ - | \$ - | \$ 4.20 |
| Biscoe Vol Fire | - | (99,279) | 99,279 | \$ - | \$ - | \$ 96.07 |
| Caddo Valley Vol Fire | - | 761 | (761) | \$ - | \$ - | \$ 4.20 |
| Caldwell Vol Fire | - | 41,565 | (41,565) | \$ - | \$ - | \$ 4.20 |
| Calico Rock Vol Fire | - | 10,918 | (10,918) | \$ - | \$ - | \$ 4.20 |
| Calion Vol Fire | - | 21,766 | (21,766) | \$ - | \$ - | \$ 4.20 |
| Cammack Village Vol Fire | - | 36,101 | (36,101) | \$ - | \$ - | \$ 4.20 |
| Caraway Vol Fire | - | (403,786) | 403,786 | \$ - | \$ - | \$ 97.62 |
| Carthage Vol Fire | - | (18,333) | 18,333 | \$ - | \$ - | \$ 18.64 |
| Cash Vol Fire | - | (1,121) | 1,121 | \$ - | \$ - | \$ 5.67 |
| Cave City Vol Fire | - | (162,823) | 162,823 | \$ - | \$ - | \$ 41.87 |
| Chidester Vol Fire | 90,000 | 54,193 | 35,807 | \$ - | \$ - | \$ 27.70 |
| Clinton Vol Fire | - | 28,975 | (28,975) | \$ - | \$ - | \$ 65.70 |
| Coal Hill Vol Fire | - | (62,154) | 62,154 | \$ - | \$ - | \$ 27.21 |
| Cooterneck Vol Fire | - | (169,792) | 169,792 | \$ - | \$ - | \$ 98.82 |
| Cotter Vol Fire | - | (11,629) | 11,629 | \$ - | \$ - | \$ 9.01 |
| Cotton Plant Vol Fire | - | (22,355) | 22,355 | \$ - | \$ - | \$ 23.77 |
| Danville Vol Fire | - | (433,194) | 433,194 | \$ - | \$ - | \$ 137.83 |
| Devalls Bluff Vol Fire | - | (112,086) | 112,086 | \$ - | \$ - | \$ 66.43 |
| Diaz Vol Fire | - | (72,985) | 72,985 | \$ - | \$ - | \$ 57.20 |
| Dover Vol Fire | - | (44,120) | 44,120 | \$ - | \$ - | \$ 25.65 |
| Farmington Vol Fire | - | 9,592 | (9,592) | \$ - | \$ - | \$ 4.20 |
| Fisher Vol Fire | - | (28,178) | 28,178 | \$ - | \$ - | \$ 12.02 |
| Garland Vol Fire | - | 7,474 | (7,474) | \$ - | \$ - | \$ 4.20 |
| Gosnell Vol Fire | - | (67,325) | 67,325 | \$ - | \$ - | \$ 19.78 |
| Gould Vol Fire | 15,218 | 22,454 | (7,236) | \$ - | \$ - | \$ 4.20 |
| Grover Township Vol Fire | - | (93,454) | 93,454 | \$ - | \$ - | \$ 52.10 |
| Grubbs Vol Fire | - | (8,647) | 8,647 | \$ - | \$ - | \$ 7.78 |
| Hampton Vol Fire | - | (136,453) | 136,453 | \$ - | \$ - | \$ 48.77 |
| Hardin Vol Fire | - | (13,228) | 13,228 | \$ - | \$ - | \$ 22.42 |
| Hardy Vol Fire | - | (5,401) | 5,401 | \$ - | \$ - | \$ 7.63 |
| Hartford Vol Fire | - | (53,841) | 53,841 | \$ - | \$ - | \$ 27.66 |
| Helena - West Helena Vol Fire | - | (153,305) | 153,305 | \$ - | \$ - | \$ 125.80 |
| Hermitage Vol Fire | - | (126,060) | 126,060 | \$ - | \$ - | \$ 91.69 |
| Holiday Island Vol Fire | - | (53,933) | 53,933 | \$ - | \$ - | \$ 82.52 |
| Holly Grove Vol Fire | - | 9,877 | (9,877) | \$ - | \$ - | \$ 4.20 |
| Hot Springs Village Vol Fire | - | (55,849) | 55,849 | \$ - | \$ - | \$ 14.89 |
| Hoxie Vol Fire | - | (34,663) | 34,663 | \$ - | \$ - | \$ 18.58 |
| Humphrey Vol Fire | - | 11,568 | (11,568) | \$ - | \$ - | \$ 4.20 |
| Imboden Vol Fire | - | (262,282) | 262,282 | \$ - | \$ - | \$ 149.83 |
| Jasper Vol Fire | - | (149,844) | 149,844 | \$ - | \$ - | \$ 68.20 |
| Jonesboro Vol Fire | - | (124,618) | 124,618 | \$ - | \$ - | \$ 696.13 |
| Lake City Vol Fire | 13,772 | (11,472) | 25,244 | \$ - | \$ - | \$ 10.29 |
| Lavaca Vol Fire | - | (39,469) | 39,469 | \$ - | \$ - | \$ 19.03 |
| Lockesburg Vol Fire | 12,491 | (13,691) | 26,182 | \$ - | \$ - | \$ 14.50 |
| Lowell Vol Fire | - | (53,616) | 53,616 | \$ - | \$ - | \$ 70.94 |
| Luxora Vol Fire | - | 89,224 | (89,224) | \$ - | \$ - | \$ 4.20 |
