



LOPFI

Twenty Eighth Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2010

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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, 2014



MIKE GASKILL
Employer Trustee
Paragould
Term Expires Jan. 1, 2015



TIMOTHY WEBB
Police Employee Trustee
Searcy
Term Expires Jan. 1, 2014



TERRY 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, 2015

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

LOPFI

ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

Letter of Transmittal

May 27, 2011

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, 2010. This report recognizes LOPFI's 28th year of administering retirement benefits for the covered police officers and firefighters in the State.

A Summary LOPFI

LOPFI was created by the 1981 General Assembly to serve as a statewide defined benefit retirement system for 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. Disclosure of the system's financial condition and the contents of this report are responsibilities that rest with management. The internal controls used provide reasonable assurance that assets of the system are protected and that a fair presentation of the financial statements, supporting schedules, and statistical tables are properly communicated.

In 2010, LOPFI continued its development of electronic services to members and employers. All active members now have access to their account information via a Member Portal. Members have the ability to obtain an accurate benefit estimate, verify that earnings on file are correct, and process account change information in an online secure platform. This resource has proven very popular with the membership.

The 2010-year also saw all employers convert to electronic reporting for their monthly payroll report by accessing the Employer Reporting Portal. Employers enroll new members through the Portal as well. The Portal is intuitive, which means less time is needed by the employers to complete these tasks. Over the next few years, LOPFI will continue its forward movement by implementing greater enhancements to the Member and Employer Reporting Portals.

Summary of Financial Information

The following schedule is a summary of the system's additions and deductions for the years ended December 31, 2010 and December 31, 2009.

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Additions	\$ 169,071,691	\$ 207,471,553
Deductions	41,059,329	36,896,298
Net Change	\$ 128,012,362	\$ 170,575,255

The positive result in Additions was the effect of another solid year for investment performance. Deductions have continued the upward trend due to the increase in the number of members choosing to retire. LOPFI has reached the point that the rate of retirements and DROP participation will continue to increase. Greater details of the financial condition can be located in the Management's Discussion and Analysis beginning on page 19 in the Financial Section of this report.

A primary funding objective for LOPFI is to meet each and every benefit promise through 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, 2010, the funded ratio for the entire portfolio was 65%. This number was expected to decrease from the previous year because of continued smoothing of the 2008 investment experience. However, a significant data cleanup project that involved removing service credit from obsolete records moderated the result of the required asset smoothing. Further details on the funded condition of LOPFI can be found in the Actuarial Section of this report.

Investment Results

The LOPFI portfolio experienced a 10.68% return for the year ended December 31, 2010. This was another year that the system exceeded its 8% assumed rate of return. The system handles its investment portfolio with a steady approach. This is a responsible method that helps provide confidence to active and retired members that assets will be available to pay accrued benefits for their retired lifetime. The Investment Section of this report provides additional information of the system's investments.

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, 2009. This was the eighth consecutive year that LOPFI has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This

report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Conclusion

This report was produced through the collective efforts of system staff and advisors. The CAFR's purpose is to provide sufficient detail to demonstrate that openness 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.

CAFR's are made available to Legislative Audit, Legislative Council and all participating employer groups. Through its straightforward presentation, readers should see the report as the helpful resource it is intended to be.

LOPFI has an enthusiastic team who seek each day to provide top-level service to a crucial sector of the Arkansas community—police officers and firefighters. Each active and retired member and all participating employer groups should know that the LOPFI team values your comments. Please touch base with me or any member of staff to share with us how we may improve 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*
- *Chickasaw Capital Management
Memphis, Tennessee*
- *Citigroup Private Equity
New York, New York*
- *Dodge & Cox
Braintree, Massachusetts*
- *Fisher Investments
Woodside, California*
- *Garcia, Hamilton, Jackson & Associates
Houston, Texas*
- *Global Currents Investments
Wilmington, Delaware*
- *IP Morgan Investment Management, Inc. (Real Estate & Infrastructure)
New York, New York*
- *KKR Mezzanine Partners
San Francisco, California*
- *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 departments.

Members are limited to earning service at one LOPFI covered volunteer department at a time.

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

$\$5.88 \text{ per month} \times \text{Years of Service}$ (The \$5.88 Benefit is indexed annually for inflation).

The maximum benefit for paid service is 100% of FAP. For volunteer service the maximum benefit is \$235.20 per month, indexed annually for inflation.

DUTY DISABILITY BENEFIT

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

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

NON-DUTY DISABILITY BENEFIT

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

SURVIVOR BENEFIT

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

POST RETIREMENT ADJUSTMENT

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

OPTIONAL FORMS OF PAYMENT

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

The options are:

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

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

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

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

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

DEFERRED RETIREMENT OPTION PLAN (DROP)

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

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

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

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

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

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

PARTIAL-ANNUITY and LUMP-SUM OPTION

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

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

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

MEMBER CONTRIBUTIONS

Member contribution rates are dependent upon the type of service rendered and whether or not that service is also covered by Social Security. Effective July 1, 2009, all member contributions remitted to the system are on a pre-tax basis. 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 one 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
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Independent Auditor's Report

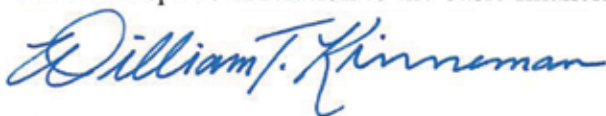
The Board of Trustees
Arkansas Local Police and Fire Retirement System
Little Rock, Arkansas

I have audited the accompanying statements of plan net assets of Arkansas Local Police and Fire Retirement System defined benefit pension plan at December 31, 2010 and 2009 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, 2010 and 2009 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 2010 and 2009, 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.



May 6, 2011
Little Rock, Arkansas

Arkansas Local Police and Fire Retirement System

Required Supplementary Information

Management Discussion and Analysis

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

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

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

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

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

The following pages contain summary comparative statements of LOPFI's pension trust fund for years 2010 and 2009.

**Arkansas Local Police and Fire Retirement System
Year ended December 31, 2010**

Summary of Comparative Statements of Plan Net Assets

	As of <u>December 31, 2010</u>	As of <u>December 31, 2009</u>	Percent <u>Change</u>
Cash and short-term investments	\$ 83,999,208	\$ 88,117,672	(4.67) %
Invested securities lending collateral	22,025,353	44,552,779	(50.56)
Due from brokers-unsettled trades	3,853,188	17,260,699	(77.68)
Total receivables	6,580,447	8,418,218	(21.83)
Prepaid expense and other assets	67,623	84,633	(20.10)
Investments	858,747,435	736,604,807	16.58
Land, building, furniture and equipment	3,681,132	3,808,319	(3.34)
Total assets	<u>\$ 978,954,386</u>	<u>\$ 898,847,127</u>	8.91 %
Accounts payable and accrued expenses	\$ 620,869	\$ 779,953	(20.40) %
Refunds payable	43,786	95,929	(54.35)
Due to Pension Review Board	177,638	213,620	(16.84)
Due to brokers-unsettled trades	304,888	25,435,356	n/a
Collateral for securities on loan	22,025,353	44,552,779	(50.56)
Total liabilities	<u>23,172,534</u>	<u>71,077,637</u>	(67.40)
Net assets held for pension benefits	<u>955,781,852</u>	<u>827,769,490</u>	15.46
Total liabilities and net assets held for pension benefits	<u>\$ 978,954,386</u>	<u>\$ 898,847,127</u>	8.91 %

The decrease in cash and short term investments is a result of assets being reallocated to longer term investments, while the overall increase in total investments reflects the continued rebound of the financial markets in 2010. Investments were also enhanced by the receipt of \$8.1 million in assets received as a result of several local plans consolidating into LOPFI. The decrease in total receivables reflects a concentrated effort by staff to ensure employer groups are making timely payments of amounts due. Other assets decreased due to the fact that there were less prepaid expenses at the end of the 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, 2010**

Summary of Comparative Statements of Changes in Plan Net Assets

	Year ended <u>December 31, 2010</u>	Year ended <u>December 31, 2009</u>	Percent <u>Change</u>
Contributions	\$ 85,843,974	\$ 84,447,061	1.69 %
Net investment income	<u>83,227,717</u>	<u>123,024,492</u>	(32.35)
Total additions	<u>169,071,691</u>	<u>207,471,553</u>	(18.49)
Benefits paid	36,586,520	30,669,255	19.29
Refunds of contributions	814,866	1,027,093	(20.66)
Administrative expenses	1,739,807	1,948,267	(10.70)
Deferred retirement option distributions	<u>1,918,136</u>	<u>3,251,683</u>	(41.01)
Total deductions	<u>41,059,329</u>	<u>36,896,298</u>	11.28
Net increase in plan net assets	128,012,362	170,575,255	(24.94)
Plan net assets-beginning of year	<u>827,769,490</u>	<u>657,194,235</u>	25.96
Plan net assets-end of year	<u>\$ 955,781,852</u>	<u>\$ 827,769,490</u>	15.46 %

Contributions increased as a result of a 1.69% 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. For the second straight year net investment income posted a large increase due the rebound of the financial markets in 2010. 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 decrease in refunds of member contributions which indicates that fewer members terminating coverage with the system elected to remove their member contributions. Administrative expenses showed a decrease for the current year due to the elimination of one full time staff position which as made possible by increased efficiencies brought about by an upgraded data processing system. Deferred Retirement Option Plan (DROP) distributions decreased as a natural result of a fewer number of DROP participants retiring in the current year.

**Arkansas Local Police and Fire Retirement System
Year ended December 31, 2010**

Summary of Comparative Statements of Plan Net Assets

	As of <u>December 31, 2009</u>	As of <u>December 31, 2008</u>	Percent <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, 2010**

Summary of Comparative Statements of Changes in Plan Net Assets

	Year ended <u>December 31, 2009</u>	Year ended <u>December 31, 2008</u>	Percent <u>Change</u>
Contributions	\$ 84,447,061	\$ 69,918,855	20.78 %
Net investment income (loss)	<u>123,024,492</u>	<u>(212,018,946)</u>	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	<u>3,251,683</u>	<u>2,069,403</u>	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	<u>657,194,235</u>	<u>831,869,738</u>	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

Statement of Plan Net Assets

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Cash and short-term investments	<u>\$ 83,999,208</u>	<u>\$ 88,117,672</u>
Receivables:		
Contributions receivable	5,168,484	5,758,089
Accrued interest and dividends	1,375,276	2,654,340
Other receivables	36,687	5,789
Total receivables	<u>6,580,447</u>	<u>8,418,218</u>
Prepaid expense	<u>29,386</u>	<u>34,862</u>
Investments at fair value:		
U. S. Government, agencies, and state obligations	59,209,002	150,832,280
Collateralized mortgage obligations-non govt.	15,462,894	21,275,994
Corporate and municipal obligations	56,175,609	80,316,063
Foreign bonds	1,199,240	1,622,750
Fixed income collective trusts	258,962,094	114,784,843
Common and preferred stocks	94,410,263	74,118,793
Special situation properties, etc.	64,343,553	42,861,042
Equity mutual collective trusts	308,984,780	250,793,042
Total investments	<u>858,747,435</u>	<u>736,604,807</u>
Invested securities lending collateral	22,025,353	44,552,779
Due from brokers-unsettled trades	3,853,188	17,260,699
Land, building, furniture and equipment-at cost	3,681,132	3,808,319
Other assets	<u>38,237</u>	<u>49,771</u>
	<u>\$ 978,954,386</u>	<u>\$ 898,847,127</u>
 <u>Liabilities and net assets held in trust for pension benefits</u>		
<u>Liabilities:</u>		
Accounts payable and accrued expenses	\$ 620,869	\$ 779,953
Refunds payable	43,786	95,929
Due to Pension Review Board	177,638	213,620
Collateral for securities on loan	22,025,353	44,552,779
Due to brokers-unsettled trades	304,888	25,435,356
Total liabilities	<u>23,172,534</u>	<u>71,077,637</u>
 Net assets held in trust for pension benefits	<u>955,781,852</u>	<u>827,769,490</u>
	<u>\$ 978,954,386</u>	<u>\$ 898,847,127</u>

See accompanying notes.

Arkansas Local Police and Fire Retirement System

Statement of Changes in Plan Net Assets

Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Additions:</u>		
Contributions:		
Member contributions	\$ 18,621,969	\$ 14,354,314
Employer contributions	58,942,600	54,473,529
Local plan administrative mergers and paid military time	8,279,405	15,619,218
Total contributions	<u>85,843,974</u>	<u>84,447,061</u>
Investment income:		
Net increase in fair value of investments	74,657,644	109,183,788
Interest, dividends, and other income	12,825,718	16,413,329
Investment expenses	(4,337,700)	(2,977,848)
Total investing income before securities lending	<u>83,145,662</u>	<u>122,619,269</u>
From securities lending activity:		
Securities lending income	140,155	703,980
Securities lending expenses:		
Borrower rebates	(30,700)	(164,214)
Management fees	(27,400)	(134,543)
Net income from securities lending activities	<u>82,055</u>	<u>405,223</u>
Total investment income	<u>83,227,717</u>	<u>123,024,492</u>
Total additions	<u>169,071,691</u>	<u>207,471,553</u>
 <u>Deductions:</u>		
Benefits paid	36,586,520	30,669,255
Refunds of contributions	814,866	1,027,093
Administrative expenses	1,739,807	1,948,267
Deferred retirement option distributions	1,918,136	3,251,683
Total deductions	<u>41,059,329</u>	<u>36,896,298</u>
Net increase in plan net assets	<u>128,012,362</u>	<u>170,575,255</u>
 Plan net assets-beginning of year	<u>827,769,490</u>	<u>657,194,235</u>
 Plan net assets-end of year	<u>\$955,781,852</u>	<u>\$827,769,490</u>

See accompanying notes.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2010 and 2009

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, 2010 and 2009, the number of participating political subdivisions was 468 and 464 respectively. At that date membership consisted of the following:

<u>Membership classification</u>	<u>Number of employees</u>	
	<u>2010</u>	<u>2009</u>
Retirees and beneficiaries currently receiving benefits:		
LOPFI staff	1	1
LOPFI police without social security	168	144
Local plan police without social security	358	354
LOPFI police with social security	497	439
LOPFI policemen benefit program 2 without social security	38	29
LOPFI fire without social security	201	161
LOPFI fire with social security	16	14
Local plan fire without social security	619	566
LOPFI volunteer fire	979	802
Local volunteer fire	873	830
Local plan police with social security	174	108
LOPFI volunteer police	25	18
LOPFI firemen benefit program 2-with social security	4	4
LOPFI policemen benefit program 2-with social security	7	5
LOPFI firemen benefit program 2 without social security	23	23
Subtotal for retirees and beneficiaries	<u>3,983</u>	<u>3,498</u>
Active employees:		
LOPFI staff	8	8
Local police with social security	0	0
LOPFI police with social security	1,841	1,844
LOPFI police without social security	1,190	1,160
Local plan police without social security	5	5
LOPFI firemen with social security	59	57
LOPFI firemen without social security	2,065	2,055
Local plan firemen without social security	11	10
LOPFI volunteer firemen	6,560	6,412
Local plan volunteer firemen	12	9
LOPFI volunteer police	174	139
LOPFI firemen benefit program 2 with social security	33	27
LOPFI firemen benefit program 2 without social security	291	294
LOPFI policemen benefit program 2 with social security	46	43
LOPFI police benefit program 2 without social security	366	374
Local plan part paid contributory firemen	2	2
Subtotal for active employees	<u>12,663</u>	<u>12,439</u>
Terminated Vested Members	<u>4,539</u>	<u>4,149</u>
Total membership	<u>21,185</u>	<u>20,086</u>

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2010 and 2009

Note 1: Plan Description (continued):

Included in the above figures for 2010 and 2009 respectively are 2,054 and 1,844 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, 2010, for each year of volunteer service, \$5.88 per month, to a maximum of \$235.20 monthly.
- (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, 2010 and 2009

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, 2010 and 2009, the DROP accounts totaled \$12,678,252 and \$8,805,733 respectively.

