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**Arkansas Local Police and Fire Retirement System**

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# **LOPFI**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Years Ended  
December 31, 2014 and  
December 31, 2013**



# LOPFI

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## Thirty-Second Comprehensive Annual Financial Report Fiscal Years Ended December 31, 2014 and December 31, 2013

620 West Third Street, Suite 200  
Little Rock, AR 72201  
(501) 682-1745  
*www.lopfi-prb.com*

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



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



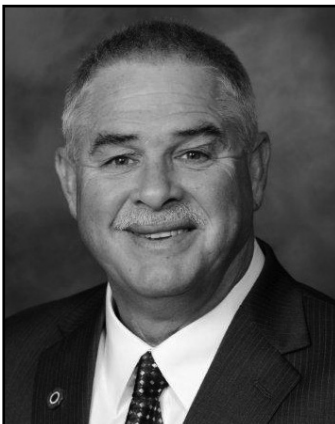
**CATHERINE COOK**  
Employer Trustee  
*Hope*  
Term Expires Jan. 1, 2018



**J. SCOTT BAXTER**  
Police Employee Trustee  
*Jonesboro*  
Term Expires Jan. 1, 2018



**TERRY HENSON**  
Fire Employee Trustee  
*Little Rock*  
Term Expires Jan. 1, 2016



**JOHN NEAL**  
Retired Fire Employee Trustee  
*Harrison*  
Term Expires Jan. 1, 2016



**JACK "TIM" HILL**  
Retired Police Employee Trustee  
*Springdale*  
Term Expires Jan. 1, 2016



**BEV LAMBERT**  
Public Trustee  
*Little Rock*  
Term Expires Jan. 1, 2015

# Certificate of Achievement



Government Finance Officers Association

## 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, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive style.

Executive Director/CEO

# LOPFI

## ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

### Letter of Transmittal

620 W. 3rd, Suite 200  
Little Rock, Arkansas 72201-2223  
Telephone: (501) 682-1745  
Toll-Free: (866) 859-1745  
Fax: (501) 682-1751  
email: [info@lopfi-prb.com](mailto:info@lopfi-prb.com)  
website: [www.lopfi-prb.com](http://www.lopfi-prb.com)

June 4, 2015

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

Dear Trustees:

We are 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, 2014. This CAFR provides information pertaining to the 32<sup>nd</sup> year of LOPFI's administration of retirement benefits for the covered police officers and firefighters.

LOPFI was created by the 1981 General Assembly for the purpose of establishing a statewide defined benefit retirement system for police officers and firefighters of political subdivisions in the State of Arkansas. LOPFI's benefit structure is governed by State law and Board policy. A seven member Board of Trustees appoints an Executive Director to administer the system consistent with law and Board policy.

The disclosure of the financial condition of the retirement system provided in this CAFR is a central function of the system's management. The system employs internal controls in order to provide confidence that the system's assets are safe from misuse, theft and/or loss, and that appropriate accounting data is collected. Internal controls are meant to provide a reasonable, not absolute, assertion that the safeguarding of system assets is present and that the financial records used in the preparation of the financial statements and maintaining the accountability of the assets are valid. The concept behind internal controls recognizes that the cost of a control should not exceed the expected benefit. Further, the determination of the costs and benefits of a control require estimates performed by management. LOPFI's internal controls are frequently reviewed in an effort to detect and correct potential errors before they occur. Management believes these internal controls demonstrate that the financial statements, supporting schedules, and statistical tables are presented in an accurate, clear and concise manner. As such, the reader is afforded the opportunity to gain an understanding of the financial activities of the retirement system.



## **Summary of Financial Information**

The following schedule is a summary of the system's additions and deductions for the years ended December 31, 2014 and December 31, 2013.

	<b><u>December 31, 2014</u></b>	<b><u>December 31, 2013</u></b>
Additions	\$ 223,755,236	\$ 373,317,262
Deductions	\$ 81,639,516	\$ 64,115,030
Net Change	\$ 142,115,720	\$ 309,202,232

The change in additions was attributable to a stable investment return for the 2014-year and the assets transferred to the system as a result of several Local Plans that assigned administration of their plan to LOPFI. Given the age of the retirement system deductions continued their upward trend as a result of members who have attained eligibility for retirement and chose to exercise that option. Additional details regarding the financial condition of the system can be located in the Management's Discussion and Analysis beginning on page 21 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 stay approximately level as a percent of member payroll over decades of time. The Schedule of Funding Progress beginning on page 125 of this report shows the system continues to meet this objective. As of December 31, 2014, the funded ratio for the entire portfolio was 70%, which was another gain from the preceding year. When considering the LOPFI-only portion of the portfolio i.e. excluding the Local Plans administered by LOPFI, the funded percentage was 76%, which, too, increased from the previous year. More information regarding the funded condition of LOPFI can be found in the Actuarial Section of this report.

## **Investment Results**

For the 2014-year, the system recognized an 8.16% investment return---a net result i.e. post investment management fees. Positive investment performance is pivotal towards ensuring a fiscally sound retirement system. Since its inception LOPFI has, on average, exceeded its actuarial assumed rate of return, which is currently 8%. Achieving this type of performance over the long term helps reinforce that assets will always be available to pay the promised lifetime benefits for each covered police officer and firefighter. Members can have confidence that once their career in public safety is concluded, they will have a reliable monthly benefit payable throughout their retired years. Please see the Investment Section of this CAFR for additional details regarding the system's investments.

## **Governmental Accounting Standards Board Statements**

In June 2012 the Governmental Accounting Standards Board (GASB) issued Statement No. 67 (GASB 67) and Statement No. 68 (GASB 68). GASB 67, effective for financial statements beginning after June 15, 2013, covers Financial Reporting for Pension Plans and requires additional disclosures on the financial statements issued by LOPFI. GASB 68, effective for fiscal years beginning after June 15, 2014, addresses Accounting and Financial Reporting for Pensions and pertains to financial statements issued by the participating employers of LOPFI. The changes brought about by these Statements involved extensive work by retirement system staff, LOPFI's actuaries, and LOPFI's audit firm in order to comply with the reporting standards. The intent of the changes from GASB 67 and GASB 68 is to bring uniformity to the accounting and financial reporting for pensions. And it is important to remember that neither GASB 67 nor GASB 68 alters the sound funding processes used by LOPFI. Funding will still be based on the annual actuarial valuations performed by LOPFI's actuaries and will ensure the full actuarially required contribution is remitted to the system by the participating employers.

## **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, 2013. This was the twelfth consecutive year that LOPFI has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **Conclusion**

This report was the product of the collective efforts of system staff and advisors. The CAFR is intended to provide confidence in the plan's management and consistent with previous years, LOPFI received an unqualified opinion from its independent auditor regarding its financial statements, which are a part of this CAFR. The auditor's opinion can be located on page 20 of this report.

Each year LOPFI presents its CAFR on the system's website and as such is made available to the members, public, Legislative Council, Legislative Audit, and all

participating employer groups. The clear layout is meant to provide a report that is understandable as well as being a useful resource to interested parties.

LOPFI is administered by a dedicated team who strives to provide excellent service to the covered police officers, firefighters, and their employers. Staff is well-aware that the covered police officers and firefighters are a vital part of the citizenry of Arkansas. The active and retired participants can have peace of mind in knowing LOPFI will be here to provide a respectable lifetime benefit to each retired career service police officer and firefighter.

LOPFI encourages the active and retired participants as well as participating employer groups to share with us your thoughts on how service to you may be improved. Please feel free to touch base with any member of staff to offer your thoughts.

David B. Clark  
*Executive Director*

Robert A. Bartholmey  
*Chief Financial Officer*

# Administrative Organization

## STAFF

David B. Clark  
*Executive Director*

Robert A. Bartholemey  
*Chief Financial Officer*

## ACTUARY

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

## DATA PROCESSING

*Tegrit Technologies*  
*Livonia, Michigan*

## INVESTMENT MONITOR

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

## AUDITOR

*BKD, LLP CPAs & Advisors*  
*Andy Richards, CPA*  
*Little Rock, Arkansas*

## INVESTMENT CONSULTANT

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

## LEGAL COUNSEL

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

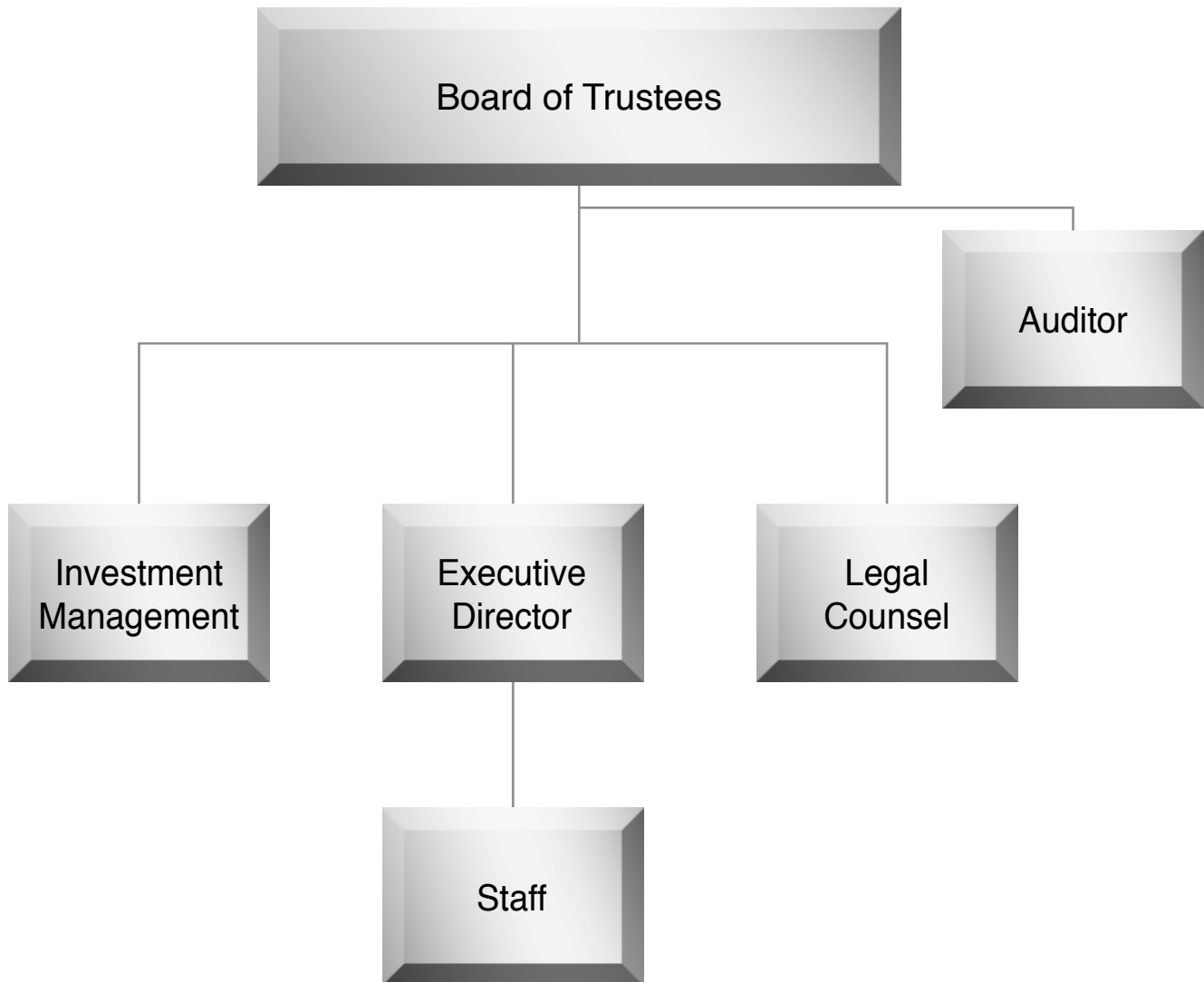
## INVESTMENT MANAGEMENT

- *Aberdeen Asset Management*  
*Philadelphia, Pennsylvania*
- *Alternative Investment Management*  
*New York, New York*
- *Barrow, Hanley, Mewhinney & Strauss*  
*Dallas, Texas*
- *Candlewood Credit Value Fund*  
*New York, New York*
- *Chickasaw Capital Management*  
*Memphis, Tennessee*
- *Citigroup Private Equity*  
*New York, New York*
- *Clear Bridge*  
*Wilmington, Delaware*
- *Congress Asset Management*  
*Boston, Massachusetts*
- *Dodge & Cox*  
*Braintree, Massachusetts*
- *Fisher Investments*  
*(International Bond & Emerging Markets)*  
*Woodside, California*
- *Garcia, Hamilton, Jackson & Associates*  
*Houston, Texas*
- *Goldman Sachs*  
*New York, New York*
- *JP Morgan Investment Management, Inc.*  
*(Real Estate & Infrastructure)*  
*New York, New York*
- *KKR Mezzanine Partners*  
*(Energy & Direct Lending)*  
*San Francisco, California*
- *Lazard Asset Management*  
*New York, New York*
- *Lehman Brothers*  
*Dallas, Texas*
- *Macquarie Infrastructure Partners, Inc.*  
*New York, New York*
- *Neuberger Berman*  
*(Private Equity & Private Debt)*  
*Dallas, Texas*
- *New South Capital Management*  
*Memphis, Tennessee*
- *Pacific Investment Management Company*  
*(PIMCO) (International Bond & Distressed Debt)*  
*Newport Beach, California*
- *State Street Global Advisors*  
*Boston, Massachusetts*
- *Wellington Management Company*  
*Boston, Massachusetts*
- *Western Asset Management Company (WAMCO)*  
*(Domestic Bonds & High Yield) Pasadena, California*

*Detailed information regarding investment management can be found in the Investment Section beginning on page 46.*

# Organization Chart

## Members of the Retirement System



# 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 qualified trust established under the authority of Act 364 of 1981, and bears a fiduciary obligation to the participants of the plan.

## ADMINISTRATION

The general administration and the responsibility for the proper operation of the system is vested in a seven (7) member Board of Trustees. All Trustees are appointed by the Governor. The normal term of office for a Trustee is four (4) years. Four (4) 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 (2) members are employer trustees, who 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 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 (Local Plan) 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 Local 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 Local 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 Local Plan members. It would be a change only in administrative structure.

(2) Political subdivisions which did not have a Local Plan for its firefighters and police officers as of July 1, 1981:

(a) Effective July 1, 1981, no new Local 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 a Member's total accrued years and months of paid service and/or volunteer service with one or more LOPFI-covered employer. Service may be granted simultaneously for both paid and volunteer service with the same location, but as separate departments (Ex: paid police officer who also serves as a volunteer firefighter or a paid firefighter who also serves as a volunteer police officer). Members are limited to earning paid or volunteer service at one LOPFI-covered 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 (5) years, unless hired on or after July 1, 2013, which means the member must have ten (10) years of actual LOPFI credited service, the minimum age is 60 or a member may retire at any age with 28 years of credited service.

### **EARLY RETIREMENT**

An active 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  $\frac{1}{2}$  of 1% per month for each month that the retirant is younger than 55.

### **DEFERRED RETIREMENT**

When the Member is eligible for a deferred benefit, benefit payments will begin when normal retirement age is attained (age 55 with 20 years of credited service, age 60 with 5 years of credited service for Members hired prior to July 1, 2013, age 60 with 10 years of actual LOPFI service credit for Members hired on or after July 1, 2013, or any age with 28 years of credited service).

The deferred benefit is computed in the same manner as a normal benefit; however, when the effective date of the annuity is at least twelve (12) full months after termination the FAP is adjusted for changes in inflation. The amount of the adjustment is one-half of any percentage increase in the Consumer Price Index (CPI) for the period from three (3) months immediately preceding termination to three (3) months immediately preceding the effective date of retirement. In addition, if the Member's paid service was covered by Social Security the 1% temporary annuity shall not be paid.

### **FINAL AVERAGE PAY**

Final Average Pay (FAP) 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 FAP are limited by the following tests: Pays during any twelve (12) consecutive months shall be usable only to the extent that the pays do not exceed thirty-one percent (31%) of the total pays in the final average pay period; and that if the final average pay period is less than four (4) full years, the maximum usable 31% shall be increased proportionally. FAP 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 FAP. 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  
 $\$6.37 \text{ per month} \times \text{Years of Service}$   
(The \$6.37 benefit is indexed annually for inflation).

The maximum benefit for paid service is 100% of the member's FAP. For volunteer service the maximum benefit is \$254.80 per month, indexed annually for inflation.

### **DUTY DISABILITY BENEFIT**

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

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

#### **NON-DUTY DISABILITY BENEFIT**

A paid member with five (5) years of credited service, unless hired on or after July 1, 2013, which means the member must have ten (10) years of actual LOPFI 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 FAP at time of disability.

#### **SURVIVOR BENEFIT**

Upon the death of a member from duty-related causes, regardless of length of service, the designated beneficiary benefit is computed as if the member had 25 years of credited service and elected Option B50. When a paid member dies from non-duty related causes, who has at least five (5) years or more of credited service, unless hired on or after July 1, 2013, which means the member must have ten (10) years of actual LOPFI credited service the designated beneficiary benefit is computed as if the member had retired on the death date and elected Option B50.

#### **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 (4) optional forms and the member selects the one that best fits his/her retirement needs. Once the member's first benefit payment becomes payable the option is irrevocable, except with a life changing event. 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 eligible 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 designated eligible 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**

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

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

When a paid member elects to enter DROP, their future monthly retirement benefit is calculated as though the member was leaving employment at the time of entry into DROP. For members who have at least 28 years of service before electing to participate in DROP, 75% of the member's monthly benefit is placed into the member's DROP account. Members who have at least 20 years of service, 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 6% annual interest and is awarded based on the average balance in the member's DROP account. During DROP the member contributions and employer contributions shall continue and are credited to the retirement system.



The member may remain in DROP up to a maximum of seven (7) years. DROP participants will begin receiving a 3% compound cost of living adjustment (COLA) to their future monthly retirement benefit in July once they reach year six (6) in DROP. At the conclusion of DROP, the member shall terminate employment and begin receiving the full monthly retirement benefit calculated at the time they entered DROP plus any applicable COLA. At the option of the member, the DROP account balance can be received either as 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 to be paid in the form of the benefit option elected at the time of enrollment in DROP, which is also effective with the first retirement benefit payment.

If a DROP annuity is chosen and the member dies during the DROP annuity period and before the total of the monthly DROP annuity payments equals or exceeds the original DROP account balance prior to distribution, that difference shall be paid to the member's survivor(s), or if none, the member's estate. The survivor(s) may choose to either continue the DROP annuity payments or accept a lump-sum distribution. If the balance is paid to an estate it shall be paid in a lump-sum distribution.

If a member becomes disabled while participating in DROP, the member shall be treated as though they had concluded DROP.

#### **PARTIAL-ANNUITY and LUMP-SUM OPTION**

Any active vested member who is eligible for an unreduced retirement benefit and was not eligible or did not elect to participate in the DROP, may elect to participate in the partial-annuity and lump-sum (PALS) option.

A member who elects to participate in this PALS option shall be eligible to receive, at the time of retirement, a lump-sum distribution in an amount not exceeding one (1) 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 PALS option, the member's retirement benefit shall be reduced by an amount that is the actuarial equivalent of the withdrawn 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 the actuarially required contribution in order to finance the benefits that political subdivisions have promised their employees. The actuary adjusts the rates annually to reflect each employer's experience.

# 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 (Local Plans) for firefighters and police officers, respectively. However, such authority was cancelled with the effective date of LOPFI, July 1981. Therefore, all Local Plans 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 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 Local Plan.

### PARTICIPANTS

Under the Local Plans, membership is extended to certified uniformed 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 fire members may combine service of five-year increments or more from other employers for retirement.

### 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.

### 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 attached to 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 of 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 \$1,200 per year. An additional benefit of \$120 annual for each additional year of service over 20 years is granted up to a maximum amount of \$1,800 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 attached to rank for firefighters and 65% of highest salary for police officers. 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 benefit 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 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.



# **Financial Section**

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Arkansas Local Police and Fire Retirement System (the System) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Trustees  
Arkansas Local Police and Fire  
Retirement System

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Arkansas Local Police and Fire Retirement System as of December 31, 2014 and 2013, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in *Note 1* to the financial statements, in 2014, the System adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information listed in the table of contents be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*BKD, LLP*

Little Rock, Arkansas  
May 13, 2015

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2014 and 2013

This discussion and analysis of the Arkansas Local Police and Fire Retirement System (hereafter referred to as LOPFI) is for the years ended December 31, 2014 and 2013. This analysis provides a summary of the financial position of LOPFI, including highlights and comparisons. For more detailed information regarding LOPFI financial activities, the reader should also review the actual financial statements, including notes and supplementary schedules.

The basic financial statements consist of:

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

The *Statement of Changes in Fiduciary Net Position*, which reports the pension fund transactions that occurred during the calendar year where additions – deductions = net increase (decrease) in fiduciary net position. It is an operating statement that reports the net increase or decrease in net position restricted for pensions 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 LOPFI.

The following pages contain summary comparative statements of LOPFI's pension trust fund for years 2014 and 2013.

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2014 and 2013

#### Summary Statements of Net Position Restricted for Pensions

	2014	2013	2012	2014 Percentage Change	2013 Percentage Change
Cash and cash equivalents	\$ 113,376,254	\$ 109,791,485	\$ 68,706,018	3.27%	59.80%
Total receivables	3,865,919	3,744,029	8,348,274	3.26%	-55.15%
Prepaid expenses	5,656,335	5,329,793	5,010,530	6.13%	6.37%
Total investments, at fair value	1,487,784,135	1,346,910,154	1,084,539,812	10.46%	24.19%
Property and equipment, net	660,949	3,311,438	3,472,816	-80.04%	-4.65%
Other assets	9,864	36,002	28,855	-72.60%	24.77%
<b>Total assets</b>	<b>\$ 1,611,353,456</b>	<b>\$ 1,469,122,901</b>	<b>\$ 1,170,106,305</b>	<b>9.68%</b>	<b>25.55%</b>
Accounts payable and accrued expenses	962,561	806,461	596,185	19.36%	35.27%
Refunds payable	145,244	160,305	205,765	-9.40%	-22.09%
Due to Pension Review Board	153,952	180,156	120,458	-14.55%	49.56%
Due to brokers – unsettled trades	-	-	10,410,150	0.00%	0.00%
<b>Total liabilities</b>	<b>1,261,757</b>	<b>1,146,922</b>	<b>11,332,558</b>	<b>10.01%</b>	<b>-89.88%</b>
<b>Net position restricted for pensions</b>	<b>1,610,091,699</b>	<b>1,467,975,979</b>	<b>1,158,773,747</b>	<b>9.68%</b>	<b>26.68%</b>
<b>Total net position and liabilities</b>	<b>\$ 1,611,353,456</b>	<b>\$ 1,469,122,901</b>	<b>\$ 1,170,106,305</b>	<b>9.68%</b>	<b>25.55%</b>

#### **December 31, 2014**

Cash and cash equivalents increased slightly as a result of additional alternative asset managers added to the portfolio, resulting in additional capital commitments that will need to be funded in the near term. There was a slight increase in total receivables due to continued growth in employer and member contributions. Total investments increased which reflects the continuing improvements of the financial markets in 2014 coupled with increased contributions and the receipt of \$7.6 million in assets from several local plans that consolidated into LOPFI. The decrease in fixed assets, net of accumulated depreciation, includes a reclassification of certain assets from fixed assets to investments.

#### **December 31, 2013**

Cash and cash equivalents increased as a result of additional alternative asset managers added to the portfolio, resulting in additional capital commitments that will need to be funded in the near term. The decrease in total receivables is in part due to an increased number of LOPFI covered employers using the LOPFI e-Payment feature, which allows the system to process the payments in a more timely manner. The increase in total investments reflects the continuing improvements of the financial markets in 2013 coupled with increased contributions and the receipt of \$65.2 million in assets from several local plans that consolidated into LOPFI. Property and equipment, net of accumulated depreciation, decreased as a result of the normal process of depreciating fixed assets.