| Magazine Vol Fire | 18,210 | (112,892) | 131,102 | \$ - | \$ - | \$ 60.19 |
| Marshall Vol Fire | - | (428,319) | 428,319 | \$ - | \$ - | \$ 174.07 |
| Marvell Vol Fire | - | (13,390) | 13,390 | \$ - | \$ - | \$ 11.73 |
| McNeil Vol Fire | - | 16,333 | (16,333) | \$ - | \$ - | \$ 4.20 |
| Melbourne Vol Fire | - | (232,158) | 232,158 | \$ - | \$ - | \$ 84.76 |
| Monette Vol Fire | - | (245,748) | 245,748 | \$ - | \$ - | \$ 84.46 |
| Montrose Vol Fire | - | (15,923) | 15,923 | \$ - | \$ - | \$ 20.65 |
| Moro Vol Fire | - | (20,411) | 20,411 | \$ - | \$ - | \$ 32.31 |
| Mountain Home Vol Fire | - | (182,607) | 182,607 | \$ - | \$ - | \$ 149.04 |
| Mountain View Vol Fire | - | (307,990) | 307,990 | \$ - | \$ - | \$ 61.20 |
| Murfreesboro Vol. Fire | - | (403,479) | 403,479 | \$ - | \$ - | \$ 164.22 |
| Norphlet Vol Fire | - | (12,638) | 12,638 | \$ - | \$ - | \$ 10.06 |
| North Crossett Vol Fire | - | (134,875) | 134,875 | \$ - | \$ - | \$ 48.25 |
| Paragould Vol Fire | - | (102,587) | 102,587 | \$ - | \$ - | \$ 289.00 |
| Parkin Vol Fire | - | (172,090) | 172,090 | \$ - | \$ - | \$ 63.92 |
| Perla Vol Fire | - | (56,425) | 56,425 | \$ - | \$ - | \$ 495.86 |
| Perryville Vol Fire | - | 14,845 | (14,845) | \$ - | \$ - | \$ 4.20 |
| Plainview Vol Fire | - | (36,437) | 36,437 | \$ - | \$ - | \$ 17.87 |
| Plumerville Vol Fire | - | (251,910) | 251,910 | \$ - | \$ - | \$ 81.91 |
| Pocahontas Vol Fire | - | (53,636) | 53,636 | \$ - | \$ - | \$ 27.53 |
| Portland Vol Fire | - | 27,217 | (27,217) | \$ - | \$ - | \$ 4.20 |
| Prescott Vol Fire | 16,028 | 49,304 | (33,276) | \$ - | \$ - | \$ 4.20 |
| Rison Vol Fire | - | (136,205) | 136,205 | \$ - | \$ - | \$ 42.01 |
| Russell Vol Fire | - | (52,216) | 52,216 | \$ - | \$ - | \$ 38.48 |
| Searcy Vol Fire | - | (294,215) | 294,215 | \$ - | \$ - | \$ 821.00 |
| Shannon Hills FD Vol Fire | - | (59,283) | 59,283 | \$ - | \$ - | \$ 20.66 |
| St. Francis Vol Fire | - | (50,321) | 50,321 | \$ - | \$ - | \$ 35.24 |
| Sulphur Springs Vol Fire | - | (28,430) | 28,430 | \$ - | \$ - | \$ 35.17 |
| Swifton Vol Fire | 8 | (58,456) | 58,464 | \$ - | \$ - | \$ 33.28 |
| Thornton Vol Fire | - | (371,049) | 371,049 | \$ - | \$ - | \$ 162.68 |
| Tracy Area Vol Fire | - | (9,727) | 9,727 | \$ - | \$ - | \$ 9.19 |
| Trumann Vol Fire | - | 5,804 | (5,804) | \$ - | \$ - | \$ 4.20 |
| Tuckerman Vol Fire | - | (57,289) | 57,289 | \$ - | \$ - | \$ 25.41 |
| Turrell Vol Fire | - | (25,789) | 25,789 | \$ - | \$ - | \$ 217.33 |
| Tyronza Vol Fire | - | (183,041) | 183,041 | \$ - | \$ - | \$ 60.66 |
| Vilonia Vol Fire | - | (25,482) | 25,482 | \$ - | \$ - | \$ 11.46 |
| Viola Vol Fire | - | (236,430) | 236,430 | \$ - | \$ - | \$ 73.29 |
| Wabbeska Vol Fire | - | (92,414) | 92,414 | \$ - | \$ - | \$ 89.72 |
| Waldo Vol Fire | - | (55,314) | 55,314 | \$ - | \$ - | \$ 23.48 |
| Walnut Ridge Vol Fire | 18,729 | (229,398) | 248,127 | \$ - | \$ - | \$ 110.18 |
| Washington Vol Fire | - | (13,244) | 13,244 | \$ - | \$ - | \$ 11.55 |
| Wheatley Vol Fire | 7,331 | 23,793 | (16,462) | \$ - | \$ - | \$ 4.20 |
| Wilmot Vol Fire | 105,000 | 89,878 | 15,122 | \$ - | \$ - | \$ 14.13 |
| Wilson Vol Fire | - | (2,978) | 2,978 | \$ - | \$ - | \$ 5.76 |
| Wynne Vol Fire | 21,354 | 606,481 | (585,127) | \$ - | \$ - | \$ 4.20 |
| | 353,246 | (6,793,279) | 7,146,525 | | | |

