
Arkansas Local Police and Fire Retirement System

LOPFI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Years Ended
December 31, 2018
and December 31, 2017**



LOPFI

Thirty-Sixth
Comprehensive Annual
Financial Report
Fiscal Years Ended
December 31, 2018 and
December 31, 2017

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Little Rock, AR 72201
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Arkansas Local Police and Fire Retirement System
David B. Clark, Executive Director
Denise Collins, Chief Financial Officer

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The graphic features the text "Introductory Section" in a large, bold, black sans-serif font. The text is centered within a light gray rounded rectangular border. Behind the text is a stylized, gray silhouette of two human profiles facing each other, with their heads touching at the top. The overall design is clean and professional.

Introductory Section

BOARD OF TRUSTEES



MIKE GASKILL
Chairman, Employer Trustee
Paragould
Term Expires Jan. 1, 2019



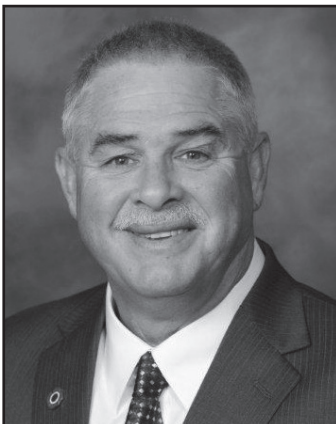
MAYOR GARY BAXTER
Employer Trustee
Mulberry
Term Expires Jan. 1, 2022



J. SCOTT BAXTER
Police Employee Trustee
Jonesboro
Term Expires Jan. 1, 2022



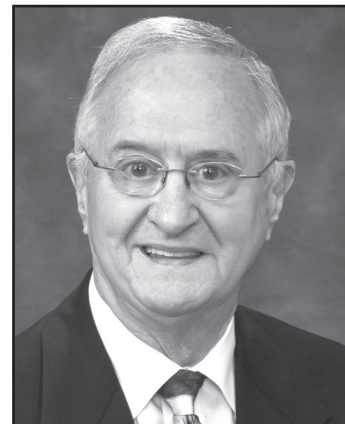
DAMON REED
Fire Employee Trustee
Conway
Term Expires Jan. 1, 2020



JOHN NEAL
Retired Fire Employee Trustee
Harrison
Term Expires Jan. 1, 2020



JACK "TIM" HILL
Retired Police Employee Trustee
Springdale
Term Expires Jan. 1, 2020



BEV LAMBERT
Public Trustee
Little Rock
Term Expires Jan. 1, 2019

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, 2017

Christopher P. Morrill

Executive Director/CEO

LOPFI

ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

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Little Rock, Arkansas 72201-2223
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Letter of Transmittal

June 11, 2019

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

Dear Trustees:

We are pleased to present you the Comprehensive Annual Financial Report (CAFR) of the Arkansas Local Police and Fire Retirement System (LOPFI) for the year ended December 31, 2018. This report recognizes LOPFI's 36th year of providing vitally-important retirement benefits to the covered police officers and firefighters.

LOPFI was created by the 1981 Arkansas 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 (the Board) appoints an Executive Director to administer the retirement system consistent with law and Board policy.

Accounting, Financial Reporting and Internal Controls

The accounting policies of LOPFI have been established to conform to generally accepted accounting principles (GAAP) in the United States. LOPFI uses an accrual basis of accounting. This method recognizes member and employer contributions as additions in the period that member services were performed and deductions are recognized when they are incurred.

Ensuring the retirement system's financial condition is reported in a clear and accurate fashion is a key responsibility of management. The financial statements have been prepared in accordance with GAAP and are organized in a manner consistent with factors established by the Governmental Accounting Standards Board (GASB), including, but not limited to, GASB Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 34, *Basic Financial Statements---and Management's Discussion and Analysis (MD&A)*.

Letter of Transmittal

(Continued)

This Letter of Transmittal should be viewed in conjunction with the MD&A. It is not meant to be a replacement to the MD&A. The MD&A provides information regarding the basic financial statements and is located within the report from the system's independent auditors, which can be found in the Financial Section of the CAFR. The audit is conducted annually to ensure proper internal controls are in place so that the financial statements are fairly presented. The auditors have unencumbered access to all records and agency staff, which ensures a comprehensive assessment occurs with each audit. LOPFI received an unmodified opinion from its independent auditor regarding its financial statements for the year ended December 31, 2018.

The system uses internal controls 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 structured 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 accounting of the assets are valid. The concept behind internal controls recognizes that the cost of a control should not exceed its anticipated benefit. LOPFI's internal controls are examined regularly 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 reported in an accurate, clear and concise manner.

Funding

LOPFI is tasked with ensuring all benefit promises are fulfilled to each retired participant. In addition to investment earnings that help fund benefits, LOPFI has a responsibility to maintain contributions that are approximately level as a percent of member payroll over decades of time. The Schedule of Funding Progress located in the Actuarial Section of this report shows the system continues to meet this objective. As of December 31, 2018, the funded ratio for the entire portfolio remained at 71% (this includes liabilities for the 215 Local Plans administered by LOPFI). The LOPFI-only portion of the portfolio i.e. excluding the Local Plans administered by LOPFI, the funded percentage was 76%, which was unchanged from the previous year. For the amortization schedules, the paid service amortization decreased from 17.0 years to 16.1 years. Volunteer service, which previously was at 16.0 years, increased to 16.7 years. Both amortization schedules use a closed period to help Board's mission of guiding the system back to a fully funded position. Further details concerning the funded condition of LOPFI is located in the Actuarial Section of this report.

Investment Process and Performance

The 2018-year saw a -2.59% net return as compared to the portfolio's benchmark -3.86%. The negative result was due to the pullback that occurred in the fourth quarter of 2018. The final quarter of the year was the worst quarter for the markets in the last ten (10) years and was driven by the China tariffs, talks of rising rates, and uncertainty of the

Letter of Transmittal

(Continued)

outcome of the mid-term elections. Ultimately, the fourth quarter erased the gains realized in the previous three quarters and had LOPFI's market value close the year at \$2,047,506,375.

The system's investment program follows the Board's investment rule—Board Rule 20. This rule sets out the responsibilities of the Board and its advisors, and the objectives for the system's investments. LOPFI's assumed rate of return is 7.5%. As noted earlier, the 2018 return was negative; however, over the past 26 years, LOPFI has averaged a net return of 8.85%. The Board recognizes that in the near term, there will be investment challenges unique to what the system realized in its formative years. As such a broadly diversified portfolio is pivotal. Assets are spread among 20+ investment management firms who are charged with investing those assets within a carefully defined framework. The framework includes investment style, expected return, level of acceptable risk, and other metrics. The Board has an ongoing monitoring process of the performance of each manager through the use of an investment consultant and investment monitor. Both firms are talented and provide an independent analysis of each investment manager. The Board reviews the investment reports at least quarterly to ensure compliance with the stated objectives and investment rule. Ultimately the Board retains the sole authority for how the investment program is administered. The Investment Section of this CAFR provides further details regarding the system's investments.

Determination Letter

After a nearly ten-year process LOPFI received its first-ever Determination Letter from the Internal Revenue Service (IRS). The IRS worked with LOPFI to ensure necessary technical changes to LOPFI's body of law and Board Rules occurred in a manner that met their high standards. A Determination Letter is vital in demonstrating for the period under review that the system is viewed as a qualified plan. Achieving and maintaining a qualified plan status ensures the benefit accruals and investment earnings are viewed favorably by the IRS. This means members do not pay taxes as they earn benefits only when benefit payments begin or member contributions are withdrawn, and the investment portfolio is excluded from taxes on its earnings.

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, 2017. This was the 16th 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.

Letter of Transmittal

(Concluded)

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.

Acknowledgments

This report was developed through the cooperative efforts of system staff and professional service providers. Each person who participated in the creation of this report is truly appreciated. LOPFI makes its CAFR easily accessible via the system's website as this allows interested parties such as the valued retirement system members, public, legislature, and participating employers unencumbered access to the report. The CAFR's format is intended to be logical in its presentation, so that it is a meaningful resource to those who have an interest in the retirement system.

LOPFI invites all active and retired participants and participating employers to share your thoughts with us on how we may improve our service to you. Please feel free to visit with any member of staff to provide your feedback.

David B. Clark
Executive Director

Denise Collins
Chief Financial Officer

Administrative Organization

STAFF

David B. Clark
Executive Director

Denise Collins
Chief Financial Officer

ACTUARY

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

DATA PROCESSING

Tegrit Technologies
Livonia, Michigan

INVESTMENT MONITOR

AndCo Consulting
John McCann
Orlando, Florida

AUDITOR

BKD, LLP CPAs & Advisors
Kevin Kemp, CPA
Dallas, Texas

INVESTMENT CONSULTANT

Stephens, Inc.
Larry Middleton
Little Rock, Arkansas

LEGAL COUNSEL

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

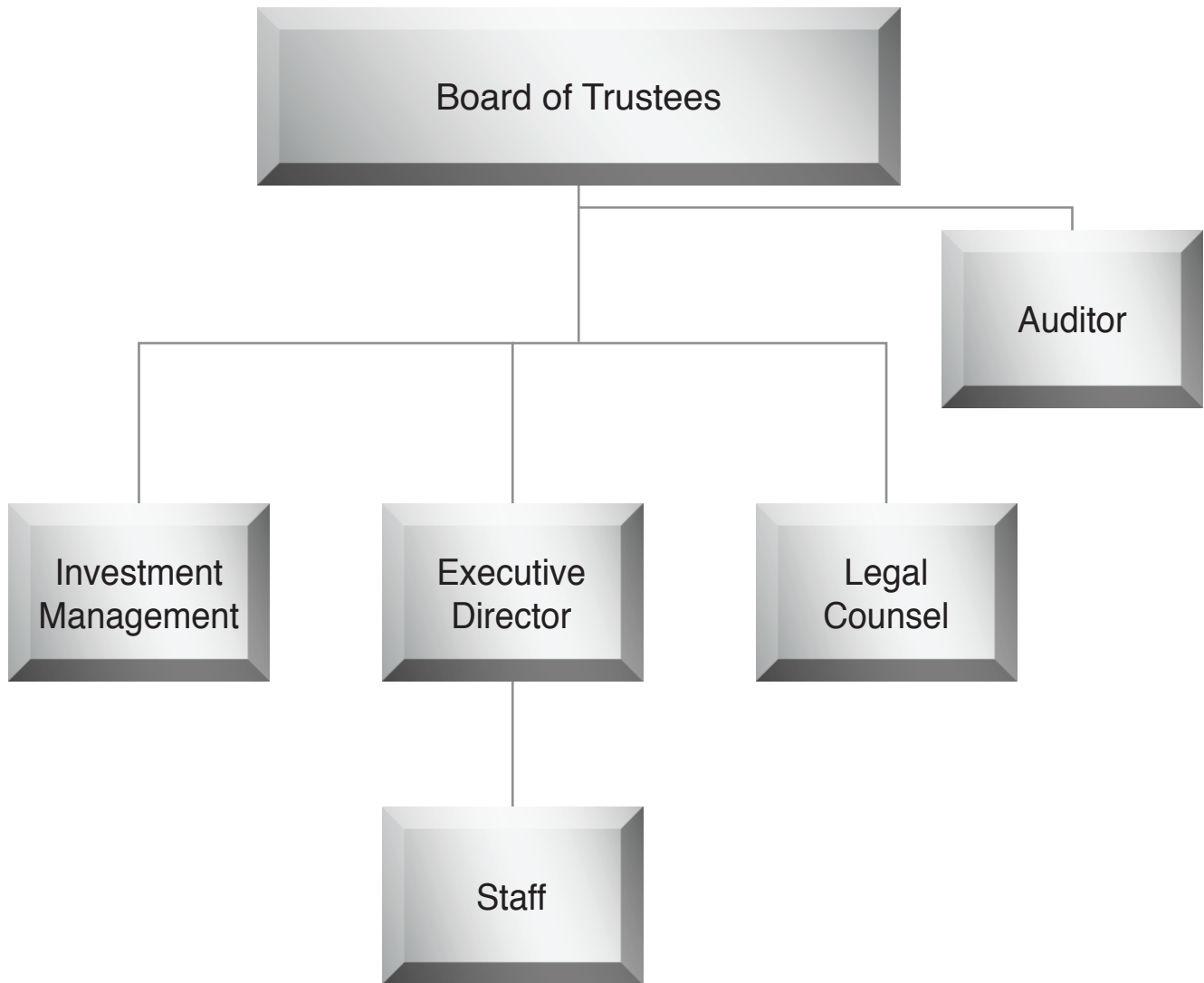
INVESTMENT MANAGEMENT

- *Aberdeen Asset Management*
Philadelphia, Pennsylvania
- *Alternative Investment Management (AIM)*
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
- *ClearBridge*
Wilmington, Delaware
- *Congress Asset Management*
Boston, Massachusetts
- *Dodge & Cox*
Braintree, Massachusetts
- *Fisher Investments*
(International Bond & Emerging Markets)
Woodside, California
- *Garcia, Hamilton & Associates*
Houston, Texas
- *Goldentree Select Offshore Fund, LTD*
New York, New York
- *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
- *Macquarie Infrastructure Partners, Inc.*
New York, New York
- *Neuberger Berman*
(Private Equity & Private Debt)
Dallas, Texas
- *New South Capital Management*
Memphis, Tennessee
- *Owl Rock Capital Corporation*
New York, New York
- *Pacific Investment Management Company*
(PIMCO) (International Bond & Distressed Debt)
Newport Beach, California
- *Riverstone Credit Partners II, L.P.*
New York, New York
- *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 fees and commissions can be found in the Investment Section on pages 62-65.