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2014 and 2013

#### Summary Statements of Changes in Net Position Restricted for Pensions

	2014	2013	2012	2014 Percentage Change	2013 Percentage Change
Total contributions	\$ 116,236,817	\$ 161,829,397	\$ 92,245,477	-28.17%	75.43%
Net investment income	107,518,419	211,487,865	119,129,433	-49.16%	77.53%
<b>Total additions</b>	<b>223,755,236</b>	<b>373,317,262</b>	<b>211,374,910</b>	<b>-40.06%</b>	<b>76.61%</b>
Benefits paid to participants	70,660,012	55,152,120	48,234,605	28.12%	14.34%
Refunds of contributions	1,425,245	1,499,210	1,504,764	-4.93%	-0.37%
Administrative expenses	2,554,870	2,082,784	2,083,485	22.67%	-0.03%
Deferred retirement option distributions	6,999,389	5,380,916	2,451,148	30.08%	119.53%
<b>Total deductions</b>	<b>81,639,516</b>	<b>64,115,030</b>	<b>54,274,002</b>	<b>27.33%</b>	<b>18.13%</b>
Net increase (decrease) in fiduciary net position	<u>\$ 142,115,720</u>	<u>\$ 309,202,232</u>	<u>\$ 157,100,908</u>	<u>-54.04%</u>	<u>96.82%</u>

#### **December 31, 2014**

Employer and member contributions increased as a result of a combination of a 1.5% increase in active membership and increased wages reported by LOPFI-covered employer groups. The financial market's continued growth in 2014 resulted in a moderate investment return. Benefits paid to participants increased 28.1%, which is a result of a continued increase in the number of LOPFI members retiring as well as the addition of retirees from the newly consolidated local plans. Refunds of member contributions decreased again slightly in 2014 indicating that fewer number of members terminating coverage with the system elected to remove their member contributions. Administrative expenses increased in 2014 primarily due to a deliberate investment in data processing improvements designed to improve work flow efficiencies. Deferred retirement option plan (DROP) distributions increased as a natural result of more DROP participants, both LOPFI and local plans administered by LOPFI, retiring in the current year.

#### **December 31, 2013**

In addition to the \$65.2 million received from local plan consolidations, contributions increased as a result of a 1.2% increase in active membership coupled with increased wages reported by LOPFI covered employer groups. The financial market's sustained growth in 2013 resulting in a considerable increase in net investment income over 2012. A 14.3% increase in benefits paid to participants is a combination of an increase in the number of retired LOPFI members as well as the addition of retirees from the newly consolidated local plans. Refunds of member contributions decreased slightly in 2013, indicating that fewer members terminating coverage with the system elected to remove their member contributions. In addition, due to a legislative change in 2013 pursued by system staff, effective July 1, 2013, interest accrued in member contribution accounts was no longer refundable to the member. Administrative expenses decreased slightly due to improved work flow efficiencies. DROP distributions increased as a natural result of more DROP participants, for both LOPFI and local plans administered by LOPFI, retiring in the current year.



# Arkansas Local Police and Fire Retirement System

## Statements of Fiduciary Net Position

### December 31, 2014 and 2013

	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 113,376,254	\$ 109,791,485
Receivables		
Contributions	3,839,559	3,715,047
Other receivables	26,360	28,982
Total receivables	3,865,919	3,744,029
Prepaid expenses	5,656,335	5,329,793
Investments, at fair value		
Equity securities – U.S. companies	266,383,812	235,133,003
Equity securities – international companies	55,404,762	54,255,770
Mutual funds	794,386,125	732,310,138
U.S. Treasury securities	70,413,006	29,881,663
Corporate bonds	49,845,809	59,769,239
Foreign bonds	345,788	1,527,783
Mortgage-backed securities	37,474,122	43,886,807
Collateralized mortgage obligations	26,393,665	21,604,245
Municipal obligations	120,156	120,156
Alternative investments	185,148,563	168,421,350
Real estate investment	1,868,327	-
Total investments, at fair value	1,487,784,135	1,346,910,154
Property and equipment, net of accumulated depreciation; 2014 – \$715,032, 2013 – \$1,333,344	660,949	3,311,438
Other assets	9,864	36,002
Total assets	1,611,353,456	1,469,122,901
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 962,561	\$ 806,461
Refunds payable	145,244	160,305
Due to Pension Review Board	153,952	180,156
Total liabilities	1,261,757	1,146,922
<b>Net Position Restricted for Pensions</b>	<b>\$ 1,610,091,699</b>	<b>\$ 1,467,975,979</b>

See Notes to Financial Statements

# Arkansas Local Police and Fire Retirement System

## Statements of Changes in Fiduciary Net Position

### Years Ended December 31, 2014 and 2013

	2014	2013
<b>Additions</b>		
<b>Contributions</b>		
Member contributions	\$ 22,637,069	\$ 20,169,412
Employer contributions	85,943,953	76,454,536
Local plan administrative mergers and paid military time	7,655,795	65,205,449
Total contributions	116,236,817	161,829,397
<b>Investment Income</b>		
Net increase in fair value of investments	80,112,689	172,697,610
Interest, dividends and other income	32,123,828	42,562,431
Less investment expenses	(4,817,472)	(3,853,066)
Securities lending income	142,930	115,806
Securities lending expenses	(43,556)	(34,916)
Net investment income	107,518,419	211,487,865
Total additions	223,755,236	373,317,262
<b>Deductions</b>		
Benefits paid to participants	70,660,012	55,152,120
Refunds of contributions	1,425,245	1,499,210
Administrative expenses	2,554,870	2,082,784
Deferred retirement option distributions	6,999,389	5,380,916
Total deductions	81,639,516	64,115,030
<b>Net Increase in Net Position Restricted for Pensions</b>	142,115,720	309,202,232
<b>Net Position Restricted for Pensions, Beginning of Year</b>	1,467,975,979	1,158,773,747
<b>Net Position Restricted for Pensions, End of Year</b>	\$ 1,610,091,699	\$ 1,467,975,979

See Notes to Financial Statements

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Note 1: Reporting Entity and Summary of Significant Accounting Policies

The Arkansas Local Police and Fire Retirement System (the System or LOPFI) is a statewide retirement plan for police officers and firefighters of political subdivisions of the State of Arkansas. It was established under the authority of Act 364 of 1981 and bears a fiduciary obligation to the participants of the System. LOPFI maintains a cost-sharing multiple-employer defined benefit pension plan for participants hired by the respective local government unit after January 1, 1983. Political subdivisions that had a local pension and relief fund (local plan) for its firefighters and police officers prior to the establishment of LOPFI may transfer their local plan to LOPFI for administration. All local plans that are now being administered by LOPFI are agent multiple-employers defined benefit pension plans.

LOPFI policy is established by a 7-member Board of Trustees (Board): 2 trustees who are active members of the system, 1 police officer and 1 firefighter, nominated by their respective employee groups, and appointed by the Governor; 2 employer representatives from governing bodies of participating political subdivisions and appointed by the Governor from a list submitted by the Arkansas Municipal League; 2 retired members, 1 police officer and 1 firefighter, appointed by the Governor from a list provided by the Joint Committee on Public Retirement and Social Security Programs; and 1 citizen who is neither an employee nor employer of the system appointed by the Governor from a list submitted by the Joint Committee on Public Retirement and Social Security Programs. An Executive Director is appointed by the Board and administers the System in a manner consistent with law and Board policy.

#### ***Basis of Accounting***

The accounting policies of the System have been established to conform to generally accepted accounting principles for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The System is accounted for on an economic resources measurement focus using the accrual basis of accounting. Plan member and employer contributions are recognized as additions in the period in which plan member services are performed. Benefits and refunds are recognized when paid in accordance with the terms of the Plan. Deductions are recognized as incurred.

#### ***Valuation of Investments***

Investments are stated at fair value in the accompanying statements of fiduciary net position. The fair value of marketable investments, including U.S. government securities, mutual funds, corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at statement of fiduciary net position dates. The fair value of private equities are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners, in the absence of readily ascertainable market values. Real estate assets are reported at fair value utilizing an income approach to valuation.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net increase in fair value of investments reflected in the accompanying statements of changes in fiduciary net position represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments. The change in net unrealized gains or losses on investments represents the change in the difference between the cost and fair value of investments at the beginning versus the end of the year.

### ***Securities Lending Transactions***

The System's investment policy permits the pension trust funds to participate in a securities lending program. Securities lending provides an additional investment option by enhancing current 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 initiated, 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 received as collateral. Collateral securities cannot be pledged or sold by the System unless the borrower defaults. 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.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the System's management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the actuarial valuation of the System's benefits at the date of the financial statements and the reported changes in plan net position during the reporting period. Actual results may differ from those estimates.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### **Reclassifications**

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on the increase in net position restricted for pensions.

### **Implementation of New Accounting Standard**

The System implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, for 2014. The objective of this statement is to improve financial reporting by state and local governmental pension plans. For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer-contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented.

The statement resulted from a comprehensive review of the effectiveness of previously existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27*, as they relate to pension plans that are administered through trusts or equivalent arrangements. Adoption of GASB 67 had no effect on net position restricted for pensions or net increase in net position. It did, however, change required footnote disclosures and information required to be reported as required supplementary information for the System.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Note 2: Plan Descriptions

As of December 31, 2014 and 2013, the number of participating political subdivisions was 507 and 503, respectively. At December 31, 2014 and 2013, the System's membership consisted of the following:

Membership Classification	Number of Employees	
	2014	2013
Retired plan members or beneficiaries currently receiving benefits:		
Local plan fire without social security	691	701
Local plan police with social security	189	175
Local plan police without social security	680	682
Local plan volunteer fire	946	900
Subtotal for agent multiple-employer plans	<u>2,506</u>	<u>2,458</u>
LOPFI fire benefit program 2 – with social security	8	8
LOPFI fire benefit program 2 – without social security	101	76
LOPFI fire with social security	30	27
LOPFI fire without social security	539	437
LOPFI police benefit program 2 – with social security	14	11
LOPFI police benefit program 2 – without social security	84	70
LOPFI police with social security	802	733
LOPFI police without social security	333	284
LOPFI staff	2	1
LOPFI volunteer fire	1,810	1,596
LOPFI volunteer police	102	79
Subtotal for cost-sharing multiple-employer plans	<u>3,825</u>	<u>3,322</u>
Subtotal for retirees and beneficiaries	<u>6,331</u>	<u>5,780</u>
Active plan members:		
Local plan fire without social security	2	2
Local plan part paid contributory fire	2	2
Local plan police without social security	3	3
Local plan volunteer fire	12	12
Subtotal for agent multiple-employer plans	<u>19</u>	<u>19</u>
LOPFI fire benefit program 2 – with social security	39	37
LOPFI fire benefit program 2 – without social security	301	309
LOPFI fire with social security	74	62
LOPFI fire without social security	2,114	2,119
LOPFI police benefit program 2 – with social security	49	50
LOPFI police benefit program 2 – without social security	370	374
LOPFI police with social security	1,932	1,902
LOPFI police without social security	1,193	1,222
LOPFI staff	9	8
LOPFI volunteer fire	7,012	6,847
LOPFI volunteer police	335	293
Subtotal for cost-sharing multiple-employer plans	<u>13,428</u>	<u>13,223</u>
Subtotal for active employees	<u>13,447</u>	<u>13,242</u>
Inactive plan members entitled to but not yet receiving benefits	<u>6,435</u>	<u>6,036</u>
Total membership	<u>26,213</u>	<u>25,058</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

**Contributions:** 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. Paid service-benefit program 2: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- d. Volunteer service: no employee contribution

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.

**Benefit Terms:** The benefits terms for the cost-sharing multiple-employer plan are established in accordance with the provisions of the Arkansas Code.

**Benefit Program 1:** Pension benefits to a member with five or more years (10 or more years for members hired after July 1, 2013) of credited service in force who has attained his normal retirement age consist 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, 2014, for each year of volunteer service, \$6.37 per month, to a maximum of \$254.80 monthly.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

- 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.

**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, 2.94% 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 five or more years of credited service (or 10 years of actual service if hired on or after July 1, 2013) and terminates employment because of becoming totally and permanently disabled from non-duty related causes. If the disability is determined to be duty related, a 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 10 years past normal retirement age if a member of a local plan. In 2003, the Arkansas General Assembly passed legislation (Act 1734) affording paid members of LOPFI the same opportunity to continue working past normal retirement age with the maximum term being seven years. This DROP is only available to participants having at least 20 years of paid service. The DROP member continues his payroll withholding, 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 December 31, 2014 and 2013, the DROP accounts totaled \$40,178,040 and \$32,959,679, respectively.

### Note 3: Net Pension Liability

The components of the net pension liability of all entities participating in the cost-sharing pension plan at December 31, 2014, was as follows:

Total pension liability	\$ 1,825,307,958
Plan's fiduciary net position	<u>1,443,168,278</u>
Net pension liability	<u>\$ 382,139,680</u>
Plan's fiduciary net position as a percentage of total pension liability	79.06%



# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Actuarial Assumptions

The total pension liability as of December 31, 2014, was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions:

<b>Paid Service Assumptions</b>	
Wage inflation	4%
Price inflation	3%
Salary increases	4.5% to 19%, including inflation
Investment rate of return	8%
Actuarial cost method	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor
<b>Volunteer Service Assumptions</b>	
Inflation	3%
Investment rate of return	8%
Actuarial cost method	Entry age normal
Asset valuation method	5-year smoothed market; 20% corridor

The mortality assumption was based on the RP-2000 combined project to 2017 table, set forward two years for men. Disability postretirement mortality was assumed to be the same as standard postretirement mortality set forward an additional 10 years.

The actuarial assumptions used in the December 31, 2014, valuation were based on the results of an experience study of the period 2008–2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2014, these best estimates are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic fixed income	30.00%	2.97%
International fixed income	6.00%	1.50%
Domestic equity	33.00%	5.88%
Foreign equity	7.00%	6.25%
Index	11.00%	6.73%
Alternative investments	10.00%	6.13%
Cash	3.00%	-0.40%
<b>Total</b>	<b>100.00%</b>	

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Single Discount Rate

A single discount rate of 8.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 8.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Plan assets are expected to be invested using a strategy to achieve the expected rate of return. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the net pension liability, calculated using a single discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	<b>1% Decrease</b>	<b>Current Single Discount</b>	<b>1% Increase</b>
	<b>7.00%</b>	<b>Rate Assumption</b>	<b>9.00%</b>
		<b>8.00%</b>	
Net pension liability	\$ 672,653,415	\$ 382,139,680	\$ 144,343,860

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Note 4: Deposits and Investments

The System's deposits and investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by LOPFI, under contracts with the System.

#### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the custodian, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The System's deposits and investments are held by the System's custodian in the System's name. Investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, domestic and foreign corporate debt and equity securities, real estate and real estate trusts. The state law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The System's investment policy does not directly address custodial credit risk. At December 31, 2014, all of the System's deposits were either insured or collateralized with securities pledged in the System's name.

	<u>2014</u>	<u>2013</u>
Carrying value		
Deposits	\$ 7,575,354	\$ 8,389,709
Investments	<u>105,800,900</u>	<u>101,401,776</u>
	<u>\$ 113,376,254</u>	<u>\$ 109,791,485</u>

And included in the following statements of fiduciary net position caption:

Cash and cash equivalents	\$ 113,376,254	\$ 109,791,485
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#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. The System's investment policy does not allow for more than 10% of the current market value of the Fixed Income Portfolio to be invested in securities rated less than Baa by Moody's bond rating service or BBB by Standard & Poor's, or the equivalent by a recognized rating agency. In addition, the minimum security quality shall be B or better.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

The following table summarizes the System's fixed income portfolio exposure levels and credit qualities at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
<b>Fixed Income Security Type by S&amp;P Rating</b>		
Corporate and Foreign Bonds		
AAA	\$ 1,439,392	\$ 2,975,803
AA	2,805,210	2,295,158
A	15,979,084	22,353,415
BBB	27,266,037	31,657,090
BB	2,101,270	1,482,432
B	52,000	-
CCC	41,300	111,300
Not rated	507,304	421,824
	<u>50,191,597</u>	<u>61,297,022</u>
<b>U.S. Treasury Securities</b>		
AAA	68,328,905	24,344,388
AA	674,303	1,067,391
A	1,409,798	-
Not rated	-	4,469,884
	<u>70,413,006</u>	<u>29,881,663</u>
<b>Collateralized Mortgage Obligations</b>		
AAA	1,972,852	3,601,367
AA	796,761	473,263
A	2,867,261	1,294,953
BBB	3,060,735	2,310,024
BB	816,687	648,967
B	1,594,849	1,204,310
CCC	2,266,208	1,464,497
CC	439,243	586,692
Not rated	12,579,069	10,020,172
	<u>26,393,665</u>	<u>21,604,245</u>
<b>Municipal Obligations</b>		
Not rated	<u>120,156</u>	<u>120,156</u>
<b>Mortgage-Backed Securities</b>		
Not rated	<u>37,474,122</u>	<u>43,886,807</u>
	<u>\$ 184,592,546</u>	<u>\$ 156,789,893</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the System manages its exposure to declines in fair values by limiting the duration of the Fixed Income Portfolio to the comparative indices by no more than +/-25%. As of December 31, 2014, the System's effective duration by investment type was:

<b>Fixed Income Security Type</b>	<b>Duration</b>
U.S. Government and Government Related	0.68
Non-U.S. Government and Government Related	2.01
U.S. Credit	0.93
Non-U.S. Credit	0.37
Mortgage-Backed	0.62
Non-Agency Mortgage-Backed	0.07
Asset-Backed	0.02
Other	0.08
Total Duration	4.78

### **Security Lending Transactions**

Custodial credit risk for securities lending transactions is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Collateral securities cannot be pledged or sold by the System unless the borrower defaults. For the years ended December 31, 2014 and 2013, the System had no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. As of December 31, 2014 and 2013, the fair value of securities loaned was \$56,011,730 and \$21,253,347, respectively.

### **Rate of Return**

For the year ended December 31, 2014 and 2013, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.80% and 17.33%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### ***Investment Policies***

The LOPFI Board (the Board) has been appointed by the Governor to oversee the investments of LOPFI. The Board is responsible for establishing overall financial objectives and setting the investment policy. The Board will carry out its responsibilities by acting on recommendations made to it by an Investment Committee (the Committee). The Committee shall consist of at least three trustees of the Board. An amendment to the investment policy first requires a majority approval of the Committee and then review and approval by the Board.

### **Note 5: Risks and Uncertainties**

The System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

System contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Note 6: Combining Statements

The Combining Statements for plans administered by the System are as follows.

#### Statements of Fiduciary Net Position

	2014		Total
	Cost-Sharing Multiple- Employer	Agent Multiple- Employer	
<b>Assets</b>			
Cash and cash equivalents	\$ 101,622,171	\$ 11,754,083	\$ 113,376,254
Receivables			
Contributions	3,441,499	398,060	3,839,559
Other receivables	23,627	2,733	26,360
Total receivables	<u>3,465,126</u>	<u>400,793</u>	<u>3,865,919</u>
Prepaid expenses	5,069,925	586,410	5,656,335
Investments, at fair value			
Equity securities – U.S. companies	238,766,966	27,616,846	266,383,812
Equity securities – international companies	49,660,776	5,743,986	55,404,762
Mutual funds	712,029,474	82,356,651	794,386,125
U.S. Treasury securities	63,113,069	7,299,937	70,413,006
Corporate bonds	44,678,138	5,167,671	49,845,809
Foreign bonds	309,939	35,849	345,788
Mortgage-backed securities	33,589,062	3,885,060	37,474,122
Collateralized mortgage obligations	23,657,351	2,736,314	26,393,665
Municipal obligations	107,699	12,457	120,156
Alternative investments	165,953,630	19,194,933	185,148,563
Real estate investment	1,674,632	193,695	1,868,327
Total investments, at fair value	<u>1,333,540,736</u>	<u>154,243,399</u>	<u>1,487,784,135</u>
Property and equipment, net of accumulated depreciation	592,425	68,524	660,949
Other assets	8,841	1,023	9,864
Total assets	<u>1,444,299,224</u>	<u>167,054,232</u>	<u>1,611,353,456</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	862,769	99,792	962,561
Refunds payable	130,186	15,058	145,244
Due to Pension Review Board	137,991	15,961	153,952
Total liabilities	<u>1,130,946</u>	<u>130,811</u>	<u>1,261,757</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 1,443,168,278</u>	<u>\$ 166,923,421</u>	<u>\$ 1,610,091,699</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2014 and 2013

### Statements of Fiduciary Net Position

	2013		
	Cost-Sharing Multiple- Employer	Agent Multiple- Employer	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 96,763,050	\$ 13,028,435	\$ 109,791,485
Receivables			
Contributions	3,274,200	440,847	3,715,047
Other receivables	25,543	3,439	28,982
Total receivables	<u>3,299,743</u>	<u>444,286</u>	<u>3,744,029</u>
Prepaid expenses	4,697,332	632,461	5,329,793
Investments, at fair value			
Equity securities – U.S. companies	207,230,896	27,902,107	235,133,003
Equity securities – international companies	47,817,498	6,438,272	54,255,770
Mutual funds	645,410,402	86,899,736	732,310,138
U.S. Treasury securities	26,335,749	3,545,914	29,881,663
Corporate bonds	52,676,710	7,092,529	59,769,239
Foreign bonds	1,346,488	181,295	1,527,783
Mortgage-backed securities	38,678,970	5,207,837	43,886,807
Collateralized mortgage obligations	19,040,573	2,563,672	21,604,245
Municipal obligations	105,898	14,258	120,156
Alternative investments	148,435,595	19,985,755	168,421,350
Total investments, at fair value	<u>1,187,078,779</u>	<u>159,831,375</u>	<u>1,346,910,154</u>
Property and equipment, net of accumulated depreciation	2,918,486	392,952	3,311,438
Other assets	<u>31,730</u>	<u>4,272</u>	<u>36,002</u>
Total assets	<u>1,294,789,120</u>	<u>174,333,781</u>	<u>1,469,122,901</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	710,762	95,699	806,461
Refunds payable	141,282	19,023	160,305
Due to Pension Review Board	158,778	21,378	180,156
Total liabilities	<u>1,010,822</u>	<u>136,100</u>	<u>1,146,922</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 1,293,778,298</u>	<u>\$ 174,197,681</u>	<u>\$ 1,467,975,979</u>



# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

### December 31, 2014 and 2013

#### Statements of Changes in Fiduciary Net Position

	2014		
	Cost-Sharing Multiple- Employer	Agent Multiple- Employer	Total
<b>Additions</b>			
<b>Contributions</b>			
Member contributions	\$ 21,264,720	\$ 1,372,349	\$ 22,637,069
Employer contributions	63,869,385	22,074,568	85,943,953
Local plan administrative mergers and paid military time	-	7,655,795	7,655,795
Total contributions	<u>85,134,105</u>	<u>31,102,712</u>	<u>116,236,817</u>
<b>Investment Income</b>			
Net appreciation in fair value of investments	67,087,445	13,025,244	80,112,689
Interest, dividends and other income	26,900,926	5,222,902	32,123,828
Less investment expenses	(4,034,216)	(783,256)	(4,817,472)
Securities lending income	119,692	23,238	142,930
Securities lending expenses	(36,474)	(7,082)	(43,556)
Net investment income	<u>90,037,373</u>	<u>17,481,046</u>	<u>107,518,419</u>
Total additions	<u>175,171,478</u>	<u>48,583,758</u>	<u>223,755,236</u>
<b>Deductions</b>			
Benefits paid to participants	35,925,090	34,734,922	70,660,012
Refunds of contributions	1,425,245	-	1,425,245
Administrative expenses	2,289,999	264,871	2,554,870
Deferred retirement option distributions	846,408	6,152,981	6,999,389
Total deductions	<u>40,486,742</u>	<u>41,152,774</u>	<u>81,639,516</u>
Net Increase in Net Position Restricted for Pensions	134,684,736	7,430,984	142,115,720
Net Position Restricted for Pensions, Beginning of Year	<u>1,308,483,542</u>	<u>159,492,437</u>	<u>1,467,975,979</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,443,168,278</u>	<u>\$ 166,923,421</u>	<u>\$ 1,610,091,699</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