Subsequent Events

Management has evaluated subsequent events through May 6, 2011, the date the financial statements were available to be issued.

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 \$1,500. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over useful lives of 3 to 5 years for equipment and furniture, and 30 years for buildings. Depreciation expense for 2010 and 2009 was \$138,390 and \$143,109 respectively.

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2010 and 2009

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, 2010 and 2009, 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		\$ 25,495,789
A to AAA	\$ 45,535,984	4,418,200
BBB and below or unrated	13,413,865	11,044,694
Total	<u>\$ 58,949,849</u>	<u>\$ 40,958,683</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. Currently the System has no formal policy relating to interest rate risk. The effective duration of fixed income investments by fixed income managers ranges from 4.20 to 6.90 years and averages 5.32 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, 2010 and 2009

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, 2010 and 2009, 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, 2010 and 2009 LOPFI had lending arrangements outstanding with a total market value for securities lent of \$21,504,771 and \$44,552,779, and a total market value for securities received as collateral of \$22,025,353 and \$45,558,525, 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 \$82,055 for 2010 and \$405,223 for 2009.

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>2010</u>	<u>2009</u>
Member's Deposit Account	\$ 140,946,976	\$ 124,849,760
Employer Accumulation Account	482,464,036	444,056,429
Retirement Reserve Account	319,692,588	250,057,568
Income-Expense Account	0	0
Deferred Retirement Option Plan	12,678,252	8,805,733
	<u>\$ 955,781,852</u>	<u>\$ 827,769,490</u>

Arkansas Local Police and Fire Retirement System

Notes to the Financial Statements

December 31, 2010 and 2009

Note 4: Employee Pension Program

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 2008, 2009, and 2010, LOPFI recorded as administrative expense of \$87,037, \$115,131, and \$99,068 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, 2010, the actuarial value of plan assets was \$982,154,992 and the actuarial accrued liability was \$1,519,527,855, resulting in a total unfunded actuarial liability of \$537,372,863 and a funded ratio of 65%. In addition, for 2010 the annual covered payroll was \$268,424,127, and the ratio of the total unfunded actuarial accrued liability to annual covered payroll was 200%.

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, 2010 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 10% 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
12/31/01 *	\$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
12/31/10	982,154,992	1,519,527,855	537,372,863	65	268,424,127	200

* 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
12/31/01	\$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%
12/31/10	58,654,842	100%

Note to the required supplementary information

Actuarial methods & assumptions for valuation performed December 31, 2010

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, 2010 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 10% 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, 2010 and 2009

<u>Personnel Services</u>	<u>2010</u>	<u>2009</u>
Staff salaries	\$ 323,301	\$ 325,423
Social security tax	36,242	35,756
Staff retirement plan contribution	99,068	115,131
Health insurance	59,117	55,680
Unemployment insurance	1,088	990
Total personnel services	<u>518,816</u>	<u>532,980</u>
<u>Professional Services</u>		
Actuarial services	250,698	238,329
Professional accounting services	9,050	8,800
Legal consultation	91,000	95,000
Data processing	456,474	664,739
Medical advisor	45,457	45,696
Total professional services	<u>852,679</u>	<u>1,052,564</u>
<u>Communications</u>		
Printing	25,398	47,844
Telephone	46,557	9,688
Postage	28,858	39,253
Meetings and travel	16,215	13,432
Total communications	<u>117,028</u>	<u>110,217</u>
<u>Miscellaneous</u>		
Insurance-bond and property	76,642	73,995
Office equipment rent	12,411	12,426
Depreciation	138,390	143,109
Publications	1,114	605
Office supplies	21,393	20,421
Other miscellaneous	1,334	1,950
Total miscellaneous	<u>251,284</u>	<u>252,506</u>
Total administrative expenses	<u>1,739,807</u>	<u>1,948,267</u>
<u>Investment expenses</u>		
Investment manager fees	3,813,796	2,456,700
Custodial fees	216,000	216,000
Investment consulting fee	250,000	250,000
Investment monitoring fee	57,904	55,148
Total investment expenses	<u>4,337,700</u>	<u>2,977,848</u>
Total administrative and investment expenses	<u>\$ 6,077,507</u>	<u>\$ 4,926,115</u>

See accompanying Independent Auditor's Report.

Arkansas Local Police and Fire Retirement System

Schedule of Actual versus Budgeted Expenses

Year ended December 31, 2010

	<u>Budgeted</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Personnel Services</u>	<u>634,816</u>	<u>518,816</u>	<u>116,000</u>
<u>Professional Services</u>			
Actuarial services	250,700	250,698	2
Professional accounting services	9,200	9,050	150
Legal consultation	105,000	91,000	14,000
Data processing	546,550	456,474	90,076
Medical advisor	47,000	45,457	1,543
Total professional services	<u>958,450</u>	<u>852,679</u>	<u>105,771</u>
<u>Communications</u>			
Printing	38,000	25,398	12,602
Telephone	47,800	46,557	1,243
Postage	35,250	28,858	6,392
Meetings and travel	27,500	16,215	11,285
Total communications	<u>148,550</u>	<u>117,028</u>	<u>31,522</u>
<u>Miscellaneous</u>			
Insurance-bond and property	76,900	76,642	258
Office equipment rent	17,100	12,411	4,689
Depreciation	138,390	138,390	-
Publications	2,200	1,114	1,086
Office supplies	29,100	21,393	7,707
Other miscellaneous	3,000	1,334	1,666
Total miscellaneous	<u>266,690</u>	<u>251,284</u>	<u>15,406</u>
Total administrative expenses	<u>2,008,506</u>	<u>1,739,807</u>	<u>268,699</u>
<u>Investment expenses</u>			
Investment manager fees (1)	3,417,140	3,813,796	(396,656)
Custodial fees	216,000	216,000	-
Investment consulting fee	250,000	250,000	-
Investment monitoring fee	57,905	57,904	1
Total investment expenses	<u>3,941,045</u>	<u>4,337,700</u>	<u>(396,655)</u>
Total administrative and investment expenses	<u>\$5,949,551</u>	<u>\$6,077,507</u>	<u>\$ (127,956)</u>

(1) Investment manager fees exceeded the budgeted amount due to the mid-year hiring of new money managers and to performance fees charged by WAMCO. New money manager fees were: Chickasaw \$51,887 and KKR \$66,790. WAMCO charged \$1,275,825 for performance fees.

See accompanying Independent Auditor's Report.



Investment Section

Stephens Inc.

June 2011

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 12/31/10	Permissible Range
Domestic Equities		
Value	13	15-30%
Growth	14	15-30%
Small	6	10-20%
Foreign Equities	8	0-10%
Index	10	5-15%
US Bonds	30	20-50%
Foreign Bonds	7	0-10%
Alternative Investments	6	0-10%
Cash	6	0-20%

LOPFI earned 10.68%* for the fiscal year ended 2010 (as reported by Thistle Asset Consulting) versus the comparative index return of 14.05%*.

The ending market value of the LOPFI portfolio as of December 31, 2010 was \$931.8 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. Periodic discrepancies in returns may occur with subadvisors as a result of trade settlements, and/or lack of secondary markets, and/or pricing.

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
12/31/01	-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]
12/31/10	10.68% [\$935,008]	4.6%	14.33% [\$528,115]	7.58% [\$354,755]	-2.00% [\$71,145]

QUARTERLY VALUES (RETURNS)

Period Ended	Total Fund	Equities	Fixed Income
12/31/2010	4.48%	11.34%	-2.65%

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 and trade date of transactions**

**December 31 to December 31

Arkansas LOPFI Retirement System
Executive Summary
Market Values

December 31, 2010

MANAGER	Wellington	Barrow Hanley	State Street Global Advisors	300. N. Capital	Fisher Investments	EAFE	Brandywine	Dodge & Cox	Citigroup	Lehman Crossroads	JP Morgan RE
(Thousands omitted)	\$126,975	\$66,226	\$90,446	\$55,881	\$27,450	\$25,163	\$22,928	\$61,053	\$3,100	\$3,408	\$11,922
AMOUNT MANAGED											
MANAGER	DHJ (Core)	PIMCO (Intmed.)	WAMCO (Aggregate)	Aberdeen Asset Management	JP Morgan Infrastructure	Macquarie Infrastructure	Advent Capital	Chickasaw Capital Management	Mezzanine Partners	Total Fund**	
(Thousands omitted)	\$50,235	\$141,037	\$96,899	\$66,584	\$5,000	\$5,828	\$8,000	\$12,200	\$2,534	\$935,008	
AMOUNT MANAGED											



ARKANSAS LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

All calculations are time-weighted based on the market values and trade date of each transaction received from the bank

December 31, 2010

Current Quarter	YTD	One Year	Three Years	Five Years	2009	2008	2007	2006	2005
TOTAL FUND NET(Incl. 12/31/1997)									
Return	4.48%	10.68%	10.68%	3.15%	18.07%	-25.54%	8.98%	10.14%	2.38%
Ranking	89	71	75	63	89	38	27	69	92
Policy Return *	6.81%	14.05%	14.05%	4.61%	19.60%	-22.87%	5.75%	12.59%	4.09%
TOTAL EQUITIES (including cash)(Incl. 12/31/1997)									
Return	11.34%	14.33%	14.33%	1.51%	26.99%	-39.82%	9.38%	12.76%	4.30%
Ranking	72	93	98	96	84	76	22	75	96
Policy Return**	12.06%	18.12%	18.12%	3.09%	28.06%	-36.98%	4.05%	17.39%	6.44%
TOTAL FIXED INCOME (including cash)(Incl. 12/31/1997)									
Return	-2.65%	7.58%	7.58%	6.31%	11.13%	0.51%	7.62%	4.97%	-0.54%
Ranking	80	43	43	20	71	15	2	80	100
Policy Return***	-1.69%	6.12%	6.12%	5.76%	4.85%	6.33%	8.12%	4.52%	-0.24%

* 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 LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

All calculations are time-weighted based on the market values and trade date of each transaction received from the bank

December 31, 2010

Current Quarter	One Year	Three Years	Five Years	2009	2008	2007	2006	2005
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WELLINGTON EQUITY (Inc. 12/31/1997)

Return	15.77%	20.16%	-0.54%	3.75%	36.22%	-39.89%	16.39%	4.99%	5.46%
Ranking (Broad Large Cap Growth)	1	7	28	34	37	55	26	75	67
Policy Return (R1000G)	11.83%	16.71%	-0.47%	3.75%	37.21%	-38.44%	11.81%	9.07%	5.26%

BARROW HANLEY LARGE CAP VALUE (Inc. 12/31/2005)

Return	9.62%	11.36%	-3.53%	1.84%	23.74%	-34.84%	3.90%	17.43%	n/a
Ranking (Broad Large Cap Value)	76	87	61	55	59	26	50	48	n/a
Policy Return (R1000V)	10.54%	15.51%	-4.42%	1.28%	19.69%	-36.85%	-0.17%	22.25%	n/a

300 NORTH CAPITAL SMALL CAP EQUITY(Inc. 12/31/1997)[formerly PIC]

Return	19.24%	28.96%	-1.12%	4.98%	39.46%	-46.25%	16.37%	13.37%	4.39%
Ranking (Broad Small Cap Growth)	1	34	78	44	34	92	28	39	68
Policy Return (R2000G)	17.11%	29.09%	2.18%	5.30%	34.47%	-38.54%	7.05%	13.34%	4.15%

FISHER INVESTMENTS INTERNATIONAL EQUITY (12/31/2001)

Return	9.29%	11.34%	-5.40%	3.29%	40.34%	-45.82%	17.02%	18.68%	18.60%
Ranking (International Equity)	14	44	40	46	21	61	24	100	40
Policy Return (MSCI ACWI ex US)	7.25%	8.82%	-6.37%	3.05%	32.46%	-43.06%	11.63%	26.86%	14.02%

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)

All calculations are time-weighted based on the market values and trade date of each transaction received from the bank

December 31, 2010						
Current Quarter	One Year	Three Years	Five Years	2009	2008	2007
EAFE i-SHARES (Inc. 5/31/2004)						
Return	7.16%	-6.89%	2.19%	24.33%	-39.40%	9.87%
Ranking (International Equity)	77	80	58	66	13	64
Policy Return (MSCI EAFE)	6.65%	8.21%	-6.55%	2.94%	-43.06%	11.63%
SSGA INDEX PLUS (Inc. 01/31/2005)						
Return	10.80%	13.95%	-4.26%	0.89%	25.59%	2.83%
Ranking (Broad Large Cap Core)	48	63	83	87	82	85
Policy Return (S&P 500)	10.76%	15.06%	-2.86%	2.29%	-37.00%	5.49%
GLOBAL CURRENTS INTERNATIONAL EQUITY (Inc. 1/31/2005)[formerly Brandywine]						
Return	5.80%	5.27%	-6.89%	1.92%	33.73%	8.64%
Ranking (International Equity)	85	91	58	72	38	73
Policy Return (MSCI EAFE)	6.65%	8.21%	-6.55%	2.94%	-43.06%	11.63%
DODGE & COX LARGE CAP EQUITY (Inc. 12/31/2005)						
Return	11.18%	13.36%	-5.51%	0.04%	31.27%	5.15%
Ranking (Broad Large Cap Core)	36	68	92	94	100	55
Policy Return (S&P 500)	10.76%	15.06%	-2.86%	2.29%	-37.00%	5.49%

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)

All calculations are time-weighted based on the market values and trade date of each transaction received from the bank

December 31, 2010

	<u>Current</u> <u>Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>2009</u>	<u>Calendar Year End</u>			
						<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
LEHMAN CROSSROADS PRIVATE EQUITY (Inc. 06/30/2007)									
						<u>Calendar Year End</u>			
Return	0.07%	11.84%	-5.27%	n/a	-23.57%	-0.57%	n/a	n/a	n/a
Policy Return (LPX Private Equity ETF Index)	16.04%	40.14%	-4.07%	n/a	51.23%	-58.35%	n/a	n/a	n/a
CITIGROUP PRIVATE EQUITY (Inc. 07/31/2007)									
		<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>					
Return	0.00%	0.00%	6.21%	-2.69%	12.80%	-18.31%	n/a	n/a	n/a
Policy Return (LPX Private Equity ETF Index)	16.04%	40.14%	45.58%	-4.07%	51.23%	-58.35%	n/a	n/a	n/a
ADVENT PRIVATE EQUITY (Inc. 10/31/2009)									
Return	0.90%	0.90%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Policy Return (LPX Private Equity ETF Index)	16.04%	40.14%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J.P. MORGAN REAL ESTATE (Inc. 09/30/2007)									
		<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>					
Return	4.22%	12.54%	-9.33%	-9.20%	-26.95%	-8.93%	n/a	n/a	n/a
Policy Return (NCREIF Property Index)	4.62%	13.11%	-3.03%	-4.18%	-16.86%	-6.46%	n/a	n/a	n/a
CHICKASAW CAPITAL DISTRESSED EQUITY (Inc. 6/30/2010)									
		<u>2-Qtrs</u>							
Return	12.59%	24.01%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Policy Return (S&P 500 Index)	10.76%	23.27%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MACQUARIE INFRASTRUCTURE (Inc. 12/31/2008)									
		<u>2-Year</u>							
Return	-2.65%	-2.70%	-1.83%	n/a	-0.94%	n/a	n/a	n/a	n/a
Policy Return (IGF Global Infrastructure Index)	4.72%	5.00%	14.21%	n/a	24.23	n/a	n/a	n/a	n/a

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



ARKANSAS LOPFI RETIREMENT SYSTEM
Performance Evaluation Summary (Net Returns)

All calculations are time-weighted based on the market values and trade date of each transaction received from the bank