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 at 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 more than one (1) employer.

NORMAL RETIREMENT

A member may retire after completing 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 may 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 final average pay (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

$\$6.68 \text{ per month} \times \text{Years of Service}$

(The \$6.68 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 attained at forty (40) years of credited volunteer service.

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 may be 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 a DROP benefit calculation, total credited service shall not include purchased service credit. However, military service credit earned under ACA 24-10-502 shall count towards the total credited service. In addition, Act 829 of 2015 allows up to 36 months of actual LOPFI volunteer service credit to be used toward DROP eligibility.

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 and means no further paid or volunteer service credit accrual, for retirement benefit purposes, will occur. 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 including the benefit attributable to any LOPFI volunteer service credit accrual prior to enrollment in DROP, plus any applicable COLA. At the option of the member, the DROP account balance can be rolled into an investment vehicle, received either as a lump-sum payment equal to the payments into their DROP account, 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, or leave their DROP balance, or a portion of, on account with LOPFI. Any portion of the DROP balance left on account will accrue 2% interest. Members may also elect a combination of the four options.

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 to 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 prior to the enrollment in their Local Plan's deferred retirement option plan (DROP), if applicable, 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

We have audited the accompanying financial statements of Arkansas Local Police and Fire Retirement System (the System) as of and for the years ended December 31, 2018 and 2017, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arkansas Local Police and Fire Retirement System as of December 31, 2018 and 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements and other knowledge we obtained during our audits of the basic 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The introductory section, other supplementary information (schedule of administrative expenses and the schedule of investment expenses), investment section, actuarial section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of administrative expenses and the schedule of investment expenses are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of administrative expenses and the schedule of investment expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Little Rock, Arkansas
April 18, 2019

Arkansas Local Police and Fire Retirement System

Management's Discussion and Analysis

December 31, 2018 and 2017

This discussion and analysis of Arkansas Local Police and Fire Retirement System (hereafter referred to as LOPFI or the System) is for the years ended December 31, 2018 and 2017. 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 System's net position restricted for pensions is 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 minus deductions equal 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 Other Supplementary Information* 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 2018 and 2017.

Arkansas Local Police and Fire Retirement System

Management's Discussion and Analysis

December 31, 2018 and 2017

Summary Statements of Net Position Restricted for Pensions

	2018	2017	2016	2018 Percentage Change	2017 Percentage Change
Cash	\$ 184,462,049	\$ 141,095,795	\$ 139,403,804	30.74%	1.21%
Total receivables	8,847,353	8,408,530	7,745,199	5.22%	8.56%
Prepaid expenses	10,229,261	8,423,084	7,100,260	21.44%	18.63%
Total investments, at fair value	1,875,465,725	1,915,918,557	1,615,820,171	-2.11%	18.57%
Property and equipment, net	2,322,783	2,356,706	2,395,153	-1.44%	-1.61%
Other assets	204,183	88,180	6,329	131.55%	1293.27%
Total assets	\$ 2,081,531,354	\$ 2,076,290,852	\$ 1,772,470,916	0.25%	17.14%
Accounts payable and accrued expenses	\$ 961,609	\$ 1,024,111	\$ 1,214,905	-6.10%	-15.70%
Refunds payable	159,145	199,335	64,751	-20.16%	207.85%
Due to Pension Review Board	557,443	448,967	352,259	24.16%	27.45%
Total liabilities	1,678,197	1,672,413	1,631,915	0.35%	2.48%
Net position restricted for pensions	2,079,853,157	2,074,618,439	1,770,839,001	0.25%	17.15%
Total net position and liabilities	\$ 2,081,531,354	\$ 2,076,290,852	\$ 1,772,470,916	0.25%	17.14%

December 31, 2018

There was an increase in cash in order to reduce risk due to the volatility of the market at the end of 2018. The total investments at fair value decrease reflects the negative performance of the financial markets in 2018 offset somewhat by the increased contributions from members and the receipt of over \$53.4 million in assets from the Local Plans consolidating with LOPFI. There was an increase in prepaid expenses due to the increase in the monthly benefit payments. The net value of the property and equipment decreased slightly as a result of the normal process of depreciating fixed assets.

December 31, 2017

There was a growth in cash as a result of the increased market conditions. The total investments at fair value increase reflects the remarkable performance of the financial markets in 2017 coupled with the increased contributions and the receipt of over \$37.2 million in assets from the Local Plans consolidating with LOPFI. The slight gain in total receivables represents a combination of increased Member and Employer contributions as well as accrued interest and dividends. The net value of the property and equipment decreased slightly 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, 2018 and 2017

Summary Statements of Changes in Net Position Restricted for Pensions

	2018	2017	2016	2018 Percentage Change	2017 Percentage Change
Total contributions	\$ 191,329,598	\$ 161,833,371	\$ 130,581,208	18.23%	23.93%
Net investment income (loss)	(60,441,633)	253,402,809	98,810,912	-123.85%	156.45%
Total additions	<u>130,887,965</u>	<u>415,236,180</u>	<u>229,392,120</u>	<u>-68.48%</u>	<u>81.02%</u>
Benefit payments, including refunds and DROP distributions	121,646,345	108,165,851	102,125,343	12.46%	5.91%
Administrative expenses	<u>4,006,902</u>	<u>3,290,891</u>	<u>3,106,088</u>	<u>21.76%</u>	<u>5.95%</u>
Total deductions	<u>125,653,247</u>	<u>111,456,742</u>	<u>105,231,431</u>	<u>12.74%</u>	<u>5.92%</u>
Net increase in fiduciary net position	<u>\$ 5,234,718</u>	<u>\$ 303,779,438</u>	<u>\$ 124,160,689</u>	<u>-98.28%</u>	<u>144.67%</u>

December 31, 2018

There was an increase to the total contributions, due to the increase in contributions from members and employers/departments as well as an increase in agent plan mergers into the System. The net investment income (loss) decreased as a result of the portfolios generating a negative return of 2.59%, while 2017 had a positive return of 14.48%. An increase in benefits paid to participants is a combination of the growing number of retired LOPFI members as well as the addition of retirees from the consolidated Local Plans. Refunds of member contributions increased in 2018, and Deferred Retirement Option Plan (DROP) distributions to both LOPFI and Local Plans administered by LOPFI decreased slightly. There was an increase in administrative expenses in 2018 due to the continuing work to enhance information technology operations and processes.

December 31, 2017

There was an increase to the total contributions, due to the increase in contributions from members and employers/departments as well as an increase in local plan mergers into the system. The net investment income increased as a result of the portfolios generating a return of 14.48%, which resulted in a significant increase in investment income over the previous years. An increase in benefits paid to participants is a combination of the growing number of retired LOPFI members as well as the addition of retirees from the consolidated Local Plans. Refunds of member contributions decreased slightly in 2017 as well as DROP distributions to both LOPFI and Local Plans administered by LOPFI.

Questions concerning any of the information provided in this report or any request for additional information should be made in writing and addressed to LOPFI, 620 W. 3rd Street, Suite 200, Little Rock, Arkansas 72201-2223 or by sending an email to info@lopfi-prb.com or by calling 501.682.1745.

Arkansas Local Police and Fire Retirement System

Statements of Fiduciary Net Position

December 31, 2018 and 2017

	2018		Total
	Cost-Sharing Multiple- Employer	Agent Multiple- Employer	
Assets			
Cash	\$ 162,882,243	\$ 21,579,806	\$ 184,462,049
Contributions receivable	7,141,915	946,212	8,088,127
Interest receivable	670,406	88,820	759,226
Total receivables	7,812,321	1,035,032	8,847,353
Prepaid expenses	9,032,562	1,196,699	10,229,261
Investments, at fair value			
Equity securities – U.S. companies	277,435,759	36,756,675	314,192,434
Equity securities – international companies	43,341,287	5,742,164	49,083,451
Mutual funds	1,024,659,449	135,754,219	1,160,413,668
U.S. Treasury securities	64,169,665	8,501,657	72,671,322
Corporate bonds	37,056,644	4,909,530	41,966,174
Mortgage-backed securities	8,290,143	1,098,338	9,388,481
Alternative investments	198,721,006	26,327,981	225,048,987
Real estate investment trusts	2,385,201	316,007	2,701,208
Total investments, at fair value	1,656,059,154	219,406,571	1,875,465,725
Property and equipment, net of accumulated depreciation	2,051,046	271,737	2,322,783
Other assets	180,296	23,887	204,183
Total assets	1,838,017,622	243,513,732	2,081,531,354
Liabilities			
Accounts payable and accrued expenses	849,112	112,497	961,609
Refunds payable	140,527	18,618	159,145
Due to Pension Review Board	492,229	65,214	557,443
Total liabilities	1,481,868	196,329	1,678,197
Net Position Restricted for Pensions	\$ 1,836,535,754	\$ 243,317,403	\$ 2,079,853,157

See Notes to Financial Statements

Arkansas Local Police and Fire Retirement System
Statements of Fiduciary Net Position (Continued)
December 31, 2018 and 2017

	2017		
	Cost-Sharing Multiple- Employer	Agent Multiple- Employer	Total
Assets			
Cash	\$ 126,458,067	\$ 14,637,728	\$ 141,095,795
Contributions receivable	7,514,680	869,837	8,384,517
Other receivables	21,522	2,491	24,013
Total receivables	7,536,202	872,328	8,408,530
Prepaid expenses	7,549,246	873,838	8,423,084
Investments, at fair value			
Equity securities – U.S. companies	313,180,795	36,251,192	349,431,987
Equity securities – international companies	44,321,758	5,130,316	49,452,074
Mutual funds	1,085,010,188	125,591,707	1,210,601,895
U.S. Treasury securities	73,671,289	8,527,572	82,198,861
Corporate bonds	26,881,234	3,111,547	29,992,781
Mortgage-backed securities	11,283,053	1,306,032	12,589,085
Alternative investments	161,269,428	18,667,200	179,936,628
Real estate investment trusts	1,537,301	177,945	1,715,246
Total investments, at fair value	1,717,155,046	198,763,511	1,915,918,557
Property and equipment, net of accumulated depreciation	2,112,214	244,492	2,356,706
Other assets	79,032	9,148	88,180
Total assets	1,860,889,807	215,401,045	2,076,290,852
Liabilities			
Accounts payable and accrued expenses	917,866	106,245	1,024,111
Refunds payable	178,655	20,680	199,335
Due to Pension Review Board	402,390	46,577	448,967
Total liabilities	1,498,911	173,502	1,672,413
Net Position Restricted for Pensions	\$ 1,859,390,896	\$ 215,227,543	\$ 2,074,618,439

See Notes to Financial Statements

Arkansas Local Police and Fire Retirement System

Statements of Changes in Fiduciary Net Position

Years Ended December 31, 2018 and 2017

	2018		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
Additions			
Contributions			
Member contributions	\$ 24,456,628	\$ 1,339	\$ 24,457,967
Employer contributions	83,861,098	29,425,997	113,287,095
Local plan administrative mergers and paid military time	87,756	53,496,780	53,584,536
Total contributions	<u>108,405,482</u>	<u>82,924,116</u>	<u>191,329,598</u>
Investment Income (Loss)			
Net depreciation in fair value of investments	(69,663,555)	(8,885,692)	(78,549,247)
Interest, dividends and other income	21,741,840	2,773,205	24,515,045
Less investment expenses	(5,682,606)	(724,825)	(6,407,431)
Net investment income (loss)	<u>(53,604,321)</u>	<u>(6,837,312)</u>	<u>(60,441,633)</u>
Total additions	<u>54,801,161</u>	<u>76,086,804</u>	<u>130,887,965</u>
Deductions			
Benefit payments, including refunds and DROP distributions	74,102,672	47,543,673	121,646,345
Administrative expenses	3,553,631	453,271	4,006,902
Total deductions	<u>77,656,303</u>	<u>47,996,944</u>	<u>125,653,247</u>
Net Increase (Decrease) in Net Position Restricted for Pensions	(22,855,142)	28,089,860	5,234,718
Net Position Restricted for Pensions, Beginning of Year	<u>1,859,390,896</u>	<u>215,227,543</u>	<u>2,074,618,439</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,836,535,754</u>	<u>\$ 243,317,403</u>	<u>\$ 2,079,853,157</u>

See Notes to Financial Statements

Arkansas Local Police and Fire Retirement System

Statements of Changes in Fiduciary Net Position (Continued)

Years Ended December 31, 2018 and 2017

	2017		Total
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	
Additions			
Contributions			
Member contributions	\$ 23,429,576	\$ 22,376	\$ 23,451,952
Employer contributions	77,416,248	26,696,204	104,112,452
Local plan administrative mergers and paid military time	54,467	34,214,500	34,268,967
Total contributions	<u>100,900,291</u>	<u>60,933,080</u>	<u>161,833,371</u>
Investment Income			
Net appreciation in fair value of investments	208,018,394	23,972,609	231,991,003
Interest, dividends and other income	24,445,072	2,817,117	27,262,189
Less investment expenses	<u>(5,245,838)</u>	<u>(604,545)</u>	<u>(5,850,383)</u>
Net investment income	<u>227,217,628</u>	<u>26,185,181</u>	<u>253,402,809</u>
Total additions	<u>328,117,919</u>	<u>87,118,261</u>	<u>415,236,180</u>
Deductions			
Benefit payments, including refunds and DROP distributions	64,503,839	43,662,012	108,165,851
Administrative expenses	<u>2,955,186</u>	<u>335,705</u>	<u>3,290,891</u>
Total deductions	<u>67,459,025</u>	<u>43,997,717</u>	<u>111,456,742</u>
Net Increase in Net Position Restricted for Pensions	260,658,894	43,120,544	303,779,438
Net Position Restricted for Pensions, Beginning of Year	<u>1,598,732,002</u>	<u>172,106,999</u>	<u>1,770,839,001</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,859,390,896</u>	<u>\$ 215,227,543</u>	<u>\$ 2,074,618,439</u>

See Notes to Financial Statements

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Reporting Entity and Summary of Significant Accounting Policies

Arkansas Local Police and Fire Retirement System (the System or LOPFI) is a statewide retirement system 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 (cost-sharing plan) for participants hired by the respective local government unit after January 1, 1983. All accumulated plan assets of the cost-sharing multiple-employer defined pension plan are available to pay any benefit (or to refund any contribution) to any plan member or beneficiary of the Plan.