### December 31, 2014 and 2013

#### Statements of Changes in Fiduciary Net Position

	2013		
	Cost-Sharing Multiple- Employer	Agent Multiple- Employer	Total
<b>Additions</b>			
<b>Contributions</b>			
Member contributions	\$ 19,796,560	\$ 372,852	\$ 20,169,412
Employer contributions	58,394,334	18,060,202	76,454,536
Local plan administrative mergers and paid military time	-	65,205,449	65,205,449
Total contributions	<u>78,190,894</u>	<u>83,638,503</u>	<u>161,829,397</u>
<b>Investment Income</b>			
Net appreciation in fair value of investments	152,204,412	20,493,198	172,697,610
Interest, dividends and other income	37,511,751	5,050,680	42,562,431
Less investment expenses	(3,395,841)	(457,225)	(3,853,066)
Securities lending income	102,064	13,742	115,806
Securities lending expenses	(30,773)	(4,143)	(34,916)
Net investment income	<u>186,391,613</u>	<u>25,096,252</u>	<u>211,487,865</u>
Total additions	<u>264,582,507</u>	<u>108,734,755</u>	<u>373,317,262</u>
<b>Deductions</b>			
Benefits paid to participants	31,017,753	24,134,367	55,152,120
Refunds of contributions	1,499,210	-	1,499,210
Administrative expenses	1,835,630	247,154	2,082,784
Deferred retirement option distributions	2,559,447	2,821,469	5,380,916
Total deductions	<u>36,912,040</u>	<u>27,202,990</u>	<u>64,115,030</u>
Net Increase in Net Position Restricted for Pensions	227,670,467	81,531,765	309,202,232
Net Position Restricted for Pensions, Beginning of Year	<u>1,080,813,075</u>	<u>77,960,672</u>	<u>1,158,773,747</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,308,483,542</u>	<u>\$ 159,492,437</u>	<u>\$ 1,467,975,979</u>



## Required Supplementary Information

# Arkansas Local Police and Fire Retirement System

## Required Supplementary Information

### Schedule of Changes in Net Pension Liability and Related Ratios

	2014	2013	2012
<b>Total Pension Liability</b>			
Service cost	\$ 51,147,644	\$ 48,934,741	\$ 34,917,118
Interest on the total pension liability	134,650,113	121,651,266	111,717,889
Benefit changes	272,375	701,908	(489,214)
Differences between expected and actual experience	783,611	27,603,977	3,353,530
Assumption changes	-	-	11,903,833
Benefit payments	(35,925,090)	(33,577,198)	(26,077,973)
Refunds	(1,425,245)	(1,499,210)	(1,504,764)
Deferred retirement option distributions	(846,408)	-	-
<b>Net Change in Total Pension Liability</b>	<u>148,657,000</u>	<u>163,815,484</u>	<u>133,820,419</u>
<b>Total Pension Liability, Beginning of Year</b>	<u>1,676,650,958</u>	<u>1,512,835,474</u>	<u>1,379,015,055</u>
<b>Total Pension Liability, End of Year</b>	<u>\$ 1,825,307,958</u>	<u>\$ 1,676,650,958</u>	<u>\$ 1,512,835,474</u>
<b>Plan Fiduciary Net Position</b>			
Employer contributions	\$ 63,869,385	\$ 58,394,334	\$ 52,566,774
Employee contributions	21,264,720	19,796,560	19,507,135
Pension plan net investment income	90,037,373	186,391,613	105,292,637
Benefit payments	(35,925,090)	(31,017,753)	(26,077,973)
Refunds	(1,425,245)	(1,499,210)	(1,504,764)
Pension plan administrative expense	(2,289,999)	(1,835,630)	(1,902,327)
Deferred retirement option distributions	(846,408)	(2,559,447)	(1,116,940)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>134,684,736</u>	<u>227,670,467</u>	<u>146,764,542</u>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<u>1,308,483,542</u>	<u>1,080,813,075</u>	<u>934,048,533</u>
<b>Plan Fiduciary Net Position, End of Year</b>	<u>\$ 1,443,168,278</u>	<u>\$ 1,308,483,542</u>	<u>\$ 1,080,813,075</u>
<b>Net Pension Liability, End of Year</b>	382,139,680	368,167,416	432,022,399
<b>Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	79.06%	78.04%	71.44%
<b>Covered-Employee Payroll</b>	\$ 307,405,199	\$ 296,617,370	\$ 282,170,105
<b>Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	124.31%	124.12%	153.11%

Note: This schedule is presented to illustrate the requirement to show 10 years of information. However, until a full 10-year trend is compiled, years for which the information is available will be presented.

# Arkansas Local Police and Fire Retirement System

## Required Supplementary Information

### Schedule of Employer Contributions

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2005	\$ 28,947,979	\$ 28,947,979	\$ -	\$ 197,501,660	14.66%
12/31/2006	38,377,202	38,377,202	-	212,949,694	18.02%
12/31/2007	36,069,449	36,069,449	-	230,177,530	15.67%
12/31/2008	40,015,631	40,015,631	-	244,703,982	16.35%
12/31/2009	41,959,589	41,959,589	-	261,756,026	16.03%
12/31/2010	42,909,816	42,909,816	-	265,628,662	16.15%
12/31/2011	50,273,110	50,273,110	-	274,656,592	18.30%
12/31/2012	52,566,774	52,566,774	-	282,170,105	18.63%
12/31/2013	58,394,334	58,394,334	-	296,617,370	19.69%
12/31/2014	63,869,385	63,869,385	-	307,405,199	20.78%

**Valuation Date:**

Notes

Actuarially determined contribution rates are calculated as of December 31, which is one year prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	17.3 years beginning January 1, 2015
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Inflation	4.00%
Price Inflation	3.00%
Salary Increases	4.5% to 19.0%, including inflation
Investment Rate of Return	8.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last update for the 2012 valuation pursuant to an experience study of the period 2008–2011.
Mortality	RP-2000 Combined Projected to 2017 Table, set forward two years for men. Disability postretirement mortality was assumed to be the same as standard postretirement mortality set forward an additional 10 years.

**Other Information:**

Notes

There was no benefit changes during the year.

**Arkansas Local Police and Fire Retirement System**  
**Required Supplementary Information**  
**Schedule of Investment Returns**

<b>Fiscal Year Ending</b>	<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>
12/31/2005	2.41%
12/31/2006	11.74%
12/31/2007	8.61%
12/31/2008	-25.24%
12/31/2009	17.75%
12/31/2010	9.57%
12/31/2011	0.20%
12/31/2012	11.17%
12/31/2013	17.33%
12/31/2014	6.80%

Note: This schedule provides the returns for the cost-sharing multiple-employer defined benefit pension plan and the agent multiple-employers defined benefit pension plans.



April 2015

# Stephens Inc.

Dear Trustees:

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

LOPFI's targeted asset mix is based on the Fund's Investment Policy and includes but is not limited to the plan's investment time horizon, risk parameters, actuarial assumptions and cash flow needs. The Plan's investment platform is consistent with the long-term investment objectives and risk parameters of the Plan and utilizes both a passive and active strategy with an emphasis on achieving long-term risk adjusted rates of return. The portfolio's current allocations are as follows:

	<b>Allocation As of 12/31/14</b>	<b>Permissible Range</b>
<b>Domestic Equities</b>		
Value	15	15-30%
Growth	20	15-30%
Small	2	0-20%
<b>Foreign Equities</b>	6	0-10%
<b>Index</b>	11	5-15%
<b>US Bonds</b>	25	20-50%
<b>Foreign Bonds</b>	5	0-10%
<b>Alternative Investments</b>	10	0-10%
<b>Cash</b>	6	0-20%

LOPFI's portfolio was up 7.99%\* for the fiscal year ended 2014 versus the comparative index return of 6.65%\*.

The ending market value of the LOPFI portfolio as of December 31, 2014 was \$1.599 billion which includes balances held in the liquidation account (as reported by the custodian, Regions Wealth Management).

Sincerely,



Larry Middleton  
EVP/Managing Director

\* Thistle Asset Consulting employs monthly time-weighted performance measurement techniques. 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, the foreign currency exposure is less than 1% of the bond portion of the portfolio.

*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](http://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

<b>ANNUAL VALUES</b> Investment Return % (TW*) For Period [Asset Market Value (millions) End of Period]					
Period Ended	Total Fund	Inflation + 3%**	Equities	Fixed Income	Cash
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]
12/31/11	-0.42% [\$965,161]	6.0%	11.98% [\$532,178]	3.92% [\$368,899]	0.56% [\$83,299]
12/31/12	12.30% [\$1,126,128]	4.7%	16.30% [\$683,028]	7.48% [\$412,214]	5.27% [\$30,886]
12/31/13	17.76% [\$1,445,479]	4.5%	31.40% [\$938,956]	-2.14% [\$423,458]	0.02% [\$83,065]
12/31/14	8.16% [\$1,599,410]	3.7%	10.70% [\$1,051,403]	4.02% [\$461,241]	1.85% [\$105,313]

### QUARTERLY VALUES (RETURNS)

Period Ended	Total Fund	Equities	Fixed Income
12/31/2014	1.97%	3.03%	-0.08%

EQUITIES means common stocks and real estate

FIXED INCOME means long-term debt investment and convertibles

CASH means cash and cash equivalents (short term debt)

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

\* **Time-weighted based on market rate of return and trade date of transactions**

\*\*December 31 to December 31

**Arkansas LOPFI Retirement System  
Executive Summary  
Market Values**

December 31, 2014

MANAGER	Wellington	Barrow Hanley	State Street Global Advisors	New South Capital	Fisher Investments	Fisher Emerging Markets	Clearbridge	Dodge & Cox	Citigroup (StepStone)	NB Crossroads	JP Morgan RE	
(Thousands omitted)	\$227,259	\$122,854	\$177,683	\$38,960	\$32,372	\$27,014	\$29,910	\$119,673	\$6,103	\$13,977	\$19,207	
	AMOUNT MANAGED											
MANAGER	GHA (Core)	PIMCO (Infned.)	WAMCO (Aggregate)	Aberdeen Asset Management	JP Morgan Infrastructure	Macquarie Infrastructure	Chickasaw Capital Management	Mezzanine Partners	CITCO	PIMCO BRAVO	Goldman Sachs	
(Thousands omitted)	\$83,234	\$171,110	\$108,121	\$69,158	\$6,177	\$7,521	\$42,498	\$20,560	\$10,350	\$14,785	\$15,756	
	AMOUNT MANAGED											
MANAGER	AIM Thirteen Partners	Congress	Lazard	WAMCO High Yield	JP Morgan Liquidation Account							Total Fund**
(Thousands omitted)	\$21,153	\$19,898	\$77,752	\$29,619	\$86,706							\$1,599,410
	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, 2014

	Current Quarter	YTD	One Year	Three Years	Five Years	Calendar Year End				
						2012	2011	2010	2009	
TOTAL FUND NET OF FEES (Inc. 12/31/1997)										
Fund Return	1.97%	8.16%	8.16%	12.67%	9.53%	17.76%	12.30%	-0.42%	10.68%	18.07%
Fund Ranking	68	44	44	36	83	57	44	81	99	100
Policy Return *	2.36%	6.65%	6.65%	11.47%	10.06%	16.27%	11.71%	2.24%	14.05%	19.60%
Policy Ranking	35	93	93	94	52	92	69	13	36	100
TOTAL EQUITIES (including cash)(Inc. 12/31/1997)										
Fund Return	2.78%	10.44%	10.44%	19.07%	13.25%	31.42%	16.30%	-3.47%	14.33%	26.99%
Fund Ranking	100	7	7	43	84	83	37	79	93	84
Policy Return**	5.46%	10.03%	10.03%	19.71%	14.98%	33.72%	16.61%	-0.83%	18.12%	28.06%
Policy Ranking	21	13	13	25	17	42	28	31	25	72
TOTAL FIXED INCOME (including cash)(Inc. 12/31/1997)										
Fund Return	-0.08%	4.02%	4.02%	3.04%	4.11%	-2.14%	7.48%	3.92%	7.58%	11.13%
Fund Ranking	94	72	72	66	70	66	43	86	43	71
Policy Return***	0.53%	3.15%	3.15%	1.57%	3.51%	-2.15%	3.82%	6.87%	6.12%	4.85%
Policy Ranking	78	86	86	95	87	66	93	43	61	98

\* 13.5% R1000V, 13.5% R1000G, 10% S&P500, 6% R2000, 8% EAFE, 15% BCAB, 15% BCIGC, 7% Non-US Bond, 5% LPX MM, 1.5% IGF S&P, 1.5% NCREIF, 4% TBILL  
 \*\*3.7% 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



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## 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, 2014 (continued)

	Current Quarter	Calendar Year-End						
		One Year	Three Years	Five Years	2012	2011	2010	2009
WELLINGTON LARGE CAP GROWTH (Inc. 12/31/1997)								
Return	4.85%	11.91%	22.22%	14.84%	36.68%	19.35%	-8.57%	35.69%
Ranking (Broad Large Cap Growth)	43	38	13	44	21	11	96	39
Policy Return (R1000G)	4.78%	13.05%	20.26%	15.81%	33.49%	15.26%	2.64%	37.21%
Policy Ranking (Broad Large Cap Growth)	45	25	45	20	55	70	10	33
BARROW HANLEY LARGE CAP VALUE (Inc. 12/31/2005)								
Return	3.76%	12.17%	19.42%	14.01%	32.12%	14.92%	1.99%	23.19%
Ranking (Broad Large Cap Value)	68	39	51	61	48	62	30	62
Policy Return (R1000V)	4.98%	13.45%	20.89%	15.42%	32.53%	17.51%	0.39%	19.69%
Policy Ranking (Broad Large Cap Value)	34	18	28	24	38	14	59	78
FISHER INVESTMENTS INTERNATIONAL EQUITY (12/31/2001)								
Return	-0.65%	-2.94%	10.11%	5.52%	17.14%	17.43%	-12.00%	40.34%
Ranking (International Equity)	13	23	58	45	79	62	29	21
Policy Return (MSCI ACWI ex US)	-3.81%	-3.44%	9.49%	4.36%	15.78%	17.39%	-13.33%	32.46%
Policy Ranking (International Equity)	57	29	67	70	82	62	44	51
LAZARD LARGE CAP CORE EQUITY (Inc. 4/30/2013)								
Return	6.28%	6.46%	11.07%	11.61%	n/a	n/a	n/a	n/a
Ranking (Br. Large Cap Core)	6	19	35	56	n/a	n/a	n/a	n/a
Policy Return (S&P 500)	4.93%	6.12%	11.67%	13.69%	n/a	n/a	n/a	n/a
Policy Ranking (Br. Large Cap Core)	38	24	20	19	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



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# 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, 2014 (continued)

Current Quarter	Calendar Year End								
	2009	2010	2011	2012	2013				
<b>SSGA FLAGSHIP S&amp;P500 INDEX FUND [Flagship only Inc. 03/31/2011] (Inc. 01/31/2005)</b>									
Return	4.95%	13.68%	20.48%	15.21%	32.39%	16.19%	2.09%	13.69%	25.35%
Ranking (Broad Large Cap Core)	37	19	35	34	50	37	16	65	77
Policy Return (S&P 500)	4.93%	13.69%	20.41%	15.45%	32.39%	16.00%	2.11%	15.06%	26.46%
Policy Ranking (Broad Large Cap Core)	38	19	38	25	50	43	16	50	60
<b>CLEARBRIDGE INTERNATIONAL EQUITY (Inc. 1/31/2005) [formerly Global Currents]</b>									
Return	-3.80%	-8.16%	12.61%	5.90%	28.50%	20.99%	-10.86%	4.62%	32.89%
Ranking (International Equity)	57	82	20	38	7	24	19	93	49
Policy Return (MSCIEAFE)	-3.53%	-4.48%	11.56%	5.81%	23.29%	17.90%	-11.73%	8.21%	32.46%
Policy Ranking (International Equity)	52	37	32	40	26	57	26	72	51
<b>DODGE &amp; COX LARGE CAP CORE EQUITY (Inc. 12/31/2005)</b>									
Return	2.21%	10.40%	23.78%	15.58%	40.55%	22.23%	-4.08%	13.36%	31.26%
Ranking (Broad Large Cap Core)	94	72	1	21	1	1	89	68	29
Policy Return (S&P 500)	4.93%	13.69%	20.41%	15.45%	32.39%	16.00%	2.11%	15.06%	26.46%
Policy Ranking (Broad Large Cap Core)	38	19	33	25	50	43	16	50	60
<b>CONGRESS ASSET MANAGEMENT MIDCAP GROWTH (Inc. 4/30/2013)</b>									
Return	9.33%	9.75%	10.77%	12.83%	n/a	n/a	n/a	n/a	n/a
Ranking (Mid Cap Growth)	1	1	4	7	n/a	n/a	n/a	n/a	n/a
Policy Return (Russell MidCap Growth)	5.84%	5.07%	9.66%	11.90%	n/a	n/a	n/a	n/a	n/a
Policy Ranking (Mid Cap Growth)	38	25	11	12	n/a	n/a	n/a	n/a	n/a
<b>NEW SOUTH CAPITAL SMID CAP CORE (Inc. 4/30/2013)</b>									
Return	4.84%	2.15%	8.52%	10.61%	n/a	n/a	n/a	n/a	n/a
Ranking (50% Br Small Cap, 50% Mid Cap)	88	37	4	3	n/a	n/a	n/a	n/a	n/a
Policy Return (Russell MidCap)	6.77%	1.06%	4.66%	7.07%	n/a	n/a	n/a	n/a	n/a
Policy Ranking (50% Br Small Cap, 50% Mid Cap)	51	61	45	35	n/a	n/a	n/a	n/a	n/a
<b>FISHER INVESTMENTS EMERGING MARKETS (Inc. 4/30/2013)</b>									
Return	-2.81%	-5.55%	2.26%	1.07%	n/a	n/a	n/a	n/a	n/a
Ranking (International Equity)	42	12	1	7	n/a	n/a	n/a	n/a	n/a
Policy Return (MSCI Emerging Markets)	-4.44%	-7.65%	-1.46%	-1.82%	n/a	n/a	n/a	n/a	n/a
Policy Ranking (International Equity)	72	34	14	16	n/a	n/a	n/a	n/a	n/a

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



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# 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, 2014 (continued)

	Current Quarter	Calendar Year End							
		One Year	Three Years	Five Years	2013	2012	2011	2010	2009
N.B. CROSSROADS PRIVATE EQUITY (Inc. 06/30/2007)									
Return	3.77%	49.19%	22.37%	20.88%	14.71%	7.06%	25.97%	11.84%	-23.57%
Policy Return (LPX Private Equity ETF Index)	NA	NA	NA	NA	21.71%	32.22%	-17.84%	40.14%	51.23%
NA=Not Available									
CITIGROUP (STEPSTONE) PRIVATE EQUITY (Inc. 07/31/2007)									
Return	7.76%	34.06%	31.61%	16.52%	47.24%	15.49%	-5.80%	0.00%	12.80%
Policy Return (LPX Private Equity ETF Index)	NA	NA	NA	NA	21.71%	32.22%	-17.84%	40.14%	51.23%
NA=Not Available									
J.P. MORGAN REAL ESTATE (Inc. 09/30/2007)									
Return	4.90%	10.06%	11.94%	12.64%	14.79%	11.03%	14.85%	12.54%	-26.95%
Policy Return (NCREIF Property Index)	3.04%	11.81%	11.11%	12.13%	10.99%	10.54%	14.26%	13.11%	-16.86%
CHICKASAW CAPITAL MLP (Inc. 6/30/2010)									
Return	-7.80%	21.21%	27.18%	25.86%	45.54%	16.62%	21.98%	n/a	n/a
Policy Return (Alerian MLP Infrastructure Index)	-12.28%	4.79%	11.89%	NA	25.61%	-0.79%	-8.87%	n/a	n/a
NA=Not Available									
MACQUARIE INFRASTRUCTURE (Inc. 12/31/2008)									
Return	-0.04%	-28.13%	4.16%	6.18%	64.25%	-4.27%	22.76%	-2.70%	-0.94%
Policy Return (IGF Global Infrastructure Index)	NA	NA	NA	NA	13.96%	10.88%	-0.97%	5.00%	24.23%
NA=Not Available									
JP MORGAN INFRASTRUCTURE (Inc. 12/31/2008)									
Return	-2.96%	3.83%	7.30%	4.32%	6.47%	11.75%	0.00%	0.00%	0.00%
Policy Return (IGF Global Infrastructure Index)	NA	NA	NA	NA	13.96%	10.88%	-0.97%	5.00%	24.23%
NA=Not Available									

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



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# 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, 2014 (concluded)

	Current Quarter	Calendar-Year End							
		One Year	Three Years	Five Years	2012	2011	2010	2009	
<b>SSGA FLAGSHIP S&amp;P500 INDEX FUND [Flagship only Inc. 03/31/2011] (Inc. 01/31/2005)</b>									
Return	4.95%	13.68%	20.48%	15.21%	32.39%	16.19%	2.09%	13.69%	25.35%
Ranking (Broad Large Cap Core)	37	19	35	34	50	37	16	65	77
Policy Return (S&P 500)	4.93%	13.69%	20.41%	15.45%	32.39%	16.00%	2.11%	15.06%	26.46%
Policy Ranking (Broad Large Cap Core)	38	19	38	25	50	43	16	50	60
<b>CLEARBRIDGE INTERNATIONAL EQUITY (Inc. 1/31/2005) [formerly Global Currents]</b>									
Return	-3.80%	-8.16%	12.61%	5.90%	28.50%	20.99%	-10.86%	4.62%	32.89%
Ranking (International Equity)	57	82	20	38	7	24	19	93	49
Policy Return (MSCI EAFE)	-3.53%	-4.48%	11.56%	5.81%	23.29%	17.90%	-11.73%	8.21%	32.46%
Policy Ranking (International Equity)	52	37	32	40	26	57	26	72	51
<b>DODGE &amp; COX LARGE CAP CORE EQUITY (Inc. 12/31/2005)</b>									
Return	2.21%	10.40%	23.78%	15.58%	40.55%	22.23%	-4.08%	13.36%	31.26%
Ranking (Broad Large Cap Core)	94	72	1	21	1	1	89	68	29
Policy Return (S&P 500)	4.93%	13.69%	20.41%	15.45%	32.39%	16.00%	2.11%	15.06%	26.46%
Policy Ranking (Broad Large Cap Core)	38	19	33	25	50	43	16	50	60
<b>CONGRESS ASSET MANAGEMENT MIDCAP GROWTH (Inc. 4/30/2013)</b>									
Return	9.33%	9.75%	10.77%	12.83%	n/a	n/a	n/a	n/a	n/a
Ranking (Mid Cap Growth)	1	1	4	7	n/a	n/a	n/a	n/a	n/a
Policy Return (Russell MidCap Growth)	5.84%	5.07%	9.66%	11.90%	n/a	n/a	n/a	n/a	n/a
Policy Ranking (Mid Cap Growth)	38	25	11	12	n/a	n/a	n/a	n/a	n/a
<b>NEW SOUTH CAPITAL SMID CAP CORE (Inc. 4/30/2013)</b>									
Return	4.84%	2.15%	8.52%	10.61%	n/a	n/a	n/a	n/a	n/a
Ranking (50% Br Small Cap, 50% Mid Cap)	88	37	4	3	n/a	n/a	n/a	n/a	n/a
Policy Return (Russell MidCap)	6.77%	1.06%	4.66%	7.07%	n/a	n/a	n/a	n/a	n/a
Policy Ranking (50% Br Small Cap, 50% Mid Cap)	51	61	45	35	n/a	n/a	n/a	n/a	n/a
<b>FISHER INVESTMENTS EMERGING MARKETS (Inc. 4/30/2013)</b>									
Return	-2.81%	-5.55%	2.26%	1.07%	n/a	n/a	n/a	n/a	n/a
Ranking (International Equity)	42	12	1	7	n/a	n/a	n/a	n/a	n/a
Policy Return (MSCI Emerging Markets)	-4.44%	-7.65%	-1.46%	-1.82%	n/a	n/a	n/a	n/a	n/a
Policy Ranking (International Equity)	72	34	14	16	n/a	n/a	n/a	n/a	n/a