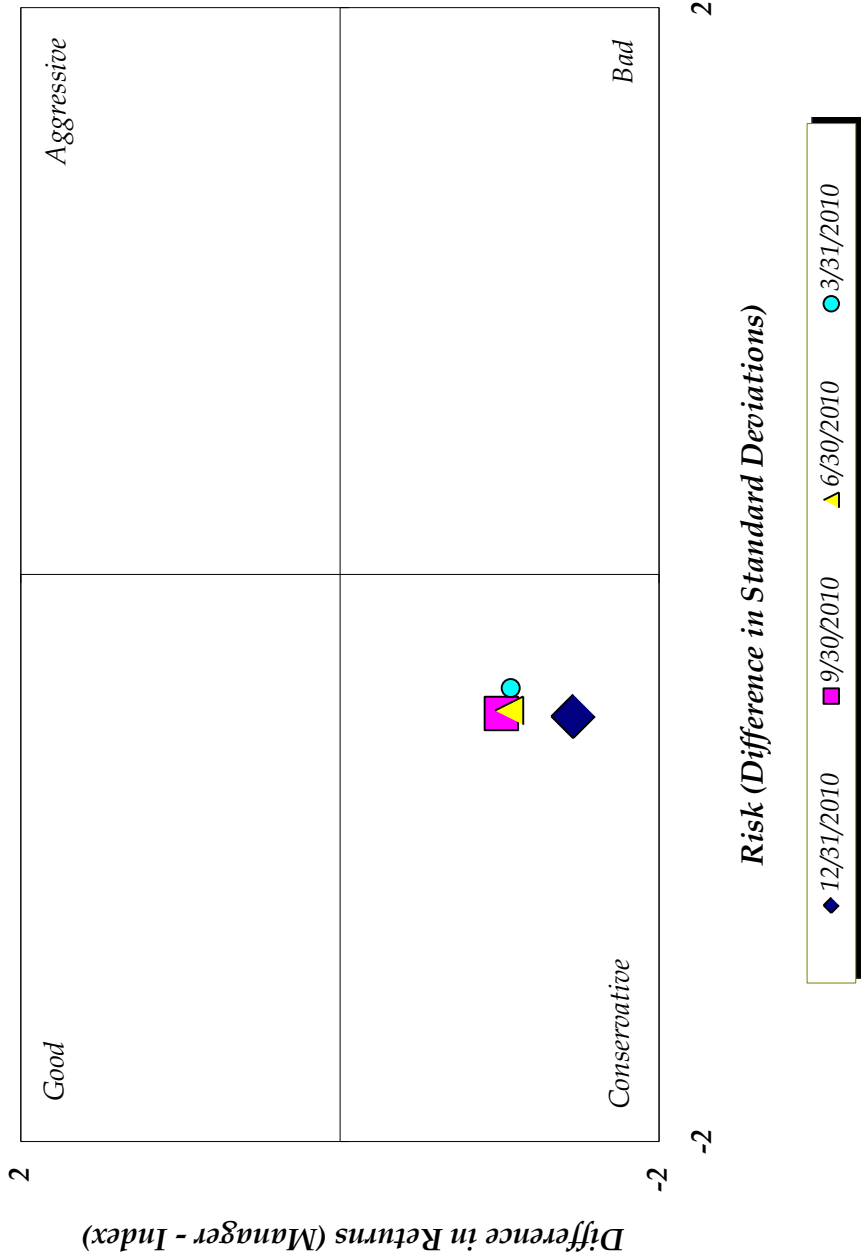
December 31, 2010

	<u>Current</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Calendar Year End</u>				
	<u>Quarter</u>				<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
ABERDEEN ASSET MANAGEMENT INTERNATIONAL BOND(Inc. 12/31/1997)									
Return	-1.66%	5.03%	6.57%	7.34%	7.47%	7.23%	9.98%	7.04%	-9.21%
Ranking(International Fixed Income)	90	76	34	7	83	1	1	7	100
Policy Return (Citigroup Non US Dollar Bond)	-1.45%	5.21%	6.54%	7.59%	4.39%	10.11%	11.46%	6.94%	-9.20%
PIMCO INTERMEDIATE BOND (Inc. 09/30/2002)									
Return	-1.51%	7.38%	7.62%	7.24%	9.47%	6.04%	8.78%	4.60%	1.98%
Ranking (Intermediate Fixed)	84	56	17	8	73	4	1	86	48
Policy Return (BCIGC)	-1.44%	5.89%	5.40%	5.53%	5.24%	5.08%	7.40%	4.07%	1.57%
WAMCO AGGREGATE BOND(Inc. 09/30/2002)									
Return	-5.51%	12.61%	5.44%	5.45%	18.36%	-12.06%	5.50%	5.45%	2.54%
Ranking (Broad Fixed)	92	10	32	30	34	70	27	53	27
Policy Return (BCAB)	-1.29%	6.56%	5.91%	5.80%	5.93%	5.24%	6.96%	4.33%	2.43%
DHJ FIXED INCOME (Inc 01/31/2005)									
Return	-0.53%	7.20%	7.52%	7.01%	10.37%	5.06%	8.25%	4.28%	n/a
Ranking (Broad Fixed)	37	36	13	11	67	10	5	88	n/a
Policy Return (BCGC)	-2.17%	6.59%	5.60%	5.56%	4.53%	5.71%	7.25%	3.77%	n/a



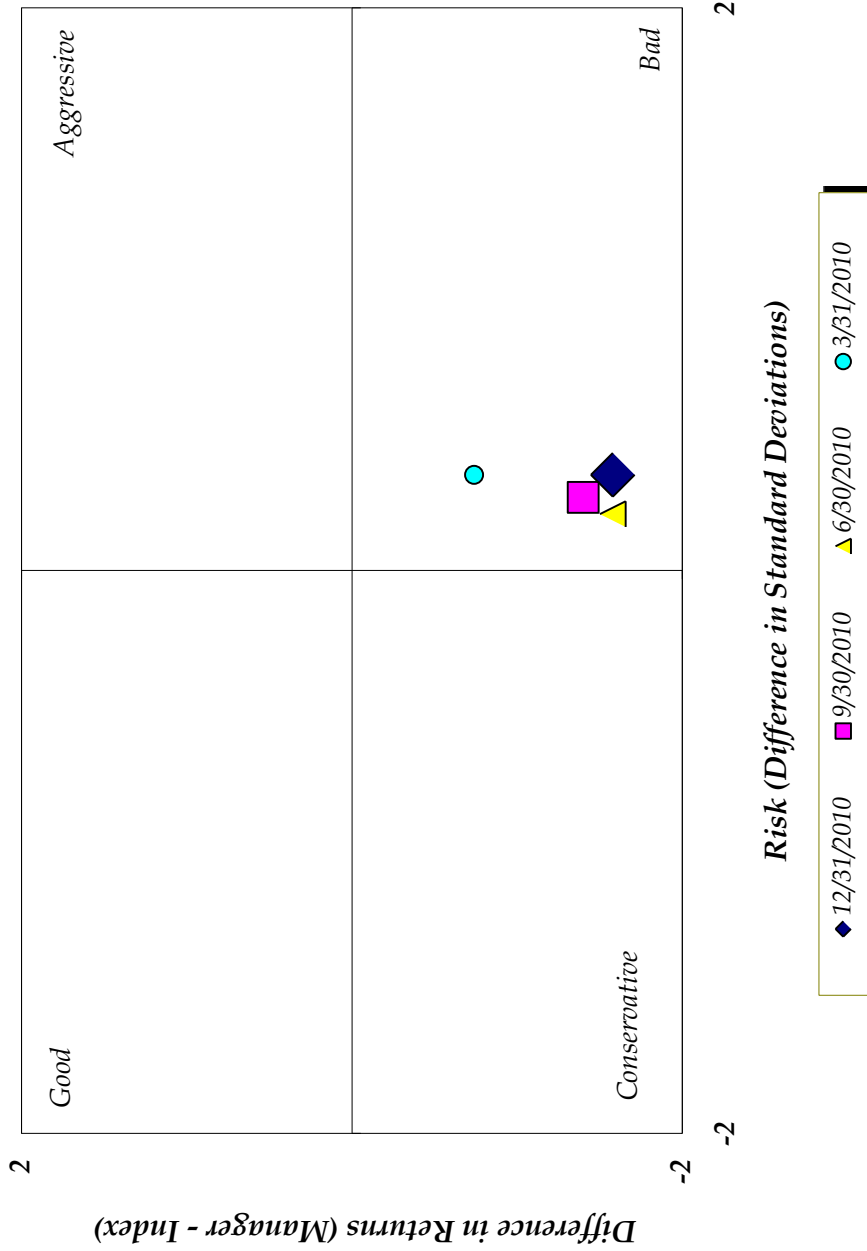
ARKANSAS LOPFI RETIREMENT SYSTEM
Total Fund Trailing 5-Years

December 31, 2010



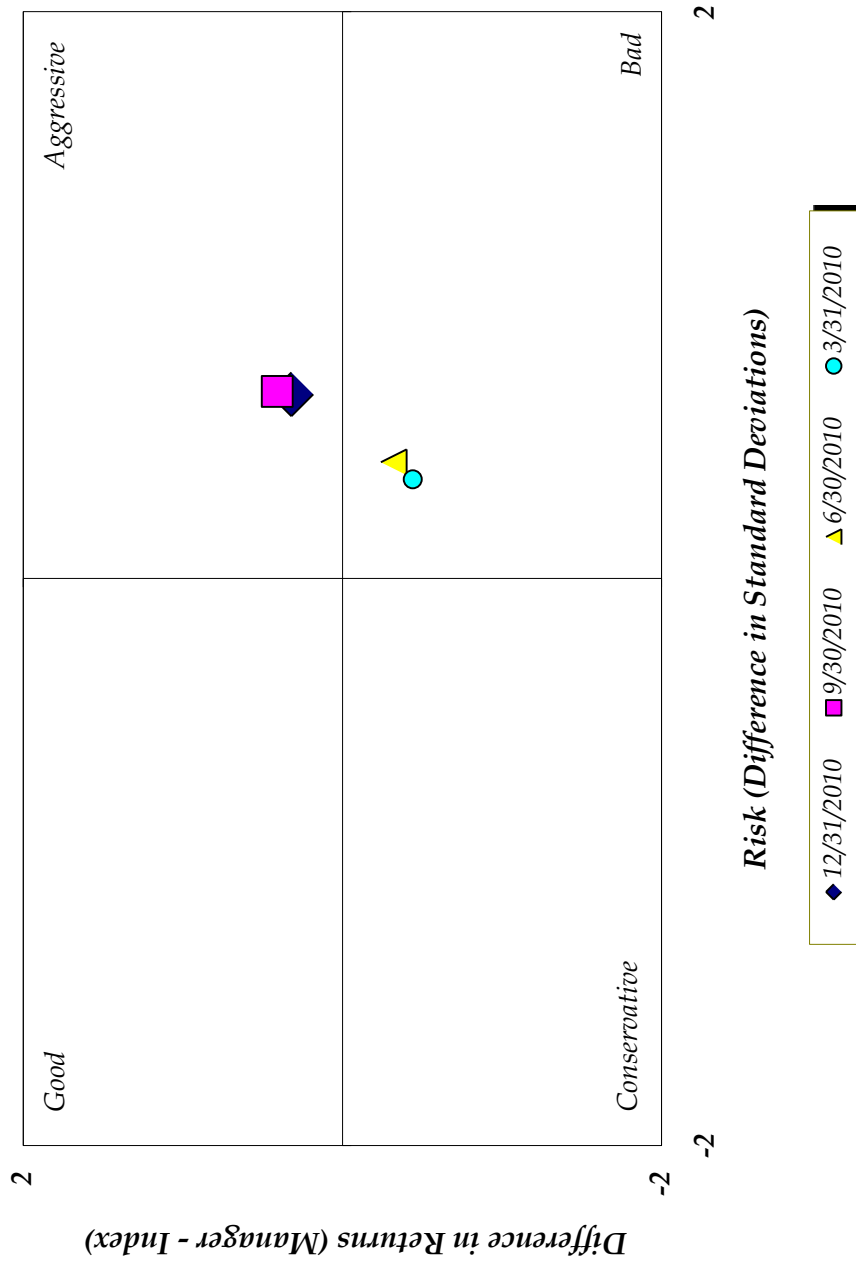
ARKANSAS LOPFI RETIREMENT SYSTEM
Total Equities Trailing 5-Years

December 31, 2010



ARKANSAS LOPFI RETIREMENT SYSTEM
Total Fixed Trailing 5-Years

December 31, 2010

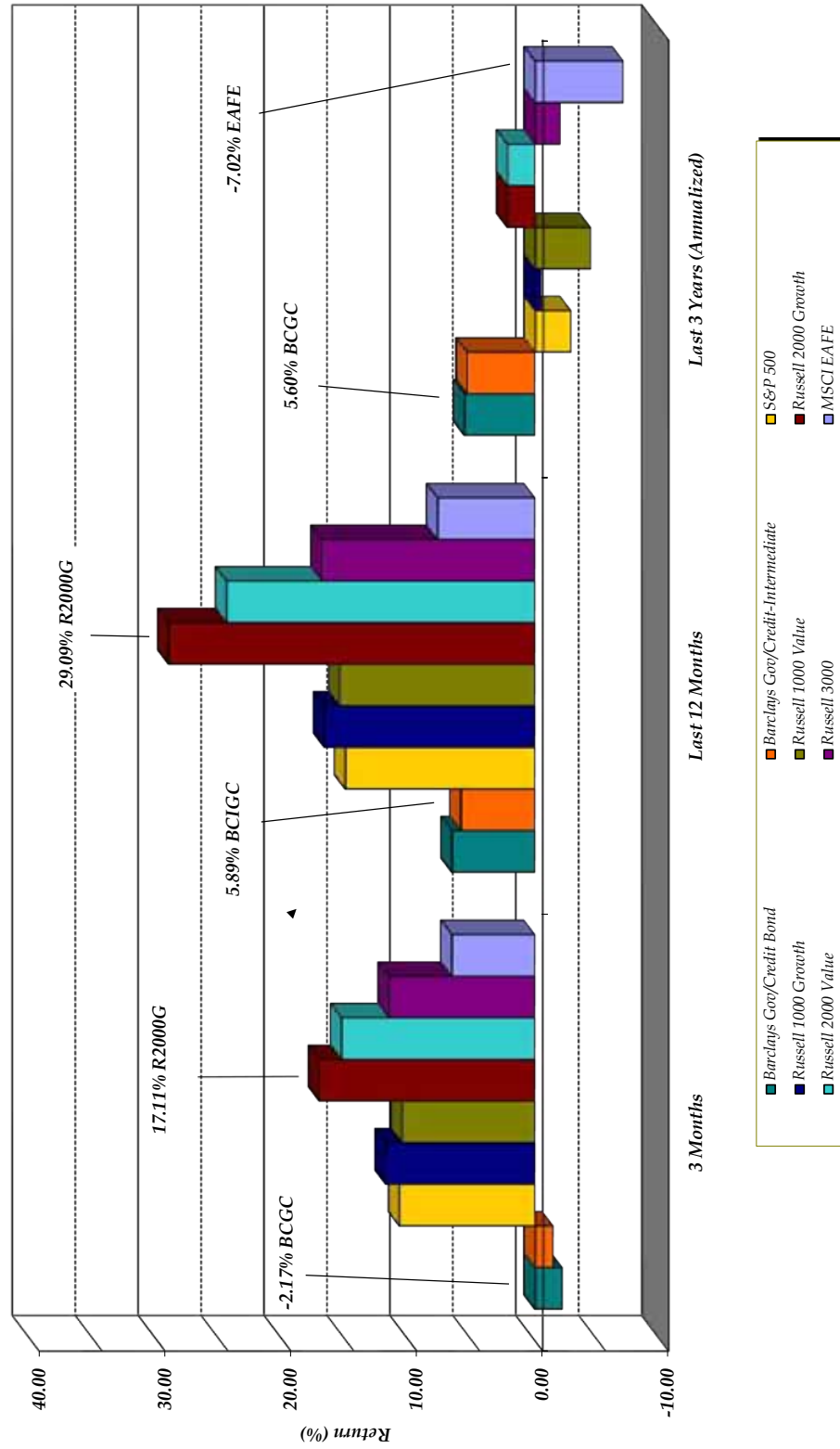


ARKANSAS LOPFI RETIREMENT SYSTEM

TOTAL ANNUAL RETURNS 2006 - 2010(Net of Investment Management Fees beginning 2008)
(This table Asset Consulting's calculations are time-weighted and based on the trade date of all transactions)