Political subdivisions that had a local pension and relief fund (local plan) for its police officers and firefighters prior to the establishment of LOPFI may transfer their local plan to LOPFI for administration. Local plans that are now being administered by LOPFI are included in the agent multiple-employers defined benefit pension plan for financial reporting purposes; however, the assets of the individual local plans can only be used to pay the benefit (or to refund any contribution) to plan members or beneficiaries of the individual local plan.

The assets of all plans are pooled for investment purposes.

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 values of private equity funds and other alternative investments 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.

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 (decrease) 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.

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

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.

Investment Income (Loss)

Net investment income (loss) credited to each plan is allocated based on the plan's average balance of fiduciary net position.

Administrative Expenses

Administrative expenses are allocated to each plan based on the plan's average balance of fiduciary net position.

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.

Plan Descriptions

As of December 31, 2018 and 2017, the number of participating political subdivisions was 533 and 525, respectively. At December 31, 2018 and 2017, the System's membership consisted of the following:

Membership Classification	Number of Employees	
	2018	2017
Retired plan members or beneficiaries currently receiving benefits:		
Local plan fire without Social Security	1,046	755
Local plan police with Social Security	202	207
Local plan police without Social Security	713	736
Local plan volunteer fire	1,272	1,197
Subtotal for agent multiple-employer plans	<u>3,233</u>	<u>2,895</u>
LOPFI fire benefit program 2 – with Social Security	18	16
LOPFI fire benefit program 2 – without Social Security	124	102
LOPFI fire with Social Security	56	48
LOPFI fire without Social Security	937	850
LOPFI police benefit program 2 – with Social Security	14	15
LOPFI police benefit program 2 – without Social Security	156	141
LOPFI police with Social Security	1,233	1,155
LOPFI police without Social Security	639	559
LOPFI staff	3	3
LOPFI volunteer fire	2,699	2,465
LOPFI volunteer fire benefit program 4	1	-
LOPFI volunteer police	188	168
Subtotal for cost-sharing multiple-employer plans	<u>6,068</u>	<u>5,522</u>
Subtotal for retirees and beneficiaries	<u>9,301</u>	<u>8,417</u>

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

Membership Classification	Number of Employees	
	2018	2017
Active plan members:		
Local plan fire without Social Security	2	2
Local plan fire with Social Security	1	-
Local plan part paid contributory fire	2	2
Local plan police without Social Security	-	1
Local plan volunteer fire	12	12
Subtotal for agent multiple-employer plans	<u>17</u>	<u>17</u>
LOPFI fire benefit program 2 – with Social Security	56	48
LOPFI fire benefit program 2 – without Social Security	181	176
LOPFI fire with Social Security	92	73
LOPFI fire without Social Security	2,322	2,317
LOPFI police benefit program 2 – with Social Security	57	54
LOPFI police benefit program 2 – without Social Security	228	226
LOPFI police with Social Security	2,103	2,074
LOPFI police without Social Security	1,314	1,324
LOPFI staff	9	9
LOPFI volunteer fire	6,963	6,933
LOPFI volunteer police	447	408
LOPFI volunteer fire benefit program 4	46	-
LOPFI volunteer police benefit program 4	5	-
Subtotal for cost-sharing multiple-employer plans	<u>13,823</u>	<u>13,642</u>
Subtotal for active employees	<u>13,840</u>	<u>13,659</u>
Inactive plan members entitled to but not yet receiving benefits	<u>7,811</u>	<u>7,514</u>
Total membership	<u><u>30,952</u></u>	<u><u>29,590</u></u>

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. The individual entry age actuarial cost method of valuation is used in determining normal cost.

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

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

Benefit Program 1: Pension benefits to a member with five or more years (10 or more years for members hired on or after July 1, 2013) of credited service in force who has attained his or her 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; 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. 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, 2018, for each year of volunteer service, \$6.68 per month, to a maximum of \$267.20 monthly.
- e. Before the date that the first payment their annuity becomes due, but not thereafter, a member may elect in writing to receive their annuity as a life annuity or they may elect to have their 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, their annuity shall be paid to him or her as a life annuity.

Benefit Program 2: For each year of paid service rendered on or after the election date of Benefit Program 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. In addition, Act 829 of 2015 allows up to 36 months of actual LOPFI volunteer service credit to be used toward DROP eligibility.

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

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, 2018 and 2017, the DROP accounts totaled \$34,631,905 and \$28,872,997, respectively.

Note 2: Net Pension Liability

The components of the net pension liability of all entities participating in the cost-sharing plan at December 31, 2018 and 2017, were as follows:

	<u>2018</u>	<u>2017</u>
Total pension liability	\$2,789,499,220	\$2,612,647,467
Plan's fiduciary net position	<u>1,836,535,754</u>	<u>1,859,390,896</u>
Net pension liability	<u>\$ 952,963,466</u>	<u>\$ 753,256,571</u>
Plan's fiduciary net position as a percentage of total pension liability	65.84%	71.17%

Actuarial Assumptions

The total pension liability as of December 31, 2018 and 2017, was determined by an actuarial valuations as of December 31, 2016 and 2015, using the following actuarial assumptions:

	<u>2018</u>	<u>2017</u>
Wage inflation	3.25%	3.25%
Price inflation	2.50%	2.50%
Investment rate of return	7.00%	7.00%

The mortality table used for the December 31, 2016 and 2015, valuations was the RP-2014 Healthy Annuitant benefit-weighted generational mortality table for males and females. The disability postretirement mortality table used was the RP-2014 Disabled Retiree benefit-weighted generational mortality table for males and females.

The actuarial assumptions used in the December 31, 2018 and 2017, calculations were based on the results of an experience study of the period 2012 to 2016.

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

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.

2018		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	28.00%	0.90%
Domestic equity	42.00%	5.30%
Foreign equity	20.00%	7.00%
Alternative investments	10.00%	6.20%
Total	100.00%	

2017		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	27.00%	0.78%
Domestic equity	42.00%	5.58%
Foreign equity	18.00%	7.38%
Alternative investments	10.00%	6.23%
Cash	3.00%	0.00%
Total	100.00%	

Single Discount Rate

The single discount rate used to measure the total pension liability was 7.00% for both years ended December 31, 2018 and 2017. The single discount rate was based on the expected rate of return on pension plan investments.

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.

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

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 as of December 31, 2018, calculated using a single discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease	Current Single Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net pension liability	\$ 1,404,465,394	\$ 952,963,466	\$ 589,355,445

Note 3: 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, 2018, all of the System's deposits were either insured or collateralized with securities pledged in the System's name.

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, 2018 and 2017

The following table summarizes the System's fixed income portfolio exposure levels and credit qualities at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Fixed Income Security Type by S&P Rating		
Corporate and Foreign Bonds		
AA	\$ 5,894,353	\$ 3,144,623
A	29,396,366	18,912,916
BBB	<u>6,675,455</u>	<u>7,935,242</u>
	<u>41,966,174</u>	<u>29,992,781</u>
Mortgage-Backed Securities		
Not rated	<u>9,388,481</u>	<u>12,589,085</u>
	<u>\$ 51,354,655</u>	<u>\$ 42,581,866</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's interest rate risk is controlled through duration management. Duration is a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, and is expressed as a number of years. In accordance with its investment policy, the fixed income portfolio shall vary from the duration of the relative comparative indices by no more than +/-25%. As of December 31, 2018 and 2017, the System's effective duration by investment type was:

<u>Fixed Income Security Type</u>	<u>Duration</u>	
	<u>2018</u>	<u>2017</u>
U.S. Government and Government Related	1.54	2.25
Non-U.S. Government and Government Related	0.78	0.71
U.S. Credit	0.82	0.71
Non-U.S. Credit	-0.65	-0.54
Mortgage-Backed	1.56	1.09
Non-Agency Mortgage-Backed	0.00	0.00
Asset-Backed	0.01	0.01
Other	0.02	0.02
Cash	<u>0.00</u>	<u>0.13</u>
Total Duration	<u>4.08</u>	<u>4.38</u>

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

Rate of Return

For the years ended December 31, 2018 and 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.59% and 14.48%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 the 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 4: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2018 and 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018				
Investments by Fair Value Level				
Equity securities – diversified	\$ 314,192,434	\$ 314,192,434	\$ -	\$ -
Equity securities – foreign	49,083,451	49,083,451	-	-
Equity mutual funds	628,807,985	152,427,014	476,380,971	-
International equity mutual funds	120,902,724	-	120,902,724	-
Fixed income mutual funds	410,702,959	188,445,930	222,257,029	-
Real estate investment trusts	2,701,208	2,701,208	-	-
U.S. government obligations	72,671,322	-	72,671,322	-
Corporate bonds	41,966,174	-	41,966,174	-
Mortgage-backed securities	9,388,481	-	9,388,481	-
	<u>1,650,416,738</u>	<u>706,850,037</u>	<u>943,566,701</u>	<u>-</u>
Total investments by fair value level				
Investments Measured at the Net Asset Value (NAV) ^(A)				
Private equity funds	71,764,745			
Private debt funds	39,558,265			
Equity long/short hedge funds	29,872,079			
Commercial real estate funds	26,716,623			
Bank recapitalization and value opportunities funds	12,186,906			
Energy funds	17,211,848			
Opportunistic credit funds	27,738,521			
	<u>225,048,987</u>			
Total investments measured at the NAV	<u>225,048,987</u>			
Total investments measured at fair value	<u>\$ 1,875,465,725</u>	<u>\$ 706,850,037</u>	<u>\$ 943,566,701</u>	<u>\$ -</u>

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2017				
Investments by Fair Value Level				
Equity securities – diversified	\$ 349,431,987	\$ 349,431,987	\$ -	\$ -
Equity securities – foreign	49,452,074	49,452,074	-	-
Equity mutual funds	681,369,109	164,031,932	517,337,177	-
International equity mutual funds	116,523,792	-	116,523,792	-
Fixed income mutual funds	412,708,994	189,510,523	223,198,471	-
Real estate investment trusts	1,715,246	1,715,246	-	-
U.S. government obligations	82,198,861	-	82,198,861	-
Corporate bonds	29,992,781	-	29,992,781	-
Mortgage-backed securities	12,589,085	-	12,589,085	-
Total investments by fair value level	<u>1,735,981,929</u>	<u>754,141,762</u>	<u>981,840,167</u>	<u>-</u>
Investments Measured at the Net Asset Value (NAV) ^(A)				
Private equity funds	60,278,372			
Private debt funds	21,487,788			
Equity long/short hedge funds	25,509,866			
Commercial real estate funds	24,972,579			
Bank recapitalization and value opportunities funds	13,165,750			
Energy funds	12,327,379			
Opportunistic credit funds	<u>22,194,894</u>			
Total investments measured at the NAV	<u>179,936,628</u>			
Total investments measured at fair value	<u>\$ 1,915,918,557</u>	<u>\$ 754,141,762</u>	<u>\$ 981,840,167</u>	<u>\$ -</u>

(A) Certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of fiduciary net position.

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

Investments

The valuation method for investments measured at the NAV per share (or its equivalent) is presented below.

	December 31, 2018			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds ^(A)	\$ 64,276,109	\$ 29,020,080		
Private equity funds ^(A)	7,488,636	-	Semi-annually	5 Months
Private debt funds ^(B)	39,558,265	26,951,838		
Equity long/short hedge funds ^(C)	29,872,079	-	Quarterly	90 Days
Commercial real estate funds ^(D)	26,716,623	-	Quarterly	45 Days
Bank recapitalization and value opportunistic funds ^(E)	12,186,906	9,824,000		
Energy funds ^(F)	17,211,848	600,983		
Opportunistic credit funds ^(G)	27,738,521	-	Annually	90 Days

	December 31, 2017			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds ^(A)	\$ 53,237,721	\$ 39,371,781		
Private equity funds ^(A)	7,040,651	-	Semi-annually	5 Months
Private debt funds ^(B)	21,487,788	18,771,137		
Equity long/short hedge funds ^(C)	25,509,866	-	Quarterly	90 Days
Commercial real estate funds ^(D)	24,972,579	-	Quarterly	45 Days
Bank recapitalization and value opportunistic funds ^(E)	13,165,750	9,750,000		
Energy funds ^(F)	12,327,379	6,793,722		
Opportunistic credit funds ^(G)	22,194,894	-	Annually	90 Days

- (A) This category includes investments in several private companies. Most of these investments can never be redeemed with the funds. Distributions from each fund will be made as the underlying investments of the funds are liquidated.
- (B) This category includes a diversified portfolio of private debt investments in transactions sponsored by private equity sponsors, including leverage buyouts, refinancings, acquisitions and growth capital. These investments can never be redeemed with the funds.
- (C) This category includes investments in hedge funds that take both long and short positions in equities. Management of the funds has the ability to shift investments among differing investment strategies.
- (D) This category includes several real estate funds that invest primarily in U.S. commercial real estate. Distributions from each fund will be made as the underlying investments of the funds are liquidated.