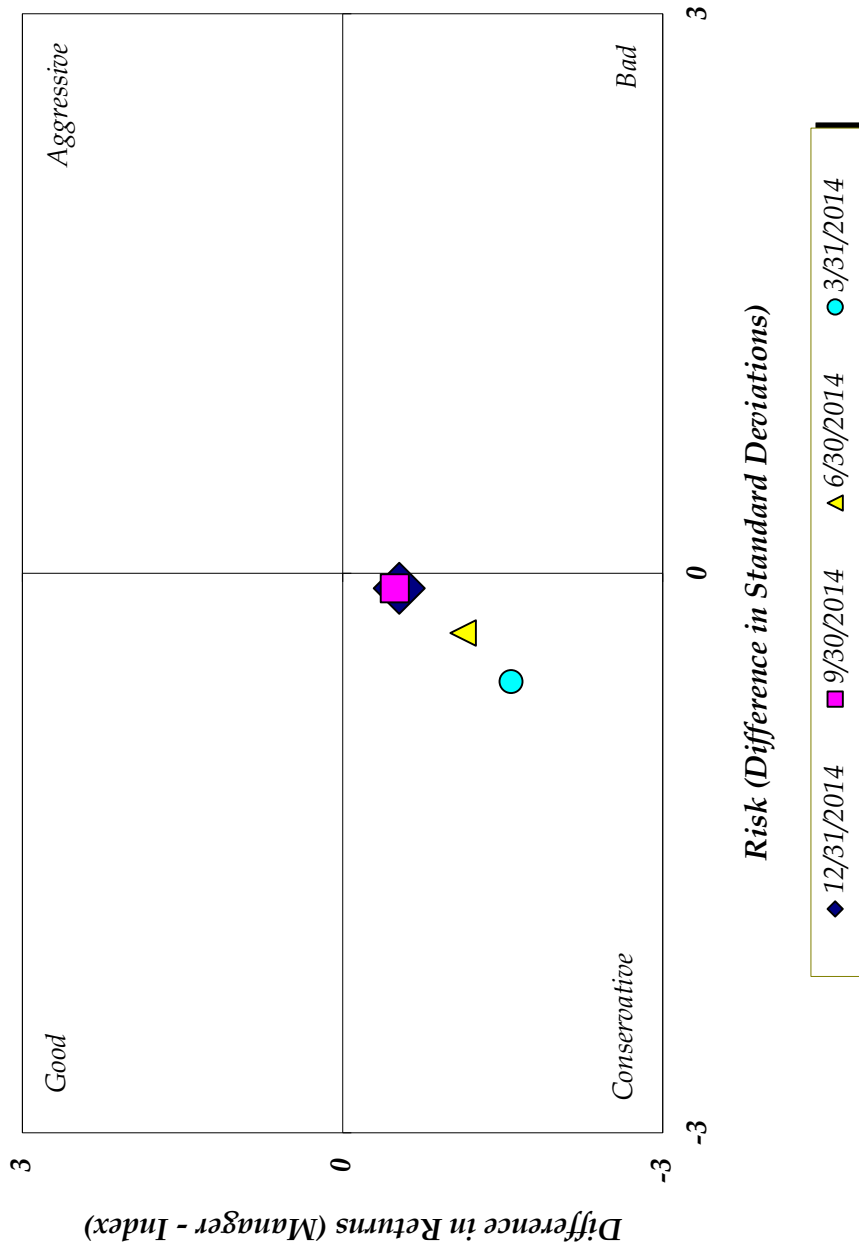
Gold indicates equal to or beat the index; or in upper 40% of universe  
Red indicates bottom 40% of universe





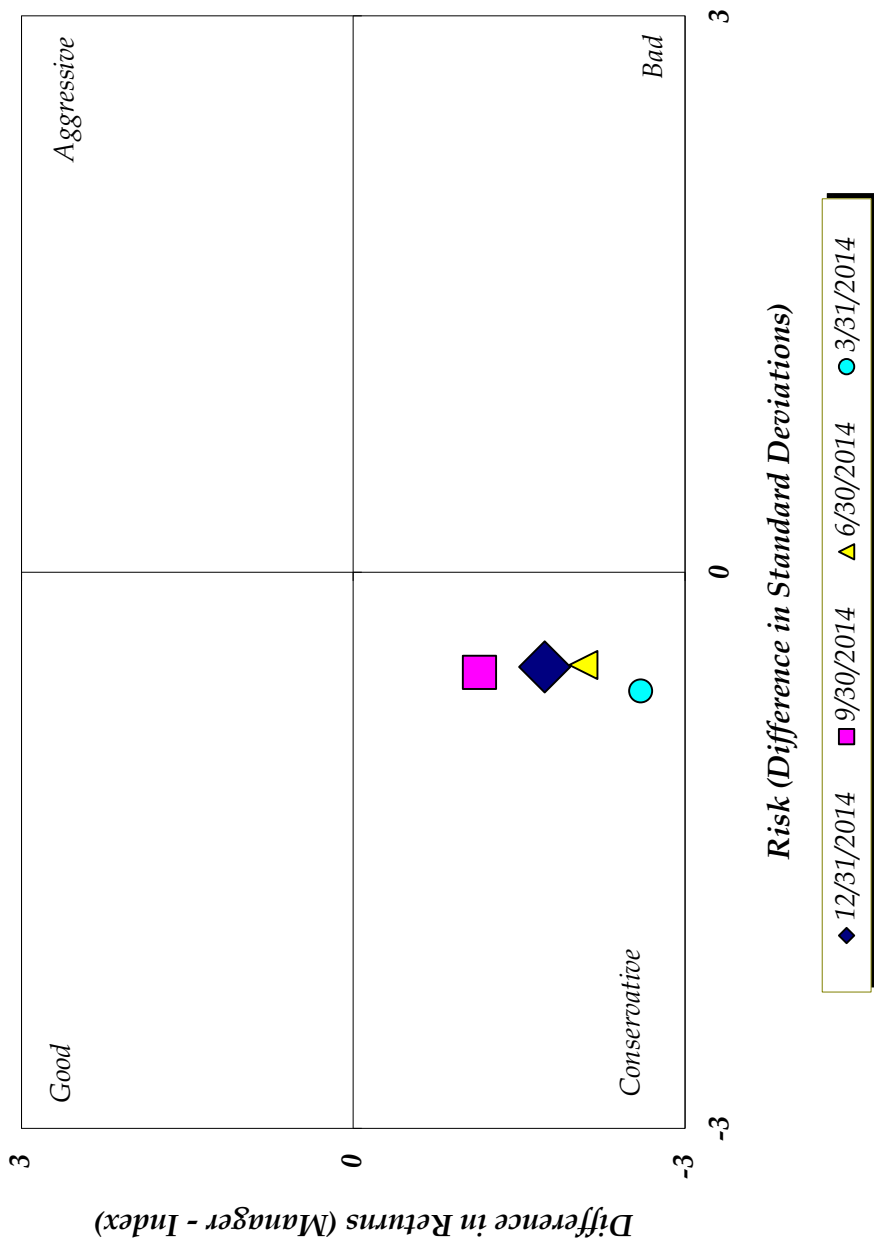
**ARKANSAS LOPFI RETIREMENT SYSTEM**  
**Total Fund Trailing 5-Years**

December 31, 2014



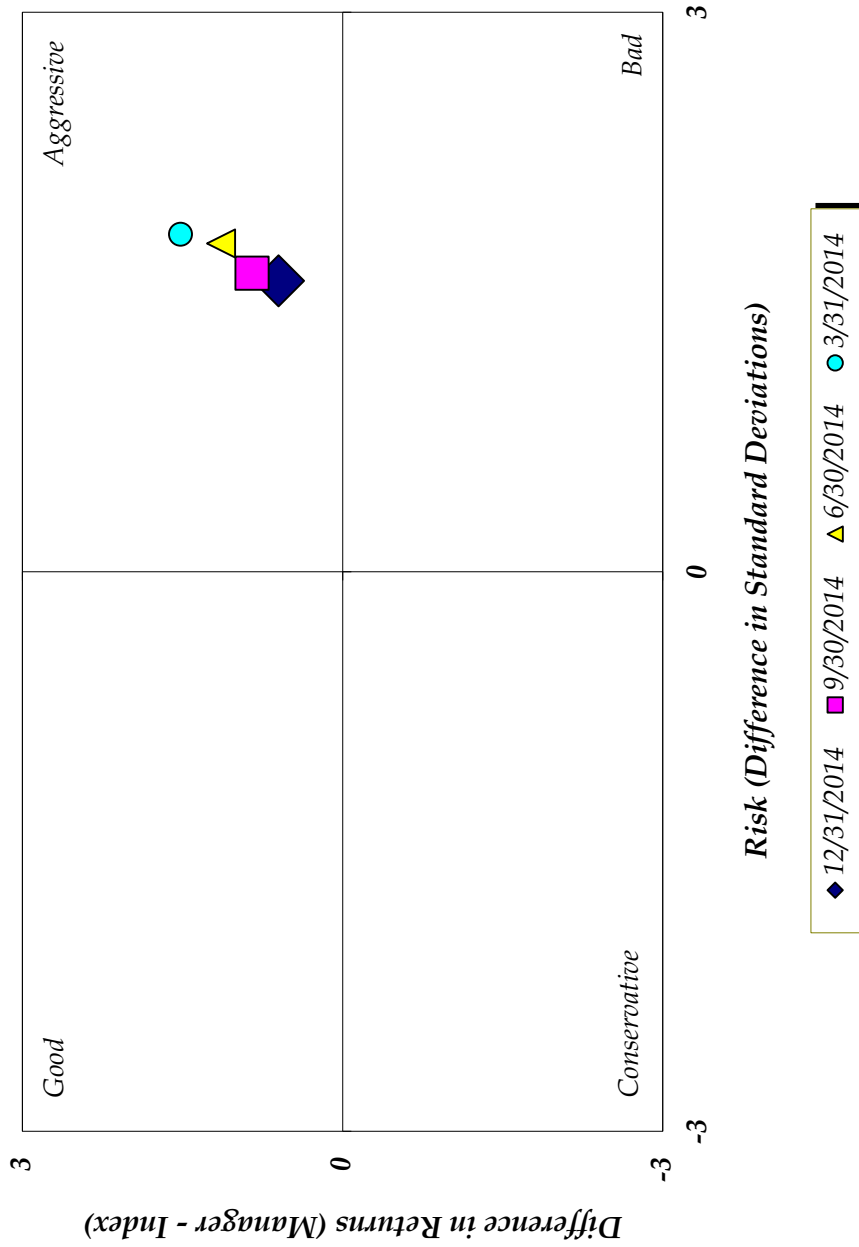
**ARKANSAS LOPFI RETIREMENT SYSTEM**  
*Total Equities Trailing 5-Years*

December 31, 2014



**ARKANSAS LOPFI RETIREMENT SYSTEM**  
*Total Fixed Trailing 5-Years*

December 31, 2014



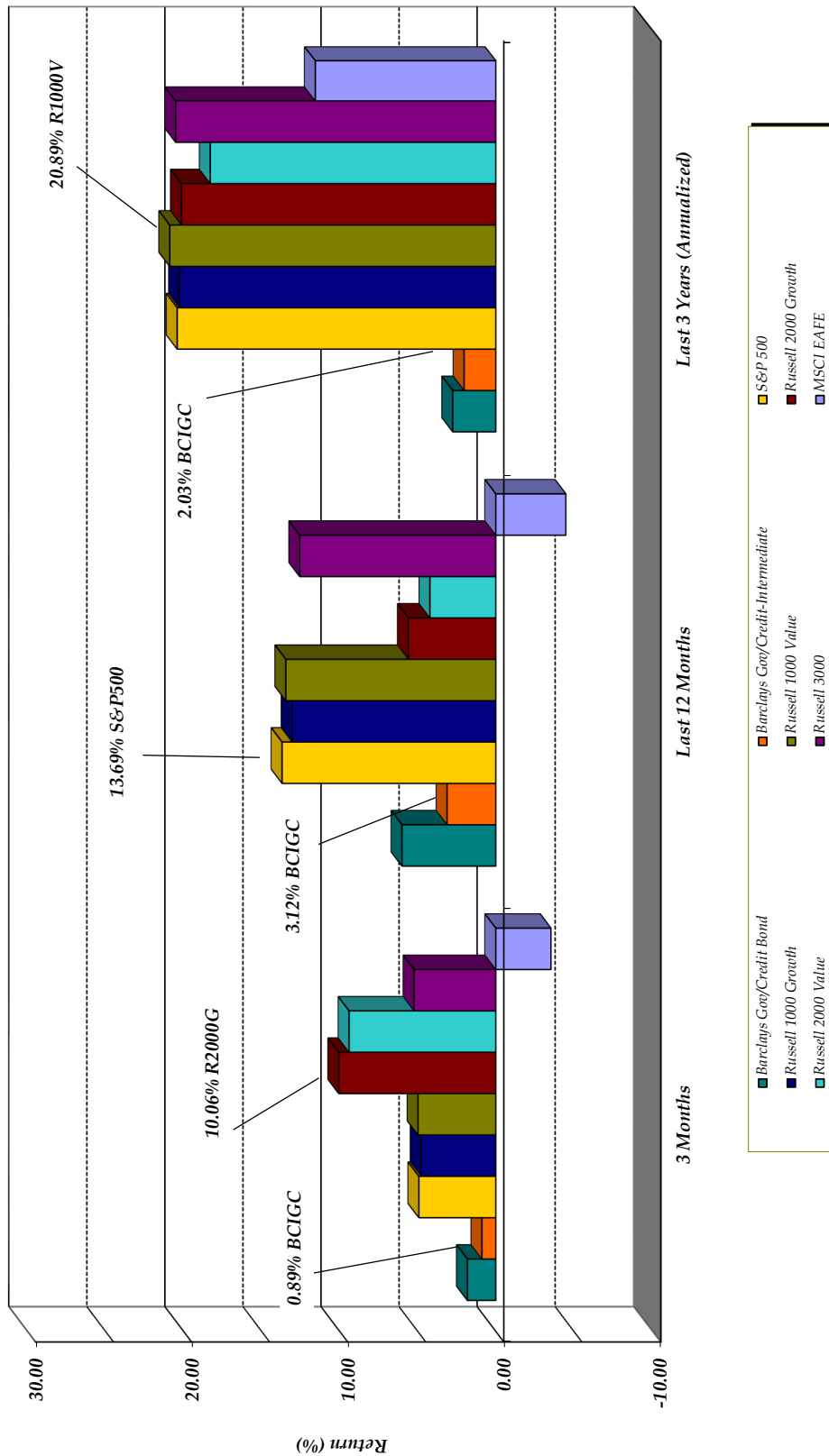
**ARKANSAS LOPFI RETIREMENT SYSTEM**

**TOTAL ANNUAL RETURNS 2010 - 2014 ( 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)
	2010	2011	2012	2013	2014	
Wellington	20.16%	-8.57%	19.35%	36.81%	11.91%	14.84%
Barrow Hanley	11.36%	1.99%	14.92%	32.12%	12.17%	14.01%
Fisher	11.34%	-12.00%	17.43%	17.14%	-2.94%	5.52%
PIMCO	7.38%	4.15%	10.34%	-1.92%	2.70%	4.38%
WAMCO	12.61%	4.12%	6.73%	-2.41%	7.73%	5.30%
Aberdeen	5.03%	3.51%	1.15%	-5.68%	3.72%	1.41%
SSGA Index Plus	13.95%	2.09%	16.19%	32.39%	13.68%	15.21%
Clearbridge Intl. Eq.	5.27%	-10.86%	20.99%	28.50%	-8.16%	5.90%
GHA	7.20%	3.47%	9.19%	1.09%	4.40%	4.98%
Dodge & Cox	13.36%	-4.08%	22.23%	40.55%	10.40%	15.58%
N.B. Crossroads	11.84%	25.97%	7.06%	14.71%	49.19%	20.88%
Citigroup Private Equity	0.00%	-5.80%	15.49%	47.24%	34.06%	16.52%
JP Morgan R.E.	12.54%	14.85%	11.03%	14.79%	10.06%	12.64%
JP Morgan Infrastructure	0.00%	0.00%	11.75%	6.47%	3.83%	4.32%
Macquarie	-2.70%	22.76%	-4.27%	64.25%	-28.13%	6.18%
Chickasaw		21.98%	16.62%	45.54%	21.21%	28.70%
Mezzanine Partners KKR		-59.40%	11.38%	17.18%	9.46%	-14.82%
CITCO			4.67%	-23.28%	20.45%	6.46%
PIMCO Bravo			26.87%	26.51%	15.67%	19.40%
Goldman Sachs			-1.94%	4.76%	20.91%	6.33%
AIM 13 Partners			14.25%		3.43%	6.66%
Congress					12.83%	22.97%
Fisher Emerging Markets					1.07%	2.32%
Lazard					11.61%	18.40%
New South Capital					10.61%	18.67%
WAMCO Short Term					-2.01%	-1.33%
<b>TOTAL FUND</b>	10.68%	-0.42%	12.30%	17.76%	8.16%	9.53%

Index Comparison

December 31 2014





Arkansas Local Police & Fire Retirement System  
Schedule of Investment Expenses  
As of December 31, 2014

Professional / Consultant	Nature of Service	Amount
Aberdeen Asset - International Fixed Income	Money Manager	\$ 244,328
Barrow, Hanley - Large Cap Value - Equity	Money Manager	\$ 374,489
Chickasaw	Money Manager	\$ 367,717
ClearBridge (formerly Global Currents) - International Equity	Money Manager	\$ 197,068
Congress - Mid Cap Growth - Equity	Money Manager	\$ 92,745
Fisher Investments - International Equity	Money Manager	\$ 241,033
Garcia Hamilton - Core Fixed Income	Money Manager	\$ 188,074
JP Morgan	Money Manager	\$ 131,792
JP Morgan IIF - Tax Exempt	Money Manager	\$ 17,074
Lazard - Large Cap Equity	Money Manager	\$ 367,440
New South - Small/Mid Cap Value - Equity	Money Manager	\$ 356,598
State Street - Large Cap Core Equity	Money Manager	\$ 58,243
WAMCO - Aggregate Fixed Income/ High Yield	Money Manager	\$ 521,631
Western Asset - Short Term/High Yield	Money Manager	\$ 123,090
Wellington - Large Cap Growth - Equity	Money Manager	<u>\$ 856,150</u>
Total Investment Fees		<u>\$ 4,137,472</u>
Regions Bank	Custodial Service	<u>\$ 216,000</u>
Stephens	Investment Consultant	<u>\$ 350,000</u>
Thistle Asset Consulting, Inc.	Investment Monitoring	<u>\$ 114,000</u>

Arkansas Local Police & Fire Retirement System  
Schedule of Broker Commissions  
Year Ending December 31, 2014

Brk#	Broker Name	Broker Commissions	Gross Price of Assets
13	SANFORD C. BERNSTEIN AND CO., LLC	\$7,169	\$10,153,634
161	MERRILL LYNCH, PIERCE, FENNER and	\$7,349	\$4,363,999
189	STATE STREET GLOBAL MARKETS, LLC	\$60	\$103,759
19	JEFFERIES and CO, INC	\$1,282	\$2,486,850
226	NATIONAL FINANCIAL SERVICES CORPORATION	\$2,820	\$5,239,141
229	BARCLAYS CAPITAL INC	\$971	\$1,149,346
235	RBC DAIN RAUSCHER INC	\$5,956	\$3,479,930
295	KNIGHT CLEARING SERVICES LLC	\$36	\$265,754
345	KEEFE BRUYETTE AND WOODS INC	\$1,274	\$1,073,394
352	J.P. MORGAN SECURITIES INC	\$498	\$791,816
355	CREDIT SUISSE FIRST BOSTON LLC	\$3,107	\$3,064,092
418	CITIGROUP GLOBAL MARKETS INC.	\$13,284	\$13,475,958
45	HARRIS NESBITT CORP	\$2,264	\$2,129,265
46171	WELLS FARGO SECURITIES LLC	\$6,116	\$5,278,648
5	GOLDMAN SACHS and CO	\$1,399	\$2,408,342
50	MORGAN STANLEY	\$3,892	\$6,941,084
50091	LIQUIDNET INC	\$3,667	\$7,862,870
547	ROBERT BAIRD	\$1,367	\$2,642,912
54720	SUNTRUST CAPITAL MARKETS, INC.	\$98	\$177,438
57079	J.P. MORGAN SECURITIES INC.	\$12,748	\$13,964,526
571	OPPENHEIMER AND CO INC	\$1,035	\$1,482,938
573	DEUTSCHE BANK SECURITIES, INC.	\$3,234	\$1,966,309
57565	PULSE TRADING, LLC	\$165	\$526,166
57575	SIMMONS and CO. INTERNATIONAL	\$368	\$419,692
58851	BTIG LLC	\$1,477	\$1,940,973
59055	CAP INSTITUTIONAL SERVICES INC	\$1,180	\$1,650,920
59964	BLOOMBERG TRADEBOOK LLC	\$722	\$1,124,440
61374	CREDIT AGRICOLE SECURITIES USA	\$954	\$910,385
61514	TELSEY ADVISORY GROUP LLC	\$273	\$236,108
61535	BNP PARIBAS PRIME BROKERAGE ACTING AGENT	\$197	\$691,199
61610	BARCLAYS CAPITAL LE	\$9,395	\$11,553,839
6164	INVESTMENT TECHNOLOGY GROUP, INC	\$1,228	\$4,226,352
62465	KNIGHT EQUITY MARKETS LP	\$968	\$1,683,169
62519	STRATEGAS SECURITIES LLC	\$844	\$845,082
6253	BROADCOURT CAPITAL CORP	\$259	\$345,111
63646	Longbow Securities LLC	\$28	\$54,915
642	UBS SECURITIES LLC	\$11,256	\$10,192,934



Arkansas Local Police & Fire Retirement System  
Schedule of Broker Commissions  
Year Ending December 31, 2014