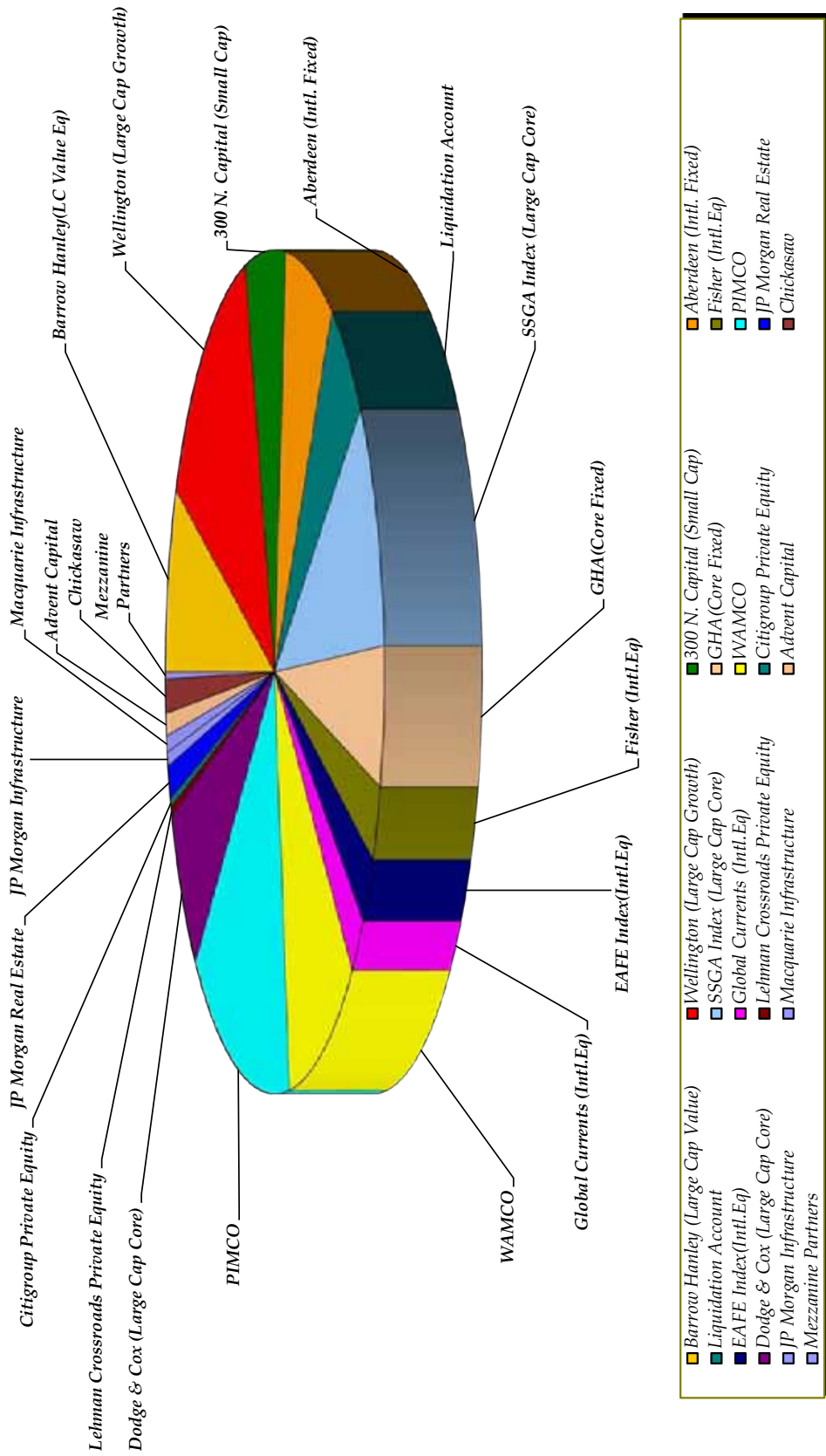
Manager	Annual Return				5 Years Annualized (Shorter periods as indicated)
	2006	2007	2008	2009	
Wellington	4.99%	16.39%	-39.89%	36.22%	3.75%
Barrow Hanley	17.43%	3.90%	-34.84%	23.74%	1.84%
300 North Capital	13.37%	16.37%	-46.25%	39.46%	4.98%
Fisher	19.15%	17.30%	-45.41%	41.39%	3.29%
EAFE I-Shares	25.67%	9.87%	-39.40%	24.33%	2.19%
PIMCO	4.60%	8.78%	6.04%	9.47%	7.24%
WAMCO	5.45%	5.50%	-12.06%	18.36%	5.45%
Aberdeen	7.04%	9.98%	7.23%	7.47%	7.34%
SSGA Index Plus	15.87%	2.83%	-38.69%	25.59%	0.89%
Currents Intl. Eq.	25.40%	8.64%	-42.67%	33.73%	1.92%
GHA	4.28%	8.25%	5.06%	10.37%	7.01%
Dodge & Cox	12.94%	5.15%	-43.31%	31.27%	0.04%
Lehman Crossroads			-0.57%	-23.57%	-4.58%
Citigroup Pr. Equity			-18.31%	12.80%	-2.37%
JP Morgan R.E.			-8.93%	-26.95%	-7.73%
JP Morgan Infrastructure			0.00%	0.00%	0.00%
Macquarie			-0.94%	-2.70%	-1.83%
Advent			0.90%	0.90%	0.77%
Chickasaw			24.01%	24.01%	24.01%
Mezzanine Partners			-13.95%	-13.95%	-13.95%
TOTAL FUND	10.14%	8.98%	-25.54%	18.07%	3.15%

Index Comparison



Arkansas LOPFI Retirement System Executive Summary

December 31, 2010



Arkansas Local Police & Fire Retirement System
 Schedule of Investment Expenses
 As of December 31, 2010

Professional / Consultant	Nature of Service	Amount
300 North Capital - Small Cap Growth Equity	Money Manager	\$ 446,540.00
Aberdeen Asset - International Fixed Income	Money Manager	\$ 247,580.62
Barrow, Hanley - Large Cap Value - Equity	Money Manager	\$ 231,793.00
Chickasaw	Money Manager	\$ 51,887.00
Garcia Hamilton - Core Fixed Income	Money Manager	\$ 123,542.84
Global Currents - International Equity	Money Manager	\$ 132,993.49
Fisher Investments - International Equity	Money Manager	\$ 157,499.39
JP Morgan	Money Manager	\$ 50,000.00
KKR	Money Manager	\$ 66,790.00
PIMCO - International Fixed Income	Money Manager	\$ 402,725.91
State Street - Large Cap Core Equity	Money Manager	\$ 100,979.61
WAMCO - Aggregate Fixed Income	Money Manager	\$ 1,368,432.88
Wellington - Large Cap Growth - Equity	Money Manager	<u>\$ 433,031.12</u>
Total Investment Fees		<u>\$ 3,813,795.86</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>\$ 57,904.00</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
Year Ended December 31, 2010

Brk#	Broker Name	Broker Commissions	Gross Price of Assets
100	CONVERGEX	\$5,361.00	\$5,684,871.74
13	SANFORD C. BERNSTEIN AND CO., LLC	\$987.00	\$1,333,167.82
161	MERRILL LYNCH, PIERCE, FENNER and	\$380.00	\$254,420.19
221	UBS FINANCIAL SRVCS INC/PAINE WEBBER	\$885.00	\$764,385.42
235	RBC DAIN RAUSCHER INC	\$11,082.00	\$2,464,450.11
286	SG AMERICAS SECURITIES, LLC	\$77.00	\$24,546.06
345	KEEFE BRUYETTE AND WOODS INC	\$763.00	\$310,427.62
352	J.P. MORGAN SECURITIES INC	\$133.00	\$114,289.18
355	CREDIT SUISSE FIRST BOSTON LLC	\$2,088.50	\$1,385,023.79
418	CITIGROUP GLOBAL MARKETS INC.	\$137.00	\$220,708.94
443	PERSHING LLC	\$1,562.00	\$756,340.11
45	HARRIS NESBITT CORP	\$196.00	\$129,034.15
46171	FIRST UNION CAPITAL MARKETS	\$518.00	\$416,380.66
5	GOLDMAN SACHS and CO	\$3,174.50	\$2,012,820.95
50	MORGAN STANLEY	\$4,382.00	\$6,697,018.48
50091	LIQUIDNET INC	\$837.60	\$1,004,836.49
52759	KNIGHT SECURITIES, INC.	\$488.65	\$1,257,944.53
54233	LEERINK SWANN AND COMPANY	\$24.50	\$11,977.00
55122	DEUTSCHE BANK ALEX BROWN	\$5,310.00	\$3,012,073.35
55528	JNK SECURITIES INC.	\$24.50	\$11,993.52
57079	J.P. MORGAN SECURITIES INC.	\$3,120.39	\$2,497,080.60
573	DEUTSCHE BANK SECURITIES, INC.	\$112.00	\$113,600.00
57565	PULSE TRADING, LLC	\$10.00	\$59,839.84
57575	SIMMONS and CO. INTERNATIONAL	\$136.50	\$166,982.44
58493	KEVIN DANN PARTNERS LLC	\$24.50	\$12,027.19
59055	CAP INSTITUTIONAL SERVICES INC	\$563.50	\$749,647.61
59964	BLOOMBERG TRADEBOOK LLC	\$612.49	\$203,245.65
61374	CSI US INSTITUTIONAL DESK	\$1,151.50	\$347,109.10
61610	BARCLAYS CAPITAL LE	\$903.00	\$509,744.52
6164	INVESTMENT TECHNOLOGY GROUP, INC	\$28.00	\$118,631.18
642	UBS SECURITIES LLC	\$10,848.50	\$7,245,125.78
67	INSTINET CORPORATION	\$760.00	\$196,254.78
6826	INSTINET	\$3,485.00	\$3,109,430.05
696	CANTOR FITZGERALD AND CO.	\$3,660.75	\$2,158,945.98
70943	PIPELINE TRADING SYSTEMS LLC	\$517.47	\$839,867.28
715	DAVENPORT AND CO. OF VIRGINIA, INC.	\$24.50	\$12,040.42
71761	DOWLING AND PARTNERS	\$3.50	\$5,057.71
75337	SOLEIL SECURITIES CORP.	\$24.50	\$12,021.73
76099	MACQUARIE SECURITIES INC	\$329.00	\$357,676.12
77318	COWEN AND COMPANY LLC	\$707.00	\$561,525.98
77583	JONES TRADING INSTITUTIONAL SERVICES	\$7.50	\$29,775.00
780	MORGAN KEEGAN and CO., INC.	\$1,308.44	\$182,323.31
82241	FRIEDMAN BILLINGS AND RAMSEY	\$182.00	\$63,859.12
82669	PERSHING	\$122.25	\$71,771.21
83213	ISI GROUP, INC	\$728.00	\$779,590.81
85704	BUCKINGHAM RESEARCH GROUP, INC.	\$245.00	\$156,108.57
9883	WEEDEN AND CO.	\$18.00	\$18,404.82
TOTAL		\$68,044.54	\$48,444,396.91

Highest Portfolio Holdings by Manager
 Top Three Securities
 As Of December 31, 2010

	FISHER	LIQUIDATION	BARROW, HANLEY	GARCIA HAMILTON	WAMCO
	VALE SA - SP PREF ADR 91912E204	REGIONS TRUST MMDA	OCCIDENTAL PETE CORP	FNMA POOL #952248 DTD	UNITED STATES TREASURY N/B DTD - #912828ND8
1	N/A	N/A	N/A	11/1/2022	5/15/2020
MATURITY					
Fair Value	\$682,972	\$53,713,598	\$2,511,360	\$3,757,851	\$7,119,441
Book Value	\$585,231	\$53,713,598	\$1,272,199	\$3,787,088	\$7,342,968
Percent of Fund	2.49%	100.00%	3.79%	7.48%	7.52%
	KOMATSU LTD SPON ADR NEW		CONOCO PHILLIPS	US TREASURY - 912828HH6	FHLB - DTD
2	ONE ADR	N/A	N/A	11/15/2017	1/13/2011
MATURITY	N/A	N/A	N/A		
Fair Value	\$654,350	\$0	\$2,315,400	\$2,767,074	\$5,000,100
Book Value	\$383,097	\$0	\$2,029,448	\$2,759,861	\$4,999,345
Percent of Fund	2.38%	0.00%	3.50%	5.51%	5.28%
	CNOOC LTD - ADR ONE ADR REPRS		PHILIP MORRIS INTERNATIONAL INC	FNMA POOL #995461 DTD	UNITED STATES TREASURY N/B DTD - #912810QH4
3	N/A	N/A	N/A	12/1/2023	9/30/2016
MATURITY					
Fair Value	\$641,215	\$0	\$2,019,285	\$2,634,625	\$3,526,988
Book Value	\$488,437	\$0	\$1,035,579	\$2,651,584	\$3,750,913
Percent of Fund	2.34%	0.00%	3.05%	5.24%	3.72%

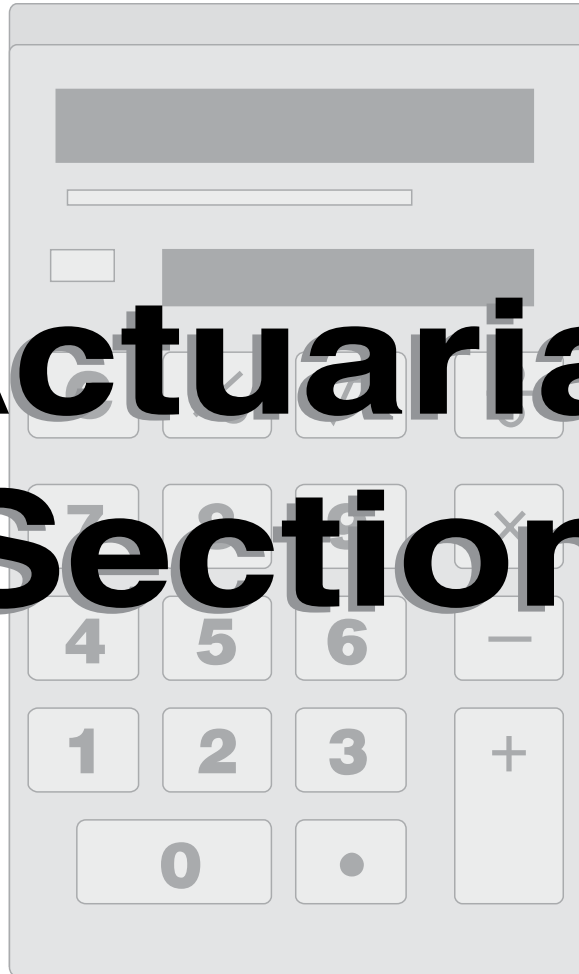
Investment Summary
Year Ended December 31, 2010

<u>Type of Investment</u>	December 31, 2010		<u>% of Total</u>
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 83,999,208	\$ 83,999,208	8.9%
Investments:			
U.S. Government Obligations	52,718,408	59,209,002	6.3%
Corporate Obligations	80,619,051	71,638,503	7.6%
Foreign Bonds	1,348,150	1,199,240	0.1%
Fixed Income Collective Trusts	187,323,617	258,962,094	27.4%
Common and Preferred Stocks	90,667,015	94,410,263	10.0%
Special Situation Properties, etc.	60,478,250	64,343,553	6.8%
Equity Mutual Collective Trusts	296,622,724	308,984,780	32.7%
	<u>\$ 769,777,215</u>	<u>\$ 858,747,435</u> *	<u>90.8%</u>
Land and Building	3,681,132	3,681,132	0.4%
Total Investments	<u>\$ 857,457,555</u>	<u>\$ 946,427,775</u>	<u>100.0%</u>

<u>Type of Investment</u>	December 31, 2009		<u>% of Total</u>
	<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>

* Per Statement 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 1, 2011

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, 2010, actuarial valuations were made for 759 employer groups. Summary information about the resulting new employer contribution rates is shown in the annual report. Results of the 2010 actuarial valuations indicate that aggregate actuarial accrued liabilities are 65% covered by the actuarial value of assets. This is an increase from last year's result of 64%. The actuarial value of assets is 103% of the market value of assets as of December 31, 2010. These results include the 151 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.