Arkansas Local Police and Fire Retirement System

Notes to Financial Statements

December 31, 2018 and 2017

- (E) This category invests primarily in performing, underperforming or nonperforming loans, asset-backed securities, residential and commercial real estate and other debt instruments. These investments can never be redeemed with the funds.
- (F) This fund invests primarily in oil and gas and minerals and royalties. These investments can never be redeemed with the funds.
- (G) This category includes a diversified portfolio of loans and bonds. These investments can never be redeemed with the funds.

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.

Required Supplementary Information

Arkansas Local Police and Fire Retirement System

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 61,057,199	\$ 52,999,883	\$ 52,411,007	\$ 50,466,076	\$ 51,147,644
Interest on the total pension liability	182,428,731	170,545,435	157,522,879	146,226,976	134,748,677
Benefit changes	(24,831,215)	-	-	-	272,375
Differences between expected and actual experience	32,299,710	27,286,660	19,163,957	5,172,371	(1,779,051)
Assumption changes	-	220,023,014	-	53,731,281	-
Benefit payments, DROP distributions and refunds	(74,102,672)	(64,503,839)	(58,298,612)	(45,407,579)	(35,732,645)
Net Change in Total Pension Liability	<u>176,851,753</u>	<u>406,351,153</u>	<u>170,799,231</u>	<u>210,189,125</u>	<u>148,657,000</u>
Total Pension Liability, Beginning of Year	<u>2,612,647,467</u>	<u>2,206,296,314</u>	<u>2,035,497,083</u>	<u>1,825,307,958</u>	<u>1,676,650,958</u>
Total Pension Liability, End of Year	<u>\$ 2,789,499,220</u>	<u>\$ 2,612,647,467</u>	<u>\$ 2,206,296,314</u>	<u>\$ 2,035,497,083</u>	<u>\$ 1,825,307,958</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 83,861,098	\$ 77,416,248	\$ 75,298,216	\$ 67,624,600	\$ 63,964,129
Employee contributions	24,456,628	23,429,576	21,816,086	21,187,024	21,844,747
Other contributions	87,756	54,467	38,872	34,066	56,744
Pension plan net investment income (loss)	(53,604,321)	227,217,628	88,592,090	1,642,306	95,052,926
Benefit payments, DROP distributions and refunds	(74,102,672)	(64,503,839)	(58,298,612)	(45,407,579)	(35,732,645)
Pension plan administrative expense	(3,553,631)	(2,955,186)	(2,665,399)	(2,482,123)	(2,258,660)
Net Change in Plan Fiduciary Net Position	<u>(22,855,142)</u>	<u>260,658,894</u>	<u>124,781,253</u>	<u>42,598,294</u>	<u>142,927,241</u>
Plan Fiduciary Net Position, Beginning of Year	<u>1,859,390,896</u>	<u>1,598,732,002</u>	<u>1,473,950,749</u>	<u>1,431,352,455</u>	<u>1,288,425,214</u>
Plan Fiduciary Net Position, End of Year	<u>\$ 1,836,535,754</u>	<u>\$ 1,859,390,896</u>	<u>\$ 1,598,732,002</u>	<u>\$ 1,473,950,749</u>	<u>\$ 1,431,352,455</u>
Net Pension Liability, End of Year	<u>\$ 952,963,466</u>	<u>\$ 753,256,571</u>	<u>\$ 607,564,312</u>	<u>\$ 561,546,334</u>	<u>\$ 393,955,503</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	65.84%	71.17%	72.46%	72.41%	78.42%
Covered Payroll	\$ 356,127,157	\$ 339,098,676	\$ 329,344,355	\$ 320,487,331	\$ 310,870,608
Plan's Net Pension Liability as a Percentage of Covered Payroll	267.59%	222.13%	184.48%	175.22%	126.73%

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
12/31/2009	\$ 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	63,964,129	63,964,129	-	310,870,608	20.58%
12/31/2015	67,624,600	67,624,600	-	320,487,331	21.10%
12/31/2016	75,298,216	75,298,216	-	329,344,355	22.86%
12/31/2017	77,410,021	77,410,021	-	339,098,676	22.83%
12/31/2018	83,861,098	83,861,098	-	356,127,157	23.55%

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, 2016, 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	16.8 years beginning January 1, 2018
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Inflation	3.75%
Price Inflation	2.75%
Salary Increases	4.25% to 18.75%, including inflation
Investment Rate of Return	7.75%
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 were no changes in benefit provisions, assumptions or methods in the December 31, 2016, actuarial valuation.

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

Fiscal Year Ending	Annual Money-Weighted Rate of Return, Net of Investment Expense
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%
12/31/2015	-0.05%
12/31/2016	5.76%
12/31/2017	14.48%
12/31/2018	-2.59%

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.

Other Supplementary Information

Arkansas Local Police and Fire Retirement System

Schedule of Administrative Expenses

Years Ended December 31, 2018 and 2017

	2018	2017
Personal Services		
Staff expense	\$ 727,322	\$ 710,307
Professional Services		
Computer operations/process	2,441,284	1,728,813
Audit services	89,250	85,000
Actuarial services	315,500	310,450
Legal services	135,615	145,000
Medical advisor/related	32,887	57,498
Total professional services	3,014,536	2,326,761
General Operating Expense		
Insurance expense	55,042	54,797
Office equipment	28,832	29,410
Office supplies	14,329	16,268
Printing	18,114	18,449
Telephone	17,507	17,216
Postage	17,494	17,094
Publications	1,299	1,779
Travel/professional education/conferences	51,828	44,715
Board/kitchen supplies	2,966	2,642
Miscellaneous	23,711	13,006
Total general operating expense	231,122	215,376
Total expenses before depreciation	3,972,980	3,252,444
Depreciation expense	33,922	38,447
Total Administrative Expenses	\$ 4,006,902	\$ 3,290,891

Arkansas Local Police and Fire Retirement System
Schedule of Investment Expenses
Years Ended December 31, 2018 and 2017

	2018	2017
Investment consulting fees	\$ 760,000	\$ 680,000
Money manager fees	5,281,981	4,765,383
Custodial fees	162,000	216,000
Investment monitor expenses	203,450	189,000
Total investment expenses	\$ 6,407,431	\$ 5,850,383



Stephens Inc.

May 2019

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:

	Allocation As of 12/31/18	Permissible Range
Domestic Equities		
Large Cap	30	15-30%
Mid Cap	5	15-30%
Small Cap	0	0-20%
Foreign Equities	7	0-10%
Index	12	5-15%
US Bonds	23	20-50%
Foreign Bonds	4	0-10%
Alternative Investments	14	0-15%
Cash	7	0-20%

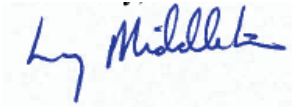
LOPFI's portfolio was down 2.59%* for the fiscal year ended 2018 versus the comparative index return of -3.86* with an ending market value of \$2.048 billion* (which includes balances held in the liquidation account).

As the Investment Advisor to LOPFI, the above-referenced information was provided to assist the LOPFI Board of Trustees in their effort to provide financial disclosures about the plan.

The primary objective of the plan is to provide retirement plan benefits to the police and fire retirees. This policy oversight and implementation is governed by the Board of Trustees with additional guidance provided by an Investment Committee (comprised of LOPFI trustees) which is

more fully described in the plan's Investment Objectives and Guidelines. The responsibility of the trustees includes, but is not limited to, the allocation of assets, permissible investments, targeted ranges, manager oversight, and the review of performance standards.

Sincerely,



Larry Middleton
EVP/Managing Director

* Source: Thistle Asset Consulting. Thistle Asset Consulting reports that it employs monthly time-weighted performance measurement techniques that 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

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



LOPFI INVESTMENT PERFORMANCE Ten Year History

ANNUAL VALUES Investment Return % (TW*) For Period [Asset Market Value (millions) End of Period]					
Period Ended	Total Fund	Inflation + 3%**	Equities	Fixed Income	Cash
12/31/09	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]
12/31/15	0.10% [\$1,628,538]	4.1%	0.16% [\$1,053,718]	0.06% [\$461,935]	0.02% [\$112,885]
12/31/16	6.25% [\$1,735,363]	5.5%	8.88% [\$974,647]	3.15% [\$488,906]	0.08% [\$107,818]
12/31/17	14.48% [\$2,037,994]	5.6%	22.92% [\$1,394,069]	4.80% [\$538,625]	0.10% [\$105,300]
12/31/18	-2.59% [\$2,047,506]	4.9%	-5.68% [\$1,081,845]	-0.27% [\$538,068]	0.08% [\$150,645]

QUARTERLY VALUES (RETURNS)

Period Ended	Total Fund	Equities	Fixed Income
12/31/2018	-7.84%	-13.82%	0.93%

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, 2018

Allocation	Market Value	Allocation	Allocation	Market Value	Allocation
State Street Flagship Index Fd	272,136,459	12.5	State Street Flagship Index Fd	235,376,789	11.5
Wellington Equity	238,119,867	10.9	Wellington Equity	199,846,538	9.8
PIMCO Interm Fixed Inc.	186,441,552	8.5	PIMCO Interm Fixed Inc.	188,450,121	9.2
Dodge & Cox Stock Fund	176,356,576	8.1	Dodge & Cox Stock Fund	152,427,014	7.4
Barrow LCV	170,748,617	7.8	Liquidation (Cash)	150,645,317	7.4
Lazard Equity	125,968,693	5.8	Barrow LCV	150,067,726	7.3
GHA Fixed Income	125,803,874	5.8	GHA Fixed Income	127,361,115	6.2
WAMCO US CORE	117,516,546	5.4	WAMCO US CORE	118,510,374	5.8
Liquidation (Cash)	111,254,981	5.1	Lazard Equity	110,019,476	5.4
Aberdeen Intl Fixed Inc.	70,857,336	3.2	Aberdeen Intl Fixed Inc.	72,591,898	3.5
Fisher Intl Eq	50,134,824	2.3	Fisher Intl Eq	42,984,277	2.1
SSGA S&P Mid-Cap 400 Index	49,751,807	2.3	SSGA S&P Mid-Cap 400 Index	41,157,644	2.0
Wellington International Growth	38,183,864	1.7	AIM Thirteen Partners Equity	38,306,714	1.9
Congress Equity	36,616,867	1.7	Wellington International Growth	32,869,264	1.6
Fisher Emerging Mkts	36,156,095	1.7	Fisher Emerging Mkts	32,412,736	1.6
Global Currents Intl Eq/Clearbridge	34,690,905	1.6	Congress Equity	32,087,646	1.6
AIM Thirteen Partners Equity	33,668,884	1.5	Global Currents Intl Eq/Clearbridge	31,555,305	1.5
WAMCO High Yield	32,285,841	1.5	WAMCO High Yield	31,154,758	1.5
AIM Thirteen Partners Equity Offshore	32,110,896	1.5	AIM Thirteen Partners Equity Offshore	29,872,079	1.5
Goldentree Select Offshore	28,879,461	1.3	Goldentree Select Offshore	28,425,125	1.4
Wellington Commodities	26,728,765	1.2	JP Morgan RE	26,716,623	1.3
JP Morgan RE	26,303,398	1.2	Wellington Commodities	24,065,423	1.2
Wellington Capital Stewards	25,465,024	1.2	Wellington Capital Stewards	21,040,359	1.0
Chickasaw Capital	24,418,029	1.1	Owl Rock Direct Lending	19,517,805	1.0
KKR Energy Income & Growth	19,123,476	0.9	Chickasaw Capital	19,412,491	0.9
Owl Rock Direct Lending	17,707,692	0.8	KKR Energy Income & Growth	17,935,135	0.9
Riverstone Credit Partners	10,416,555	0.5	Riverstone Credit Partners	16,290,734	0.8
NB Private Debt	10,295,411	0.5	Macquarie Infrastructure	9,285,465	0.5
PIMCO Bravo II	9,468,540	0.4	Goldman Sachs Vintage VII	9,075,104	0.4
Macquarie Infrastructure	9,119,737	0.4	PIMCO Bravo II	7,858,203	0.4
Goldman Sachs Vintage VII	7,581,495	0.3	JP Morgan Infrastructure	7,488,636	0.4
JP Morgan Infrastructure	7,490,584	0.3	NB Private Debt	6,016,726	0.3
Citco	6,409,563	0.3	PIMCO Bravo III	5,155,684	0.3
PIMCO Bravo III	3,580,842	0.2	Citco	3,785,748	0.2
KKR Direct Lending	3,186,945	0.1	KKR Mezzanine	2,336,264	0.1
KKR Mezzanine	2,948,576	0.1	Citigroup-StepStone Private Equity	2,297,597	0.1
Citigroup-StepStone Private Equity	2,897,493	0.1	KKR Direct Lending	1,687,546	0.1
NB Crossroads	1,460,313	0.1	NB Crossroads	959,463	0.0
PIMCO Bravo I	685,881	0.0	PIMCO Bravo I	459,219	0.0
New South Capital Equity	233	0.0	New South Capital Equity	234	0.0