Brk#	Broker Name	Broker Commissions	Gross Price of Assets
647	DAIWA SECURITIES AMERICA INC	\$81	\$83,981
66817	WOLFE TRAHAN SECURITIES	\$1,057	\$1,317,231
67	INSTINET CORPORATION	\$14	\$136,082
67526	KEYBANC CAPITAL MARKETS INC	\$255	\$559,442
6826	INSTINET	\$2,317	\$5,852,921
69095	BARCLAYS CAPITAL INC	\$1,602	\$814,350
696	CANTOR FITZGERALD AND CO.	\$4,171	\$4,149,885
172492	SUNGARD BROKERAGE AND SECURITIES SVCS LLC	\$927	\$3,427,062
725	RAYMOND JAMES and ASSOC. INC.	\$813	\$1,294,072
7256	BARCLAYS CAPITAL INC. FIXED INCOME	\$186	\$178,354
750	STERNE , AGEE and LEACH, INC	\$28	\$79,504
75353	STATE STREET GLOBAL MARKETS, LLC	\$2	\$7,759
76099	MACQUARIE SECURITIES INC	\$611	\$1,085,250
771	BLAIR WILLIAM and COMPANY	\$420	\$914,452
77318	COWEN AND COMPANY LLC	\$879	\$634,297
77583	JONES TRADING INSTITUTIONAL SERVICES	\$1,318	\$3,422,885
77733	STUART FRANKEL AND CO	\$74	\$348,604
77990	GUGGENHEIM CAPITAL MARKETS LLC	\$326	\$463,600
793	STIFEL, NICOLAUS AND CO.,INC.	\$542	\$761,733
799	KEYBANC CAPITAL MARKETS INC.	\$1,172	\$1,507,391
83213	ISI GROUP, INC	\$9,025	\$8,778,767
83620	FIDELITY CAP MARKETS (DIV OF N	\$1,230	\$3,073,731
83888	FRANK RUSSELL SEC/BROADCORT CAP CLEARING	\$508	\$832,851
84341	CITATION GROUP/BCC CLRG	\$3,168	\$4,096,200
85704	BUCKINGHAM RESEARCH GROUP, INC.	\$98	\$112,671
96	SCOTIA CAPITAL USA INC	\$402	\$553,141
9883	WEEDEN AND CO.	\$518	\$1,484,160
99	ITG INC	\$12	\$115,316
	TOTAL	\$140,689	\$172,988,982

## Arkansas Local Police & Fire Retirement System

Highest Portfolio Holdings by Manager

Top Three Securities  
As of December 31, 2014

	FISHER ADR	LIQUIDATION	BARROW, HANLEY	CONGRESS	GARCIA HAMILTON	LAZARD	NEW SOUTH	WAMCO
	NOVO NORDISK A/S SPONSORED ADR	REGIONS TRUST CASH SWEEP	REGIONS TRUST CASH SWEEP	O'REILLY AUTOMOTIVE, INC	UNITED STATES TREASURY DTD	REGIONS TRUST CASH SWEEP	OPEN TEXT CORP	REGIONS TRUST CASH SWEEP
1	MATURITY Market Value Book Value Percent of Fund	N/A \$86,335,475 \$86,335,475 99.57%	N/A \$4,734,291 \$4,734,291 3.85%	N/A \$674,170 \$393,880 3.39%	5/15/2022 \$10,351,517 \$10,049,187 12.44%	N/A \$5,127,672 \$5,127,672 6.59%	N/A \$2,120,664 \$1,251,565 5.44%	N/A \$4,846,304 \$4,846,304 4.51%
	PRUDENTIAL PLC ADR	WELLS FARGO & CO	WELLS FARGO & CO	IDEXX LABS CORP	UNITED STATES TREASURY DTD	APPLE INC	GANNETT INC	UNITED STATES TREASURY DTD
2	MATURITY Market Value Book Value Percent of Fund	N/A N/A \$0 \$0 0.00%	N/A N/A \$4,240,327 \$2,441,027 3.45%	N/A N/A \$593,080 \$361,636 2.98%	11/15/2021 \$9,384,315 \$9,240,035 11.27%	N/A N/A \$3,685,699 \$2,183,280 4.74%	N/A N/A \$1,982,853 \$1,247,515 5.09%	04/01/13-03/31/15 \$4,501,575 \$4,506,016 4.19%
	ASML HOLDING N.V. NY REG SHS	MEDTRONIC INC	HAIN CELESTIAL GROUP	UNITED STATES TREASURY	CITIGROUP INC	THERMO FISHER SCIENTIFIC INC	UNITED STATES TREASURY DTD	UNITED STATES TREASURY DTD
3	MATURITY Market Value Book Value Percent of Fund	N/A N/A \$0 \$0 0.00%	N/A N/A \$4,142,908 \$2,237,438 3.37%	8/15/2021 \$9,384,722 \$9,499,519 11.28%	N/A N/A \$3,135,945 \$2,803,343 4.03%	N/A N/A \$1,829,234 \$1,202,235 4.70%	09/02/14-08/31/16 \$4,198,362 \$4,196,883 3.91%	

## Arkansas Local Police & Fire Retirement System

### Investment Summary Year Ended December 31, 2014

<u>Type of Investment</u>	December 31, 2014		% of Total
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 113,376,254	\$ 113,376,254	7.1%
Investments:			
U.S. Government Obligations	106,828,258	107,887,127	6.7%
Corporate Obligations	76,094,442	76,359,630	4.8%
Foreign Bonds	507,499	345,788	0.0%
Fixed Income Collective Trusts	208,075,737	239,860,920	15.0%
Common and Preferred Stocks	222,193,885	287,489,648	18.0%
Special Situation Properties, etc.	190,116,086	219,447,490	13.7%
Equity Mutual Collective Trusts	322,272,170	554,525,205	34.6%
Real Estate Investment	3,433,275	1,868,327	0.1%
	<u>\$ 1,129,521,352</u>	<u>\$ 1,487,784,135</u> *	<u>92.9%</u>
Land and Building	660,949	660,949	0.0%
Total Investments	<u>\$ 1,243,558,555</u>	<u>\$ 1,601,821,338</u>	<u>100.0%</u>

<u>Type of Investment</u>	December 31, 2013		% of Total
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 109,791,478	\$ 109,791,485	7.5%
Investments:			
U.S. Government Obligations	74,891,788	73,768,469	5.1%
Corporate Obligations	83,160,296	81,493,641	5.6%
Foreign Bonds	1,765,150	1,527,783	0.1%
Fixed Income Collective Trusts	203,180,927	232,833,021	16.0%
Common and Preferred Stocks	204,049,769	260,900,828	17.9%
Special Situation Properties, etc.	169,854,263	196,909,295	13.5%
Equity Mutual Collective Trusts	316,744,086	499,477,117	34.2%
	<u>\$ 1,053,646,278</u>	<u>\$ 1,346,910,154</u> *	<u>92.3%</u>
Land and Building	3,311,438	3,311,438	0.2%
Total Investments	<u>\$ 1,166,749,194</u>	<u>\$ 1,460,013,077</u>	<u>100.0%</u>

\* Per Statements of Fiduciary Net Position 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

May 27, 2015

The Board of Trustees  
Arkansas Local Police and Fire Retirement System  
620 W. 3<sup>rd</sup>, Suite 200  
Little Rock, Arkansas 72201-2212

Dear Trustees:

The basic financial objective of the Arkansas Local Police and Fire Retirement System (LOPFI) as provided in the Arkansas Code is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Arkansas 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 benefit recipients.

The financial objective is addressed within the annual actuarial valuation. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered) as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a period of up to thirty years. The most recent valuations were completed based upon population data, asset data, and plan provisions as of December 31, 2014.

LOPFI's administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer term trends. The plan's external auditor also audits the actuarial data annually.

As of December 31, 2014, actuarial valuations were made for 836 employer groups. Summary information about the resulting new employer contribution rates is shown in the annual report. Results of the 2014 actuarial valuations indicate that aggregate actuarial accrued liabilities are 70% covered by the actuarial value of assets. This has increased from last year's result of 67%. The actuarial value of assets is 97% of the market value of assets as of December 31, 2014. These results include the 178 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 actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report.

## **Actuarial Section**

- Summary of Assumptions Used
- Summary of Actuarial Methods and Assumptions
- Active Member Valuation Data
- Short Condition Test
- Analysis of Financial Experience
- Analysis of Financial Experience – Gains and Losses by Risk Area

## **Financial Section**

- Schedule of Funding Progress

The Board of Trustees  
May 27, 2015  
Page 2

Assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed five-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. These assumptions are adopted by the Board after considering the advice of the actuary and other professionals as outlined in A.C.A. 24-10-205(a)(1). Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 2014 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2008-2011 period.

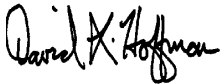
***On the basis of the December 31, 2014 actuarial valuations and the benefits and contribution rates then in effect, it is our opinion that the Arkansas Local Police and Fire Retirement System continues to satisfy the general financial objective of level contribution financing.***

Future actuarial measurements may differ significantly from those presented in the annual valuations due to such factors as experience differing from that anticipated by actuarial assumptions, or changes in plan provisions, actuarial assumption/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

The signing actuaries are independent of the plan sponsor.

Heidi G. Barry is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



David L. Hoffman



Heidi G. Barry, ASA, MAAA

DLH/HGB:mrb

**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 for LOPFI plans.

**NON-ECONOMIC ASSUMPTIONS -----**

*The mortality table* used to measure retired life mortality was the RP-2000 Combined Projected to 2017 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, one hundred percent of the post-retirement mortality tables were used. Fifty percent of deaths-in-service were assumed to be duty related. These assumptions include a margin for future mortality improvements.

*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.

*Continued on next page*

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 Benefit Program 3 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 \$6.28 effective July 1, 2013 and is assumed to increase at the assumed rate of price inflation in future years. For Benefit Program 4 volunteer service plans the contribution rates from the December 31, 2012 valuation were developed based on a \$10.00 per month basic benefit factor. This factor is \$10.17 effective July 1, 2013 and is assumed to increase at the assumed rate of price inflation in future years.

**OTHER TECHNICAL ASSUMPTIONS** -----

***Decremments*** 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.

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Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.



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

LOPFI Staff	Valuation Groups	Active Members*			Average Pay	% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll				
12/31/2007	1	8	\$ 415,984	\$51,998	N/A	4.1 %	
12/31/2008	1	8	459,432	57,429	10.4 %	0.1	
12/31/2009	1	8	487,527	60,941	6.1	2.7	
12/31/2010	1	8	514,466	64,308	5.5	1.5	
12/31/2011	1	8	543,380	67,923	5.6	3.0	
12/31/2012	1	8	574,418	71,802	5.7	1.7	
12/31/2013	1	8	600,538	75,067	4.5	1.5	
12/31/2014	1	9	640,208	71,134	(5.2)	0.8	

\* Includes DROP participants, if any.

*Continued on next page*

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

Paid Police Covered by Social Security	Valuation Groups	Active Members*			Average Pay	% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Number			
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	
12/31/2011	176	1,931	74,098,384	38,373	0.3	3.0	
12/31/2012	175	1,948	75,476,200	38,745	1.0	1.7	
12/31/2013	172	1,986	79,718,641	40,140	3.6	1.5	
12/31/2014	176	2,020	83,100,711	41,139	2.5	0.8	

\* Includes DROP participants, if any.

Continued on next page

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

Paid Police Not Covered by Social Security	Valuation Groups	Active Members*			Average Pay	% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Annual Payroll			
12/31/1985	13	214	\$ 3,386,482	\$15,825	6.3 %	3.8 %	
12/31/1986	13	283	4,798,324	16,955	7.1	1.1	
12/31/1987	13	321	5,812,570	18,108	6.8	4.4	
12/31/1988	14	410	7,849,599	19,145	5.7	4.4	
12/31/1989	14	426	8,769,222	20,585	7.5	4.6	
12/31/1990	14	539	11,392,678	21,137	2.7	6.1	
12/31/1991	14	629	13,997,170	22,253	5.3	3.1	
12/31/1992	14	693	16,891,924	24,375	9.5	2.9	
12/31/1993	14	735	18,643,459	25,365	4.1	2.7	
12/31/1994	14	866	22,959,944	26,513	4.5	2.7	
12/31/1995	14	1,002	27,042,274	26,988	1.8	2.5	
12/31/1996	14	1,087	31,394,960	28,882	7.0	3.3	
12/31/1997	14	1,154	35,468,514	30,735	6.4	1.7	
12/31/1998	14	1,220	39,052,564	32,010	4.1	1.6	
12/31/1999	14	1,257	42,319,350	33,667	5.2	2.7	
12/31/2000	15	1,300	45,395,466	34,920	3.7	3.4	
12/31/2001	15	1,310	47,997,431	36,639	4.9	1.6	
12/31/2002	14	1,309	51,013,420	38,971	6.4	2.4	
12/31/2003	14	1,344	54,363,935	40,449	3.8	1.9	
12/31/2004	15	1,369	57,397,946	41,927	3.7	3.3	
12/31/2005	15	1,410	60,652,180	43,016	2.6	3.4	
12/31/2006	14	1,455	64,982,903	44,662	3.8	2.5	
12/31/2007	14	1,479	68,484,220	46,304	3.7	4.1	
12/31/2008	14	1,507	72,880,723	48,361	4.4	0.1	
12/31/2009	14	1,544	77,374,468	50,113	3.6	2.7	
12/31/2010	14	1,562	76,993,476	49,292	(1.6)	1.5	
12/31/2011	14	1,558	79,332,711	50,920	3.3	3.0	
12/31/2012	14	1,604	83,272,934	51,916	2.0	1.7	
12/31/2013	14	1,635	87,087,216	53,264	2.6	1.5	
12/31/2014	14	1,632	89,441,845	54,805	2.9	0.8	

\* Includes DROP participants, if any.

Continued on next page

**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	
12/31/2011	23	104	4,155,015	39,952	(3.4)	3.0	
12/31/2012	22	101	4,221,364	41,796	4.6	1.7	
12/31/2013	25	102	4,331,413	42,465	1.6	1.5	
12/31/2014	25	114	4,689,955	41,140	(3.1)	0.8	

\* Includes DROP participants, if any.

Continued on next page

**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	
12/31/2011	61	2,415	114,640,275	47,470	2.1	3.0	
12/31/2012	60	2,478	118,625,189	47,871	0.8	1.7	
12/31/2013	60	2,514	124,879,563	49,674	3.8	1.5	
12/31/2014	60	2,548	129,532,480	50,837	2.3	0.8	

\* Includes DROP participants, if any.

Continued on next page

**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	Number			
12/31/1985	93	700	\$ 10,502,018	700	\$15,003	9.3 %	3.8 %
12/31/1986	97	919	14,843,296	919	16,152	7.7	1.1
12/31/1987	108	1,118	18,803,244	1,118	16,819	4.1	4.4
12/31/1988	118	1,356	24,370,084	1,356	17,972	6.9	4.4
12/31/1989	118	1,501	28,385,618	1,501	18,911	5.2	4.6
12/31/1990	127	1,739	34,461,972	1,739	19,817	4.8	6.1
12/31/1991	138	2,007	41,583,379	2,007	20,719	4.6	3.1
12/31/1992	142	2,224	49,239,623	2,224	22,140	6.9	2.9
12/31/1993	156	2,477	56,890,921	2,477	22,968	3.7	2.7
12/31/1994	168	2,807	67,309,774	2,807	23,979	4.4	2.7
12/31/1995	181	3,194	79,215,838	3,194	24,801	3.4	2.5
12/31/1996	188	3,472	90,391,226	3,472	26,034	5.0	3.3
12/31/1997	202	3,715	101,864,148	3,715	27,420	5.3	1.7
12/31/1998	208	3,998	113,830,550	3,998	28,472	3.8	1.6
12/31/1999	215	4,301	128,200,592	4,301	29,807	4.7	2.7
12/31/2000	228	4,493	137,294,908	4,493	30,558	2.5	3.4
12/31/2001	230	4,573	148,713,511	4,573	32,520	6.4	1.6
12/31/2002	236	4,720	163,420,616	4,720	34,623	6.5	2.4
12/31/2003	233	4,849	176,054,967	4,849	36,307	4.9	1.9
12/31/2004	236	4,966	187,341,513	4,966	37,725	3.9	3.3
12/31/2005	236	5,115	197,501,660	5,115	38,612	2.4	3.4
12/31/2006	247	5,328	212,949,694	5,328	39,968	3.5	2.5
12/31/2007	261	5,603	230,177,530	5,603	41,081	2.7	4.1
12/31/2008	258	5,640	241,675,203	5,640	42,850	4.3	0.1
12/31/2009	269	5,907	261,726,443	5,907	44,308	3.4	2.7
12/31/2010	274	5,949	264,905,380	5,949	44,529	0.5	1.5
12/31/2011	275	6,016	272,769,765	6,016	45,341	1.8	3.0
12/31/2012	272	6,139	282,170,105	6,139	45,964	1.4	1.7
12/31/2013	272	6,245	296,617,371	6,245	47,497	3.3	1.5
12/31/2014	276	6,323	307,405,199	6,323	48,617	2.4	0.8

\* Includes DROP participants, if any.

Continued on next page

**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
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
12/31/2011	72	230			3.0
12/31/2012	69	224			1.7
12/31/2013	85	293			1.5
12/31/2014	98	335			0.8

\* 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.

*Continued on next page*

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

Volunteer Fire	Valuation Groups*	Active Members				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/1985	166	756	N/A	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
12/31/2011	440	6,804				3.0
12/31/2012	442	6,805				1.7
12/31/2013	449	6,847				1.5
12/31/2014	456	7,012				0.8

\* 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.

*Continued on next page*



**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
12/31/2011	512	7,034			3.0
12/31/2012	511	7,029			1.7
12/31/2013	534	7,140			1.5
12/31/2014	554	7,347			0.8

\* 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, 2014  
Attained Age And Years of Service**

Attained Age	Years of Service at Valuation Date						No.	Totals* Annual Payroll
	0-4	5-9	10-14	15-19	20-24	25-29		
Under 20	1						1	\$ 23,292
20-24	285	19					304	10,204,830
25-29	616	206	42				864	32,454,079
30-34	366	440	183	67			1,056	45,756,765
35-39	191	275	317	188	68		1,039	49,865,744
40-44	111	128	264	351	198	50	1,102	58,527,939
45-49	53	74	106	223	269	153	906	52,156,941
50-54	22	36	45	98	182	202	641	36,989,214
55-59	21	32	26	48	49	89	290	15,623,068
60-64	10	12	22	19	12	24	102	5,108,406
65-69	1		3	4	1	1	12	482,918
70+	1		1	2		1	6	212,003
<b>Totals</b>	<b>1,678</b>	<b>1,222</b>	<b>1,009</b>	<b>1,000</b>	<b>779</b>	<b>520</b>	<b>6,323</b>	<b>\$ 307,405,199</b>

Average Age: 39.2 years

Average Service: 12.4 years

Average Pay: \$48,617

\* Includes DROP participants.

As a comparison, 6,245 paid service members participated in LOPFI on December 31, 2013.

**LOPFI (Excluding Local Funds)  
Volunteer Service Active Members – December 31, 2014  
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	86							86
20-24	619	48						667
25-29	475	285	58					818
30-34	394	290	237	60				981
35-39	313	212	187	157	61			930
40-44	283	192	155	177	133	45		985
45-49	212	164	147	141	127	109	32	932
50-54	130	140	143	137	114	89	46	799
55-59	87	88	83	113	64	60	52	547
60-64	63	61	50	58	36	32	22	322
65-69	47	35	20	18	15	12	10	157
70+	37	38	24	16	2		6	123
<b>Totals</b>	<b>2,746</b>	<b>1,553</b>	<b>1,104</b>	<b>877</b>	<b>552</b>	<b>347</b>	<b>168</b>	<b>7,347</b>

Average Age: 41.1 years

Average Service: 10.1 years

As a comparison, 7,140 volunteer service members participated in LOPFI on December 31, 2013.

**LOPFI**  
**Computed Employer Contributions**  
**For Paid Service Members by Valuation Groups**  
**December 31, 2014**

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	9																1
Paid Police																	
W/SS	2,020	1	0	1	2	1	2	2	2	1	2	2	2	9	158	176	
W/O SS	1,632	0	0	-	0	2	0	1	1	2	1	1	1	1	9	14	
Paid Fire																	
W/SS	114	-	-	-	-	-	-	-	-	-	-	-	-	-	25	25	
W/O SS	<u>2,548</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>54</u>	<u>60</u>	
December 31, 2014	6,323	1	0	1	2	3	2	3	5	6	6	6	6	11	247	276	
December 31, 2013	6,245	1	0	2	3	5	6	6	6	11	7	7	6	6	238	272	
December 31, 2012 #	6,139	1	2	3	6	6	6	6	12	6	6	17	19	203	272		
December 31, 2011 @	6,016	3	3	6	6	6	6	12	6	6	17	18	27	174	275		
December 31, 2010	5,949	7	6	6	13	6	6	17	6	17	18	27	33	159	274		
December 31, 2009	5,907	8	8	8	5	11	20	17	33	159	269	269	269	269	269		
December 31, 2008 #	5,640	13	7	4	12	17	17	27	26	135	258	258	258	258	258		
December 31, 2007	5,603	16	7	3	12	16	17	31	23	136	261	261	261	261	261		
December 31, 2006	5,328	13	6	6	7	23	17	30	21	124	247	247	247	247	247		
December 31, 2005	5,115	10	9	6	15	19	14	26	22	115	236	236	236	236	236		
December 31, 2004 #	4,966	13	5	11	14	15	19	22	29	108	236	236	236	236	236		
December 31, 2003 *	4,849	44	10	19	20	31	27	24	13	45	233	233	233	233	233		
December 31, 2002 #	4,720	47	15	15	16	26	29	21	21	46	236	236	236	236	236		
December 31, 2001	4,573	116	10	31	13	14	17	11	4	14	230	230	230	230	230		
December 31, 2000 #	4,493	81	19	19	15	26	11	14	12	31	228	228	228	228	228		
December 31, 1999	4,301	57	22	37	32	29	14	11	5	8	215	215	215	215	215		
December 31, 1998 #	3,998	56	16	25	44	23	15	13	5	11	208	208	208	208	208		
December 31, 1997	3,715	52	23	45	24	22	10	17	1	8	202	202	202	202	202		
December 31, 1996 #	3,472	46	16	42	29	20	15	9	6	5	188	188	188	188	188		
December 31, 1995	3,194	23	20	39	43	28	15	7	2	4	181	181	181	181	181		
December 31, 1994	2,807	20	15	39	47	23	11	4	2	7	168	168	168	168	168		
December 31, 1993	2,477	20	30	42	35	14	6	3	4	2	156	156	156	156	156		
December 31, 1992	2,224	21	26	45	26	12	3	5	2	2	142	142	142	142	142		
December 31, 1991 *	2,007	6	18	38	45	15	10	2	1	3	138	138	138	138	138		
December 31, 1990	1,739	2	2	3	5	13	26	16	33	27	127	127	127	127	127		

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

Continued on next page

**LOPFI**  
**Computed Employer Contributions**  
**For Volunteer Service Members by Valuation Groups**  
**December 31, 2014**

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	335	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	98
Volunteer Fire	7,012	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	456
December 31, 2014	7,347	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	554
December 31, 2013	7,140	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	534
December 31, 2012	7,029	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	511
December 31, 2011	7,034	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	512
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	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)**

<b>Employer</b>	<b>Number of Active Members*</b>	<b>Payroll</b>
Bella Vista Paid Police	28	\$ 1,246,940
Bella Vista Paid Fire	39	2,043,598
Fayetteville Paid Police	120	6,525,049
Fayetteville Paid Fire	108	6,152,719
Fort Smith Paid Police	164	8,005,545
Fort Smith Paid Fire	161	8,187,498
Hot Springs Paid Police	101	5,198,185
Hot Springs Paid Fire	86	4,150,078
Marion Paid Police	27	988,379
<b>Total BP2</b>	<b>834</b>	<b>\$ 42,497,991</b>