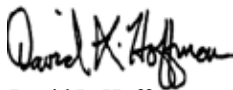
The actuarial valuations are based upon financial and participant data which is prepared by Retirement System staff, assumptions regarding future rates of investment return and inflation, and rates of retirement, turnover, death, and disability among LOPFI members and their beneficiaries. The data is 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, 2010 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.

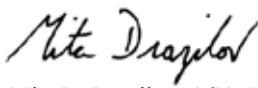
On the basis of the 2010 valuations, it is our opinion that the contribution rates recommended in the most recent actuarial report are sufficient to meet LOPFI's financial objective.

One or more of the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



David L. Hoffman



Mita D. Drazilov, ASA, MAAA



Heidi G. Barry, ASA, MAAA

DLH:MDD:HGB

**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 \$5.98 effective July 1, 2011 and is assumed to increase at the assumed rate of price inflation in future years.

OTHER TECHNICAL ASSUMPTIONS -----

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

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

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

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

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

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

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

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

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

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

LOPFI Staff	Valuation Groups	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
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 %
12/31/2010	1	8	514,466	64,308	5.5%	1.5 %

* Includes DROP participants, if any.

LOPFI Covered Groups and Covered Persons (Excluding Local Funds)

Paid Police Covered by Social Security	Valuation Groups	Active Members*			Average Pay	% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	\$			
12/31/1985	39	218	\$ 3,066,418	\$14,066	10.7 %	3.8 %	
12/31/1986	42	276	4,170,832	15,112	7.4	1.1	
12/31/1987	48	342	5,333,703	15,596	3.2	4.4	
12/31/1988	54	413	6,759,766	16,367	4.9	4.4	
12/31/1989	54	457	7,803,548	17,076	4.3	4.6	
12/31/1990	62	517	9,386,818	18,156	6.3	6.1	
12/31/1991	73	614	11,618,980	18,923	4.2	3.1	
12/31/1992	78	683	13,483,829	19,742	4.3	2.9	
12/31/1993	89	806	16,407,154	20,356	3.1	2.7	
12/31/1994	98	916	19,373,328	21,150	3.9	2.7	
12/31/1995	110	1,053	23,212,618	22,044	4.2	2.5	
12/31/1996	117	1,145	26,154,080	22,842	3.6	3.3	
12/31/1997	128	1,211	28,971,065	23,923	4.7	1.7	
12/31/1998	134	1,346	33,301,863	24,741	3.4	1.6	
12/31/1999	141	1,480	38,187,948	25,803	4.3	2.7	
12/31/2000	150	1,493	39,080,134	26,176	1.4	3.4	
12/31/2001	152	1,497	42,193,903	28,186	7.7	1.6	
12/31/2002	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	
12/31/2010	175	1,906	72,900,413	38,248	1.6	1.5	

* 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*			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/1985	13	214	\$ 3,386,482	\$15,825	3.8 %
12/31/1986	13	283	4,798,324	16,955	1.1
12/31/1987	13	321	5,812,570	18,108	4.4
12/31/1988	14	410	7,849,599	19,145	4.4
12/31/1989	14	426	8,769,222	20,585	4.6
12/31/1990	14	539	11,392,678	21,137	6.1
12/31/1991	14	629	13,997,170	22,253	3.1
12/31/1992	14	693	16,891,924	24,375	2.9
12/31/1993	14	735	18,643,459	25,365	2.7
12/31/1994	14	866	22,959,944	26,513	2.7
12/31/1995	14	1,002	27,042,274	26,988	2.5
12/31/1996	14	1,087	31,394,960	28,882	3.3
12/31/1997	14	1,154	35,468,514	30,735	1.7
12/31/1998	14	1,220	39,052,564	32,010	1.6
12/31/1999	14	1,257	42,319,350	33,667	2.7
12/31/2000	15	1,300	45,395,466	34,920	3.4
12/31/2001	15	1,310	47,997,431	36,639	1.6
12/31/2002	14	1,309	51,013,420	38,971	2.4
12/31/2003	14	1,344	54,363,935	40,449	1.9
12/31/2004	15	1,369	57,397,946	41,927	3.3
12/31/2005	15	1,410	60,652,180	43,016	3.4
12/31/2006	14	1,455	64,982,903	44,662	2.5
12/31/2007	14	1,479	68,484,220	46,304	4.1
12/31/2008	14	1,507	72,880,723	48,361	0.1
12/31/2009	14	1,544	77,374,468	50,113	2.7
12/31/2010	14	1,562	76,993,476	49,292	1.5

* 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				
12/31/1985	2	12	\$ 210,238	\$17,520	7.1 %	3.8 %	
12/31/1986	2	14	254,921	18,209	3.9	1.1	
12/31/1987	2	16	321,457	20,091	10.3	4.4	
12/31/1988	3	19	382,949	20,155	0.3	4.4	
12/31/1989	3	17	363,844	21,403	6.2	4.6	
12/31/1990	3	22	475,090	21,595	0.9	6.1	
12/31/1991	3	23	497,074	21,612	0.1	3.1	
12/31/1992	2	23	535,463	23,281	7.7	2.9	
12/31/1993	2	24	601,457	25,061	7.6	2.7	
12/31/1994	2	22	544,619	24,755	(1.2)	2.7	
12/31/1995	2	24	642,998	26,792	8.2	2.5	
12/31/1996	2	24	658,401	27,433	2.4	3.3	
12/31/1997	2	16	413,344	25,834	(5.8)	1.7	
12/31/1998	2	15	427,149	28,477	10.2	1.6	
12/31/1999	2	15	443,877	29,592	3.9	2.7	
12/31/2000	3	20	550,930	27,547	(6.9)	3.4	
12/31/2001	4	34	1,091,894	32,115	16.6	1.6	
12/31/2002	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	
12/31/2010	23	99	4,092,787	41,341	(1.9)	1.5	

* 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				
12/31/1985	39	256	\$ 3,838,880	\$14,996	9.2 %	3.8 %	
12/31/1986	40	346	5,619,219	16,241	8.3	1.1	
12/31/1987	45	439	7,335,514	16,710	2.9	4.4	
12/31/1988	47	514	9,377,770	18,245	9.2	4.4	
12/31/1989	47	601	11,449,004	19,050	4.4	4.6	
12/31/1990	48	661	13,207,386	19,981	4.9	6.1	
12/31/1991	48	741	15,470,155	20,877	4.5	3.1	
12/31/1992	48	825	18,328,407	22,216	6.4	2.9	
12/31/1993	51	912	21,238,851	23,288	4.8	2.7	
12/31/1994	54	1003	24,431,883	24,359	4.6	2.7	
12/31/1995	55	1,115	28,317,948	25,397	4.3	2.5	
12/31/1996	55	1,216	32,183,785	26,467	4.2	3.3	
12/31/1997	58	1,334	37,011,225	27,745	4.8	1.7	
12/31/1998	58	1,417	41,048,974	28,969	4.4	1.6	
12/31/1999	58	1,549	47,249,417	30,503	5.3	2.7	
12/31/2000	60	1,680	52,268,378	31,112	2.0	3.4	
12/31/2001	59	1,732	57,430,283	33,158	6.6	1.6	
12/31/2002	59	1,821	64,691,073	35,525	7.1	2.4	
12/31/2003	59	1,888	70,635,697	37,413	5.3	1.9	
12/31/2004	60	1,956	76,826,671	39,277	5.0	3.3	
12/31/2005	57	2,029	81,650,944	40,242	2.5	3.4	
12/31/2006	59	2,122	88,041,571	41,490	3.1	2.5	
12/31/2007	61	2,245	95,882,874	42,710	2.9	4.1	
12/31/2008	60	2,202	98,780,987	44,860	5.0	0.1	
12/31/2009	61	2,360	108,383,023	45,925	2.4	2.7	
12/31/2010	61	2,374	110,404,238	46,506	1.3	1.5	

* 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	Annual Payroll			
12/31/1985	93	700	\$ 10,502,018	\$15,003	9.3 %	3.8 %	
12/31/1986	97	919	14,843,296	16,152	7.7	1.1	
12/31/1987	108	1,118	18,803,244	16,819	4.1	4.4	
12/31/1988	118	1,356	24,370,084	17,972	6.9	4.4	
12/31/1989	118	1,501	28,385,618	18,911	5.2	4.6	
12/31/1990	127	1,739	34,461,972	19,817	4.8	6.1	
12/31/1991	138	2,007	41,583,379	20,719	4.6	3.1	
12/31/1992	142	2,224	49,239,623	22,140	6.9	2.9	
12/31/1993	156	2,477	56,890,921	22,968	3.7	2.7	
12/31/1994	168	2,807	67,309,774	23,979	4.4	2.7	
12/31/1995	181	3,194	79,215,838	24,801	3.4	2.5	
12/31/1996	188	3,472	90,391,226	26,034	5.0	3.3	
12/31/1997	202	3,715	101,864,148	27,420	5.3	1.7	
12/31/1998	208	3,998	113,830,550	28,472	3.8	1.6	
12/31/1999	215	4,301	128,200,592	29,807	4.7	2.7	
12/31/2000	228	4,493	137,294,908	30,558	2.5	3.4	
12/31/2001	230	4,573	148,713,511	32,520	6.4	1.6	
12/31/2002	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	
12/31/2010	274	5,949	264,905,380	44,529	0.5	1.5	

* 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	
12/31/1985	2	2	N/A	N/A	N/A
12/31/1986	2	2	N/A	N/A	N/A
12/31/1987	3	8			N/A
12/31/1988	3	2			N/A
12/31/1989	4	3			N/A
12/31/1990	1	1			N/A
12/31/1991	2	2			3.1%
12/31/1992	4	5			2.9
12/31/1993	4	5			2.7
12/31/1994	8	10			2.7
12/31/1995	8	9			2.5
12/31/1996	9	10			3.3
12/31/1997	10	14			1.7
12/31/1998	7	8			1.6
12/31/1999	8	10			2.7
12/31/2000	8	9			3.4
12/31/2001	10	16			1.6
12/31/2002	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
12/31/2010	58	174			1.5

* Prior to the 12/31/2007 valuation, valuations were performed for each employer division. Beginning with the 12/31/2007 valuation, the employer divisions are combined into one valuation group.

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

Volunteer Fire	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/1985	166	756	N/A	N/A	N/A
12/31/1986	185	1020			N/A
12/31/1987	202	1238			N/A
12/31/1988	207	1422			N/A
12/31/1989	215	1623			N/A
12/31/1990	218	1823			N/A
12/31/1991	226	2005			3.1
12/31/1992	232	2167			2.9
12/31/1993	237	2370			2.7
12/31/1994	239	2452			2.7
12/31/1995	238	2,684			2.5
12/31/1996	243	2,895			3.3
12/31/1997	248	3,063			1.7
12/31/1998	249	3,175			1.6
12/31/1999	253	3,397			2.7
12/31/2000	254	3,481			3.4
12/31/2001	255	3,585			1.6
12/31/2002	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
12/31/2010	427	6,560			1.5

* Prior to the 12/31/2007 valuation, valuations were performed for each employer division. Beginning with the 12/31/2007 valuation, the employer divisions are combined into one valuation group.

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

Total Volunteer	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/1985	168	758	N/A	N/A	N/A
12/31/1986	187	1,022			N/A
12/31/1987	205	1,246			N/A
12/31/1988	210	1,424			N/A
12/31/1989	219	1,626			N/A
12/31/1990	219	1,824			N/A
12/31/1991	228	2,007			3.1
12/31/1992	236	2,172			2.9
12/31/1993	241	2,375			2.7
12/31/1994	247	2,462			2.7
12/31/1995	246	2,693			2.5
12/31/1996	252	2,905			3.3
12/31/1997	258	3,077			1.7
12/31/1998	256	3,183			1.6
12/31/1999	261	3,407			2.7
12/31/2000	262	3,490			3.4
12/31/2001	265	3,601			1.6
12/31/2002	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
12/31/2010	485	6,734			1.5

* Prior to the 12/31/2007 valuation, valuations were performed for each employer division. Beginning with the 12/31/2007 valuation, the employer divisions are combined into one valuation group.

**LOPFI (Excluding Local Funds)
Paid Service Active Members – December 31, 2010
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	No.	Annual Payroll
	Under 20	2							2
20-24	214	10						224	6,831,521
25-29	610	212	45					867	30,558,045
30-34	363	429	165	47				1,004	40,510,270
35-39	200	305	466	175	42			1,188	52,924,541
40-44	126	159	297	349	144	21		1,096	53,270,556
45-49	53	71	97	225	280	99	13	838	43,479,391
50-54	19	33	35	70	157	111	15	440	23,323,882
55-59	13	37	24	27	43	44	4	192	9,660,887
60-64	5	15	8	14	21	4	5	72	3,136,479
65-69	2	3	3	4	1	4	1	18	776,763
70+	1	1	1	2	1	1	1	8	394,233
Totals	1,608	1,275	1,141	913	689	284	39	5,949	\$ 264,905,380

Average Age: 38.7 years

Average Service: 11.4 years

Average Pay: \$44,529

* Includes DROP participants.

As a comparison, 5,907 paid service members participated in LOPFI on December 31, 2009.

**LOPFI (Excluding Local Funds)
Volunteer Service Active Members – December 31, 2010
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	73							73
20-24	544	50						594
25-29	444	291	50					785
30-34	368	246	187	44				845
35-39	293	238	190	153	40			914
40-44	243	237	205	144	107	30		966
45-49	172	193	168	141	118	83	16	891
50-54	132	121	149	126	119	47	27	721
55-59	77	82	94	84	66	42	13	458
60-64	43	61	40	52	35	21	13	265
65-69	29	36	23	11	10	9	4	122
70+	23	28	25	8	4	6	6	100
Totals	2,441	1,583	1,131	763	499	238	79	6,734

Average Age: 40.8 years

Average Service: 9.5 years

As a comparison, 6,551 volunteer service members participated in LOPFI on December 31, 2009.

LOPFI
Computed Employer Contributions
For Paid Service Members by Valuation Groups
December 31, 2010

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll											Totals			
		Under 9.00%	9.00% -9.99%	10.00% -10.99%	11.00% -11.99%	12.00% -12.99%	13.00% -13.99%	14.00% -14.99%	15.00% -15.99%	16.00% & Above						
LOPFI Staff	8															1
Paid Police	1,906	5	2	2	10	4	10	11	18							175
W/SS	1,562	2	1	1	1	2	2	3	-							14
W/O SS																
Paid Fire	99	-	-	-	-	-	-	1	1							23
W/SS	<u>2,374</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>8</u>							<u>61</u>
W/O SS																
December 31, 2010	5,949	7	6	6	13	6	17	18	27							274
December 31, 2009	5,907	8	8	8	5	11	20	17	33							159
December 31, 2008 #	5,640	13	7	4	12	17	17	27	26							135
December 31, 2007	5,603	16	7	3	12	16	17	31	23							136
December 31, 2006	5,328	13	6	6	7	23	17	30	21							124
December 31, 2005	5,115	10	9	6	15	19	14	26	22							115
December 31, 2004 #	4,966	13	5	11	14	15	19	22	29							108
December 31, 2003 *	4,849	44	10	19	20	31	27	24	13							45
December 31, 2002 #	4,720	47	15	15	16	26	29	21	21							46
December 31, 2001	4,573	116	10	31	13	14	17	11	4							14
December 31, 2000 #	4,493	81	19	19	15	26	11	14	12							31
December 31, 1999	4,301	57	22	37	32	29	14	11	5							8
December 31, 1998 #	3,998	56	16	25	44	23	15	13	5							11
December 31, 1997	3,715	52	23	45	24	22	10	17	1							8
December 31, 1996 #	3,472	46	16	42	29	20	15	9	6							5
December 31, 1995	3,194	23	20	39	43	28	15	7	2							4
December 31, 1994	2,807	20	15	39	47	23	11	4	2							7
December 31, 1993	2,477	20	30	42	35	14	6	3	4							2
December 31, 1992	2,224	21	26	45	26	12	3	5	2							2
December 31, 1991 *	2,007	6	18	38	45	15	10	2	1							3
December 31, 1990	1,739	2	2	3	5	13	26	16	33							27

* After changes in actuarial valuation assumptions.