**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, 2003 | | | | | | | | | | |
| Retirement | 36 | \$ 917,140 | 4 | \$ 41,484 | 221 | \$ 2,966,748 | 41.88 | \$ 13,424 | \$ 13,424 | 21.33 |
| Survivor of active | 3 | 19,266 | 1 | | 21 | 95,270 | 25.35 | 4,537 | 4,537 | 13.43 |
| Survivor of retired | 7 | 32,752 | | | 33 | 170,950 | 23.70 | 5,180 | 5,180 | (2.54) |
| December 31, 2004 | | | | | | | | | | |
| Retirement | 59 | 828,798 | 5 | 60,865 | 275 | 3,734,681 | 25.88 | 13,581 | 13,581 | 1.17 |
| Survivor of active | 1 | 5,903 | 2 | 12,233 | 20 | 88,940 | (6.64) | 4,447 | 4,447 | (1.98) |
| Survivor of retired | 7 | 64,551 | 2 | 6,931 | 38 | 228,570 | 33.71 | 6,015 | 6,015 | 16.12 |
| December 31, 2005 | | | | | | | | | | |
| Retirement | 53 | 854,578 | 5 | 31,250 | 323 | 4,558,009 | 22.05 | 14,111 | 14,111 | 3.90 |
| Survivor of active | 13 | 79,176 | 4 | 12,798 | 29 | 155,318 | 74.63 | 5,356 | 5,356 | 20.44 |
| Survivor of retired | 3 | 26,136 | 1 | 4,052 | 40 | 250,654 | 9.66 | 6,266 | 6,266 | 4.17 |
| December 31, 2006 | | | | | | | | | | |
| Retirement | 83 | 1,218,719 | 8 | 79,942 | 398 | 5,696,786 | 24.98 | 14,314 | 14,314 | 1.44 |
| Survivor of active | 32 | 147,836 | | | 61 | 303,154 | 95.18 | 4,970 | 4,970 | (7.21) |
| Survivor of retired | 6 | 25,590 | 24 | 157,930 | 22 | 118,314 | (52.80) | 5,378 | 5,378 | (14.17) |
| December 31, 2007 | | | | | | | | | | |
| Retirement | 120 | 1,834,311 | 14 | 210,138 | 504 | 7,320,959 | 28.51 | 14,526 | 14,526 | 1.48 |
| Survivor of active | 12 | 80,577 | 5 | 22,320 | 68 | 361,411 | 19.22 | 5,315 | 5,315 | 6.94 |
| Survivor of retired | 3 | 28,971 | 3 | 9,917 | 22 | 137,368 | 16.10 | 6,244 | 6,244 | 16.10 |
| December 31, 2008 | | | | | | | | | | |
| Retirement | 120 | 1,896,855 | 6 | 25,908 | 618 | 9,191,906 | 25.56 | 14,874 | 14,874 | 2.40 |
| Survivor of active | 7 | 50,387 | 0 | 0 | 75 | 411,798 | 13.94 | 5,491 | 5,491 | 3.31 |
| Survivor of retired | 1 | 4,408 | 2 | 8,225 | 21 | 133,551 | (2.78) | 6,360 | 6,360 | 1.86 |
| December 31, 2009 | | | | | | | | | | |
| Retirement | 106 | 2,288,426 | 13 | 136,647 | 711 | 11,343,685 | 23.41 | 15,955 | 15,955 | 7.27 |
| Survivor of active | 14 | 106,529 | 3 | 13,914 | 86 | 504,413 | 22.49 | 5,865 | 5,865 | 6.81 |
| Survivor of retired | 3 | 26,940 | 1 | 4,677 | 23 | 155,814 | 16.67 | 6,775 | 6,775 | 6.53 |