\* 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:	2008	2009	2010	2011	2012	2013	2014
A. Funding Value Beginning of Year	827,546,002	788,633,082	878,958,364	982,154,992	1,070,685,918	1,169,357,127	1,391,830,575
B. Market Value End of Year	657,194,235	827,769,490	955,781,853	1,001,672,848	1,158,753,904	1,467,975,980	1,610,091,699
C. Market Value Beginning of Year	833,278,709	657,194,235	827,769,490	955,781,853	1,001,672,848	1,158,753,904	1,467,975,980
D. Non-Investment Net Cash Flow	39,182,990	49,499,030	46,538,504	43,975,999	42,804,915	99,797,352	37,152,170
E. Investment Income							
E1. Market Total: B - C - D	(215,267,464)	121,076,225	81,473,859	1,914,996	114,276,141	209,424,724	104,963,549
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	67,771,000	65,070,608	72,178,209	80,331,439	87,367,070	97,540,464	112,832,533
E3. Amount for Phased-In Recognition E1-E2	(283,038,464)	56,005,617	9,295,650	(78,416,443)	26,909,071	111,884,260	(7,868,984)
F. Phased-In Recognition of Investment Income							
F1. Current Year: 0.20 x E3	(56,607,693)	11,201,123	1,859,130	(15,683,289)	5,381,814	22,376,852	(1,573,797)
F2. First Prior Year	1,106,077	(34,259,555)	11,201,123	1,859,130	(15,683,289)	5,381,814	22,376,852
F3. Second Prior Year	4,573,141	1,106,077	(34,259,555)	11,201,123	1,859,130	(15,683,289)	5,381,814
F4. Third Prior Year	(6,865,141)	4,573,141	1,106,077	(34,259,555)	11,201,123	1,859,130	(15,683,289)
F5. Fourth Prior Year	1,319,258	(6,865,142)	4,573,140	1,106,079	(34,259,554)	11,201,125	1,859,130
F6. Total Recognized Investment Gain	(56,474,358)	(24,244,356)	(15,520,085)	(35,776,512)	(31,500,776)	25,135,632	12,360,710
G. Funding Value End of Year: A + D + E2 + F6	878,025,634	878,958,364	982,154,992	1,070,685,918	1,169,357,127	1,391,830,575	1,554,175,988
120% Corridor	788,633,082	993,323,388	1,146,938,224	1,202,007,418	1,390,504,685	1,761,571,176	1,932,110,039
80% Corridor	525,755,388	662,215,592	764,625,482	801,338,278	927,003,123	1,174,380,784	1,288,073,359
Funding Value End of Year:	788,633,082	878,958,364	982,154,992	1,070,685,918	1,169,357,127	1,391,830,575	1,554,175,988
H. Difference between Market & Funding Value	(131,438,847)	(51,188,874)	(26,373,139)	(69,013,070)	(10,603,223)	76,145,405	55,915,711
I. Recognized Rate of Return	(9.22)%	5.02%	6.28%	4.44%	5.12%	10.06%	8.88%
J. Market Rate of Return	(25.24)%	17.75%	9.57%	0.20%	11.17%	17.33%	6.80%
K. Ratio of Funding Value to Market Value	120.00%	106.18%	102.76%	106.89%	100.92%	94.81%	96.53%

**LOPFI**  
**Reported Accrued Assets Available for Benefits**  
**December 31, 2014**

<u>Group Type</u>	<u>No. #</u>	<u>Employer Accumulation Account</u>	<u>Members' Deposit Account</u>	<u>Retirement Reserve Account &amp;</u>	<u>Total @</u>
LOPFI Staff	1	\$ 522,384	\$ 76,606	\$ -	\$ 598,990
Paid Police W/SS	176	129,295,494	11,176,624	-	140,472,118
Paid Police W/O SS	14	250,832,923	79,226,914	-	330,059,837
Paid Fire W/SS	25	7,527,391	1,604,004	-	9,131,395
Paid Fire W/O SS	60	357,965,928	109,952,594	-	467,918,522
Subtotal	275	745,621,736	201,960,136	-	947,581,872
Volunteer Police and Fire	554	34,703,914	-	-	34,703,914
Retirants and Beneficiaries	-	-	-	460,283,502	460,283,502
Total	830	780,848,034	202,036,742	460,283,502	\$ 1,443,168,278

**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, 2014. Totals include accounts for employers with no active participants as of December 31, 2014.*

@ Does not include assets of \$166,923,421 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
12/31/2011 ^	275	6,016	1,077,498,958	698,331,958	65	18.01
12/31/2012 #+	272	6,139	1,144,065,505	741,339,106	65	18.97
12/31/2013	272	6,245	1,234,260,098	830,390,612	67	19.39
12/31/2014	276	6,323	1,309,948,715	911,335,468	70	20.12

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

# 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 changes and board policy changes

Continued on next page

LOPFI

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

Volunteer Participants

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Valuation Assets	Assets/Liabilities*	Average Contribution Rate
12/31/1990	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
12/31/2011	512	7,034	56,421,727	21,564,055	38	51.56
12/31/2012 #	511	7,029	60,215,143	23,703,257	39	53.75
12/31/2013	534	7,140	63,106,093	28,084,402	45	52.68
12/31/2014	554	7,347	65,739,819	32,649,827	50	50.40

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

# 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 changes and board policy changes

Continued on next page

LOPFI

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

Retirees and Beneficiaries

Valuation Date	Valuation Groups	Active Members	Actuarial 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
12/31/2011	-	-	245,094,370	245,094,370	100
12/31/2012 #	-	-	308,554,826	308,554,826	100
12/31/2013	-	-	379,284,767	379,284,767	100
12/31/2014	-	-	449,064,235	449,064,235	100

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

# 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 changes and board policy changes

Continued on next page

LOPFI

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

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
12/31/2011	787	13,050	1,379,015,055	964,990,383	70
12/31/2012 #+	783	13,168	1,512,835,474	1,073,597,189	71
12/31/2013	806	13,385	1,676,650,958	1,237,759,781	74
12/31/2014	830	13,670	1,824,752,769	1,393,049,530	76

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

# 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 changes 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)
2000	\$ 38,648,453	\$ 17,159,916	\$ 179,589,829	\$ 309,386,866	100	100	141
2001	42,169,151	18,706,212	157,062,147	358,552,550	100	100	190
2002 *	52,884,501	28,132,104	238,299,621	394,018,928	100	100	131
2003 +	60,644,400	37,589,290	310,091,095	438,411,941	100	100	110
2004 *	67,066,543	46,771,629	403,011,987	475,622,588	100	100	90
2005 *	78,117,772	62,901,548	448,517,669	546,315,508	100	100	90
2006	87,986,534	76,104,654	515,855,829	633,759,848	100	100	91
2007	95,667,812	90,980,880	675,497,118	740,968,085	100	100	92
2008 +*	107,486,154	116,390,986	717,931,676	778,148,309	100	100	77
2009	126,212,081	142,789,842	820,211,054	765,350,382	100	100	61
2010	142,979,396	176,648,898	869,214,659	840,895,829	100	100	60
2011	159,770,407	229,845,487	917,728,551	928,182,921	100	100	59
2012 +*	176,658,387	290,143,869	967,407,118	1,031,482,975	100	100	58
2013	189,555,199	357,817,076	1,044,704,899	1,188,207,688	100	100	61
2014	202,036,742	424,620,753	1,107,911,973	1,335,956,221	100	100	64

**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)
2000	\$ 4,163,798	\$ 126,783,114	\$ 54,516,455	\$ 105,186,843	100	80	-
2001	4,682,058	125,820,973	54,734,475	110,983,891	100	84	-
2002 *	5,184,816	135,985,913	59,683,011	108,424,415	100	76	-
2003 +	5,239,318	176,372,120	12,200,655	99,627,902	100	54	-
2004	5,618,009	166,420,994	36,722,211	107,970,936	100	62	-
2005	5,785,163	188,485,578	24,147,182	85,936,612	100	43	-
2006	5,894,420	194,874,926	6,274,855	67,629,449	100	32	-
2007	6,087,324	201,530,961	927,380	58,271,540	100	26	-
2008 +	4,586,196	189,690,459	725,693	(14,784,011)	-	-	-
2009	3,163,233	185,486,259	29,522,904	80,902,787	100	42	-
2010	2,849,033	215,795,003	34,266,295	102,556,180	100	46	-
2011	2,450,310	226,494,886	32,836,591	99,201,212	100	43	-
2012 +	2,123,678	248,990,760	28,111,237	88,851,483	100	35	-
2013	1,647,055	347,697,141	29,055,445	146,413,041	100	42	-
2014	1,734,546	357,077,348	36,767,436	152,308,676	100	42	-

**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)
2000	\$ -	\$ 495,360	\$ 8,554,865	\$ 10,076,713	-	100	112
2001	-	610,512	8,814,220	11,520,519	-	100	124
2002 *	-	765,612	12,138,097	12,689,913	-	100	98
2003 +	-	1,220,827	19,207,277	14,248,945	-	100	68
2004	-	2,107,043	22,136,019	15,610,807	-	100	61
2005	-	2,629,108	26,240,543	19,106,574	-	100	63
2006	-	3,074,831	30,139,607	21,250,207	-	100	60
2007	-	4,306,070	42,720,023	26,468,537	-	100	52
2008 +	-	6,054,907	47,019,246	24,187,269	-	100	39
2009	-	10,069,177	48,890,402	27,103,260	-	100	35
2010	-	12,517,903	52,068,716	32,173,609	-	100	38
2011	-	15,248,883	56,421,727	36,807,462	-	100	38
2012 +	-	18,410,957	60,215,143	42,114,214	-	100	39
2013	-	21,467,691	63,106,093	49,552,093	-	100	45
2014	-	24,443,482	65,739,819	57,093,309	-	100	50

**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)
2000	\$ 1,162	\$ 1,182,504	\$ 392,143	\$ 471,780	100	40	-
2001	834	1,185,540	390,975	374,993	100	32	-
2002 *	-	1,299,876	159,624	467,007	100	36	-
2003 +	998	2,097,817	357,827	768,440	100	37	-
2004	345	3,743,244	406,261	2,594,578	100	69	-
2005	1,966	5,951,007	149,448	2,188,282	100	37	-
2006	2,739	7,312,004	296,260	2,107,323	100	29	-
2007	2,194	8,036,483	208,366	1,837,840	100	23	-
2008 +	2,279	10,495,474	132,593	1,081,515	100	10	-
2009	3,065	12,395,214	350,181	5,601,935	100	45	-
2010	12,433	12,964,889	210,630	6,529,374	100	50	-
2011	16,968	13,046,463	295,814	6,494,323	100	50	-
2012 +	17,401	13,196,487	540,604	6,908,455	100	52	-
2013	17,759	13,940,442	336,339	7,657,753	100	55	-
2014	17,778	14,706,680	385,040	8,817,782	100	60	-

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

***Derivation of Actuarial Gain (Loss)  
Year Ended December 31, 2014  
(LOPFI and Local Plans Combined)***

(1)	UAAL* at start of year	\$ 677,514,564
(2)	Employer normal cost from last valuation	30,684,284
(3)	Actual employer contributions	82,447,373
(4)	Interest accrual: (1) x .08 + [(2)-(3)] x (.08/2)	52,130,642
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	677,882,117
(6)	Change from benefit changes*	858,272
(7)	Change from revised actuarial assumptions	-
(8)	Expected UAAL after changes	678,740,389
(9)	Actual UAAL at end of year	681,265,609
(10)	Gain (loss) (8) - (9)	(2,525,220)
(11)	Gain (loss) as percent of actuarial accrued liabilities at start of year	\$2,069,345,139 (0.1)%

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)
2011	(1.9)
2012	(1.1)
2013	0.7
2014	(0.1)

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

**Arkansas LOcal Police and Fire Retirement System**  
**Brief Summary as of December 31, 2014 of LOPFI Coverage for**  
***BENEFIT PROGRAM 1 PAID SERVICE***  
**Benefits and Conditions Evaluated and/or Considered**  
**(Section references are to Arkansas Code of 1987, including**  
**amendments from 2013 General Assembly Session)**

***Voluntary Retirement.*** Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years (10 years for members hired on or after July 1, 2013) 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 2014 was \$1,347.

***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 (10 years for members hired on or after July 1, 2013) 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 (10 or more years for members hired on or after July 1, 2013) 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 (10 years for members hired on or after July 1, 2013) 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. Individual member deposit accounts do not receive interest credit. 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 its 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). The duration of participation in the DROP shall not exceed 7 years. When a member has reached year 6 of participation in the DROP, the amount of the accrued benefit at the time of DROP election shall be redetermined. The redetermined amount shall be the amount of the benefit as of the immediately preceding July 1 increased by 3%. The redetermined amount shall be payable only when the member elects to cease employment and receive a service retirement and shall not be added to the plan account. 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 <sup>(1)</sup>)**

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI BENEFIT <sup>(2)</sup>	
	\$	% of FAP
<u>32 Years of Service <sup>(3)</sup></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 <sup>(3)</sup></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 <sup>(3)</sup></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 shown are rounded to the nearest dollar; actual amounts will be calculated to the 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 <sup>(1)</sup> for life, plus 1.0% of FAP <sup>(1)</sup> temporary to full Social Security retirement age)**

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI Benefit <sup>(3)</sup>		Estimated Social Security <sup>(2)</sup>	Estimated Monthly Total		Percent of FAP	
	To SSRA	At SSRA		To SSRA	At SSRA	To SSRA	At SSRA
<b>32 Years of Service <sup>(4)</sup></b>							
\$1,800	\$ 1,693	\$ 1,117	\$ 971	\$ 1,693	\$ 2,088	94 %	116 %
2,200	2,070	1,366	1,082	2,070	2,448	94	111
2,600	2,446	1,614	1,194	2,446	2,808	94	108
3,000	2,822	1,862	1,303	2,822	3,165	94	106
3,400	3,199	2,111	1,416	3,199	3,527	94	104
<b>28 Years of Service <sup>(4)</sup></b>							
\$1,800	\$ 1,482	\$ 978	\$ 971	\$ 1,482	\$ 1,949	82 %	108 %
2,200	1,811	1,195	1,082	1,811	2,277	82	104
2,600	2,140	1,412	1,194	2,140	2,606	82	100
3,000	2,470	1,630	1,303	2,470	2,933	82	98
3,400	2,799	1,847	1,416	2,799	3,263	82	96
<b>20 Years of Service <sup>(4)</sup></b>							
\$1,800	\$ 1,058	\$ 698	\$ 971	\$ 1,058	\$ 1,669	59 %	93 %
2,200	1,294	854	1,082	1,294	1,936	59	88
2,600	1,529	1,009	1,194	1,529	2,203	59	85
3,000	1,764	1,164	1,303	1,764	2,467	59	82
3,400	1,999	1,319	1,416	1,999	2,735	59	80

- (1) "Final Average Pay" means the monthly average of an employee's pays during the period of 36 consecutive months when they were highest, contained within his last 120 months of paid service.
- (2) "Estimated Social Security" means, for an employee covered by Social Security, an employee's estimated OASDI retirement benefit is based upon an estimated "average indexed monthly earnings" for an employee retiring at normal Social Security retirement age (SSRA). It does not include any amounts which might be payable to an eligible spouse or children. Final average pay is assumed to be equal to Average Indexed Monthly Earnings. The results assume no Social Security covered earnings after retirement. Note that a member may draw a reduced Social Security benefit as early as age 62. This is an estimate. Individuals can receive an estimate from the Social Security Administration based on their actual earnings history.
- (3) Amounts shown are rounded to the nearest dollar; actual amounts will be calculated to the 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.
- (5) This illustration shows 2015 Social Security estimates for a participant who retired in 2006 at age 56.

**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 <sup>(1)</sup> for life, plus 1.0% of FAP <sup>(1)</sup> temporary to full Social Security retirement age)**

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI Benefit <sup>(3)</sup>		Estimated Social Security <sup>(2)</sup>	Estimated Monthly Total		Percent of FAP	
	To SSRA	At SSRA		To SSRA	At SSRA	To SSRA	At SSRA
<b>32 Years of Service <sup>(4)</sup></b>							
\$2,400	\$ 2,258	\$ 1,779	\$ 1,498	\$ 2,258	\$ 3,277	94 %	114 %
3,000	2,822	2,223	1,700	2,822	3,923	94	110
3,600	3,387	2,669	1,899	3,387	4,568	94	106
4,200	3,951	3,113	2,100	3,951	5,213	94	104
4,800	4,516	3,558	2,300	4,516	5,858	94	102
<b>28 Years of Service <sup>(4)</sup></b>							
\$2,400	\$ 1,976	\$ 1,557	\$ 1,498	\$ 1,976	\$ 3,055	82 %	107 %
3,000	2,470	1,946	1,700	2,470	3,646	82	102
3,600	2,964	2,336	1,899	2,964	4,235	82	99
4,200	3,457	2,724	2,100	3,457	4,824	82	96
4,800	3,951	3,113	2,300	3,951	5,413	82	94
<b>20 Years of Service <sup>(4)</sup></b>							
\$2,400	\$ 1,411	\$ 1,112	\$ 1,498	\$ 1,411	\$ 2,610	59 %	91 %
3,000	1,764	1,390	1,700	1,764	3,090	59	86
3,600	2,117	1,668	1,899	2,117	3,567	59	83
4,200	2,470	1,946	2,100	2,470	4,046	59	81
4,800	2,822	2,223	2,300	2,822	4,523	59	79

- (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). It does not include any amounts which might be payable to an eligible spouse or children. Final average pay is assumed to be equal to Average Indexed Monthly Earnings. The results assume no Social Security covered earnings after retirement. Note that a member may draw a reduced Social Security benefit as early as age 62. This is an estimate. Individuals can receive an estimate from the Social Security Administration based on their actual earnings history.
- (3) Amounts shown are rounded to the nearest dollar; actual amounts will be calculated to the 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.
- (5) This illustration shows 2021 Social Security estimates for a participant who retires in 2015 at age 56. All future benefits are in future dollars.

**Arkansas LOcal Police and Fire Retirement System**  
**Brief Summary as of December 31, 2014 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 2013 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, 2014 of LOPFI Coverage for**  
***VOLUNTEER SERVICE***  
**Benefits and Conditions Evaluated and/or Considered**  
**(Section references are to Arkansas Code of 1987, including**  
**amendments from 2013 General Assembly Session)**

***Voluntary Retirement.*** Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years (10 years for members hired on or after July 1, 2013) 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 2014 was \$1,347.

***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 Benefit Program 3 Volunteer Service, \$5.00 monthly, to a maximum of \$200 monthly for all volunteer service. Beginning in 2003, each July 1 these amounts are indexed for inflation by any percentage increase in the inflation index for the period from December 2003 to the December immediately preceding July 1, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2014 valuations was \$6.39 monthly.

For each year of Benefit Program 4 Volunteer Service, \$10.00 monthly, to a maximum benefit of \$400 monthly for all volunteer service. Beginning in 2013, each July 1 these amounts are indexed for inflation by any percentage increase in the inflation index for the period from December 2011 to the December immediately preceding July 1, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2014 valuations was \$10.35 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 (10 years for members hired on or after July 1, 2013) 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 (10 of more years for members hired on or after July 1, 2013) 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 (10 years for members hired on or after July 1, 2013) 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.

**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 for LOPFI plans.

**NON-ECONOMIC ASSUMPTIONS** -----

*The mortality table* used to measure retired life mortality was the RP-2000 Combined Projected to 2017 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, one hundred percent of the post-retirement mortality tables were used. Fifty percent of deaths-in-service were assumed to be duty related. These assumptions include a margin for future mortality improvements.

*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 Benefit Program 3 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 \$6.39 effective July 1, 2015 and is assumed to increase at the assumed rate of price inflation in future years. For Benefit Program 4 volunteer service plans the contribution rates from the December 31, 2012 valuation were developed based on a \$10.00 per month basic benefit factor. This factor is \$10.35 effective July 1, 2015 and is assumed to increase at the assumed rate of price inflation in future years.

**OTHER TECHNICAL ASSUMPTIONS -----**

***Decremets*** 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.

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Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

**Illustration of Computed Employer Contributions  
16.3-Year Closed Amortization Period**

**LOPFI Paid Service  
(Based on Projected Future Payroll)**

<b>Year Ended December 31,</b>	<b>Illustrative Payroll</b>	<b>Normal Cost</b>	<b>Payment for Amortization of UAL</b>	<b>Computed Employer Rate</b>	<b>Annual Employer Dollar Contribution</b>
2014	\$ 100,000	9.68%	10.44%	20.12%	\$ 20,120
2015	104,000	9.68%	9.97%	19.65%	20,433
2016	108,160	9.68%	9.52%	19.20%	20,763
2017	112,486	9.68%	9.09%	18.77%	21,109
2018	116,986	9.68%	8.67%	18.35%	21,472
2019	121,665	9.68%	8.28%	17.96%	21,854
2020	126,532	9.68%	7.91%	17.59%	22,254
2021	131,593	9.68%	7.55%	17.23%	22,673
2022	136,857	9.68%	7.21%	16.89%	23,112
2023	142,331	9.68%	6.88%	16.56%	23,573
2024	148,024	9.68%	6.57%	16.25%	24,055
2025	153,945	9.68%	6.27%	15.95%	24,559
2026	160,103	9.68%	5.99%	15.67%	25,087
2027	166,507	9.68%	5.72%	15.40%	25,639
2028	173,168	9.68%	5.46%	15.14%	26,217
2029	180,094	9.68%	5.21%	14.89%	26,820
2030	187,298	9.68%	4.98%	14.66%	27,451
2031	194,790	9.68%	4.75%	14.43%	28,111
2032	202,582	9.68%	4.54%	14.22%	28,800
2033	210,685	9.68%	4.33%	14.01%	29,519
2034	219,112	9.68%	4.14%	13.82%	30,271
2035	227,877	9.68%	3.95%	13.63%	31,055
2036	236,992	9.68%	3.77%	13.45%	31,874
2037	246,472	9.68%	3.60%	13.28%	32,728
2038	256,330	9.68%	3.44%	13.12%	33,620
2039	266,584	9.68%	3.28%	12.96%	34,550
2040	277,247	9.68%	3.13%	12.81%	35,521
2041	288,337	9.68%	2.99%	12.67%	36,533
2042	299,870	9.68%	2.85%	12.53%	37,589

This illustration is not intended to exactly predict future employer contributions but instead is intended to illustrate the general trend of future contributions based upon current benefit structure and assumed future economic and demographic activity. It is unlikely that future contributions will match exactly for any given year those rates shown above.

**Illustration of Computed Employer Contributions  
24-Year Closed Amortization Period**

**LOPFI Benefit Program 3 Volunteer Service  
(Based on Projected Benefit Factors)**

<b>Year Ended December 31,</b>	<b>Basic Benefit Factor@</b>	<b>Illustrative Monthly Active Member Count</b>	<b>Normal Cost</b>	<b>Payment for Amortization of UAL</b>	<b>Computed Employer Rate</b>	<b>Annual Employer Dollar Contribution</b>
2014	\$ 6.39	10	\$ 23.83	\$ 26.57	\$ 50.40	\$ 6,048
2015	6.58	10	24.54	27.37	51.91	6,229
2016	6.78	10	25.28	28.19	53.47	6,416
2017	6.98	10	26.04	29.04	55.08	6,610
2018	7.19	10	26.82	29.91	56.73	6,808
2019	7.41	10	27.62	30.81	58.43	7,012
2020	7.63	10	28.45	31.73	60.18	7,222
2021	7.86	10	29.30	32.68	61.98	7,438
2022	8.10	10	30.18	33.66	63.84	7,661
2023	8.34	10	31.09	34.67	65.76	7,891
2024	8.59	10	32.02	35.71	67.73	8,128
2025	8.85	10	32.98	36.78	69.76	8,371
2026	9.12	10	33.97	37.88	71.85	8,622
2027	9.39	10	34.99	39.02	74.01	8,881
2028	9.67	10	36.04	40.19	76.23	9,148
2029	9.96	10	37.12	41.40	78.52	9,422
2030	10.26	10	38.23	42.64	80.87	9,704
2031	10.57	10	39.38	43.92	83.30	9,996
2032	10.89	10	40.56	45.24	85.80	10,296
2033	11.22	10	41.78	46.60	88.38	10,606
2034	11.56	10	43.03	48.00	91.03	10,924
2035	11.91	10	44.32	49.44	93.76	11,251
2036	12.27	10	45.65	50.92	96.57	11,588
2037	12.64	10	47.02	52.45	99.47	11,936
2038	13.02	10	48.43	54.02	102.45	12,294
2039	13.41	10	49.88	55.64	105.52	12,662
2040	13.81	10	51.38	0.00	51.38	6,166
2041	14.22	10	52.92	0.00	52.92	6,350
2042	14.65	10	54.51	0.00	54.51	6,541

@ Basic benefit factor - \$5.00 per month for each year of service beginning July 1, 2003. Increased by price inflation on July 1, 2004 and every July 1 thereafter. This factor is \$6.39 effective July 1, 2015. For purposes for this illustration, the factor was assumed to increase by 3% a year, compounded.