After legislated benefit increases.

LOPFI
Computed Employer Contributions
For Volunteer Service Members by Valuation Groups
December 31, 2010

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Dollars Per Month Per Active Member														Totals		
		Employer Contributions Expressed as Dollars Per Month Per Active Member																
		Under \$10.00	From \$10.00 to \$14.99	From \$15.00 to \$19.99	From \$20.00 to \$24.99	From \$25.00 to \$29.99	From \$30.00 to \$34.99	From \$35.00 to \$39.99	From \$40.00 to \$44.99	From \$45.00 to \$49.99	From \$50.00 to \$54.99	From \$55.00 to \$59.99	From \$60.00 and Over					
Volunteer Police	174	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	58
Volunteer Fire	6,560	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	427
December 31, 2010	6,734	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	485
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	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	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	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	341
December 31, 2005	4,650	1	2	13	49	96	65	32	23	23	8	3	2	10	325			
December 31, 2004	4,406	1	1	13	49	109	62	27	15	14	3	2	10	306				
December 31, 2003 *	4,088	2	5	26	80	95	44	11	7	10	3	3	4	290				
December 31, 2002 #	3,858	10	17	54	103	47	22	8	6	4	1	2	6	280				
December 31, 2001 *	3,601	62	114	55	18	7	3	1	-	2	1	1	1	265				
December 31, 2000 #	3,490	79	81	60	16	12	3	4	1	1	1	3	1	262				
December 31, 1999	3,407	69	110	48	14	6	2	3	3	2	-	1	3	261				

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

* After changes in actuarial valuation assumptions.

After legislated benefit increases.

Benefit Program 2 Employers
(Included in Paid Service Schedules)

Employer	Number of Active Members*	Payroll
Beaver Lake Paid Fire	1	\$ 42,202
Bella Vista Paid Police	23	974,921
Bella Vista Paid Fire	33	1,791,243
Fayetteville Paid Police	114	5,851,011
Fayetteville Paid Fire	105	5,365,752
Fort Smith Paid Police	157	7,587,113
Fort Smith Paid Fire	119	6,618,204
Hot Springs Paid Police	96	4,468,546
Hot Springs Paid Fire	72	3,603,939
Marion Paid Police	24	872,785
Total BP2	744	\$ 37,175,716

* Includes DROP participants, if any.

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

Year Ended December 31:	2004	2005	2006	2007	2008	2009	2010
A. Funding Value Beginning of Year	\$553,057,228	\$601,798,909	\$653,546,976	\$724,746,827	\$827,546,002	\$788,633,082	\$878,958,364
B. Market Value End of Year	599,204,559	636,316,197	736,511,192	833,278,709	657,194,235	827,769,490	955,781,853
C. Market Value Beginning of Year	528,547,847	599,204,559	636,316,197	736,511,192	833,278,709	657,194,235	827,769,490
D. Non-Investment Net Cash Flow	19,053,696	22,397,530	24,082,243	31,978,254	39,182,990	49,499,030	46,538,504
E. Investment Income							
E1. Market Total: B - C - D	51,603,016	14,714,108	76,112,752	64,789,263	(215,267,464)	121,076,225	81,473,859
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	45,006,726	49,039,814	53,247,048	59,258,876	67,771,000	65,070,608	72,178,209
E3. Amount for Phased-In Recognition E1-E2	6,596,290	(34,325,706)	22,865,704	5,530,387	(283,038,464)	56,005,617	9,295,650
F. Phased-In Recognition of Investment Income							
F1. Current Year: 0.20 x E3	1,319,258	(6,865,141)	4,573,141	1,106,077	(56,607,693)	11,201,123	1,859,130
F2. First Prior Year	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077	(34,259,555)	11,201,123
F3. Second Prior Year	(16,585,404)	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077	(34,259,555)
F4. Third Prior Year	(8,986,699)	(16,585,404)	11,428,708	1,319,258	(6,865,141)	4,573,141	1,106,077
F5. Fourth Prior Year	(2,494,604)	(8,986,698)	(16,585,406)	11,428,710	1,319,258	(6,865,142)	4,573,140
F6. Total Recognized Investment Gain	(15,318,741)	(19,689,277)	(6,129,440)	11,562,045	(56,474,358)	(24,244,356)	(15,520,085)
G. Funding Value End of Year: A + D + E2 + F6 120% Corridor	601,798,909	653,546,976	724,746,827	827,546,002	878,025,634	878,958,364	982,154,992
80% Corridor					788,633,082	993,323,388	1,146,938,224
Funding Value End of Year:					525,755,388	662,215,592	764,625,482
H. Difference between Market & Funding Value	(2,594,350)	(17,230,779)	11,764,365	5,732,707	(131,438,847)	(51,188,874)	(26,373,139)
I. Recognized Rate of Return	5.28%	4.79%	7.08%	9.56%	(9.22%)	5.02%	6.28%
J. Market Rate of Return	9.59%	2.41%	11.74%	8.61%	(25.24%)	17.75%	9.57%
K. Ratio of Funding Value to Market Value	100.43%	102.71%	98.40%	99.31%	120.00%	106.18%	102.76%

LOPFI
Reported Accrued Assets Available for Benefits
December 31, 2010

<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	\$ 409,614	\$ 18,448	\$ -	\$ 428,062
Paid Police W/SS	175	83,684,818	3,414,360	-	87,099,178
Paid Police W/O SS	14	165,312,837	57,907,439	-	223,220,276
Paid Fire W/SS	23	4,904,001	934,241	-	5,838,242
Paid Fire W/O SS	61	247,646,053	80,702,118	-	328,348,171
Subtotal	273	501,547,709	142,958,158	-	644,505,867
Volunteer Police and Fire	485	18,999,963	-	-	18,999,963
Retirants and Beneficiaries	-	-	-	191,341,176	191,341,176
Total	759	520,957,286	142,976,606	191,341,176	\$ 855,275,068

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, 2010. Totals include accounts for employers with no active participants as of December 31, 2010.

@ Does not include assets of \$106,862,231 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
12/31/1990	127	1,739	\$ 25,598,294	\$ 26,638,818	104 %	- %
12/31/1991 #	138	2,007	28,374,656	36,516,135	129	-
12/31/1992	142	2,224	37,077,482	47,889,617	129	-
12/31/1993 @	156	2,477	46,556,168	66,541,016	143	10.82
12/31/1994	168	2,807	59,089,005	78,271,672	132	11.46
12/31/1995	181	3,194	72,577,171	97,412,994	134	11.36
12/31/1996 #+	188	3,472	93,046,084	123,339,438	133	10.88
12/31/1997	202	3,715	111,523,686	153,499,754	138	10.55
12/31/1998 #+	208	3,998	147,606,801	189,595,998	128	11.35
12/31/1999	215	4,301	174,627,344	238,203,534	136	10.41
12/31/2000 +	228	4,493	218,238,282	292,881,609	134	11.51
12/31/2001 #	230	4,573	199,231,298	339,296,397	170	7.15
12/31/2002 +	236	4,720	291,184,122	367,122,230	126	10.38
12/31/2003 #	233	4,849	370,735,495	399,726,460	108	11.09
12/31/2004 +	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
12/31/2007	261	5,603	699,800,039	644,631,782	92	15.16
12/31/2008 #+	258	5,640	825,417,767	662,380,764	80	15.30
12/31/2009	269	5,907	946,423,135	622,560,540	66	17.25
12/31/2010	274	5,949	1,012,194,055	664,246,931	66	17.03

* 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)

Valuation Date	Valuation Groups	Active Members	Actuarial		Valuation Assets	Assets/Liabilities*	Average Contribution Rate
			Accrued Liabilities	Assets			
12/31/1990	219	1,824	\$ 1,242,840	\$ 974,615	78 %	\$ -	
12/31/1991 #	228	2,007	1,363,736	1,419,691	104	-	
12/31/1992	236	2,172	1,697,104	1,691,725	100	-	
12/31/1993 @	241	2,375	2,125,680	2,306,668	109	9.48	
12/31/1994	247	2,462	2,604,592	2,712,264	104	10.31	
12/31/1995	246	2,693	3,122,936	3,321,253	106	10.32	
12/31/1996 #+	252	2,905	4,202,938	4,143,074	99	13.63	
12/31/1997	258	3,077	5,079,848	5,049,479	99	14.36	
12/31/1998 #+	256	3,183	6,339,040	6,172,383	97	14.71	
12/31/1999	261	3,407	7,421,534	7,804,389	105	14.05	
12/31/2000 +	262	3,490	8,554,865	9,638,082	113	14.76	
12/31/2001 #	265	3,601	8,814,220	10,923,088	124	14.13	
12/31/2002 +	280	3,858	14,587,662	11,956,886	82	24.02	
12/31/2003 #	290	4,088	19,207,277	13,069,692	68	27.46	
12/31/2004	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	
12/31/2007	461	6,620	42,720,023	22,236,583	52	39.15	
12/31/2008 #	457	6,603	47,019,246	17,508,921	37	46.14	
12/31/2009	468	6,551	48,890,402	17,034,083	35	49.15	
12/31/2010	485	6,734	52,068,716	19,655,706	38	49.62	

* 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 Accrued Liabilities	Valuation Assets	Assets/Liabilities*
12/31/1990	-	-	\$ 995,966	\$ 966,600	97 %
12/31/1991 #	-	-	1,516,885	1,691,501	112
12/31/1992	-	-	1,864,953	2,477,618	133
12/31/1993	-	-	2,780,124	3,495,960	126
12/31/1994	-	-	3,211,812	3,898,615	121
12/31/1995	-	-	4,481,762	5,331,275	119
12/31/1996 +	-	-	5,828,171	6,714,604	115
12/31/1997	-	-	8,108,160	8,810,636	109
12/31/1998	-	-	10,027,020	10,962,655	109
12/31/1999	-	-	13,364,856	14,462,943	108
12/31/2000	-	-	16,360,731	16,943,763	104
12/31/2001 #	-	-	19,316,724	19,853,584	103
12/31/2002 +	-	-	28,897,704	27,629,725	96
12/31/2003 #	-	-	38,810,117	39,864,734	103
12/31/2004	-	-	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
12/31/2007	-	-	95,286,950	100,568,257	106
12/31/2008 #	-	-	122,445,893	122,445,893	100
12/31/2009	-	-	152,859,019	152,859,019	100
12/31/2010	-	-	189,166,801	189,166,801	100

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

After changes in actuarial valuation assumptions.

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

+ After legislated benefit increases and board policy changes

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

TOTAL PLAN

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/Liabilities*
12/31/1990	346	3,563	\$ 27,837,100	\$ 28,580,033	103 %
12/31/1991 #	366	4,014	31,255,277	39,627,327	127
12/31/1992	378	4,396	40,639,539	52,058,960	128
12/31/1993 @	397	4,852	51,461,972	72,343,644	141
12/31/1994	415	5,269	64,905,409	84,882,551	131
12/31/1995	427	5,887	80,181,869	106,065,522	132
12/31/1996 #+	440	6,377	103,077,193	134,197,116	130
12/31/1997	460	6,792	124,711,694	167,359,869	134
12/31/1998 #+	464	7,181	163,972,861	206,731,036	126
12/31/1999	476	7,708	195,413,734	260,470,866	133
12/31/2000 +	490	7,983	243,153,878	319,463,454	131
12/31/2001 #	495	8,174	227,362,242	370,073,069	163
12/31/2002 +	516	8,578	334,669,488	406,708,841	122
12/31/2003 #	523	8,937	428,752,889	452,660,886	106
12/31/2004 +	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
12/31/2007	722	12,223	837,807,012	767,436,622	92
12/31/2008 #+	715	12,243	994,882,906	802,335,578	81
12/31/2009	737	12,458	1,148,172,556	792,453,642	69
12/31/2010	759	12,683	1,253,429,572	873,069,438	70

* 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

**Short Condition Test
Comparative Statement**

LOPFI Paid Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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
2010	142,979,396	176,648,898	869,214,659	840,895,829	100	100	60

Local Paid Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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	-
2010	2,849,033	215,795,003	34,266,295	102,556,180	100	46	-

LOPFI Volunteer Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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
2010	-	12,517,903	52,068,716	32,173,609	-	100	38

Local Volunteer Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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	-
2010	12,433	12,964,889	210,630	6,529,374	100	50	-

* After legislated benefit increases for LOPFI members

+ After changes in actuarial assumptions

***Derivation of Actuarial Gain (Loss)
Year Ended December 31, 2010
(LOPFI and Local Plans Combined)***

(1)	UAAL* at start of year	\$ 500,135,048
(2)	Employer normal cost from last valuation	33,355,191
(3)	Actual employer contributions	58,654,842
(4)	Interest accrual: (1) x .08 + [(2)-(3)] x (.08/2)	38,998,818
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	513,834,215
(6)	Change from benefit changes*	14,043,931
(7)	Change from revised actuarial assumptions	-
(8)	Expected UAAL after changes	527,878,146
(9)	Actual UAAL at end of year	537,372,863
(10)	Gain (loss) (8) - (9)	(9,494,717)
(11)	Gain (loss) as percent of actuarial accrued liabilities at start of year	\$1,379,093,412 (0.7)%

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)
2010	(0.7)

**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 2010 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 2010 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, 2010 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, 2010
Paid**