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, 2018

Asset Allocation & Performance									
	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund Composite	2,047,506,375	100.0	-7.84	-2.59	-2.59	5.82	5.11	4.84	01/01/2001
Total Fund Policy Index			-7.67	-3.86	-3.86	5.63	4.63	5.01	
Total Equity Composite	1,081,845,008	52.8	-13.82	-5.68	-5.68	8.08	6.96	6.89	01/01/1998
Total Equity Policy Index			-15.17	-7.07	-7.07	8.26	6.75	6.73	
Domestic Equity									
Barrow LCV	150,067,726	7.3	-12.11	-4.96	-4.96	7.56	6.53	6.52	01/01/2006
Russell 1000 Value Index			-11.72	-8.27	-8.27	6.95	5.95	6.34	
Lazard Equity	110,019,476	5.4	-12.66	-4.32	-4.32	7.65	7.07	9.54	07/01/2013
S&P 500 Index			-13.52	-4.38	-4.38	9.26	8.49	10.69	
State Street Flagship Index Fd	235,376,789	11.5	-13.51	-4.38	-4.38	9.27	8.51	7.27	04/01/2005
S&P 500 Index			-13.52	-4.38	-4.38	9.26	8.49	7.86	
Dodge & Cox Stock Fund	152,427,014	7.4	-13.57	-7.07	-7.07	10.07	7.05	6.69	01/01/2006
Russell 1000 Value Index			-11.72	-8.27	-8.27	6.95	5.95	6.34	
Wellington Equity	199,846,538	9.8	-16.36	1.74	1.74	11.54	11.36	7.42	01/01/1998
Russell 1000 Growth Index			-15.89	-1.51	-1.51	11.15	10.40	6.45	
Wellington Capital Stewards	21,040,359	1.0	-17.38	N/A	N/A	N/A	N/A	-14.17	07/01/2018
Russell Midcap Index			-15.37	-9.06	-9.06	7.04	6.26	-11.14	
Congress Equity	32,087,646	1.6	-12.37	-4.01	-4.01	8.33	7.74	10.73	07/01/2013
Russell Midcap Growth Index			-15.99	-4.75	-4.75	8.59	7.42	10.04	
SSGA S&P Mid-Cap 400 Index	41,157,644	2.0	-17.27	N/A	N/A	N/A	N/A	-15.57	08/01/2018
S&P MidCap 400 Index			-17.28	-11.08	-11.08	7.66	6.03	-15.57	



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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, 2018 (Continued)

	Allocation		Performance(%)					Inception	Inception Date
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR		
International Equity									
Global Currents Intl Eq/Clearbridge MSCI EAFE Index	31,555,305	1.5	-9.18 -12.50	-16.80 -13.36	-16.80 -13.36	2.29 3.38	-1.12 1.00	3.66 4.28	04/01/2005
Fisher Intl Eq MSCI EAFE Index	42,984,277	2.1	-14.31 -12.50	-17.10 -13.36	-17.10 -13.36	2.63 3.38	0.66 1.00	5.31 5.58	01/01/2002
Fisher Emerging Mkts MSCI Emerging Markets Index	32,412,736	1.6	-10.35 -7.40	-19.24 -14.25	-19.24 -14.25	5.26 9.65	1.12 2.03	3.02 3.25	07/01/2013
Wellington International Growth MSCI AC World Index Growth	32,869,264	1.6	-14.09 -14.60	-12.00 -7.82	-12.00 -7.82	N/A 7.63	N/A 6.10	6.01 8.43	04/01/2016
Total Fixed Income Composite									
Total Fixed Income Policy Index	538,068,267	26.3	0.93	-0.27	-0.27	2.54	2.33	4.38	01/01/1998
PIMCO Intern Fixed Inc. Bloomberg Barclays Intermed Aggregate Index	188,450,121	9.2	1.08 1.80	-0.56 0.92	-0.56 0.92	2.36 1.72	2.49 2.09	4.37 3.62	10/01/2002
WAMCO Fixed Income Bimbg. Barc. U.S. Aggregate Index	118,510,374	5.8	0.76 1.64	-0.76 0.01	-0.76 0.01	2.49 2.06	3.14 2.52	3.83 3.92	10/01/2002
GHA Fixed Income Bimbg. Barc. U.S. Aggregate Index	127,361,115	6.2	1.24 1.64	1.15 0.01	1.15 0.01	2.06 2.06	2.36 2.52	4.47 3.94	04/01/2005
WAMCO High Yield Bimbg. Barc. U.S. High Yield Ba/B 2% Issuer Cap	31,154,758	1.5	-3.60 -3.61	-0.40 -1.88	-0.40 -1.88	4.37 6.18	0.26 3.79	0.26 3.79	01/01/2014
Aberdeen Intl Fixed Inc. Bimbg. Barc. Global Treasury	72,591,898	3.5	2.36 2.12	-1.10 -0.37	-1.10 -0.37	2.85 2.81	1.43 0.84	3.80 4.16	01/01/1998



Continued on next page

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, 2018 (Continued)

	Allocation		Performance(%)					Inception	Inception Date
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR		
Alternatives									
JP Morgan RE NCREIF Property Index	26,716,623	1.3	1.57 1.37	6.98 6.72	6.98 6.72	7.17 7.21	8.89 9.33	4.97 6.30	10/01/2007
Chickasaw Capital Alerian MLP Index	19,412,491	0.9	-20.50 -17.30	-21.19 -12.42	-21.19 -12.42	-2.68 -1.06	-6.74 -7.31	7.24 2.82	07/01/2010
Citco HFRI Event-Driven (Total) Index	3,785,748	0.2	-8.87 -4.73	10.11 -2.03	10.11 -2.03	-6.24 5.23	-1.00 2.58	0.12 3.45	04/01/2011
Citigroup-StepStone Private Equity LPX MM Private Equity Index ETF	2,297,597	0.1	-9.54 -18.62	-16.83 -15.11	-16.83 -15.11	-14.74 5.08	0.29 2.56	3.66 2.53	10/01/2007
Wellington Commodities Bloomberg Commodity Index Total Return	24,065,423	1.2	-10.14 -9.41	-8.18 -11.25	-8.18 -11.25	N/A 0.30	N/A -8.80	2.62 0.17	04/01/2016
JP Morgan Infrastructure S&P Global Infrastructure	7,488,636	0.4	-0.03 -5.12	3.34 -9.50	3.34 -9.50	6.61 6.92	4.77 4.10	4.15 7.58	01/01/2009
Macquarie Infrastructure S&P Global Infrastructure	9,285,465	0.5	1.82 -5.12	7.29 -9.50	7.29 -9.50	6.94 6.92	-2.88 4.10	4.86 7.58	01/01/2009
NB Crossroads LPX MM Private Equity Index ETF	959,463	0.0	-13.31 -18.62	-23.73 -15.11	-23.73 -15.11	N/A 5.08	N/A 2.56	-2.15 5.91	05/01/2016
NB Private Debt S&P/LSTA Leveraged Loan Index	6,016,726	0.3	-1.97 -3.45	-2.60 0.44	-2.60 0.44	0.19 4.83	8.58 3.05	6.13 4.12	07/01/2007
PIMCO Bravo I S&P/LSTA Leveraged Loan Index	459,219	0.0	-2.20 -3.45	33.81 0.44	33.81 0.44	N/A 4.83	N/A 3.05	6.69 4.07	05/01/2016
PIMCO Bravo II S&P/LSTA Leveraged Loan Index	7,858,203	0.4	5.92 -3.45	2.59 0.44	2.59 0.44	8.51 4.83	9.46 3.05	13.35 3.75	04/01/2011
PIMCO Bravo III S&P/LSTA Leveraged Loan Index	5,155,684	0.3	-11.15 -3.45	1.31 0.44	1.31 0.44	N/A 4.83	N/A 3.05	4.97 2.76	11/01/2016
KKR Mezzanine S&P/LSTA Leveraged Loan Index	2,336,264	0.1	6.28 -3.45	25.87 0.44	25.87 0.44	8.47 4.83	5.29 3.05	-5.54 4.22	10/01/2010
KKR Direct Lending S&P/LSTA Leveraged Loan Index	1,687,546	0.1	-4.77 -3.45	-15.67 0.44	-15.67 0.44	N/A 4.83	N/A 3.05	-3.16 4.07	05/01/2016



Continued on next page

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, 2018 (Concluded)

	Allocation		Performance(%)					Inception	Inception Date
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR		
KKR Energy Income & Growth LPX MM Private Equity Index ETF	17,935,135	0.9	4.06 -18.62	14.36 -15.11	14.36 -15.11	N/A 5.08	N/A 2.56	0.96 5.91	05/01/2016
AIM Thirteen Partners Equity Offshore HFRX Global Hedge Fund Index	29,872,079	1.5	-6.97 -5.56	-1.62 -6.72	-1.62 -6.72	3.60 0.45	2.48 -0.59	4.02 0.58	04/01/2012
AIM Thirteen Partners Equity LPX MM Private Equity Index ETF	38,306,714	1.9	1.86 -18.62	13.10 -15.11	13.10 -15.11	N/A 5.08	N/A 2.56	6.46 5.91	06/01/2016
Goldentree Select Offshore HFRI RV: Fixed Income-Corporate Index	28,425,125	1.4	-1.57 -3.20	6.93 -1.00	6.93 -1.00	N/A 5.60	N/A 3.21	7.26 5.21	05/01/2016
Owl Rock Direct Lending S&P/LSTA Leveraged Loan Index	19,517,805	1.0	1.15 -3.45	6.95 0.44	6.95 0.44	N/A 4.83	N/A 3.05	7.19 3.30	09/01/2016
Goldman Sachs Vintage VII LPX MM Private Equity Index ETF	9,075,104	0.4	2.04 -18.62	23.82 -15.11	23.82 -15.11	N/A 5.08	N/A 2.56	16.29 -6.56	08/01/2017
Riverstone Credit Partners S&P/LSTA Leveraged Loan Index	16,290,734	0.8	33.50 -3.45	N/A 0.44	N/A 0.44	N/A 4.83	N/A 3.05	33.69 -2.40	08/01/2018
Liquidation (Cash)	150,645,317	7.4							



Arkansas LOPFI Retirement System

Total Fund Trailing 5-Years

December 31, 2018

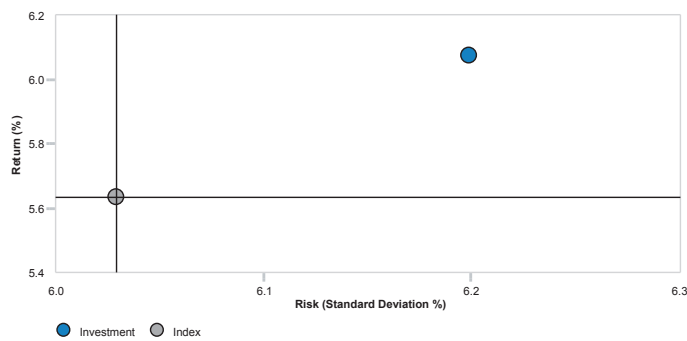
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	6.07	6.20	0.81	101.64	10	89.18	2
Index	5.63	6.03	0.76	100.00	10	100.00	2

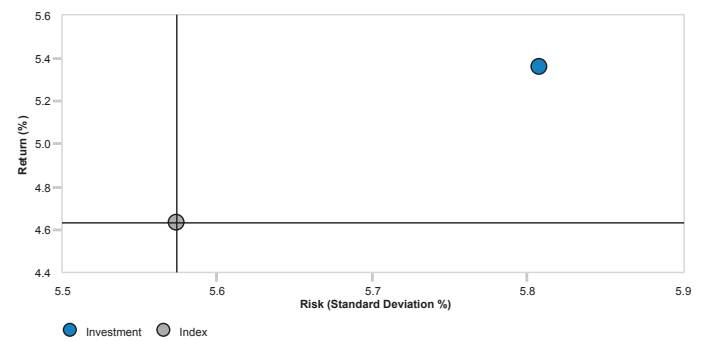
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.36	5.81	0.82	105.20	17	88.09	3
Index	4.63	5.57	0.72	100.00	16	100.00	4

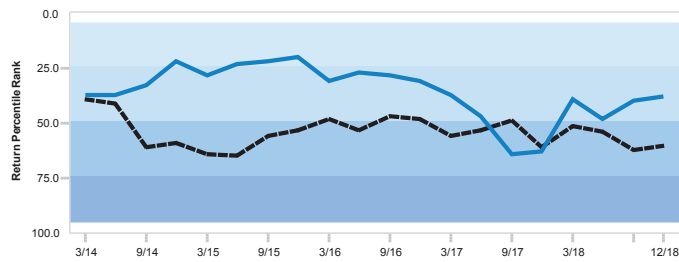
Risk and Return 3 Years



Risk and Return 5 Years

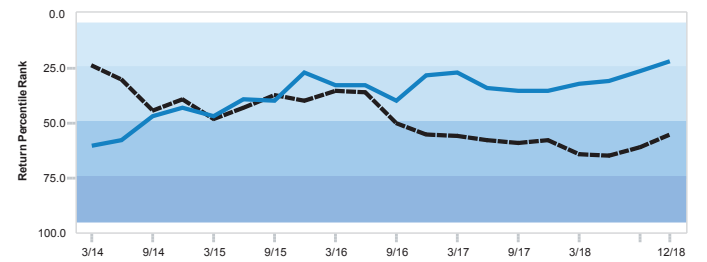


3 Year Rolling Percentile Rank All Public Plans-Total Fund



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	4 (20%)	14 (70%)	2 (10%)	0 (0%)
Index	20	0 (0%)	6 (30%)	14 (70%)	0 (0%)