This illustration is not intended to exactly predict future employer contributions but instead is intended to illustrate the general trend of future contributions based upon current benefit structure and assumed future economic and demographic activity. It is unlikely that future contributions will match exactly for any given year those rates shown above.

**Schedule A-1**  
**Single Life Retirement Values**  
**Based on the RP-2000 Combined Projected to 2017 Table**  
**and 8.0% Interest**  
**(First used for December 31, 2012 Valuations)**

<b>Sample Attained Ages</b>	<b>Value at Retirement: \$1.00 Monthly for Life</b>		<b>Future Life Expectancy (years)</b>	
	<b>Men</b>	<b>Women</b>	<b>Men</b>	<b>Women</b>
45	\$140.76	\$144.71	35.48	40.05
50	135.22	140.50	30.80	35.29
55	127.96	134.83	26.25	30.61
60	118.85	127.35	21.90	26.04
65	107.86	117.98	17.83	21.70
70	94.81	106.88	14.07	17.68
75	80.17	94.15	10.72	14.02
80	64.67	79.99	7.83	10.76

<b>Sample Attained Ages</b>	<b>Benefit Increasing 3% Yearly</b>	<b>Portion of Age 55 Lives Still Alive</b>	<b>Sample Attained Ages</b>
55	\$100	100 %	55
60	116	97	60
65	134	92	65
70	156	84	70
75	181	73	75
80	209	56	80

**Schedule A-2**  
**Probabilities of Disability Retirement**

**PAID SERVICE MEMBERS**  
**(First used for December 31, 2012 Valuations)**

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.07 %	0.09 %
25	0.07	0.09
30	0.10	0.11
35	0.13	0.16
40	0.20	0.24
45	0.31	0.37
50	0.52	0.63
55	0.91	1.09
60	1.36	1.63

**VOLUNTEER SERVICE MEMBERS**  
**(First used for December 31, 2003 Valuations)**

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.07 %	0.00 %
25	0.07	0.00
30	0.07	0.00
35	0.07	0.00
40	0.18	0.01
45	0.23	0.01
50	0.43	0.02
55	0.79	0.04
60	1.24	0.06

**Schedule A-3**  
**Probabilities of Retirement for Members Eligible to Retire**  
**(First used for December 31, 2012 Valuations)**

**PAID SERVICE MEMBERS**

Retirement Ages	Percents of Active Members Retiring within Next Year		Years of Service	Percents of Active Members Retiring within Next Year
	Early	Normal		
45-49	3 %			
50-54	3			
55		20 %	28	25 %
56		20	29	15
57		20	30	15
58		20	31	20
59		20	32	35
60		20	33	40
61		20	34	100
62		25		
63		25		
64		25		
65		50		
66		60		
67		70		
68		80		
69		90		
70+		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, 2012 Valuations)**

**VOLUNTEER SERVICE MEMBERS**

<b>Retirement Ages</b>	<b>Percents of Active Members Retiring within Next Year</b>	
	<b>Early</b>	<b>Normal</b>
Under 50		20 %
50-54	2 %	20
55-59		15
60-64		15
65-69		20
70-74		30
75+		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, 2012 Valuations)**

**PAID SERVICE MEMBERS**

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	18.00 %
	1	16.00
	2	13.00
	3	11.00
	4	10.00
25	5 & Over	8.56
30		7.20
35		5.52
40		4.40
45		3.52
50		2.80
55		0.80
60		0.00

**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	8.50
30		8.50
35		8.50
40		8.50
45		8.50
50		8.50
55		8.50
60		8.50

**Schedule A-5**  
**Pay Increase Assumptions**  
**For an Individual Paid Service Member**  
**(First used for December 31, 2012 Valuations)**

<b>Pay Increase Assumptions</b>			
<b>For an Individual Member</b>			
<b>Service Years</b>	<b>Merit and Seniority</b>	<b>Base (Economic)</b>	<b>Increase Next Year</b>
1	15.0%	4.0%	19.0%
2	9.0%	4.0%	13.0%
3	4.0%	4.0%	8.0%
4	3.0%	4.0%	7.0%
5	2.0%	4.0%	6.0%
6	1.5%	4.0%	5.5%
7	1.5%	4.0%	5.5%
8	1.5%	4.0%	5.5%
9	1.0%	4.0%	5.0%
10	1.0%	4.0%	5.0%
11	0.5%	4.0%	4.5%
12	0.5%	4.0%	4.5%
13	0.5%	4.0%	4.5%
14	0.5%	4.0%	4.5%
15	0.5%	4.0%	4.5%
16	0.5%	4.0%	4.5%
17	0.5%	4.0%	4.5%
18	0.5%	4.0%	4.5%
19	0.5%	4.0%	4.5%
20+	0.5%	4.0%	4.5%

# Investment Return and Inflation: Past and Future

## Inflation Distortions

Inflation's impact on investment return is not uniform from year to year. A common expectation for real investment return (which is the portion of total return remaining after price inflation) is in the area of 3% to 5% annually.

## Historical Economic Data

Over the last 30 years, real return on average has exceeded the 3% to 5% range. However, for parts of this period, real return was actually negative. It is difficult to maintain a long-term portfolio allocation during periods of negative real return.

### Annual Investment Return % (including Income) Expressed as Real Return (Remainder after Price Inflation)

No. Years Ended December	Inflation (CPI)	Cash Equiv. (T-Bills)	Bonds (Long Term)		Stocks (S & P 500)	Real Return for Sample Fund		
			US Treasury	Corporate (Sol. Bro.)		A	B	C
1/2010	1.5	(1.4)	8.5	10.7	13.4	9.7	10.4	11.0
1/2011	3.0	(2.9)	24.5	14.6	(0.9)	11.2	7.1	3.8
1/2012	1.7	(1.6)	1.6	8.8	14.1	7.2	8.9	10.4
1/2013	1.5	(1.5)	(12.7)	(8.5)	30.4	2.7	10.8	17.1
1/2014	0.8	(0.8)	22.9	16.4	12.8	15.6	14.2	13.0
5/1980	9.2	(1.3)	(6.9)	(6.2)	4.3	(2.6)	(0.4)	1.3
5/1985	4.8	5.2	11.5	12.3	9.4	10.7	10.2	9.8
5/1990	4.1	2.6	6.4	6.1	8.6	6.7	7.2	7.6
5/1995	2.8	1.5	10.0	9.1	13.4	10.0	10.8	11.3
5/2000	2.5	2.6	4.9	3.2	15.4	7.7	10.0	11.7
5/2005	2.5	(0.4)	5.1	6.6	(2.0)	3.4	2.0	0.7
5/2010	2.2	0.0	3.3	3.6	0.1	3.1	2.6	2.0
5/2014	1.7	(1.6)	8.1	8.1	13.6	9.1	10.2	11.0
<b>30/2014</b>	<b>2.7</b>	<b>1.0</b>	<b>6.8</b>	<b>6.5</b>	<b>8.4</b>	<b>7.1</b>	<b>7.5</b>	<b>7.7</b>

#### Sample Funds (only three of many reasonable samples)

	A	B	C
Cash Equiv.: T-Bills	10 %	10 %	10 %
Bonds: US Treasury	30	20	10
Bonds: Corporate	30	20	15
Stock	30	50	65

For many pension plans, benefit increases after retirement have fallen short of keeping up with inflation. The retired life group has been affected more than the active life group. The investment return that would be necessary for the indexing of benefits with inflation after retirement probably cannot be realized during periods of high inflation.

## Forward-Looking Economic Data

The assumed rate of price inflation should not give undue weight to recent experience. Some historical economic data may not be appropriate for use in developing assumptions for future periods due to changes in the underlying economic environment. Professional forecasters, economists, and investors are reliable sources to guide in the selection and evaluation of expected future price inflation rates.

## Investment Return and Inflation: Past and Future - Concluded

The Survey of Professional Forecasters, maintained by the Federal Reserve Bank of Philadelphia, is the longest running quarterly survey of macroeconomic forecasts in the U.S. Over 50 forecasters from industry, government, banking, and academics are included in this Survey. With respect to price inflation, their median projections are published quarterly for the annual-average Headline CPI over the next 10 years. Headline CPI is the total CPI, as opposed to Core CPI, which excludes food and energy prices. The following table presents the Survey's quarterly projections through the first quarter of 2015.

### Quarterly Median Projections of the 10-Year Annual-Average Headline CPI-U Inflation (Philadelphia Federal Reserve)

2012-2	2012-3	2012-4	2013-1	2013-2	2013-3	2013-4	2014-1	2014-2	2014-3	2014-4	2015-1
2.48%	2.35%	2.30%	2.30%	2.30%	2.21%	2.30%	2.30%	2.30%	2.30%	2.21%	2.30%

Source: Federal Reserve Bank of Philadelphia – Survey of Professional Forecasters Quarterly (Inflation.xls)

The Congressional Budget Office (CBO) regularly publishes its Budget and Economic Outlook. This report includes a forecast of annual CPI-U (All Urban Consumers). The following table presents the CBO's forecast for calendar years 2015 – 2025, as published in its report dated January, 2015.

### Consumer Price Index Forecast (CBO)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Compound Average
1.50%	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.30%

Source: Congressional Budget Office – The Budget and Economic Outlook: 2015 – 2025 (p. 30)

The Trustees of the Social Security system prepare and publish an annual report. Social Security's economists develop a forecast of future CPI-W (for Urban Wage Earners and Clerical Workers). The following table presents their forecasts in the 2014 annual report.

### Social Security Trustees' Ultimate CPI-W Assumption for 2020 and later

Low-cost	3.40%
Intermediate	2.70%
High-cost	2.00%

Source: 2014 Social Security Trustees' Report (p. 8)

Another source of information about future price inflation is the market for U.S. Treasury bonds. Comparing spreads between nominal and inflation-indexed treasury securities (TIPS) provides an estimate of the bond market's expectation of inflation over the next decade or more. However, this analysis ignores the inflation risk premium that buyers of U.S. Treasury bonds often demand, and it ignores the differences in liquidity between U.S. Treasury bonds and TIPS.

### Treasury Constant Maturities (2014 Annual Yields)

Term	Nominal	Inflation-Indexed	Implied Inflation
10-year	2.54%	0.44%	2.11%
20-year	3.07%	0.86%	2.21%
30-year	3.34%	1.11%	2.23%

Source: Board of Governors of the Federal Reserve System, Selected Interest Rates (Daily) – H. 15

## 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	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	% Increase in Allowance	
December 31, 2009												
Retirement	106	\$ 2,288,426	13	\$ 136,647	711	\$ 11,343,685			23.41	\$ 15,955	7.27	
Survivor of active	14	106,529	3	13,914	86	504,413			22.49	5,865	6.81	
Survivor of retired	3	26,940	1	4,677	23	155,814			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	4.85	
Survivor of active	10	100,894	8	62,685	88	542,622			7.58	6,166	5.13	
Survivor of retired	25	191,680	19	144,024	29	203,470			30.59	7,016	3.56	
December 31, 2011												
Retirement	193	4,940,414	12	88,382	1,019	18,871,152			34.61	18,519	10.70	
Survivor of active	11	63,152	4	28,540	95	577,234			6.38	6,076	(1.46)	
Survivor of retired	7	66,463	1	6,838	35	263,095			29.30	7,517	7.14	
December 31, 2012												
Retirement	244	4,714,486	14	140,145	1,249	23,445,493			24.24	18,771	1.36	
Survivor of active	6	60,138	9	30,482	92	606,890			5.14	6,597	8.57	
Survivor of retired	9	107,013	3	44,081	41	326,027			23.92	7,952	5.79	
December 31, 2013												
Retirement	266	6,777,411	14	186,507	1,501	30,036,397			28.11	20,011	6.61	
Survivor of active	8	67,790	1	4,286	99	670,394			10.46	6,772	2.65	
Survivor of retired	8	71,254	2	48,476	47	348,805			6.99	7,421	(6.68)	
December 31, 2014												
Retirement	282	7,947,806	28	409,987	1,755	37,574,216			25.10	21,410	6.99	
Survivor of active	6	59,054	5	23,887	100	705,561			5.25	7,056	4.19	
Survivor of retired	12	223,965	1	2,251	58	570,519			63.56	9,837	32.56	

\* Includes DROP members.

Continued on next page

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

**LOPFI Volunteer Service**

	Added		Removed		End of Year		% Increase		Average	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	in Annual Allowance	%	Annual Allowance	Increase in Allowance
December 31, 2009										
Retirement	272	\$ 359,520	14	\$ 10,099	721	\$ 827,557	73.08	11.13	\$ 1,148	11.13
Survivor of active	14	4,482	2	873	66	22,507	19.10	(2.57)	341	(2.57)
Survivor of retired	13	12,309	4	1,227	33	27,376	68.01	22.24	830	22.24
December 31, 2010										
Retirement	182	213,270	16	15,511	887	1,025,316	23.90	0.70	1,156	0.70
Survivor of active	12	5,150	3	1,464	75	26,193	16.38	2.35	349	2.35
Survivor of retired	29	25,603	20	15,326	42	37,653	37.54	8.07	897	8.07
December 31, 2011										
Retirement	195	232,470	18	17,746	1,064	1,240,040	20.94	0.78	1,165	0.78
Survivor of active	21	9,896	0	-	96	36,089	37.78	7.74	376	7.74
Survivor of retired	18	16,523	2	771	58	53,405	41.83	2.68	921	2.68
December 31, 2012										
Retirement	215	229,048	24	25,481	1,255	1,443,607	16.42	(1.29)	1,150	(1.29)
Survivor of active	15	3,735	3	868	108	38,956	7.94	(3.99)	361	(3.99)
Survivor of retired	14	15,241	4	3,162	68	65,484	22.62	4.56	963	4.56
December 31, 2013										
Retirement	234	274,185	27	30,879	1,462	1,686,913	16.85	0.35	1,154	0.35
Survivor of active	21	7,185	7	2,099	122	44,042	13.06	0.00	361	0.00
Survivor of retired	26	29,008	3	1,758	91	92,734	41.61	5.82	1,019	5.82
December 31, 2014										
Retirement	241	276,068	22	24,459	1,681	1,938,522	14.92	(0.09)	1,153	(0.09)
Survivor of active	16	4,151	6	2,208	132	45,985	4.41	(3.60)	348	(3.60)
Survivor of retired	18	18,571	10	13,075	99	98,230	5.93	(2.65)	992	(2.65)

*Continued on next page*

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

*Local Paid Service*

	Added			Removed			End of Year			Average		
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	% Increase in Annual Allowance	Annual Allowance	Annual Allowance	% Increase in Allowance
December 31, 2009	10	\$ 438,424	22	\$ 292,992	798	\$ 16,557,769	0.89	\$ 20,749	2.40	\$ 20,749	2.40	
Retirement	17	227,302	1	1,500	23	350,565	180.98	15,242	(14.48)	15,242	(14.48)	
Survivor of active	20	286,266	29	327,986	207	2,845,382	(1.45)	13,746	2.84	13,746	2.84	
Survivor of retired	118	2,666,918	28	406,946	888	18,817,741	13.65	21,191	2.13	21,191	2.13	
Retirement	0	1,890	0	6,122	23	346,333	(1.21)	15,058	(1.21)	15,058	(1.21)	
Survivor of active	187	2,875,614	154	2,286,964	240	3,434,032	20.69	14,308	4.09	14,308	4.09	
Survivor of retired	34	991,101	21	321,147	901	19,487,695	3.56	21,629	2.07	21,629	2.07	
Retirement	3	24,618	2	25,746	24	345,205	(0.33)	14,384	(4.48)	14,384	(4.48)	
Survivor of active	15	287,361	12	139,014	243	3,582,379	4.32	14,742	3.03	14,742	3.03	
Survivor of retired	35	1,122,749	25	431,333	911	20,179,111	3.55	22,151	2.41	22,151	2.41	
Retirement	0	2,005	1	4,214	23	342,996	(0.64)	14,913	3.68	14,913	3.68	
Survivor of active	28	631,844	19	210,681	252	4,003,542	11.76	15,887	7.77	15,887	7.77	
Survivor of retired	300	8,003,688	22	403,589	1,189	27,779,210	37.66	23,364	5.48	23,364	5.48	
Retirement	3	70,252	4	51,330	22	361,918	5.52	16,451	10.31	16,451	10.31	
Survivor of active	102	2,151,973	7	76,301	347	6,079,214	51.85	17,519	10.27	17,519	10.27	
Survivor of retired	34	1,037,839	41	795,906	1,182	28,021,143	0.87	23,707	1.47	23,707	1.47	
Retirement	0	3,226	0	0	22	365,144	0.89	16,597	0.89	16,597	0.89	
Survivor of active	27	612,017	18	273,656	356	6,417,575	5.57	18,027	2.90	18,027	2.90	
Survivor of retired												

\* Includes DROP members.

\*\* Data corrections in 2010.

*Continued on next page*



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

*Local Volunteer Service*

	Added		Removed		End of Year		% Increase		Average	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance	in Annual Allowance	in Annual Allowance	Annual Allowance	Increase in Allowance
December 31, 2009	128	\$ 196,439	20	\$ 30,294	634	\$ 1,031,419	19.20	\$ 1,627	(1.09)	
Survivor of active	9	12,556	0	0	14	21,257	144.31	1,518	(12.76)	
Survivor of retired	43	59,514	17	23,031	182	242,424	17.72	1,332	0.91	
December 31, 2010	48	87,376	23	34,348	659	1,084,447	5.14	1,646	1.17	
Survivor of active	0	211	0	0	14	21,468	0.99	1,533	0.99	
Survivor of retired	131	181,383	113	151,528	200	272,279	12.32	1,361	2.18	
December 31, 2011	21	37,674	25	35,673	655	1,086,448	0.18	1,659	0.79	
Survivor of active	0	217	0	0	14	21,685	1	1,549	1.04	
Survivor of retired	25	35,876	15	18,322	210	289,833	6.45	1,380	1.40	
December 31, 2012	9	24,510	24	38,642	640	1,072,316	(1.30)	1,675	0.96	
Survivor of active	0	185	2	2,511	12	19,359	(10.73)	1,613	4.13	
Survivor of retired	14	24,689	22	30,267	202	284,255	(1.92)	1,407	1.96	
December 31, 2013	49	93,001	20	31,531	669	1,133,786	5.73	1,695	1.19	
Survivor of active	3	3,730	1	1,800	14	21,289	9.97	1,521	(5.70)	
Survivor of retired	33	57,346	18	27,045	217	314,556	10.66	1,450	3.06	
December 31, 2014	47	88,609	22	32,882	694	1,189,513	4.92	1,714	1.12	
Survivor of active	0	232	0	0	14	21,521	1.09	1,537	1.05	
Survivor of retired	32	56,045	11	14,792	238	355,809	13.11	1,495	3.10	

\* Data corrections in 2010.



## Statistical Section Summary

### Retirement

Page 123 reflects Demographic Data for active, inactive vested, retirees and survivors as of December 31, 2014. Annualized benefits payable as of December 31, 2014 by Option Type is shown on page 124.

### Assets vs Liabilities

Page 125 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 Deductions by Type

Page 126 reflects the last 10 years of Benefits Paid, Refunds to terminated contributory members, Administrative Expenses (net of 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. Page 127 provides a breakdown of benefits paid by type for the last 10 years.

### Schedule of Additions by Source

Page 126 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 Net Position

Page 126 reflects the last 10 years of Changes in Net Position, which is the difference between Total Additions and Total Deductions.

### Schedules of Retirement Payments

Pages 128-140 present schedules of retirement payments showing type of retirement, option selected by each type of department.

### Participating Employer Groups

Page 141 shows the Top Ten Participating Employers in the plan.

# LOPFI Demographic Data

(Excluding Local Funds)  
As of December 31, 2014

### Active Paid Members

Number.....	6,323
Average Age.....	39.2 years
Average Length of Service.....	12.4 years
Average Annual Salary.....	\$48,617

### Active Volunteer Members

Number.....	7,347
Average Age.....	41.1 years
Average Length of Service.....	10.1 years

### Terminated Vested Members / Other

6,435

### Total Retirees and Survivors

Number.....	3,825
Average Monthly Benefit.....	\$892@

#### 2014 Retirees and Survivors

	<u>Normal</u>		<u>Duty Related Disability</u>
Number	2,992	Number	295
Average Age	61.8 years	Average Age	50.2 years
Average Length of Service	15.1 years	Average Length of Service	10.1 years
Average Monthly Benefit	\$802	Average Monthly Benefit	\$2,432
	<u>Survivors (Death in Service)</u>		<u>Non-Duty Related Disability</u>
Number	232	Number	306
Average Age	38.3 years	Average Age	50.3 years
Average Monthly Benefit	\$270	Average Length of Service	9.2 years
		Average Monthly Benefit	\$757

@ Average monthly benefit is \$1,692 and \$91 for paid service members and volunteer service members, respectively.