Political Subdivision	Actuarial Liability			Valuation Assets			Unfunded Actuarial			Total		
	LOPFI Members	Closed		LOPFI Members	Closed		Total	Accrued Liability	Normal Cost	Amortization Payment	Employer Rate	
		Plan			Plan							
Bald Knob Police	\$ 254,603	\$ -	\$ -	\$ 337,228	\$ (65)	\$ 337,163	\$ (82,560)	12.79%	(3.58%)	9.21%		
Bella Vista Fire	7,299,014	1,976,172	-	3,657,322	(309,027)	3,348,295	5,926,891	13.44%	17.96%	31.40%		
Benton Police	6,333,692	1,285,039	-	1,809,052	(283,988)	1,525,064	6,093,667	11.63%	16.53%	28.16%		
Blytheville Police	4,190,674	421,243	-	3,702,478	(120,324)	3,582,154	1,029,763	11.88%	3.99%	15.87%		
Brinkley Police	786,291	-	-	803,149	47,908	851,057	(64,766)	10.44%	(0.25%)	10.19%		
Cabot Police	4,860,279	-	-	2,144,793	1,418,994	3,563,787	1,296,492	12.16%	9.65%	21.81%		
Clarendon Police	222,829	-	-	202,404	(157,268)	45,136	177,693	13.89%	17.49%	31.38%		
Clinton Fire	21,383	-	-	21,383	(26,476)	(5,093)	36,669	15.49%	17.98%	33.47%		
Conway Police	15,490,433	-	-	5,066,075	(4,450,682)	615,393	14,875,040	11.99%	19.03%	31.02%		
Conway Fire	16,746,343	4,583,179	-	13,346,456	(493,898)	12,852,558	8,476,964	12.91%	13.38%	26.29%		
El Dorado Police	6,504,373	-	-	6,504,373	(7,699,966)	1,195,587	5,693,269	9.91%	18.58%	28.49%		
El Dorado Fire	9,961,774	-	-	6,616,161	(7,161,136)	(544,975)	10,506,749	13.65%	29.26%	42.91%		
Forrest City Police	3,098,127	-	-	1,270,936	(2,590,748)	(1,319,812)	4,417,939	12.79%	21.27%	34.06%		
Forrest City Fire	3,740,866	564,005	-	2,878,520	(62,089)	2,816,431	1,488,440	13.68%	12.41%	26.09%		
Fort Smith Police	31,884,017	3,543,293	-	22,560,319	(10,831,613)	11,728,706	23,698,604	11.17%	17.57%	28.74%		
Fort Smith Fire	36,824,901	8,010,581	-	20,879,206	(7,255,584)	13,623,622	31,211,860	14.98%	25.70%	40.68%		
Helena - West Helena Police	2,901,328	-	-	2,688,064	(758,354)	1,929,710	971,618	11.63%	7.95%	19.58%		
Helena - West Helena Fire	3,157,667	-	-	3,697,455	(2,547,500)	1,149,955	2,007,712	12.99%	12.04%	25.03%		
Hot Springs Police	16,585,816	2,556,713	-	8,065,684	(6,417,506)	1,648,178	17,494,351	11.57%	21.77%	33.34%		
Hot Springs Fire	19,514,259	3,988,464	-	12,219,881	(11,847,385)	372,496	23,130,227	15.02%	34.88%	49.90%		
Hot Springs Village Fire	3,539,014	-	-	2,769,698	(373,458)	2,396,240	1,142,774	15.80%	7.63%	23.43%		
Hoxie Fire	38,850	-	-	57,847	(30,138)	27,709	11,141	14.55%	10.05%	24.60%		
Jonesboro Fire	22,629,511	366,385	-	15,695,250	(11,751,965)	3,943,285	19,052,611	12.88%	21.57%	34.45%		
Lonoke Police	858,659	-	-	764,432	(109,977)	654,455	204,204	13.79%	3.38%	17.17%		
Lowell Police	1,363,265	-	-	1,466,456	(236,415)	1,230,041	133,224	12.12%	1.46%	13.58%		
Lowell Fire	1,157,118	-	-	945,553	(425,907)	519,646	637,472	13.62%	13.05%	26.67%		
Magnolia Police	2,087,287	-	-	1,534,718	(465,581)	1,069,137	1,018,150	12.06%	8.63%	20.69%		
Magnolia Fire	1,585,267	-	-	1,232,095	27,000	1,259,095	326,172	12.49%	4.17%	16.66%		
Malvern Police	1,833,539	-	-	1,833,539	419,319	1,706,327	127,212	11.72%	4.40%	16.12%		
Marianna Police	619,750	-	-	608,034	(223,943)	384,091	235,659	12.88%	6.08%	18.96%		
McCorry Police	482,019	-	-	449,669	(73,074)	376,595	105,424	13.03%	4.06%	17.09%		
McGehee Police	661,792	-	-	800,734	142,458	943,192	(281,400)	13.23%	(2.24%)	10.99%		
Mountain Home Fire	4,941,494	597,684	-	3,285,823	(565,877)	2,719,946	2,819,232	13.49%	14.39%	27.88%		
North Little Rock Police	37,245,192	2,678,039	-	31,774,662	(16,818,198)	14,956,464	24,966,767	9.39%	14.88%	24.27%		
North Little Rock Fire	32,614,714	4,736,192	-	22,942,504	(11,589,343)	11,353,161	25,997,745	12.84%	20.23%	33.07%		
Paragould Paid Police	4,642,107	-	-	2,603,975	(1,744,610)	859,365	3,782,742	12.28%	13.92%	26.20%		
Paragould Paid Fire	3,564,357	-	-	3,033,629	(507,766)	2,525,863	1,038,494	12.92%	4.97%	17.89%		
Pocahontas Fire	737,941	283,349	-	501,616	(83,587)	418,029	603,261	12.83%	24.30%	37.13%		
Searcy Police	3,697,726	1,240,955	-	1,206,538	(797,062)	409,476	4,529,205	12.51%	15.85%	28.36%		
Searcy Fire	5,373,032	9,102	-	4,279,590	(3,733,810)	545,780	4,836,354	13.37%	15.20%	28.57%		
Stuttgart Police	1,281,703	-	-	974,131	(280,743)	693,388	588,315	11.78%	6.57%	18.35%		
Trumann Fire	820,909	-	-	694,993	(135,641)	559,352	261,557	12.33%	7.50%	19.83%		
Van Buren Fire	7,906,673	274,933	-	6,584,244	(1,571,629)	5,012,615	3,168,991	12.64%	10.20%	22.84%		
Walnut Ridge Fire	678,596	-	-	739,510	(520,738)	218,772	459,824	12.95%	12.05%	25.00%		
Wynne Fire	1,171,305	-	-	377,833	(241,431)	136,402	1,034,903	13.40%	24.44%	37.84%		

Combined Results for Local Plans under LOPFI Administration December 31, 2010 Volunteer

Political Subdivision	Actuarial Liability	Valuation Assets	Unfunded Accrued Liability	Normal Cost	Amortization Payment*	Total Employer Rate	Actuarial Liability	Valuation Assets	Unfunded Accrued Liability	Normal Cost	Amortization Payment*	Total Employer Rate
Altheimer Vol Fire	-	(41,063)	41,063	\$ -	\$ 23.85	23.85	-	27,994	(27,994)	\$ -	\$ -	\$ -
Arkansas City Vol Fire	-	(69,142)	69,142	\$ -	\$ 30.09	30.09	-	90,672	(90,672)	\$ -	\$ -	\$ -
Atkins Vol Fire	-	53,034	(53,034)	\$ -	\$ -	-	19,450	(18,224)	137,674	\$ -	\$ 77.90	77.90
Bald Knob Vol Fire	16,981	(30,329)	47,310	\$ -	\$ 17.92	17.92	-	(14,542)	14,542	\$ -	\$ 12.73	12.73
Bay Vol Fire	16,078	24,603	(8,525)	\$ -	\$ -	-	-	(387,024)	387,024	\$ -	\$ 156.42	156.42
Bearden Vol Fire	-	22,626	(22,626)	\$ -	\$ -	-	-	Marshall Vol Fire	24,252	\$ -	\$ 16.70	16.70
Bella Vista Vol Fire	19,704	(16,998)	36,702	\$ -	\$ 34.61	34.61	-	12,095	(12,095)	\$ -	\$ -	\$ -
Belleville Vol Fire	-	55,202	(55,202)	\$ -	\$ -	-	-	(60,078)	60,078	\$ -	\$ 26.29	26.29
Biscoe Vol Fire	-	(96,332)	96,332	\$ -	\$ 90.86	90.86	-	(218,168)	218,168	\$ -	\$ 72.61	72.61
Caddo Valley Vol Fire	-	(4,679)	4,679	\$ -	\$ 2.58	2.58	-	(166,297)	166,297	\$ -	\$ 55.35	55.35
Caldwell Vol Fire	-	40,654	(40,654)	\$ -	\$ -	-	-	17,124	(17,124)	\$ -	\$ 18.65	18.65
Calico Rock Vol Fire	-	19,785	(19,785)	\$ -	\$ -	-	-	Moro Vol Fire	23,355	\$ -	\$ 29.07	29.07
Carlton Vol Fire	-	19,136	(19,136)	\$ -	\$ -	-	-	(167,253)	167,253	\$ -	\$ 63.09	63.09
Carmack Village Vol Fire	-	35,400	(35,400)	\$ -	\$ -	-	-	(331,333)	331,333	\$ -	\$ 62.49	62.49
Carway Vol Fire	-	(381,193)	381,193	\$ -	\$ 82.96	82.96	-	(366,439)	366,439	\$ -	\$ 148.10	148.10
Carthage Vol Fire	-	(13,670)	13,670	\$ -	\$ 11.30	11.30	-	(7,449)	7,449	\$ -	\$ 3.85	3.85
Cash Vol Fire	-	(1,595)	1,595	\$ -	\$ 1.88	1.88	-	(127,580)	127,580	\$ -	\$ 42.46	42.46
Cave City Vol Fire	-	(163,914)	163,914	\$ -	\$ 42.16	42.16	-	(94,139)	94,139	\$ -	\$ 266.33	266.33
Chidister Vol Fire	-	(20,414)	20,414	\$ -	\$ 14.06	14.06	-	(128,960)	128,960	\$ -	\$ 81.08	81.08
Clinton Vol Fire	-	(4,921)	4,921	\$ -	\$ 1.69	1.69	-	(57,373)	57,373	\$ -	\$ 530.12	530.12
Coal Hill Vol Fire	-	(62,935)	62,935	\$ -	\$ 27.39	27.39	16,995	8,044	(8,044)	\$ -	\$ -	\$ -
Conway Vol Fire	-	(12,266)	12,266	\$ -	\$ 96.62	96.62	-	(45,430)	45,430	\$ -	\$ 20.86	20.86
Cootemuck Vol Fire	-	(166,935)	166,935	\$ -	\$ 72.66	72.66	-	(260,324)	260,324	\$ -	\$ 86.64	86.64
Center Vol Fire	-	(16,012)	16,012	\$ -	\$ 7.75	7.75	-	(44,364)	44,364	\$ -	\$ 20.35	20.35
Cotton Plant Vol Fire	-	(27,991)	27,991	\$ -	\$ 25.70	25.70	-	17,704	(17,704)	\$ -	\$ -	\$ -
Danville Vol Fire	-	(84,702)	84,702	\$ -	\$ 22.82	22.82	-	42,344	(42,344)	\$ -	\$ -	\$ -
Devalds Bluff Vol Fire	-	(115,966)	115,966	\$ -	\$ 54.68	54.68	-	(149,681)	149,681	\$ -	\$ 44.57	44.57
Diaz Vol Fire	-	(72,404)	72,404	\$ -	\$ 44.60	44.60	-	(47,293)	47,293	\$ -	\$ 32.57	32.57
Dover Vol Fire	-	(50,342)	50,342	\$ -	\$ 31.33	31.33	-	(269,064)	269,064	\$ -	\$ 761.20	761.20
Farmington Vol Fire	-	(1,879)	1,879	\$ -	\$ 0.65	0.65	-	(57,906)	57,906	\$ -	\$ 20.48	20.48
Fisher Vol Fire	-	(29,252)	29,252	\$ -	\$ 10.34	10.34	-	(20,151)	20,151	\$ -	\$ 13.23	13.23
Forrest City Vol Fire	-	(649)	649	\$ -	\$ -	-	-	(50,718)	50,718	\$ -	\$ 57.39	57.39
Garland Vol Fire	-	4,945	(4,945)	\$ -	\$ -	-	-	(13,807)	(13,807)	\$ -	\$ -	\$ -
Gosnell Vol Fire	-	(57,287)	57,287	\$ -	\$ 12.97	12.97	-	(29,972)	29,972	\$ -	\$ 92.31	92.31
Gould Vol Fire	16,007	(4,671)	4,671	\$ -	\$ -	-	9,783	(59,736)	69,519	\$ -	\$ 31.92	31.92
Grover Township Vol Fire	-	(40,323)	40,323	\$ -	\$ 17.74	17.74	-	(260,617)	260,617	\$ -	\$ 134.06	134.06
Grubbs Vol Fire	-	(9,925)	9,925	\$ -	\$ 4.32	4.32	-	(4,922)	4,922	\$ -	\$ 2.68	2.68
Hampton Vol Fire	-	(151,950)	151,950	\$ -	\$ 53.73	53.73	-	2,024	(2,024)	\$ -	\$ -	\$ -
Hardin Vol Fire	-	(18,387)	18,387	\$ -	\$ 26.70	26.70	-	(59,299)	59,299	\$ -	\$ 27.96	27.96
Hardy Vol Fire	-	9,515	(9,515)	\$ -	\$ -	-	-	(262,700)	262,700	\$ -	\$ 228.90	228.90
Hartford Vol Fire	-	(3,019)	3,019	\$ -	\$ 1.99	1.99	-	(186,181)	186,181	\$ -	\$ 52.67	52.67
Helena - West Helena Vol Fire	-	(128,609)	128,609	\$ -	\$ 103.96	103.96	-	(36,468)	36,468	\$ -	\$ 12.22	12.22
Hermitage Vol Fire	-	(116,930)	116,930	\$ -	\$ 55.13	55.13	-	(182,120)	182,120	\$ -	\$ 57.25	57.25
Holiday Island Vol Fire	-	(14,455)	14,455	\$ -	\$ 14.84	14.84	-	(88,880)	88,880	\$ -	\$ 100.58	100.58
Holly Grove Vol Fire	-	7,363	(7,363)	\$ -	\$ -	-	-	(55,893)	55,893	\$ -	\$ 21.52	21.52
Hot Springs Village Vol Fire	-	(62,778)	62,778	\$ -	\$ 14.21	14.21	18,375	(219,531)	237,906	\$ -	\$ 70.85	70.85
Hoxie Vol Fire	-	(38,506)	38,506	\$ -	\$ 18.73	18.73	-	(14,918)	14,918	\$ -	\$ 16.88	16.88
Humphrey Vol Fire	-	(10,924)	10,924	\$ -	\$ -	-	18,016	816	(816)	\$ -	\$ 22.58	22.58
Inboden Vol Fire	14,857	(170,942)	185,799	\$ -	\$ 75.09	75.09	8,477	21,197	(21,197)	\$ -	\$ -	\$ -
Jasper Vol Fire	-	(85,338)	85,338	\$ -	\$ 43.90	43.90	-	15,776	(15,776)	\$ -	\$ 5.87	5.87
Jonesboro Vol Fire	-	(118,911)	118,911	\$ -	\$ 672.82	672.82	-	(9,230)	9,230	\$ -	\$ -	\$ -
Lake City Vol Fire	-	(17,414)	13,585	\$ -	\$ 7.15	7.15	20,675	52,622	(31,947)	\$ -	\$ 5.87	5.87
Lavaea Vol Fire	-	(56,446)	36,446	\$ -	\$ 18.68	18.68	-	6,658,515	(6,658,515)	\$ -	\$ -	\$ -
Lockesburg Vol Fire	13,494	(20,392)	33,886	\$ -	\$ 14.06	14.06	223,063	(6,435,515)	6,658,515	\$ -	\$ -	\$ -