5 Year Rolling Percentile Rank All Public Plans-Total Fund



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	1 (5%)	17 (85%)	2 (10%)	0 (0%)
Index	20	1 (5%)	10 (50%)	9 (45%)	0 (0%)



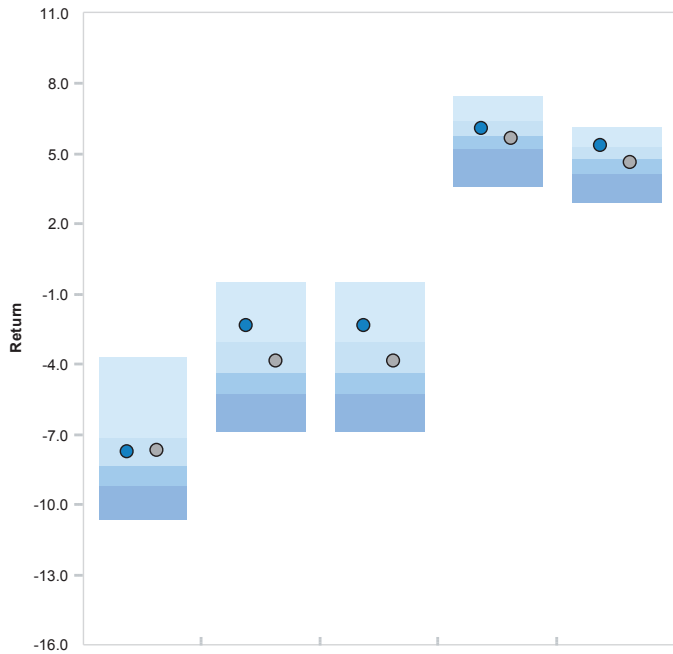
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Arkansas LOPFI Retirement System

Total Fund Trailing 5-Years

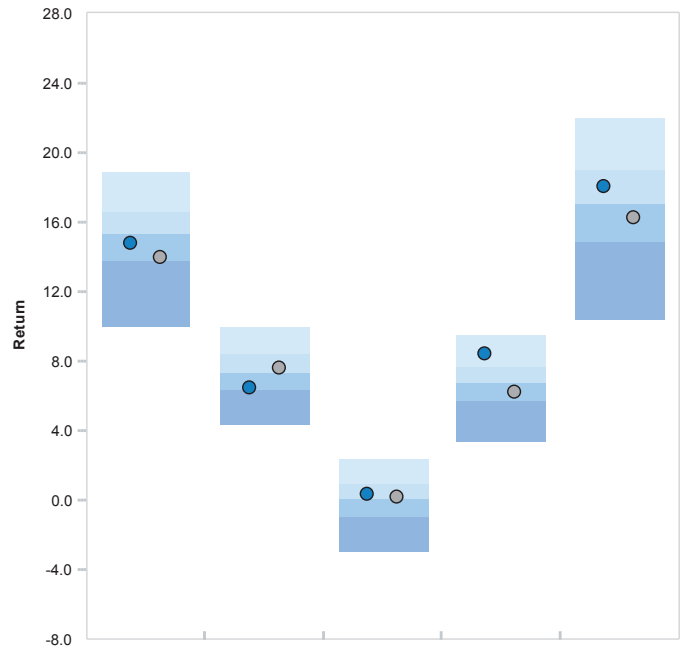
December 31, 2018 (Continued)

Peer Group Analysis - All Public Plans-Total Fund



	QTR	FYTD	1 YR	3 YR	5 YR
● Investment	-7.77 (37)	-2.34 (17)	-2.34 (17)	6.07 (39)	5.36 (24)
○ Index	-7.67 (34)	-3.86 (41)	-3.86 (41)	5.63 (58)	4.63 (57)
Median	-8.33	-4.33	-4.33	5.79	4.80

Peer Group Analysis - All Public Plans-Total Fund



	2017	2016	2015	2014	2013
● Investment	14.77 (61)	6.49 (72)	0.33 (43)	8.41 (13)	18.03 (37)
○ Index	13.94 (73)	7.59 (45)	0.19 (47)	6.19 (66)	16.28 (62)
Median	15.35	7.37	0.07	6.81	17.04

Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Investment	3.74 (23)	1.61 (42)	0.46 (11)	3.62 (57)	3.39 (54)	2.78 (61)
Index	3.25 (42)	1.39 (52)	-0.53 (69)	3.25 (80)	3.18 (70)	3.01 (44)
Median	3.09	1.43	-0.27	3.71	3.43	2.93



Arkansas LOPFI Retirement System

TOTAL ANNUAL RETURNS 2014 - 2018 (Net of Investment Management Fees beginning 2008)

(AndCo's calculations are time-weighted and based on the trade date of all transactions)

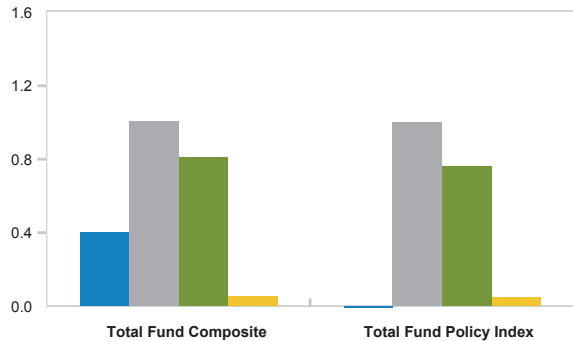
Manager	Annual Return					5 Years Annualized (Shorter periods as indicated)	
	2014	2015	2016	2017	2018		
Wellington	11.91%	10.29%	0.43%	35.80%	1.74%	11.36%	
Barrow Hanley	12.17%	-1.68%	13.95%	14.89%	-4.96%	6.53%	
Fisher International	-2.94%	-1.50%	1.32%	28.68%	-17.10%	0.66%	
PIMCO	2.70%	2.68%	2.60%	5.13%	-0.56%	2.49%	
WAMCO	7.73%	0.65%	3.51%	4.78%	-0.76%	3.14%	
Aberdeen	3.72%	-4.85%	1.78%	8.07%	-1.10%	1.43%	
SSGA Index Plus	13.68%	1.42%	11.96%	21.83%	-4.38%	8.51%	
Clearbridge Intl. Eq.	-8.16%	-3.81%	4.27%	23.37%	-16.80%	-1.12%	
GHA	4.40%	1.25%	3.06%	1.98%	1.15%	2.36%	
Dodge & Cox	10.40%	-4.49%	21.28%	18.32%	-7.07%	7.05%	
N.B. Private Debt	49.19%	0.60%	7.68%	-4.10%	-2.60%	8.58%	
Citigroup Private Equity	34.06%	22.11%	-36.28%	16.95%	-16.83%	0.29%	
JP Morgan R.E.	10.06%	12.99%	8.39%	6.16%	6.98%	8.89%	
JP Morgan Infrastructure	3.83%	0.31%	3.90%	12.87%	3.34%	4.77%	
Macquarie Infrastructure	-28.13%	-1.69%	11.02%	2.68%	7.29%	-2.88%	
Chickasaw	21.21%	-36.86%	27.88%	-8.54%	-21.19%	-6.74%	
KKR Mezzanine Partners	9.46%	-7.39%	-2.50%	50.13%	25.87%	5.29%	
CITCO	20.45%	-4.21%	-12.72%	-14.22%	10.11%	-1.00%	
PIMCO Bravo II	15.67%	6.31%	9.09%	14.16%	2.59%	9.46%	
AIM 13 Partners Offshore	3.43%	-1.72%	2.68%	10.08%	-1.62%	2.48%	
Congress	12.83%	1.23%	13.32%	16.88%	-4.01%	7.74%	
Fisher Emerging Markets	1.07%	-10.30%	4.60%	38.07%	-19.24%	1.12%	
Lazard	11.61%	1.03%	10.46%	18.05%	-4.32%	7.07%	
WAMCO High Yield	-2.01%	-9.04%	8.81%	4.91%	-0.40%	0.26%	
Wellington International Growth				37.15%	-12.00%	6.01%	2 years, 9 months
Wellington Commodities				4.03%	-8.18%	2.62%	2 years, 9 months
N.B. Crossroads				13.43%	-23.73%	-2.15%	2 years, 8 months
PIMCO Bravo I				-35.69%	33.81%	6.69%	2 years, 8 months
PIMCO Bravo III				12.10%	1.31%	4.97%	2 years, 2 months
KKR Direct Lending				1.20%	-15.67%	-3.16%	2 years, 8 months
KKR Energy Income & Growth				15.90%	14.36%	0.96%	2 years, 8 months
AIM 13 Partners Equity				3.41%	13.10%	6.46%	2 years, 7 months
Goldentree Select Offshore				4.67%	6.93%	7.26%	2 years, 8 months
Owl Rock Direct Lending				9.75%	6.95%	7.19%	2 years, 4 months
Goldman Sachs Vintage VII					23.82%	16.29%	1 year, 5 months
Wellington Capital Stewards					N/A	-14.17%	6 months
SSGA S&P400 Mid Cap					N/A	-15.57%	5 months
Riverstone Credit Partners					N/A	33.69%	5 months
TOTAL FUND	8.16%	0.10%	6.25%	14.57%	-2.59%	5.11%	

Arkansas LOPFI Retirement System

Index Comparison

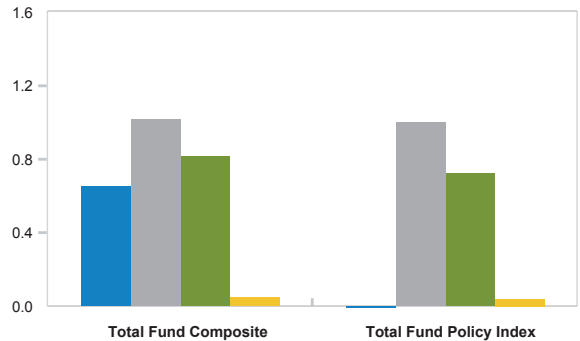
December 31, 2018

Risk / Reward Historical Statistics 3 Years Ending December 31, 2018



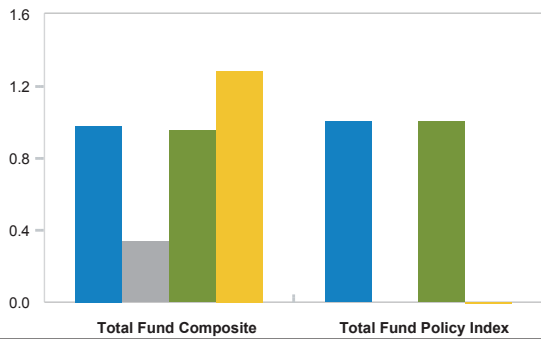
Alpha	0.40	0.00
Beta	1.01	1.00
Sharpe Ratio	0.81	0.76
Treynor Ratio	0.05	0.05

Risk / Reward Historical Statistics 5 Years Ending December 31, 2018



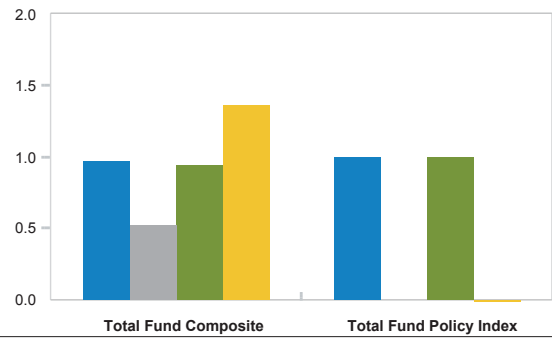
Alpha	0.66	0.00
Beta	1.01	1.00
Sharpe Ratio	0.82	0.72
Treynor Ratio	0.05	0.04

Benchmark Relative Historical Statistics 3 Years Ending December 31, 2018



Actual Correlation	0.98	1.00
Information Ratio	0.34	N/A
R-Squared	0.96	1.00
Tracking Error	1.29	0.00

Benchmark Relative Historical Statistics 5 Years Ending December 31, 2018



Actual Correlation	0.97	1.00
Information Ratio	0.53	N/A
R-Squared	0.95	1.00
Tracking Error	1.36	0.00

Benchmark: Total Fund Policy Index



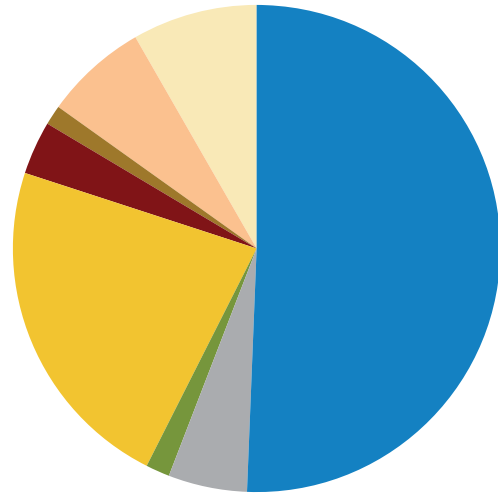
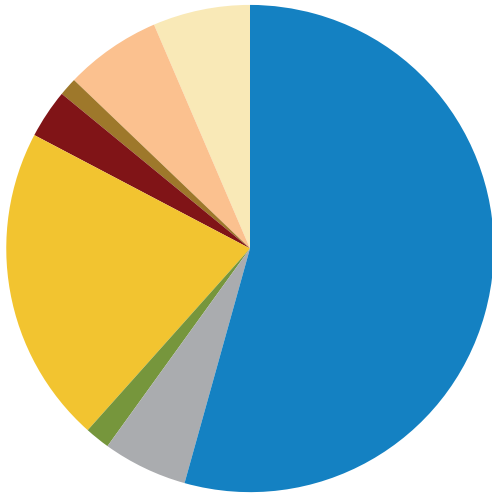
Arkansas LOPFI Retirement System