**LOPFI**  
**Benefit by Type, Last Ten Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Type of Benefit</b>										
Age and service benefits:										
Retirees	15,546,079	16,763,686	17,909,240	19,805,489	21,626,643	25,651,097	30,238,832	34,443,325	47,799,528	55,199,884
Survivors	2,125,832	2,318,235	2,570,427	2,736,446	2,971,839	3,465,841	3,616,128	4,108,817	6,200,657	6,588,171
Death in service benefits	321,658	372,308	421,281	564,159	898,742	936,616	980,215	1,008,201	1,097,643	1,138,211
Disability benefits:										
Retirees - duty	3,657,461	4,237,285	5,059,662	5,859,132	6,453,030	7,293,655	8,075,405	9,051,595	9,924,865	10,391,624
Retirees - non-duty	665,900	772,410	1,054,652	1,283,033	1,680,756	2,001,873	2,371,096	2,645,607	2,911,913	3,131,886
Survivors	423,452	437,643	447,447	506,442	299,158	481,592	572,584	570,491	634,652	853,962
Total benefits	22,740,382	24,901,567	27,462,709	30,754,701	33,930,168	39,830,674	45,854,260	51,828,036	68,569,258	77,303,738
Refunds	836,941	1,280,366	1,019,140	995,285	1,027,093	814,866	1,097,813	1,504,764	1,499,210	1,425,245

Note: Benefit amounts shown above are the annualized monthly benefits in effect on December 31 of each year. Actual benefits paid by type are reflected on page 127.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial 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)
12/31/2000	\$ 425,122,202	\$ 416,222,207	\$ (8,899,995)	102%	\$ 142,778,723	-%
12/31/2001	\$ 481,431,953	\$ 428,840,581	\$ (52,591,372)	112%	\$ 152,883,342	-%
12/31/2002	\$ 515,600,263	\$ 534,533,175	\$ 18,932,912	96%	\$ 163,420,616	12%
12/31/2003	\$ 553,057,228	\$ 625,021,624	\$ 71,964,396	88%	\$ 178,850,477	40%
12/31/2004	\$ 601,798,909	\$ 754,004,285	\$ 152,205,376	80%	\$ 193,670,943	79%
12/31/2005	\$ 653,546,976	\$ 842,926,984	\$ 189,380,008	78%	\$ 207,890,440	91%
12/31/2006	\$ 724,746,827	\$ 927,816,659	\$ 203,069,832	78%	\$ 222,107,556	91%
12/31/2007	\$ 827,546,002	\$ 1,054,599,720	\$ 227,053,718	78%	\$ 235,337,218	96%
12/31/2008	\$ 788,633,082	\$ 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%
12/31/2011	\$ 1,070,685,918	\$ 1,654,156,087	\$ 583,470,169	65%	\$ 275,850,081	212%
12/31/2012	\$ 1,169,357,127	\$ 1,805,815,641	\$ 636,458,514	65%	\$ 284,595,308	224%
12/31/2013	\$ 1,391,830,575	\$ 2,069,345,139	\$ 677,514,564	67%	\$ 298,805,693	227%
12/31/2014	\$ 1,554,175,988	\$ 2,235,441,597	\$ 681,265,609	70%	\$ 307,760,404	221%

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

**LOPFI**  
**Deductions by Type**  
**Last Ten Calendar Years**

Year	Benefits Paid - *	Member			Total Deductions
		Contribution Refunds	Administrative Expenses	DROP Distributions	
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
2011	\$41,402,892	\$1,097,813	\$1,696,390	\$2,093,535	\$46,290,630
2012	\$48,234,606	\$1,504,764	\$2,083,484	\$2,451,148	\$54,274,002
2013	\$55,152,120	\$1,499,210	\$2,082,784	\$5,380,916	\$64,115,030
2014	\$70,660,012	\$1,425,245	\$2,554,870	\$6,999,389	\$81,639,516

**LOPFI**  
**Additions by Source**  
**Last Ten Calendar Years**

Year	Member Contributions	Employer Contributions	Local Plan		Total Additions
			Merger / Military Purchase	Investment Income (Loss)	
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
2011	\$19,340,191	\$63,814,398	\$5,066,225	\$3,960,803	\$92,181,617
2012	\$19,338,663	\$70,576,887	\$2,329,925	\$119,129,435	\$211,374,910
2013	\$20,169,412	\$76,454,536	\$65,205,449	\$211,487,865	\$373,317,262
2014	\$22,637,069	\$85,943,953	\$7,655,795	\$107,518,419	\$223,755,236

**LOPFI**  
**Changes in Net Position Restricted for Pensions**  
**Last Ten Calendar Years**

Year	Change in Net Position
2005	\$ 40,119,258
2006	\$ 89,217,871
2007	\$ 95,358,546
2008	\$ (174,675,503)
2009	\$ 170,575,255
2010	\$ 128,012,362
2011	\$ 45,890,987
2012	\$ 157,100,908
2013	\$ 309,202,232
2014	\$ 142,115,720

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

**LOPFI**  
**Benefit Deductions by Type**  
**Last Ten Calendar Years**

Year	Normal Age & Service	Age & Service - Survivor	Disability	Disability - Survivor	Total Benefit Payments
2005	\$13,474,705	\$2,417,750	\$4,194,321	\$501,643	\$20,588,418
2006	\$15,246,008	\$2,771,396	\$4,455,022	\$472,724	\$22,945,150
2007	\$16,086,268	\$3,026,261	\$5,637,420	\$483,398	\$25,233,346
2008	\$17,105,377	\$3,243,470	\$6,823,408	\$498,922	\$27,671,177
2009	\$18,842,923	\$3,894,023	\$7,570,781	\$361,528	\$30,669,255
2010	\$22,567,958	\$4,771,760	\$8,808,114	\$438,688	\$36,586,520
2011	\$25,675,743	\$5,111,809	\$10,067,425	\$547,915	\$41,402,892
2012	\$31,066,686	\$5,395,501	\$11,162,781	\$609,638	\$48,234,606
2013	\$36,078,524	\$6,079,754	\$12,343,933	\$649,909	\$55,152,120
2014	\$47,841,486	\$8,676,189	\$13,366,900	\$775,437	\$70,660,012



**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	2	-	-	-	-	-	-	1	-	-	1
501-1,000	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

- |  |   |
|--|---|
| * Type of Retirement                     | # Option Selected at Retirement   |
| 1. Normal retirement for age and service | Normal - normal form of annuity for 5 years certain and life thereafter |
| 2. Early retirement for age and service  | Opt. A - 75% survivor annuity   |
| 3. Duty disability retirement            | Opt. B - 50% survivor annuity   |
| 4. Non-Duty disability retirement        | Opt. C - annuity for 10 years certain and life thereafter               |
| 5. DROP retirement                       |   |
| 6. Survivor payment                      |   |

**Paid Police (Excluding Local Plan)**  
(Continued)

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	350	261	3	-	49	7	30	134	76	69	71
501-1,000	222	146	1	2	35	8	30	98	31	50	43
1,001-1,500	129	86	6	11	16	8	2	58	19	27	25
1,501-2,000	131	54	3	42	17	15	-	78	18	21	14
2,001-2,500	129	47	-	56	10	16	-	73	10	27	19
2,501-3,000	104	47	-	38	6	13	-	61	9	23	11
3,001-3,500	76	32	-	23	2	19	-	53	2	10	11
3,501-4,000	40	19	-	8	3	10	-	23	5	6	6
Over \$4,000	52	34	1	5	-	12	-	34	5	9	4
<b>Total</b>	<b>1,233</b>	<b>726</b>	<b>14</b>	<b>185</b>	<b>138</b>	<b>108</b>	<b>62</b>	<b>612</b>	<b>175</b>	<b>242</b>	<b>204</b>

\* 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

Continued on next page

Gabriel Roeder Smith & Company

**Paid Fire (Excluding Local Plan)**  
*(Continued)*

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	67	38	-	1	11	4	13	36	10	17	4
501-1,000	86	44	1	1	11	10	19	56	8	14	8
1,001-1,500	97	51	1	4	10	27	4	59	15	12	11
1,501-2,000	91	48	-	16	9	17	1	45	16	19	11
2,001-2,500	99	34	1	30	5	28	1	70	8	16	5
2,501-3,000	90	37	-	30	5	18	-	50	12	17	11
3,001-3,500	60	28	-	18	2	12	-	40	3	10	7
3,501-4,000	47	28	-	7	1	11	-	28	4	14	1
Over \$4,000	41	31	-	1	2	7	-	22	2	11	6
<b>Total</b>	<b>678</b>	<b>339</b>	<b>3</b>	<b>108</b>	<b>56</b>	<b>134</b>	<b>38</b>	<b>406</b>	<b>78</b>	<b>130</b>	<b>64</b>

- \* Type of Retirement
1. Normal retirement for age and service
  2. Early retirement for age and service
  3. Duty disability retirement
  4. Non-Duty disability retirement
  5. DROP retirement
  6. Survivor payment
- # Option Selected at Retirement
- Normal - normal form of annuity for 5 years certain and life thereafter
- Opt. A - 75% survivor annuity
- Opt. B - 50% survivor annuity
- Opt. C - annuity for 10 years certain and life thereafter

**Volunteer Police (Excluding Local Plan)**  
*(Continued)*

Monthly Benefit	No. of Retirants	Type of Retirement*					Option Selected#			
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C
\$1-50	86	76	-	-	6	4	38	15	9	24
51-75	4	4	-	-	-	-	-	1	-	3
76-100	1	1	-	-	-	-	-	-	1	-
101-125	5	5	-	-	-	3	3	1	-	1
126-150	2	2	-	-	-	-	-	1	-	1
151-175	2	2	-	-	-	-	-	1	-	1
176-200	-	-	-	-	-	-	-	-	-	-
201-225	1	1	-	-	-	1	1	-	-	-
Over \$225	1	1	-	-	-	-	-	1	-	-
<b>Total</b>	<b>102</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>4</b>	<b>42</b>	<b>20</b>	<b>10</b>	<b>30</b>

\* Type of Retirement

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

# Option Selected at Retirement

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

**Volunteer Fire (Excluding Local Plan)**  
(Continued)

Monthly Benefit	No. of Retirants	Type of Retirement*					Option Selected#				
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C	
\$1-50	499	342	1	1	1	54	101	232	60	86	121
51-75	275	234	1	-	-	19	21	97	49	39	90
76-100	204	178	3	-	-	18	5	68	53	20	63
101-125	235	214	7	-	-	13	1	74	64	33	64
126-150	240	235	4	-	-	1	-	76	41	17	106
151-175	189	187	-	1	1	1	-	54	59	13	63
176-200	116	116	-	-	-	-	-	37	9	14	56
201-225	46	46	-	-	-	-	-	17	3	3	23
Over \$225	6	6	-	-	-	-	-	2	2	1	1
<b>Total</b>	<b>1,810</b>	<b>1,558</b>	<b>16</b>	<b>2</b>	<b>106</b>	<b>128</b>	<b>657</b>	<b>340</b>	<b>226</b>	<b>587</b>	

\* Type of Retirement

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

# Option Selected at Retirement

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

# Schedule of Retirements by Type of Benefit and Department

(Continued)

## LOPFI Staff

Retirement Effective Dates			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
01/01/09 - 12/31/09	Average Monthly Benefit	\$ 644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Final Average Pay*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Active Retirees	1	-	-	-	-	-	-	-
	* Final Average Pay for 1 member was not provided.								
01/01/10 - 12/31/10	Average Monthly Benefit	\$ 663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Final Average Pay*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Active Retirees	1	-	-	-	-	-	-	-
	* Final Average Pay for 1 member was not provided.								
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Final Average Pay*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Active Retirees	1	-	-	-	-	-	-	-
	* Final Average Pay for 1 member was not provided.								
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Final Average Pay*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Active Retirees	1	-	-	-	-	-	-	-
	* Final Average Pay for 1 member was not provided.								
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Final Average Pay*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Active Retirees	1	-	-	-	-	-	-	-
	* Final Average Pay for 1 member was not provided.								
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Final Average Pay*	\$ 35,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Number of Active Retirees	2	-	-	-	-	-	-	-
	* Final Average Pay for 1 member was not provided.								

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Continued on next page

# Schedule of Retirements by Type of Benefit and Department

(Continued)

## LOPFI Paid Police

Retirement Effective Dates January 1, 2005 to December 31, 2014		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 482	\$ 1,015	\$ 1,486	\$ 1,928	\$ 2,212	\$ 2,762	\$ 2,436
	Final Average Pay*	\$ 33,210	\$ 36,913	\$ 39,038	\$ 44,496	\$ 46,338	\$ 54,634	\$ 46,761
	Number of Active Retirees	263	182	119	89	107	41	8
* Final Average Pay for 103 members was not provided. # Includes 100 members whose service was not provided.								
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 482	\$ 1,015	\$ 1,449	\$ 1,981	\$ 2,350	\$ 2,933	\$ 2,393
	Final Average Pay*	\$ 32,902	\$ 37,103	\$ 39,452	\$ 45,223	\$ 47,880	\$ 56,643	\$ 47,194
	Number of Active Retirees	304	207	146	108	123	50	7
* Final Average Pay for 125 members was not provided. # Includes 106 members whose service was not provided.								
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 494	\$ 1,023	\$ 1,483	\$ 2,027	\$ 2,397	\$ 3,210	\$ 2,648
	Final Average Pay*	\$ 34,064	\$ 38,056	\$ 41,080	\$ 46,684	\$ 48,336	\$ 60,635	\$ 52,014
	Number of Active Retirees	346	237	167	124	133	82	9
* Final Average Pay for 142 members was not provided. # Includes 117 members whose service was not provided.								
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 518	\$ 1,034	\$ 1,516	\$ 2,102	\$ 2,512	\$ 3,422	\$ 2,706
	Final Average Pay*	\$ 35,213	\$ 38,821	\$ 42,243	\$ 48,478	\$ 50,713	\$ 65,343	\$ 52,488
	Number of Active Retirees	368	255	188	149	154	110	9
* Final Average Pay for 161 members was not provided. # Includes 127 members whose service was not provided.								

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# Schedule of Retirements by Type of Benefit and Department

(Continued)

**LOPFI  
Paid Fire**

Retirement Effective Dates January 1, 2005 to December 31, 2014		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 800	\$ 1,509	\$ 1,651	\$ 2,287	\$ 2,166	\$ 3,269	\$ 1,832
	Final Average Pay*	\$ 40,532	\$ 43,674	\$ 42,089	\$ 45,855	\$ 47,735	\$ 59,494	\$ 34,235
	Number of Active Retirees	81	52	61	37	56	47	5
* Final Average Pay for 47 members was not provided. # Includes 49 members whose service was not provided.								
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 807	\$ 1,339	\$ 1,696	\$ 2,261	\$ 2,266	\$ 3,287	\$ 2,118
	Final Average Pay*	\$ 42,036	\$ 47,251	\$ 43,525	\$ 49,422	\$ 48,163	\$ 58,761	\$ 41,705
	Number of Active Retirees	92	85	71	54	66	62	6
* Final Average Pay for 72 members was not provided. # Includes 52 members whose service was not provided.								
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 769	\$ 1,376	\$ 1,692	\$ 2,300	\$ 2,349	\$ 3,326	\$ 3,193
	Final Average Pay*	\$ 41,955	\$ 49,217	\$ 46,334	\$ 50,471	\$ 49,392	\$ 59,981	\$ 58,426
	Number of Active Retirees	102	100	89	71	80	96	10
* Final Average Pay for 88 members was not provided. # Includes 59 members whose service was not provided.								
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 823	\$ 1,392	\$ 1,658	\$ 2,298	\$ 2,433	\$ 3,388	\$ 3,891
	Final Average Pay*	\$ 42,470	\$ 49,034	\$ 49,455	\$ 51,139	\$ 50,982	\$ 60,997	\$ 73,019
	Number of Active Retirees	116	108	114	87	107	132	14
* Final Average Pay for 111 members was not provided. # Includes 68 members whose service was not provided.								

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# Schedule of Retirements by Type of Benefit and Department

(Continued)

## LOPFI Volunteer Police

Retirement Effective Dates January 1, 2005 to December 31, 2014		Service at Retirement						
		0-4	5-9	10-14	15-19	20-24	25-29	30+
01/01/05 - 12/31/05	Average Monthly Benefit	\$ 9	\$ 34	\$ 49	\$ 77	\$ -	\$ 136	\$ -
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	3	1	1	2	-	2	-
01/01/06 - 12/31/06	Average Monthly Benefit	\$ 8	\$ 35	\$ -	\$ 79	\$ -	\$ 140	\$ -
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	4	1	-	2	-	2	-
01/01/07 - 12/31/07	Average Monthly Benefit	\$ 8	\$ 34	\$ -	\$ 82	\$ -	\$ 144	\$ -
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	4	5	-	2	-	2	-
01/01/08 - 12/31/08	Average Monthly Benefit	\$ 10	\$ 35	\$ -	\$ 84	\$ -	\$ 148	\$ -
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	5	5	-	2	-	2	-
01/01/09 - 12/31/09	Average Monthly Benefit	\$ 12	\$ 36	\$ -	\$ 89	\$ -	\$ 153	\$ -
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	8	5	-	3	-	2	-
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
	Number of Active Retirees	13	5	2	2	-	2	1
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 11	\$ 38	\$ 71	\$ 106	\$ -	\$ 162	\$ 207
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	20	9	2	2	-	2	1
	# Includes 1 member whose service was not provided.							
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 10	\$ 36	\$ 74	\$ 109	\$ 122	\$ 167	\$ 213
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	34	15	2	2	1	2	1
	# Includes 2 members whose service was not provided.							
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 10	\$ 39	\$ 76	\$ 109	\$ 123	\$ 172	\$ 220
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	50	18	2	4	2	2	1
	# Includes 3 members whose service was not provided.							
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 10	\$ 40	\$ 76	\$ 111	\$ 135	\$ 177	\$ 173
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	67	21	3	4	3	2	2
	# Includes 9 members whose service was not provided.							

Gabriel Roeder Smith & Company

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# Schedule of Retirements by Type of Benefit and Department

(Continued)

## LOPFI Volunteer Fire

Retirement Effective Dates			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 38	\$ 43	\$ 68	\$ 98	\$ 119	\$ 155	\$ 182	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	223	166	162	145	252	153	81	
	# Includes 155 members whose service was not provided.								
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 36	\$ 44	\$ 70	\$ 100	\$ 122	\$ 159	\$ 187	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	285	198	187	154	284	177	89	
	# Includes 177 members whose service was not provided.								
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 38	\$ 45	\$ 72	\$ 103	\$ 126	\$ 162	\$ 192	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	355	232	221	169	311	208	100	
	# Includes 213 members whose service was not provided.								
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 36	\$ 46	\$ 74	\$ 106	\$ 129	\$ 166	\$ 197	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	417	264	251	188	349	235	106	
	# Includes 230 members whose service was not provided.								

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# Schedule of Retirements by Type of Benefit and Department

(Continued)

Retirement Effective Dates January 1, 2005 to December 31, 2014			Local Plan Paid Police						
			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.						
01/01/11 - 12/31/11	Average Monthly Benefit		\$ 1,131	\$ 1,469	\$ 1,527	\$ 1,918	\$ 1,798	\$ 1,942	\$ 1,740
	Final Average Pay		\$ 57,053	\$ 17,949	\$ 25,216	\$ 35,739	\$ 41,396	\$ 57,958	\$ 43,738
	Number of Active Retirees		179	7	10	26	127	98	84
			* Final Average Pay for 386 members was not provided.						
			# Includes 179 members whose service was not provided.						
01/01/12 - 12/31/12	Average Monthly Benefit		\$ 1,345	\$ 1,504	\$ 1,534	\$ 1,940	\$ 1,825	\$ 1,989	\$ 1,804
	Final Average Pay		\$ 83,946	\$ 17,949	\$ 25,216	\$ 35,739	\$ 40,886	\$ 58,349	\$ 45,533
	Number of Active Retirees		214	7	10	26	125	96	84
			* Final Average Pay for 417 members was not provided.						
			# Includes 214 members whose service was not provided.						
01/01/13 - 12/31/13	Average Monthly Benefit		\$ 1,754	\$ 1,541	\$ 1,582	\$ 1,910	\$ 1,850	\$ 2,030	\$ 1,837
	Final Average Pay		\$ 83,946	\$ 17,949	\$ 26,323	\$ 35,739	\$ 40,846	\$ 57,784	\$ 45,431
	Number of Active Retirees		516	7	8	25	122	97	82
			* Final Average Pay for 715 members was not provided.						
			# Includes 516 members whose service was not provided.						
01/01/14 - 12/31/14	Average Monthly Benefit		\$ 1,783	\$ 1,579	\$ 1,595	\$ 1,902	\$ 1,873	\$ 2,063	\$ 1,908
	Final Average Pay		\$ 78,444	\$ 17,949	\$ 26,323	\$ 35,739	\$ 41,538	\$ 57,784	\$ 42,165
	Number of Active Retirees		539	7	7	23	119	96	78
			* Final Average Pay for 712 members was not provided.						
			# Includes 539 members whose service was not provided.						

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*Continued on next page*

# Schedule of Retirements by Type of Benefit and Department

(Continued)

**Local Plan  
Paid Fire**

Retirement Effective Dates January 1, 2005 to December 31, 2014		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 1,528	\$ 3,056	\$ 1,278	\$ 1,637	\$ 1,611	\$ 1,869	\$ 2,047
	Final Average Pay	\$ 31,833	\$ 38,605	\$ 53,846	\$ 28,122	\$ 34,630	\$ 39,120	\$ 44,768
	Number of Active Retirees	240	1	3	14	97	120	162
* Final Average Pay for 356 members was not provided. # Includes 235 members whose service was not provided.								
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 1,555	\$ 3,056	\$ 1,316	\$ 1,662	\$ 1,645	\$ 1,906	\$ 2,106
	Final Average Pay	\$ 32,949	\$ 38,605	\$ 51,831	\$ 28,122	\$ 35,205	\$ 39,430	\$ 45,236
	Number of Active Retirees	235	1	3	14	95	121	155
* Final Average Pay for 348 members was not provided. # Includes 230 members whose service was not provided.								
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 1,730	\$ 3,056	\$ 1,356	\$ 1,687	\$ 1,672	\$ 1,940	\$ 2,187
	Final Average Pay	\$ 34,420	\$ 38,605	\$ 60,732	\$ 28,122	\$ 35,075	\$ 39,114	\$ 44,957
	Number of Active Retirees	317	1	3	14	93	119	154
* Final Average Pay for 426 members was not provided. # Includes 312 members whose service was not provided.								
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 1,741	\$ 3,056	\$ 1,397	\$ 1,712	\$ 1,692	\$ 1,964	\$ 2,278
	Final Average Pay	\$ 35,636	\$ 38,605	\$ -	\$ 28,122	\$ 34,999	\$ 38,021	\$ 44,586
	Number of Active Retirees	317	1	3	14	92	117	147
* Final Average Pay for 420 members was not provided. # Includes 312 members whose service was not provided.								

Gabriel Roeder Smith & Company

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# Schedule of Retirements by Type of Benefit and Department

(Concluded)

**Local Plan  
Volunteer Fire**

Retirement Effective Dates January 1, 2005 to December 31, 2014		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.							
01/01/11 - 12/31/11	Average Monthly Benefit	\$ 126	\$ 113	\$ 113	\$ 115	\$ 131	\$ 146	\$ 142
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	456	4	4	17	105	139	154
	# Includes 452 members whose service was not provided.							
01/01/12 - 12/31/12	Average Monthly Benefit	\$ 129	\$ 113	\$ 113	\$ 116	\$ 133	\$ 146	\$ 144
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	443	4	4	16	101	136	150
	# Includes 439 members whose service was not provided.							
01/01/13 - 12/31/13	Average Monthly Benefit	\$ 132	\$ 113	\$ 117	\$ 116	\$ 134	\$ 147	\$ 146
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	498	4	3	16	99	136	144
	# Includes 494 members whose service was not provided.							
01/01/14 - 12/31/14	Average Monthly Benefit	\$ 135	\$ 113	\$ 117	\$ 116	\$ 135	\$ 148	\$ 148
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	554	4	3	16	97	135	137
	# Includes 550 members whose service was not provided.							

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**LOPFI**  
**Top Ten Participating Employers**

	2014		2013		2012		2011		2010		2009		2008		2007		2006		2005	
	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees	No. Employees	% of Covered Employees
Fayetteville Paid Police	120	1.9%	120	1.9%	112	1.8%	114	1.9%	114	1.9%	118	2.0%	120	2.1%	120	2.1%	115	2.2%	115	2.2%
Fort Smith Paid Fire	161	2.5%	156	2.5%	139	2.3%	124	2.1%	119	2.0%	120	2.0%	119	2.1%	119	2.1%	115	2.2%	113	2.2%
Fort Smith Paid Police	164	2.6%	162	2.6%	163	2.7%	162	2.7%	157	2.6%	163	2.8%	159	2.8%	152	2.7%	158	3.0%	148	2.9%
Jonesboro Paid Police	155	2.5%	154	2.5%	145	2.4%	145	2.4%	147	2.5%	143	2.4%	131	2.3%	127	2.3%	119	2.2%	117	2.3%
Little Rock Paid Fire	391	6.2%	395	6.3%	393	6.4%	373	6.2%	360	6.1%	354	6.0%	316	5.6%	324	5.8%	312	5.9%	310	6.1%
Little Rock Paid Police	541	8.6%	539	8.6%	522	8.5%	485	8.1%	495	8.3%	492	8.3%	480	8.5%	476	8.5%	460	8.6%	438	8.6%
North Little Rock Paid Fire	140	2.2%	139	2.2%	139	2.3%	138	2.3%	134	2.3%	134	2.3%	130	2.3%	131	2.3%	126	2.4%	115	2.2%
North Little Rock Paid Police	185	2.9%	188	3.0%	184	3.0%	181	3.0%	181	3.0%	176	3.0%	177	3.1%	181	3.2%	177	3.3%	185	3.6%
Pine Bluff Paid Police	152	2.4%	150	2.4%	151	2.5%	145	2.4%	147	2.5%	140	2.4%	131	2.3%	127	2.3%	132	2.5%	126	2.5%
Springdale Paid Police	130	2.1%	123	2.0%	122	2.0%	119	2.0%	116	1.9%	117	2.0%	115	2.0%	110	2.0%	99	1.9%	93	1.8%

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