* Includes DROP members.

**Retirants 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 | in Annual Allowance | Annual Allowance | Annual Allowance | % Increase in Allowance |
| December 31, 2003 | 40 | \$ 38,124 | 3 | \$ 1,324 | 125 | \$ 106,248 | 52.99 | \$ 850 | 7.73 | |
| Survivor of active | | 60 | | | 7 | 2,079 | 2.97 | 297 | 3.13 | |
| Survivor of retired | 5 | 2,238 | | | 9 | 4,209 | 113.55 | 468 | (5.07) | |
| December 31, 2004 | 79 | 75,481 | 2 | 5,966 | 202 | 175,763 | 65.43 | 870 | 2.35 | |
| Survivor of active | 4 | 910 | | | 11 | 2,989 | 43.77 | 272 | (8.42) | |
| Survivor of retired | 4 | 2,331 | | | 13 | 6,540 | 55.38 | 503 | 7.48 | |
| December 31, 2005 | 35 | 33,733 | 4 | 3,861 | 233 | 205,635 | 17.00 | 883 | 1.49 | |
| Survivor of active | 6 | 2,453 | 1 | 195 | 16 | 5,247 | 75.54 | 328 | 20.59 | |
| Survivor of retired | 2 | 2,199 | 1 | 1,020 | 14 | 7,719 | 18.03 | 551 | 9.54 | |
| December 31, 2006 | 46 | 52,227 | 6 | 5,421 | 273 | 252,441 | 22.76 | 925 | 4.76 | |
| Survivor of active | 12 | 6,173 | 1 | 201 | 27 | 11,219 | 113.82 | 416 | 26.83 | |
| Survivor of retired | 5 | 3,111 | 6 | 2,862 | 13 | 7,968 | 3.23 | 613 | 11.25 | |
| December 31, 2007 | 105 | 108,046 | 12 | 10,337 | 366 | 350,150 | 38.71 | 957 | 3.46 | |
| Survivor of active | 14 | 3,896 | | | 41 | 15,115 | 34.73 | 369 | (11.30) | |
| Survivor of retired | 7 | 3,879 | 1 | 689 | 19 | 11,158 | 40.04 | 587 | (4.24) | |
| December 31, 2008 | 106 | 134,401 | 9 | 6,415 | 463 | 478,136 | 36.55 | 1,033 | 7.94 | |
| Survivor of active | 15 | 4,235 | 2 | 452 | 54 | 18,898 | 25.03 | 350 | (5.15) | |
| Survivor of retired | 6 | 5,511 | 1 | 375 | 24 | 16,294 | 46.03 | 679 | 15.67 | |
| December 31, 2009 | 272 | 359,520 | 14 | 10,099 | 721 | 827,557 | 73.08 | 1,148 | 11.13 | |
| Survivor of active | 14 | 4,482 | 2 | 873 | 66 | 22,507 | 19.10 | 341 | (2.57) | |
| Survivor of retired | 13 | 12,309 | 4 | 1,227 | 33 | 27,376 | 68.01 | 830 | 22.24 | |

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

| | 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, 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 | 0 | 0 | 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 | | | |
| December 31, 2009 | 10 | 438,424 | 22 | 292,992 | 798 | 16,557,769 | 0.89 | 20,749 | 2.40 | | | |
| Survivor of active | 17 | 227,302 | 1 | 1,500 | 23 | 350,565 | 180.98 | 15,242 | (14.48) | | | |
| Survivor of retired | 20 | 286,266 | 29 | 327,986 | 207 | 2,845,382 | (1.45) | 13,746 | 2.84 | | | |

* 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, 2003 | 30 | \$ 67,620 | 3 | \$ 3,060 | 126 | \$ 179,040 | 56.39 | \$ 1,421 | 22.92 | | | |
| Retirement | | | 1 | | 0 | | (100.00) | N/A | N/A | | | |
| Survivor of active | | | 3 | 3,720 | 44 | 47,976 | 69.41 | 1,090 | 34.73 | | | |
| Survivor of retired | 12 | 23,376 | | | | | | | | | | |
| December 31, 2004 | 93 | 148,692 | 1 | 1,800 | 218 | 325,932 | 82.04 | 1,495 | 5.21 | | | |
| Retirement | | | 0 | | 0 | | 0.00 | N/A | N/A | | | |
| Survivor of active | | | 2 | 14,376 | 59 | 49,410 | 2.99 | 837 | (23.21) | | | |
| Survivor of retired | 17 | 15,810 | | | | | | | | | | |
| December 31, 2005 | 79 | 125,077 | 4 | 4,200 | 293 | 446,809 | 37.09 | 1,525 | 2.01 | | | |
| Retirement | | | 1 | 1,483 | 1 | 1,483 | - | 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 | 45 | 1 | 1,528 | 3.03 | 1,528 | 3.03 | | | |
| Survivor of active | | | 2 | 2,400 | 99 | 123,530 | 25.42 | 1,248 | 1.38 | | | |
| Survivor of retired | 21 | 27,434 | | | | | | | | | | |
| December 31, 2007 | 39 | 65,303 | 14 | 22,176 | 401 | 632,065 | 7.32 | 1,576 | 0.64 | | | |
| Retirement | | | 1 | 1,846 | 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 | | | 0 | 0 | 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 | | | | | | | | |
| December 31, 2009 | 128 | 196,439 | 20 | 30,294 | 634 | 1,031,419 | 19.20 | 1,627 | (1.09) | | | |
| Retirement | | | 0 | 0 | 14 | 21,257 | 144.31 | 1,518 | (12.76) | | | |
| Survivor of active | 9 | 12,556 | | | 182 | 242,424 | 17.72 | 1,332 | 0.91 | | | |
| Survivor of retired | 43 | 59,514 | 17 | 23,031 | | | | | | | | |



Statistical Section Summary

Retirement

Page 107 reflects Demographic Data for active, inactive vested, retirees and survivors as of December 31, 2009. Benefits payable as of December 31, 2009 by Option Type is shown on page 107.