Executive Summary

December 31, 2018

Asset Allocation By Segment as of
September 30, 2018 : \$2,182,972,495

Asset Allocation By Segment as of
December 31, 2018 : \$2,047,506,375



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	1,185,991,084	54.3	Domestic Equity	1,036,711,662	50.6
International Equity	122,563,963	5.6	International Equity	107,152,635	5.2
Emerging Equity	36,156,095	1.7	Emerging Equity	32,412,736	1.6
Domestic Fixed Income	460,745,465	21.1	Domestic Fixed Income	462,137,036	22.6
International Fixed Income	70,857,336	3.2	International Fixed Income	72,591,898	3.5
Real Estate	26,303,391	1.2	Real Estate	26,716,623	1.3
Private Equity	139,663,605	6.4	Private Equity	140,083,233	6.8
Cash Equivalent	140,691,556	6.4	Cash Equivalent	169,700,552	8.3



Arkansas LOPFI Retirement System

Schedule of Investment Expenses

As of December 31, 2018

Professional / Consultant	Nature of Service	Amount
Aberdeen Asset - International Fixed Income*	Money Manager	\$ 192,143
Barrow, Hanley - Large Cap Value - Equity*	Money Manager	\$ 487,593
Chickasaw*	Money Manager	\$ 185,858
Citco**	Money Manager	\$ 3,182
ClearBridge (formerly Global Currents) - International Equity	Money Manager	\$ 223,459
Congress - Mid Cap Growth - Equity*	Money Manager	\$ 172,175
Dodge & Cox Stock Fund	Money Manager	\$ 792,000
Fisher Investments - Emerging Markets Equity*	Money Manager	\$ 378,511
Fisher Investments - International Equity*	Money Manager	\$ 320,578
Garcia Hamilton - Core Fixed Income*	Money Manager	\$ 235,538
Goldentree	Money Manager	\$ 415,820
Goldman Sachs Vintage VII*	Money Manager	\$ 287,410
JP Morgan IIF - Tax Exempt	Money Manager	\$ 74,785
JP Morgan*	Money Manager	\$ 124,963
KKR EIGF**	Money Manager	\$ 225,000
KKR LP**	Money Manager	\$ 29,964
KKR MP**	Money Manager	\$ 27,645
Lazard - Large Cap Equity*	Money Manager	\$ 589,230
Macquarie Infrastructure**	Money Manager	\$ 76,534
NB Crossroads**	Money Manager	\$ 15,000
NB Private Debt**	Money Manager	\$ 70,774
New South Capital* (Terminated in July 2018)	Money Manager	\$ 348,541
PIMCO Bravo Fund III Onshore Feeder TE**	Money Manager	\$ 36,501
PIMCO Bravo Fund Onshore Feeder I**	Money Manager	\$ 3,892
PIMCO Bravo Fund Onshore Feeder II**	Money Manager	\$ 107,671
PIMCO Fixed Income**	Money Manager	\$ 855,035

Continued on next page

Arkansas LOPFI Retirement System

Schedule of Investment Expenses

As of December 31, 2018 *(Continued)*

Riverstone Credit Partners	Money Manager	\$	50,992
State Street - Large Cap Core Equity*	Money Manager	\$	37,180
State Street - Mid Cap S&P 400	Money Manager	\$	7,003
StepStone Private Equity Partners III Offshore L.P.	Money Manager	\$	23,029
Thirteen Partners Offshore, Ltd.	Money Manager	\$	249,704
Thirteen Partners Private Equity A, LLC	Money Manager	\$	260,047
WAMCO - Aggregate Fixed Income*	Money Manager	\$	508,970
Wellington - Capital Stewards*	Money Manager	\$	29,915
Wellington - Commodities*	Money Manager	\$	165,314
Wellington - International Growth - Equity*	Money Manager	\$	247,634
Wellington - Large Cap Growth - Equity*	Money Manager	\$	1,075,287
Western Asset - Short Term/High Yield*	Money Manager	\$	<u>127,674</u>
Total Investment Fees		\$	<u>9,062,551</u>
Regions Bank	Custodial Service	\$	<u>162,000</u>
Stephens	Investment Consultant	\$	<u>760,000</u>
AndCo Consulting	Investment Monitoring	\$	<u>203,450</u>
Grand Total		\$	10,188,001
MV of Fund @ 12/31/2018		\$	2,047,506,375
Grand Total as a % of the 12/31/2018 MV			0.50%

* Fee calculated based on 12 months custodial statement

** Fees provided or estimated by the money manager as of 9/30/2018

Dodge & Cox is estimated based on the 12/31 market value and fund expense

Arkansas Local Police & Fire Retirement System
Schedule of Broker Commissions
Year Ending December 31, 2018

Brk#	Broker Name	Broker	
		Commissions	Gross Price of Assets
69270	Autonomous	\$ 295	\$ 435,879
65544	B.Riley & Co., LLC	\$ 72	\$ 405,676
45	BMO Capital Markets Corp.	\$ 4,110	\$ 5,971,041
58851	BTIG, LLC	\$ 805	\$ 1,413,927
61610	Barclays Capital Le	\$ 14,582	\$ 20,460,604
696	Cantor Fitzgerald and Co.	\$ 3,869	\$ 3,021,540
59055	Cap Institutional Svc Equities	\$ 630	\$ 926,256
84341	Citation Group/BCC Clrg	\$ 2,206	\$ 7,376,171
*	Citigroup Global Markets	\$ 340	\$ 339,987
69276	Citigroup Global Markets Inc	\$ 2,000	\$ 2,286,873
418	Citigroup Global Markets Inc.	\$ 8,181	\$ 7,757,098
70069	Clsa Americas	\$ 116	\$ 35,989
77318	Cowen And Company LLC	\$ 1,470	\$ 2,278,583
62513	Cowen and Company, LLC	\$ 4,846	\$ 4,230,112
*	Credit Suisse Europe	\$ 280	\$ 1,017,178
355	Credit Suisse Securities (USA)	\$ 2,532	\$ 9,218,817
573	Deutsche Bank Securities Inc	\$ 6,291	\$ 13,076,113
83620	Fidelity Cap Mkts(Div Of NFSC)	\$ 330	\$ 295,585
83888	Frank Russel Sec/Broadcort Cap Clg	\$ 1,631	\$ 2,030,666
5	Goldman, Sachs and Co	\$ 11,884	\$ 22,575,235
77990	Guggenheim Sec. LLC - via Pershing	\$ 8	\$ 63,892
58985	HSBC Brokerage (USA) Inc.	\$ 2,790	\$ 2,465,721
83213	ISI Group Inc	\$ 2,879	\$ 5,022,577
6164	ITG, Inc.	\$ 41	\$ 41,431
*	ITG, Ltd.	\$ 28	\$ 103,014
58498	Imperial Capital LLC	\$ 255	\$ 1,443,351
6826	Instinet	\$ 6,452	\$ 17,505,715
57079	J.P. Morgan Securities Inc.	\$ 7,413	\$ 23,023,257
*	J.P. Morgan Securities PLC	\$ 241	\$ 213,178
19	Jefferies LLC	\$ 4,608	\$ 8,845,082
345	Keefe, Bruyette, and Woods Inc	\$ 2,640	\$ 1,080,741
69440	Kepler Capital Markets, Inc.	\$ 45	\$ 82,775
67526	Keybank Capital Markets Inc.	\$ 136	\$ 452,849
69400	Liquidnet Inc.	\$ 5,442	\$ 16,342,141
63646	Longbow Securities LLC	\$ 130	\$ 276,719
76099	Macquarie Securities (USA) Inc.	\$ 14	\$ 75,195
161	Merrill Lynch,Pierce,Fenner & Smith	\$ 5,250	\$ 8,364,090
*	Morgan Stanley - US	\$ 6	\$ 22,705
*	Morgan Stanley and Co Intl - GB	\$ 4	\$ 14,937
50	Morgan Stanley and Co, LLC	\$ 9,069	\$ 21,022,736
571	Oppenheimer and Co Inc	\$ 1,510	\$ 5,273,238
75945	Pickering Energy Partners, Inc	\$ 35	\$ 84,061
235	RBC Capital Markets, LLC	\$ 4,433	\$ 2,769,770
725	Raymond James and Associates Inc	\$ 12	\$ 29,760
67092	Renaissance Macro Securities LLC	\$ 51	\$ 70,311
547	Robert W. Baird & Co. Inc.	\$ 41	\$ 239,975
51516	Sanders Morris Harris	\$ 327	\$ 1,668,700
13	Sanford C. Bernstein & Co., LLC	\$ 8,533	\$ 35,613,113
*	Societe General London Branch - 2GBS	\$ 139	\$ 308,050

Arkansas Local Police & Fire Retirement System
 Schedule of Broker Commissions
 Year Ending December 31, 2018
 (continued)

75353	State Street Brokerage	\$	22,844	\$	45,457,741
189	State Street Global Markets	\$	21,381	\$	48,808,526
419	Stephens, Inc.	\$	615	\$	476,402
793	Stifel, Nicolaus and Co., Inc.	\$	278	\$	1,244,883
62519	Strategas Securities LLC	\$	659	\$	509,555
77733	Stuart Frankel & Co. Inc	\$	36	\$	65,994
*	UBS Equity	\$	7	\$	26,714
642	UBS Securities LLC	\$	12,058	\$	19,016,103
	Total	\$	186,881	\$	373,278,332

* Broker #'s not provided.

Arkansas LOPFI Retirement System
Highest Portfolio Holdings by Manager
Top Three Securities
As of December 31, 2018

	<u>BARROW, HANLEY</u>	<u>LAZARD</u>	<u>STATE STREET S&P 500</u>	<u>DODGE & COX</u>	<u>WELLINGTON EQUITY</u>	<u>WELLINGTON CAPITAL STEWARDS</u>
1	DOLLAR GENERAL	ALPHABET INC A	MICROSOFT	COMCAST	MICROSOFT	DXC TECHNOLOGY
MATURITY	N/A	N/A	N/A	N/A	N/A	N/A
Market Value	\$6,152,777	\$5,721,013	\$8,708,941	\$6,554,362	\$14,788,644	\$1,430,744
Percent of Fund	4.10%	5.20%	3.70%	4.30%	7.40%	6.80%
2	AIR PRODUCTS AND CHEMICALS	MICROSOFT	APPLE	WELLS FARGO & CO.	ALPHABET INC	WILLIS TOWERS WATSON
MATURITY	N/A	N/A	N/A	N/A	N/A	N/A
Market Value	\$5,527,279	\$5,527,279	\$5,527,279	\$5,527,279	\$5,527,279	\$5,527,279
Percent of Fund	3.68%	4.80%	3.40%	3.80%	6.30%	4.50%
3	LOWE'S COS INC	COCA-COLA	AMAZON	CHARTER COMMUNICATIONS	AMAZON	SS&C TECH. HOLDINGS
MATURITY	N/A	N/A	N/A	N/A	N/A	N/A
Market Value	\$5,402,438	\$4,620,818	\$6,825,927	\$5,030,091	\$12,390,485	\$757,453
Percent of Fund	3.60%	4.20%	2.90%	3.30%	6.20%	3.60%
TOTAL:	\$150,067,726.00	\$110,019,476.00	\$235,376,789.00	\$152,427,014.00	\$199,846,538.00	\$21,040,359.00

* Use of custodian, manager data, and estimates.

	<u>CONGRESS COOPER COMPANIES</u>	<u>STATE STREET S&P MID-CAP 400</u>	<u>CLEARBRIDGE</u>	<u>FISHER ADR</u>	<u>FISHER EM</u>	<u>WELLINGTON INTL GROWTH</u>
1	TELEFLEX INC	BNP PARIBAS	ASML HOLDINGS	TENCENT HOLDINGS	NESTLE SA	
MATURITY	N/A	N/A	N/A	N/A	N/A	
Market Value	\$994,717	\$329,261	\$851,993	\$1,934,292	\$2,204,066	
Percent of Fund	3.10%	0.80%	2.70%	4.50%	6.80%	
2	LENNOX INTERNATIONAL	ATMOS ENERGY	BANCO SANTANDER	TAIWAN SEMICONDUCTOR	TAIWAN SEMICONDUCTOR	ROCHE HOLDING
MATURITY	N/A	N/A	N/A	N/A	N/A	
Market Value	\$994,717	\$288,104	\$851,993	\$1,848,324	\$1,782,700	
Percent of Fund	3.10%	0.70%	2.70%	4.30%	5.50%	
3	BURLINGTON STORES	DOMINO'S	NOVARTIS	TENCENT HOLDINGS LTD UNSPONSOR ADR	SAMSUNG ELECTRONICS	UNILEVER
MATURITY	N/A	N/A	N/A	N/A	N/A	
Market Value	\$962,629	\$288,104	\$820,438	\$1,805,340	\$1,490,986	
Percent of Fund	3.00%	0.70%	2.60%	4.20%	4.60%	
TOTAL:	\$32,087,646.00	\$41,157,644.00	\$31,555,305.00	\$42,984,277.00	\$32,412,736.00	\$32,869,264.00

* Use of custodian, manager data, and estimates.