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

LOPFI Paid Service

	Added			Removed			End of Year			Average		
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	% Increase in Annual Allowance	
December 31, 2004												
Retirement	59	\$ 828,798	5	\$ 60,865	275	\$ 3,734,681	25.88	\$ 13,581	25.88	\$ 13,581	1.17	
Survivor of active	1	5,903	2	12,233	20	88,940	(6.64)	4,447	(6.64)	4,447	(1.98)	
Survivor of retired	7	64,551	2	6,931	38	228,570	33.71	6,015	33.71	6,015	16.12	
December 31, 2005												
Retirement	53	854,578	5	31,250	323	4,558,009	22.05	14,111	22.05	14,111	3.90	
Survivor of active	13	79,176	4	12,798	29	155,318	74.63	5,356	74.63	5,356	20.44	
Survivor of retired	3	26,136	1	4,052	40	250,654	9.66	6,266	9.66	6,266	4.17	
December 31, 2006												
Retirement	83	1,218,719	8	79,942	398	5,696,786	24.98	14,314	24.98	14,314	1.44	
Survivor of active	32	147,836			61	303,154	95.18	4,970	95.18	4,970	(7.21)	
Survivor of retired	6	25,590	24	157,930	22	118,314	(52.80)	5,378	(52.80)	5,378	(14.17)	
December 31, 2007												
Retirement	120	1,834,311	14	210,138	504	7,320,959	28.51	14,526	28.51	14,526	1.48	
Survivor of active	12	80,577	5	22,320	68	361,411	19.22	5,315	19.22	5,315	6.94	
Survivor of retired	3	28,971	3	9,917	22	137,368	16.10	6,244	16.10	6,244	16.10	
December 31, 2008												
Retirement	120	1,896,855	6	25,908	618	9,191,906	25.56	14,874	25.56	14,874	2.40	
Survivor of active	7	50,387	0	0	75	411,798	13.94	5,491	13.94	5,491	3.31	
Survivor of retired	1	4,408	2	8,225	21	133,551	(2.78)	6,360	(2.78)	6,360	1.86	
December 31, 2009												
Retirement	106	2,288,426	13	136,647	711	11,343,685	23.41	15,955	23.41	15,955	7.27	
Survivor of active	14	106,529	3	13,914	86	504,413	22.49	5,865	22.49	5,865	6.81	
Survivor of retired	3	26,940	1	4,677	23	155,814	16.67	6,775	16.67	6,775	6.53	
December 31, 2010												
Retirement	138	2,819,765	11	144,330	838	14,019,120	23.59	16,729	23.59	16,729	4.85	
Survivor of active	10	100,894	8	62,685	88	542,622	7.58	6,166	7.58	6,166	5.13	
Survivor of retired	25	191,680	19	144,024	29	203,470	30.59	7,016	30.59	7,016	3.56	

* 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	% Increase in Annual Allowance	Annual Allowance	% Increase in Annual Allowance	
December 31, 2004	79	\$ 75,481	2	\$ 5,966	202	\$ 175,763	65.43	\$ 870	2.35	
Retirement										
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	
Retirement										
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	
Retirement										
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	
Retirement										
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	
Retirement										
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	
Retirement										
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	
December 31, 2010	182	213,270	16	15,511	887	1,025,316	23.90	1,156	0.70	
Retirement										
Survivor of active	12	5,150	3	1,464	75	26,193	16.38	349	2.35	
Survivor of retired	29	25,603	20	15,326	42	37,653	37.54	897	8.07	

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

Local Paid 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, 2004	35	\$ 719,279	18	\$ 204,748	780	\$ 13,951,111	3.83	\$ 17,886	1.57	
Retirement										
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	
Retirement										
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	
Retirement										
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	
Retirement										
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	
Retirement										
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	
Retirement										
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	
December 31, 2010**	118	2,666,918	28	406,946	888	18,817,741	13.65	21,191	2.13	
Retirement										
Survivor of active	0	1,890	0	6,122	23	346,333	(1.21)	15,058	(1.21)	
Survivor of retired	187	2,875,614	154	2,286,964	240	3,434,032	20.69	14,308	4.09	

* Includes DROP members.

** Data corrections in 2010.

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

Local Volunteer Service

	Added		Removed		End of Year		% Increase in Annual Allowance	Average	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	Increase in Allowance %
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					59	49,410	2.99	837	(23.21)
Survivor of retired	17	15,810	2	14,376					
December 31, 2005	79	125,077	4	4,200	293	446,809	37.09	1,525	2.01
Retirement					1	1,483	0.00	1,483	N/A
Survivor of active	1	1,483			80	98,496	99.34	1,231	47.07
Survivor of retired	23	50,376	2	1,290					
December 31, 2006	93	155,365	10	13,236	376	588,938	31.81	1,566	2.69
Retirement					1	1,528	3	1,528	3.03
Survivor of active					99	123,530	25.42	1,248	1.38
Survivor of retired	21	27,434	2	2,400					
December 31, 2007	39	65,303	14	22,176	401	632,065	7.32	1,576	0.64
Retirement					2	3,374	120.81	1,687	10.41
Survivor of active	1	1,846			121	155,084	25.54	1,282	2.72
Survivor of retired	24	34,027	2	2,473					
December 31, 2008	130	240,216	5	7,007	526	865,274	36.90	1,645	4.38
Retirement					5	8,701	157.89	1,740	3.14
Survivor of active	3	5,327	0	0	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					14	21,257	144.31	1,518	(12.76)
Survivor of active	9	12,556	0	0	182	242,424	17.72	1,332	0.91
Survivor of retired	43	59,514	17	23,031					
December 31, 2010*	48	87,376	23	34,348	659	1,084,447	5.14	1,646	1.17
Retirement					14	21,468	0.99	1,533	0.99
Survivor of active	0	211	0	0	200	272,279	12.32	1,361	2.18
Survivor of retired	131	181,383	113	151,528					

* Data corrections in 2010.



Statistical Section Summary

Retirement

Page 107 reflects Demographic Data for active, inactive vested, retirees and survivors as of December 31, 2010. Benefits payable as of December 31, 2010 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, 2010

Active Paid Members

Number.....5,949
 Average Age.....38.7 years
 Average Length of Service..... 11.4 years
 Average Annual Salary..... \$44,529

Active Volunteer Members

Number..... 6,734
 Average Age.....40.8 years
 Average Length of Service.....9.5 years

Inactive Vested Members

4,539

Total Retirees and Survivors

Number.....1,959
 Average Monthly Benefit..... \$674

2010 Retirees and Survivors

	<u>Normal</u>			<u>Duty Related Disability</u>
Number	1,322			219
Average Age	63.2 years			48.8 years
Average Length of Service	16.2 years			10.2 years
Average Monthly Benefit	\$493			\$2,154
	<u>Survivors (Death in Service)</u>			<u>Non-Duty Related Disability</u>
Number	234			184
Average Age	44.3 years			50.3 years
Average Monthly Benefit	\$288			\$706

LOPFI
Benefit by Type, Last Ten Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Type of Benefit										
Age and service benefits:										
Retirees	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	25,651,097
Survivors	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	3,465,841
Death in service benefits	105,174	122,480	149,526	144,802	321,658	372,308	421,281	564,159	898,742	936,616
Disability benefits:										
Retirees - duty	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	7,293,655
Retirees - non-duty	402,976	418,333	486,693	551,710	665,900	772,410	1,054,652	1,283,033	1,680,756	2,001,873
Survivors	292,299	352,187	383,037	446,938	423,452	437,643	447,447	506,442	299,158	481,592
Total benefits	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	39,830,674
Refunds	1,175,269	1,037,067	877,252	1,346,832	836,941	1,280,366	1,019,140	995,285	1,027,093	814,866

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (c) = (b) - (a)	Funded Ratio (d) = (a)/(b)	Annual Covered Payroll (e)	UAAL as a Percentage of Covered Payroll (f) = (c)/(e)
12/31/2001 +	\$ 481,431,953	\$ 428,840,581	\$ (52,591,372)	112%	\$ 152,883,342	-%
12/31/2002 *	\$ 515,600,263	\$ 534,533,175	\$ 18,932,912	96%	\$ 163,420,616	12%
12/31/2003 +	\$ 553,057,228	\$ 625,021,624	\$ 71,964,396	88%	\$ 178,850,477	40%
12/31/2004 *	\$ 601,798,909	\$ 754,004,285	\$ 152,205,376	80%	\$ 193,670,943	79%
12/31/2005	\$ 653,546,976	\$ 842,926,984	\$ 189,380,008	78%	\$ 207,890,440	91%
12/31/2006	\$ 724,746,827	\$ 927,816,659	\$ 203,069,832	78%	\$ 222,107,556	91%
12/31/2007	\$ 827,546,002	\$ 1,054,599,720	\$ 227,053,718	78%	\$ 235,337,218	96%
12/31/2008 *+	\$ 788,633,082	\$ 1,200,515,663	\$ 411,882,581	66%	\$ 245,775,341	168%
12/31/2009	\$ 878,958,364	\$ 1,379,093,412	\$ 500,135,048	64%	\$ 265,123,993	189%
12/31/2010	\$ 982,154,992	\$ 1,519,527,855	\$ 537,372,863	65%	\$ 268,424,127	200%

* After legislated benefit increases for LOPFI members

+ After changes in actuarial assumptions

LOPFI
Expenses by Type
Last Ten Calendar Years

Year	Benefits Paid	Refunds	Administrative	DROP	Total Expenses
			Expenses	Distributions	
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
2010	\$36,586,520	\$814,866	\$1,739,807	\$1,918,136	\$41,059,329

LOPFI
Revenues by Source
Last Ten Calendar Years

Year	Member Contributions	Employer Contributions	Local Plan	Investment Income (Loss)	Total Income (Loss)
			Merger / Military Purchase		
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
2010	\$18,621,969	\$58,942,600	\$8,279,405	\$83,227,717	\$169,071,691

LOPFI
Changes in Net Assets
Last Ten Calendar Years

Year	Change in Plan Net Assets
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
2010	\$ 128,012,362

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	248	167	2	1	43	3	32	87	47	66	48
501-1,000	134	72	3	4	26	3	26	58	17	41	18
1,001-1,500	73	38	5	12	12	5	1	33	13	16	11
1,501-2,000	95	29	2	43	14	7	-	59	10	17	9
2,001-2,500	83	24	-	45	9	5	-	45	8	16	14
2,501-3,000	42	10	1	27	2	2	-	28	2	7	5
3,001-3,500	24	16	-	7	1	-	-	8	1	9	6
3,501-4,000	9	4	1	4	-	-	-	7	1	1	-
Over \$4,000	2	2	-	-	-	-	-	1	-	-	1
Total	710	362	14	143	107	25	59	326	99	173	112

* 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

Gabriel Roeder Smith & Company

6/2/2011

LOPFI Staff

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	-	-	-	-	-	-	-	-	-	-	-
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

Gabriel Roeder Smith & Company

6/2/2011

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	40	14	-	-	8	-	18	13	5	21	1
501-1,000	32	15	1	2	5	2	7	14	4	9	5
1,001-1,500	38	15	1	7	6	6	3	17	7	8	6
1,501-2,000	50	17	1	19	3	10	-	34	7	6	3
2,001-2,500	38	6	-	24	2	5	1	25	3	7	3
2,501-3,000	25	6	-	16	2	1	-	17	3	2	3
3,001-3,500	12	2	-	8	1	1	-	6	1	4	1
3,501-4,000	7	6	-	-	1	-	-	2	1	3	1
Over \$4,000	2	2	-	-	-	-	-	1	-	1	-
Total	244	83	3	76	28	25	29	129	31	61	23

* 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

Gabriel Roeder Smith & Company

6/2/2011

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	18	16	-	-	2	-	8	2	1	7
51-75	1	1	-	-	-	-	-	1	-	-
76-100	2	2	-	-	-	-	-	-	1	1
101-125	1	1	-	-	-	-	1	-	-	-
126-150	1	1	-	-	-	-	-	1	-	-
151-175	-	-	-	-	-	-	-	-	-	-
176-200	1	1	-	-	-	-	1	-	-	-
201-225	1	1	-	-	-	-	-	1	-	-
Over \$225	-	-	-	-	-	-	-	-	-	-
Total	25	23	-	-	2	-	10	5	2	8

- * 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

Gabriel Roeder Smith & Company

6/2/2011

Volunteer Fire (Excluding Local Plan)

Monthly Benefit	No. of Retirants	Type of Retirement*					Option Selected#			
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C
\$1-50	234	147	1	1	23	62	82	22	63	67
51-75	170	140	1	-	16	13	54	34	25	57
76-100	129	108	5	-	16	-	42	31	10	46
101-125	193	181	8	-	4	-	52	42	17	82
126-150	121	119	1	1	-	-	40	23	7	51
151-175	90	90	-	-	-	-	22	16	10	42
176-200	35	35	-	-	-	-	9	2	4	20
201-225	7	7	-	-	-	-	3	2	1	1
Over \$225	-	-	-	-	-	-	-	-	-	-
Total	979	827	16	2	59	75	304	172	137	366

* 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

Gabriel Roeder Smith & Company

6/2/2011

Schedule of Retirements by Type of Benefit and Department

LOPFI Paid Police

Retirement Effective Dates January 1, 2001 to December 31, 2010		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 478	\$ 950	\$ 1,413	\$ 1,847	\$ 2,114	\$ 2,223	\$ 2,430
	Final Average Pay*	\$ 32,438	\$ 35,396	\$ 38,251	\$ 42,582	\$ 44,648	\$ 47,145	\$ 47,128
	Number of Active Retirees	240	160	109	78	92	23	8
* Final Average Pay for 95 members was not provided. # Includes 91 members whose service was not provided.								

Schedule of Retirements by Type of Benefit and Department

LOPFI Paid Fire

Retirement Effective Dates January 1, 2001 to December 31, 2010		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 833	\$ 1,529	\$ 1,654	\$ 2,249	\$ 1,983	\$ 2,927	\$ 1,790
	Final Average Pay*	\$ 40,455	\$ 41,349	\$ 38,642	\$ 44,531	\$ 47,090	\$ 56,912	\$ 34,567
	Number of Active Retirees	65	41	46	28	42	17	5
* Final Average Pay for 40 members was not provided. # Includes 41 members whose service was not provided.								

Schedule of Retirements by Type of Benefit and Department

LOPFI Volunteer Police

Retirement Effective Dates January 1, 2001 to December 31, 2010			Service at Retirement						
			0-4	5-9	10-14	15-19	20-24	25-29	30+
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	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	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	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	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	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	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	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	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	N/A
	Number of Active Retirees	8	5	-	3	-	2	-	-
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 12	\$ 38	\$ 71	\$ 103	\$ -	\$ 157	\$ 201	\$ -
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	13	5	2	2	-	2	1	-

Schedule of Retirements by Type of Benefit and Department

LOPFI Volunteer Fire

Retirement Effective Dates January 1, 2001 to December 31, 2010			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 36	\$ 42	\$ 66	\$ 95	\$ 116	\$ 151	\$ 177	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	172	128	140	118	227	127	67	
# Includes 121 members whose service was not provided.									

Schedule of Retirements by Type of Benefit and Department

Local Plan Paid Police

Retirement Effective Dates January 1, 2001 to December 31, 2010		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 1,099	\$ 1,434	\$ 1,573	\$ 1,899	\$ 1,775	\$ 1,900	\$ 1,655
	Final Average Pay	\$ 53,479	\$ 17,949	\$ 25,216	\$ 35,739	\$ 41,371	\$ 47,606	\$ 43,606
	Number of Active Retirees	175	7	11	26	127	97	89
* Final Average Pay for 388 members was not provided. # Includes 175 members whose service was not provided.								

Schedule of Retirements by Type of Benefit and Department

Local Plan Paid Fire

Retirement Effective Dates January 1, 2001 to December 31, 2010		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 1,511	\$ 3,056	\$ 1,174	\$ 1,614	\$ 1,603	\$ 1,808	\$ 1,962
	Final Average Pay	\$ 31,565	\$ 38,605	\$ 56,362	\$ 28,122	\$ 34,536	\$ 39,453	\$ 43,792
	Number of Active Retirees	216	1	3	14	97	123	165
* Final Average Pay for 340 members was not provided. # Includes 211 members whose service was not provided.								

Schedule of Retirements by Type of Benefit and Department

**Local Plan
Volunteer Fire**

Retirement Effective Dates January 1, 2001 to December 31, 2010		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.							
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 125	\$ 113	\$ 113	\$ 114	\$ 129	\$ 144	\$ 141
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	436	4	4	18	109	141	161
	# Includes 432 members whose service was not provided.							

LOPFI
Top Ten Participating Employers

	2010		2009		2008		2007		2006		2005		2004		2003		2002		2001	
	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	114	1.9%	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%
Fort Smith Paid Fire	119	2.0%	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%
Fort Smith Paid Police	157	2.6%	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%
Jonesboro Paid Police	147	2.5%	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%
Little Rock Paid Fire	360	6.1%	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%
Little Rock Paid Police	495	8.3%	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%
North Little Rock Paid Fire	134	2.3%	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%
North Little Rock Paid Police	181	3.0%	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%
Pine Bluff Paid Police	147	2.5%	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%
Springdale Paid Police	116	1.9%	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%