Assets vs. Liabilities

Page 109 reflects the LOPFI and Local plans, administered by LOPFI, Schedule of Funding Progress for the last 10 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 110 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 110 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 110 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 111 -122 present schedules of retirement payments showing type of retirement, option selected by each type of department.

Participating Employer Groups

Page 123 shows the Top Ten Participating Employers in the plan.

LOPFI Demographic Data

(Excluding Local Funds)

As of December 31, 2009

Active Paid Members

| | |
|--------------------------------|------------|
| Number..... | 5,907 |
| Average Age..... | 38.3 years |
| Average Length of Service..... | 10.8 years |
| Average Annual Salary..... | \$44,308 |

Active Volunteer Members

| | |
|--------------------------------|------------|
| Number..... | 6,551 |
| Average Age..... | 40.8 years |
| Average Length of Service..... | 9.4 years |

Inactive Vested Members

4,149

Total Retirees and Survivors

| | |
|------------------------------|-------|
| Number..... | 1,640 |
| Average Monthly Benefit..... | \$655 |

2009 Retirees and Survivors

| | <u>Normal</u> | | <u>Duty Related Disability</u> |
|---------------------------|---------------|---------------------------|--------------------------------|
| Number | 1,064 | Number | 209 |
| Average Age | 63.5 years | Average Age | 48.3 years |
| Average Length of Service | 16.3 years | Average Length of Service | 10.2 years |
| Average Monthly Benefit | \$431 | Average Monthly Benefit | \$2,101 |

| | <u>Survivors (Death in Service)</u> | | <u>Non-Duty Related Disability</u> |
|-------------------------|-------------------------------------|---------------------------|------------------------------------|
| Number | 208 | Number | 159 |
| Average Age | 43.1 years | Average Age | 50.3 years |
| Average Monthly Benefit | \$285 | Average Length of Service | 10.8 years |
| | | Average Monthly Benefit | \$732 |

LOPFI
Benefit by Type, Last Ten Years

| | Valuation Year | | | | | | | | | |
|---------------------------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Type of Benefit | | | | | | | | | | |
| Age and service benefits: | | | | | | | | | | |
| Retirees | 9,560,074 | 11,616,381 | 12,366,835 | 13,439,189 | 14,407,533 | 15,546,079 | 16,763,686 | 17,909,240 | 19,805,489 | 21,626,643 |
| Survivors | 1,252,380 | 1,407,908 | 1,557,186 | 1,776,147 | 2,038,873 | 2,125,832 | 2,318,235 | 2,570,427 | 2,736,446 | 2,971,839 |
| Death in service benefits | 88,438 | 105,174 | 122,480 | 149,526 | 144,802 | 321,658 | 372,308 | 421,281 | 564,159 | 898,742 |
| Disability benefits: | | | | | | | | | | |
| Retirees - duty | 1,664,291 | 1,915,033 | 2,178,247 | 2,762,728 | 3,228,243 | 3,657,461 | 4,237,285 | 5,059,662 | 5,859,132 | 6,453,030 |
| Retirees - non-duty | 299,677 | 402,976 | 418,333 | 486,693 | 551,710 | 665,900 | 772,410 | 1,054,652 | 1,283,033 | 1,680,756 |
| Survivors | 255,792 | 292,299 | 352,187 | 383,037 | 446,938 | 423,452 | 437,643 | 447,447 | 506,442 | 299,158 |
| Total benefits | 13,120,652 | 15,739,771 | 16,995,268 | 18,997,320 | 20,818,099 | 22,740,382 | 24,901,567 | 27,462,709 | 30,754,701 | 33,930,168 |
| Refunds | 986,613 | 1,175,269 | 1,037,067 | 877,252 | 1,346,832 | 836,941 | 1,280,366 | 1,019,140 | 995,285 | 1,027,093 |

**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) | | Unfunded AAL (UAAAL) (c) | Funded Ratio (d) | Annual Covered Payroll | UAAAL as a Percentage of Covered Payroll (b-a)/c |
|--------------------------|-------------------------------|-----------------------------------|--------------|--------------------------|------------------|------------------------|--|
| | | Entry Age (b) | | | | | |
| 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 | 625,021,624 | 71,964,396 | 88 | 178,850,477 | 40 | |
| 12/31/04 * # | 601,798,909 | 754,004,285 | 152,205,376 | 80 | 193,670,943 | 79 | |
| 12/31/05 # | 653,546,976 | 842,926,984 | 189,380,008 | 78 | 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 | 1,200,515,663 | 411,882,581 | 66 | 245,775,341 | 168 | |
| 12/31/09 | 878,958,364 | 1,379,093,412 | 500,135,048 | 64 | 265,123,993 | 189 | |

* After legislated benefit increases for LOPFI members

+ After changes in actuarial assumptions

Revised in 2009 for actuarial corrections.

LOPFI
Expenses by Type
Last Ten Calendar Years

| Year | Benefits Paid | Refunds | Administrative | DROP | Total Expenses |
|------|---------------|-------------|----------------|---------------|----------------|
| | | | Expenses | Distributions | |
| 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 |
| 2009 | \$30,669,255 | \$1,027,093 | \$1,948,267 | \$3,251,683 | \$36,896,298 |

LOPFI
Revenues by Source
Last Ten Calendar Years

| Year | Member Contributions | Employer Contributions | Local Plan Merger | Investment Income (Loss) | Total Income (Loss) |
|------|----------------------|------------------------|---------------------|--------------------------|---------------------|
| | | | / Military Purchase | | |
| 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) |
| 2009 | \$14,354,314 | \$54,473,529 | \$15,619,218 | \$123,024,492 | \$207,471,553 |

LOPFI
Changes in Net Assets
Last Ten Calendar Years

| Year | Change in Plan Net Assets |
|------|---------------------------|
| 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) |
| 2009 | \$ 170,575,255 |

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



Paid Police (Excluding Local Plan)

| Monthly Benefit | No. of Retirants | Type of Retirement* | | | | | | Option Selected# | | | |
|-----------------|------------------|---------------------|-----------|------------|-----------|-----------|-----------|------------------|-----------|------------|-----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | Life | Opt. A | Opt. B | Opt. C |
| \$1-500 | 218 | 143 | 2 | 1 | 41 | 1 | 30 | 74 | 43 | 58 | 43 |
| 501-1,000 | 119 | 60 | 4 | 4 | 25 | 1 | 25 | 50 | 16 | 36 | 17 |
| 1,001-1,500 | 65 | 33 | 4 | 14 | 9 | 5 | - | 33 | 10 | 12 | 10 |
| 1,501-2,000 | 91 | 22 | 2 | 46 | 13 | 8 | - | 56 | 10 | 16 | 9 |
| 2,001-2,500 | 70 | 15 | 1 | 35 | 7 | 11 | 1 | 43 | 6 | 12 | 9 |
| 2,501-3,000 | 36 | 9 | - | 23 | 2 | 2 | - | 22 | 2 | 9 | 3 |
| 3,001-3,500 | 14 | 7 | 1 | 6 | - | - | - | 5 | 1 | 5 | 3 |
| 3,501-4,000 | 4 | - | - | 4 | - | - | - | 3 | - | 1 | - |
| Over \$4,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 617 | 289 | 14 | 133 | 97 | 28 | 56 | 286 | 88 | 149 | 94 |

* 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



LOPFI Staff

| 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 | - | - | - | - | - | - | - | - | - | - | - |
| 501-1,000 | 1 | 1 | - | - | - | - | - | - | - | - | 1 |
| 1,001-1,500 | - | - | - | - | - | - | - | - | - | - | - |
| 1,501-2,000 | - | - | - | - | - | - | - | - | - | - | - |
| 2,001-2,500 | - | - | - | - | - | - | - | - | - | - | - |
| 2,501-3,000 | - | - | - | - | - | - | - | - | - | - | - |
| 3,001-3,500 | - | - | - | - | - | - | - | - | - | - | - |
| 3,501-4,000 | - | - | - | - | - | - | - | - | - | - | - |
| Over \$4,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 1 | 1 | - | - | - | - | - | - | - | - | 1 |

* 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



Paid Fire (Excluding Local Plan)

| Monthly Benefit | No. of Retirants | Type of Retirement* | | | | | | Option Selected# | | | |
|-----------------|------------------|---------------------|----------|-----------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | Life | Opt. A | Opt. B | Opt. C |
| \$1-500 | 41 | 13 | - | - | 8 | - | 20 | 11 | 5 | 23 | 2 |
| 501-1,000 | 26 | 9 | 1 | 3 | 3 | 3 | 7 | 12 | 2 | 9 | 3 |
| 1,001-1,500 | 34 | 11 | 1 | 7 | 6 | 6 | 3 | 16 | 8 | 6 | 4 |
| 1,501-2,000 | 38 | 10 | 1 | 19 | 2 | 6 | - | 25 | 4 | 7 | 2 |
| 2,001-2,500 | 31 | 3 | - | 25 | 2 | 1 | - | 22 | 2 | 5 | 2 |
| 2,501-3,000 | 20 | 1 | - | 16 | 2 | 1 | - | 13 | 4 | 2 | 1 |
| 3,001-3,500 | 7 | 1 | - | 6 | - | - | - | 4 | - | 2 | 1 |
| 3,501-4,000 | 3 | 2 | - | - | 1 | - | - | - | 1 | 1 | 1 |
| Over \$4,000 | 2 | 1 | - | - | 1 | - | - | - | - | 1 | 1 |
| Total | 202 | 51 | 3 | 76 | 25 | 17 | 30 | 103 | 26 | 56 | 17 |

* 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

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 | 13 | 12 | - | - | 1 | - | 6 | 1 | 1 | 5 |
| 51-75 | 1 | 1 | - | - | - | - | 1 | - | - | - |
| 76-100 | 1 | 1 | - | - | - | - | - | - | - | 1 |
| 101-125 | 1 | 1 | - | - | - | - | 1 | - | - | - |
| 126-150 | 1 | 1 | - | - | - | - | - | 1 | - | - |
| 151-175 | 1 | 1 | - | - | - | - | 1 | - | - | - |
| 176-200 | - | - | - | - | - | - | - | - | - | - |
| 201-225 | - | - | - | - | - | - | - | - | - | - |
| Over \$225 | - | - | - | - | - | - | - | - | - | - |
| Total | 18 | 17 | - | - | 1 | - | 9 | 2 | 1 | 6 |

* 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

Volunteer Fire (Excluding Local Plan)

| Monthly Benefit | No. of Retirees | Type of Retirement* | | | | | Option Selected# | | | |
|-----------------|-----------------|---------------------|-----------|----------|-----------|-----------|------------------|------------|------------|------------|
| | | 1 | 2 | 3 | 4 | 5 | Life | Opt. A | Opt. B | Opt. C |
| \$1-50 | 189 | 113 | 1 | 1 | 18 | 56 | 64 | 14 | 62 | 49 |
| 51-75 | 134 | 113 | 1 | - | 10 | 10 | 45 | 26 | 24 | 39 |
| 76-100 | 124 | 102 | 6 | - | 16 | - | 41 | 31 | 10 | 42 |
| 101-125 | 156 | 146 | 7 | - | 3 | - | 40 | 29 | 14 | 73 |
| 126-150 | 103 | 101 | 1 | 1 | - | - | 32 | 25 | 7 | 39 |
| 151-175 | 77 | 77 | - | - | - | - | 17 | 7 | 8 | 45 |
| 176-200 | 16 | 16 | - | - | - | - | 3 | 4 | 1 | 8 |
| 201-225 | 3 | 3 | - | - | - | - | 1 | - | 1 | 1 |
| Over \$225 | - | - | - | - | - | - | - | - | - | - |
| Total | 802 | 671 | 16 | 2 | 47 | 66 | 243 | 136 | 127 | 296 |

* 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, 2000 to December 31, 2009 | | Service at Retirement | | | | | | | |
|--|------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 0-4# | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| 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. | | | | | | | |
| 01/01/09 | - 12/31/09 | Average Monthly Benefit | \$ 488 | \$ 941 | \$ 1,375 | \$ 1,847 | \$ 1,882 | \$ 2,070 | \$ 2,206 |
| | | Final Average Pay* | \$ 32,283 | \$ 33,848 | \$ 36,828 | \$ 42,390 | \$ 43,187 | \$ 47,249 | \$ 47,248 |
| | | Number of Active Retirees | 212 | 136 | 98 | 64 | 82 | 17 | 8 |
| | | * Final Average Pay for 57 members was not provided. # Includes 20 members whose service was not provided. | | | | | | | |

Schedule of Retirements by Type of Benefit and Department

LOPFI Paid Fire

| Retirement Effective Dates January 1, 2000 to December 31, 2009 | | Service at Retirement | | | | | | | |
|--|------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 0-4# | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| 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. | | | | | | | |
| 01/01/09 | - 12/31/09 | Average Monthly Benefit | \$ 782 | \$ 1,513 | \$ 1,695 | \$ 2,089 | \$ 1,920 | \$ 3,127 | \$ 1,670 |
| | | Final Average Pay* | \$ 38,776 | \$ 40,569 | \$ 38,456 | \$ 41,916 | \$ 46,016 | \$ 57,664 | \$ 37,129 |
| | | Number of Active Retirees | 59 | 38 | 39 | 27 | 27 | 7 | 5 |
| | | * Final Average Pay for 23 members was not provided. # Includes 12 members whose service was not provided. | | | | | | | |

Schedule of Retirements by Type of Benefit and Department

LOPFI Volunteer Police

| Retirement Effective Dates January 1, 2000 to December 31, 2009 | | | Service at Retirement | | | | | | |
|--|---------------------------|-------|-----------------------|-------|-------|-------|--------|-------|-----|
| | | | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ |
| 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 | - | |
| 01/01/09 - 12/31/09 | Average Monthly Benefit | \$ 12 | \$ 36 | \$ - | \$ 89 | \$ - | \$ 153 | \$ - | |
| | Final Average Pay | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| | Number of Active Retirees | 8 | 5 | - | 3 | - | 2 | - | |

Schedule of Retirements by Type of Benefit and Department

LOPFI Volunteer Fire

| Retirement Effective Dates January 1, 2000 to December 31, 2009 | | Service at Retirement | | | | | | |
|--|---------------------------|-----------------------|-------|-------|-------|--------|--------|--------|
| | | 0-4# | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ |
| 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. | | | | | | | | |
| 01/01/09 - 12/31/09 | Average Monthly Benefit | \$ 34 | \$ 42 | \$ 65 | \$ 93 | \$ 114 | \$ 147 | \$ 173 |
| | Final Average Pay | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Number of Active Retirees | 139 | 93 | 112 | 109 | 191 | 106 | 52 |
| # Includes 46 members whose service was not provided. | | | | | | | | |

Schedule of Retirements by Type of Benefit and Department

Local Plan Paid Police

| Retirement Effective Dates January 1, 2000 to December 31, 2009 | | | Service at Retirement | | | | | | |
|--|--|-----------|-----------------------|-----------|-----------|-----------|-----------|-----------|-----|
| | | | 0-4# | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ |
| 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. | | | | | | | | |
| 01/01/09 - 12/31/09 | Average Monthly Benefit | \$ 1,065 | \$ 1,470 | \$ 1,357 | \$ 1,705 | \$ 1,806 | \$ 1,824 | \$ 1,558 | |
| | Final Average Pay | \$ 31,815 | \$ 17,949 | \$ 25,216 | \$ 35,739 | \$ 41,361 | \$ 47,748 | \$ 45,432 | |
| | Number of Active Retirees | 154 | 3 | 8 | 12 | 95 | 95 | 95 | |
| | * Final Average Pay for 303 members was not provided. # Includes 80 members whose service was not provided. | | | | | | | | |

Schedule of Retirements by Type of Benefit and Department

Local Plan Paid Fire

| Retirement Effective Dates January 1, 2000 to December 31, 2009 | | Service at Retirement | | | | | | | |
|--|------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 0-4# | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| 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. | | | | | | | |
| 01/01/09 | - 12/31/09 | Average Monthly Benefit | \$ 1,442 | \$ 3,056 | \$ 2,285 | \$ 1,616 | \$ 1,695 | \$ 1,770 | \$ 1,899 |
| | | Final Average Pay | \$ 29,800 | \$ 43,364 | \$ 53,299 | \$ 28,122 | \$ 34,356 | \$ 39,717 | \$ 43,633 |
| | | Number of Active Retirees | 192 | 1 | 1 | 12 | 80 | 119 | 161 |
| | | * Final Average Pay for 259 members was not provided. # Includes 118 members whose service was not provided. | | | | | | | |

Schedule of Retirements by Type of Benefit and Department

Local Plan Volunteer Fire

| Retirement Effective Dates January 1, 2000 to December 31, 2009 | | | Service at Retirement | | | | | | |
|--|------------|--|-----------------------|--------|--------|--------|--------|--------|--------|
| | | | 0-4# | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30+ |
| 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. | | | | | | | |
| 01/01/09 | - 12/31/09 | Average Monthly Benefit | \$ 126 | \$ 117 | \$ 150 | \$ 111 | \$ 130 | \$ 136 | \$ 140 |
| | | Final Average Pay | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | Number of Active Retirees | 500 | 3 | 1 | 11 | 46 | 105 | 164 |
| | | # Includes 427 members whose service was not provided. | | | | | | | |

LOPFI Top Ten Participating Employers

| | 2009 | | 2008 | | 2007 | | 2006 | | 2005 | | 2004 | | 2003 | | 2002 | | 2001 | | 2000 | |
|-------------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|------|------------------------|
| | 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 | 118 | 2.0% | 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% |
| Fort Smith Paid Fire | 120 | 2.0% | 119 | 2.1% | 119 | 2.1% | 115 | 2.2% | 113 | 2.2% | 111 | 2.2% | 109 | 2.2% | 105 | 2.2% | 96 | 2.1% | 92 | 2.0% |
| Fort Smith Paid Police | 163 | 2.8% | 159 | 2.8% | 152 | 2.7% | 158 | 3.0% | 148 | 2.9% | 149 | 3.0% | 141 | 2.9% | 123 | 2.6% | 130 | 2.8% | 122 | 2.7% |
| Jonesboro Paid Police | 143 | 2.4% | 131 | 2.3% | 127 | 2.3% | 119 | 2.2% | 117 | 2.3% | 118 | 2.4% | 118 | 2.4% | 105 | 2.2% | 102 | 2.2% | 105 | 2.3% |
| Little Rock Paid Fire | 354 | 6.0% | 316 | 5.6% | 324 | 5.8% | 312 | 5.9% | 310 | 6.1% | 293 | 5.9% | 290 | 6.0% | 280 | 5.9% | 263 | 5.8% | 250 | 5.6% |
| Little Rock Paid Police | 492 | 8.3% | 480 | 8.5% | 476 | 8.5% | 460 | 8.6% | 438 | 8.6% | 420 | 8.5% | 413 | 8.5% | 426 | 9.0% | 426 | 9.3% | 414 | 9.2% |
| North Little Rock Paid Fire | 134 | 2.3% | 130 | 2.3% | 131 | 2.3% | 126 | 2.4% | 115 | 2.2% | 115 | 2.3% | 109 | 2.2% | 109 | 2.3% | 106 | 2.3% | 102 | 2.3% |
| North Little Rock Paid Police | 176 | 3.0% | 177 | 3.1% | 181 | 3.2% | 177 | 3.3% | 185 | 3.6% | 183 | 3.7% | 180 | 3.7% | 181 | 3.8% | 177 | 3.9% | 181 | 4.0% |
| Pine Bluff Paid Police | 140 | 2.4% | 131 | 2.3% | 127 | 2.3% | 132 | 2.5% | 126 | 2.5% | 129 | 2.6% | 134 | 2.8% | 128 | 2.7% | 128 | 2.8% | 130 | 2.9% |
| Springdale Paid Police | 117 | 2.0% | 115 | 2.0% | 110 | 2.0% | 99 | 1.9% | 93 | 1.8% | 91 | 1.8% | 91 | 1.9% | 91 | 1.9% | 91 | 2.0% | 77 | 1.7% |