Continued on next page

Arkansas LOPFI Retirement System
Highest Portfolio Holdings by Manager
Top Three Securities
As of December 31, 2018 *(Continued)*

	WAMCO	PIMCO TOTAL RETURN FUND	GARCIA HAMILTON	WAMCO HIGH YIELD	ABERDEEN INTL FIXED INCOME	LIQUIDATION
1	FNCL 3.5 1/15/2049 TBA	Fannie Mae, TBA	UNITED STATES TREASURY DTD	CENTENE CORP 4.75 5/22	CANADIAN GOVERNMENT	REGIONS TRUST CASH SWEEP
	MATURITY 1/15/49	1/1/49	5/15/27	5/15/22	N/A	N/A
	Market Value \$3,531,609	\$17,141,423	\$18,558,120	\$840,244	\$5,154,025	\$150,645,317
	Percent of Fund 2.98%	9.10%	14.57%	2.70%	7.10%	100.00%
2	FN BH2623 4 8/1/47	PIMCO Short Asset Portfolio	UNITED STATES TREASURY DTD	DREYFUS QII GOV CASH MGMT	US TREASURY N/B	N/A
	MATURITY 8/1/47	N/A	11/15/27	N/A	N/A	N/A
	Market Value \$2,050,229	\$16,429,082	\$11,625,533	\$775,442	\$4,987,063	\$0
	Percent of Fund 1.73%	8.72%	9.13%	2.49%	6.87%	0.00%
3	FNCL 3.0 1/15/2049 TBA	Fannie Mae, TBA	UNITED STATES TREASURY DTD	GLP CAP/FIN II 4.375 4/21	BUNDESREPUB. DEUTSCHLAND	N/A
	MATURITY 1/15/49	2/1/49	8/15/26	4/15/21	N/A	N/A
	Market Value \$1,872,464	\$16,268,899	\$7,749,000	\$640,542	\$4,754,769	\$0
	Percent of Fund 1.58%	8.63%	6.08%	2.06%	6.55%	0.00%
TOTAL:	\$118,510,374.00	\$188,450,121.00	\$127,361,115.00	\$31,154,758.00	\$72,591,898.00	\$150,645,317

* Use of custodian, maanager data, and estimates.

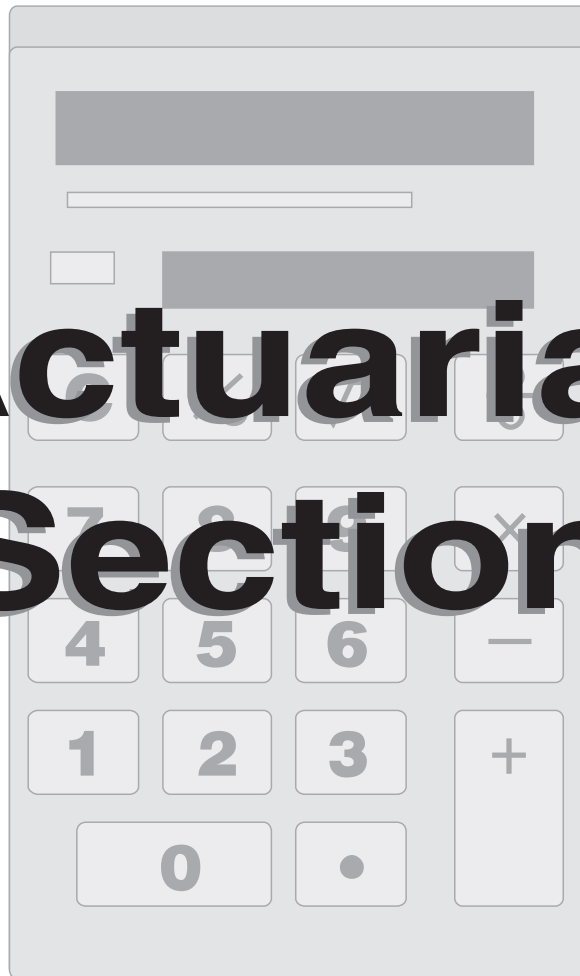
Investment Summary
Year Ended December 31, 2018

Type of Investment	December 31, 2018		% of Total
	Cost Value	Fair Value	
Cash and Short Term Investments	\$ 184,462,049	\$ 184,462,049	8.9%
Investments:			
Equity Securities - Diversified	293,107,796	314,192,434	15.2%
Equity Securities - Foreign	46,701,294	49,083,451	2.4%
Equity Mutual Funds	452,120,453	628,807,985	30.5%
International Equity Mutual Funds	106,422,632	120,902,724	5.9%
Fixed Income Mutual Funds	383,170,991	410,702,959	19.9%
Real Estate Investment Trusts	2,985,154	2,701,208	0.1%
U.S. Government Obligations	72,154,928	72,671,322	3.5%
Corporate Bonds	42,449,849	41,966,174	2.0%
Mortgage-Backed Securities	9,386,662	9,388,481	0.5%
Alternative Investments	209,659,031	225,048,987	10.9%
	<u>\$ 1,618,158,790</u>	<u>\$ 1,875,465,725</u> *	<u>90.9%</u>
Land and Building	2,322,783	2,322,783	0.1%
Total Investments	<u>\$ 1,804,943,622</u>	<u>\$ 2,062,250,557</u>	<u>100.0%</u>

Type of Investment	December 31, 2017		% of Total
	Cost Value	Fair Value	
Cash and Short Term Investments	\$ 141,095,795	\$ 141,095,795	6.8%
Investments:			
Equity Securities - Diversified	271,360,495	349,431,987	16.9%
Equity Securities - Foreign	37,420,127	49,452,074	2.4%
Equity Mutual Funds	457,240,821	681,369,109	33.0%
International Equity Mutual Funds	80,333,893	116,523,792	5.7%
Fixed Income Mutual Funds	377,943,575	412,708,994	20.0%
Real Estate Investment Trusts	2,025,042	1,715,246	0.1%
U.S. Government Obligations	82,205,212	82,198,861	4.0%
Corporate Bonds	29,897,940	29,992,781	1.5%
Mortgage-Backed Securities	12,855,442	12,589,085	0.6%
Alternative Investments	171,482,693	179,936,628	8.7%
	<u>\$ 1,522,765,239</u>	<u>\$ 1,915,918,557</u> *	<u>92.9%</u>
Land and Building	2,356,706	2,356,706	0.1%
Total Investments	<u>\$ 1,666,217,740</u>	<u>\$ 2,059,371,058</u>	<u>99.9%</u>

* Per Statements of Fiduciary Net Position on Pages 24 & 25.

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 7, 2019

Board of Trustees
Arkansas Local Police and Fire Retirement System
620 W. 3rd, 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 actuarial valuation reports were prepared at the request of the Board and are intended for use by the Retirement System and those designated or approved by the Board. The reports may be provided to parties other than the System only in their entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of the reports. The reports should not be relied on for any purpose other than the purpose described.

The financial objective is addressed within the annual actuarial valuations. 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, 2018.

LOPFI's administrative staff provides the actuary with data for the actuarial valuations. 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. We are not responsible for the accuracy or completeness of the data provided by LOPFI staff.

The December 31, 2018 valuation reflects benefit provision changes. There were no changes in actuarial assumptions or methods.

As of December 31, 2018, actuarial valuations were made for 897 employer groups. Summary information about the resulting new employer contribution rates is shown in the compiled annual report. Results of the 2018 actuarial valuations indicate that aggregate actuarial accrued liabilities are 71% covered by the actuarial value of assets, after benefit provision changes. This is unchanged from last year's result of 71%. The actuarial

value of assets is about 107% of the market value of assets as of December 31, 2018. These results include the 242 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 compiled annual report and are provided to the local fund and to the LOPFI administrative staff.

We prepared the following supporting schedules for the Comprehensive Annual Financial Report for the System's use in the Actuarial Section, the Statistical Section, Notes to the Financial Statements and Required Supplementary Information:

Actuarial Section

- Summary of Actuarial Assumptions and Methods
- Summary of Member Data Included in Valuations
- Active Members by Attained Age and Years of Service
- Schedule of Computed Employer Rates
- List of Benefit Program 2 and Benefit Program 4 Employer Groups
- Development of Funding Value of Retirement System Assets
- Reported Assets Available for Benefits
- Summary of Assets, Accrued Liabilities and Average Contribution Rates
- Short Condition Test
- Derivation of Actuarial Gain (Loss)
- Summary Plan Provisions for Paid and Volunteer Service
- Retirees and Beneficiaries Added to and Removed from Rolls

Statistical Section

- Summary of Membership Data
- Benefits Payable by Type for the Last Ten Years
- Schedules of Retired and Vested Members by Type of Benefit and Department
- Top Ten Participating Employers

Financial Section

- Schedule of Changes in the Employers' Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

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.

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, 2018 valuations were based upon demographic assumptions that were recommended in connection with a study of experience covering the period from January 1, 2012 through December 31, 2016 and the economic assumptions adopted by the Board in December 2017. These assumptions are established by the Board after consulting with the actuary as outlined in A.C.A. 24-10-205(a)(1).

In our professional judgment, the discount rate of 7.50% used in this report deviates materially from the guidance set forth in Actuarial Standard of Practice No. 27 (ASOP No. 27). The September 7, 2017 experience study presentation covering the period from January 1, 2012 through December 31, 2016 included an analysis of the long-term rate of investment return and inflation assumptions and suggested that an investment return assumption in the range of 6.25% to 7.0% would be reasonable. Please see our report dated September 29, 2017 for additional information.

Further discussion occurred during the December 7, 2017 Board meeting where a 7.25% discount rate was considered and also determined to be reasonable. If a discount rate which was determined to be reasonable were used in this valuation instead of 7.5%, the unfunded liability would be higher and either the contribution or amortization period would be higher as well. For example, the amortization period based on a 7.0% discount rate would be 30 years for paid and 28 years for volunteer.

To the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries and in conformance with Title 24 of the Arkansas Code. In our opinion, the demographic assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable. Note that other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial. 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.

Please be aware that 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.

The valuations assumed the continuing ability of the plan sponsor to make contributions necessary to fund this plan. A determination of the ability of the plan sponsor to do so is outside our area of expertise and was not performed.

The report includes risk metrics, but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

Board of Trustees
May 7, 2019
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On the basis of the December 31, 2018 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.

This report has been prepared by individuals who have substantial experience valuing public employee retirement systems. The individuals submitting this report 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 opinions contained herein.

Respectfully submitted,



David L. Hoffman



Heidi G. Barry, ASA, FCA, MAAA

DLH/HGB:bd

SUMMARY OF 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. The assumptions are established by the Board after consulting with the actuary as outlined in A.C.A. 24-10-205(a)(1).

ECONOMIC ASSUMPTIONS -----

The investment return rate used in the valuation was 7.50% 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 3.25% wage inflation assumption, the 7.50% investment return rate translates to an assumed real rate of return of 4.25%.

Price inflation was assumed to be 2.50% 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 3.25% recognizes wage inflation.

Total active member payroll is assumed to increase 3.25% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation.

The number of active members is assumed to remain constant at the present level of LOPFI active members.

NON-ECONOMIC ASSUMPTIONS -----

The mortality tables used to measure retired life mortality were the RP-2014 Healthy Annuitant benefit weighted generational mortality tables for males and females. The disability post-retirement mortality tables used were the RP-2014 Disabled Retiree benefit weighted generational mortality tables for males and females. The death-in-service mortality tables used were the RP-2014 Employee benefit weighted generational mortality tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2016. Related retired life mortality values are shown in Schedule A-1.

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

The probabilities of withdrawal from 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; and
- (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 \$6.80 effective July 1, 2019 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 \$11.02 effective July 1, 2019 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%.

Active 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. We assume on average the DROP duration for members currently in the DROP is 5 years.

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.

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 Plans)

Paid Police Covered by Social Security	Valuation Groups	Active Members*			Inflation Increase % (CPI)	
		Number	Annual Payroll	Average Pay		% Increase
12/31/85	39	218	\$ 3,066,418	\$14,066	10.7 %	3.8 %
12/31/86	42	276	4,170,832	15,112	7.4	1.1
12/31/87	48	342	5,333,703	15,596	3.2	4.4
12/31/88	54	413	6,759,766	16,367	4.9	4.4
12/31/89	54	457	7,803,548	17,076	4.3	4.6
12/31/90	62	517	9,386,818	18,156	6.3	6.1
12/31/91	73	614	11,618,980	18,923	4.2	3.1
12/31/92	78	683	13,483,829	19,742	4.3	2.9
12/31/93	89	806	16,407,154	20,356	3.1	2.7
12/31/94	98	916	19,373,328	21,150	3.9	2.7
12/31/95	110	1,053	23,212,618	22,044	4.2	2.5
12/31/96	117	1,145	26,154,080	22,842	3.6	3.3
12/31/97	128	1,211	28,971,065	23,923	4.7	1.7
12/31/98	134	1,346	33,301,863	24,741	3.4	1.6
12/31/99	141	1,480	38,187,948	25,803	4.3	2.7
12/31/00	150	1,493	39,080,134	26,176	1.4	3.4
12/31/01	152	1,497	42,193,903	28,186	7.7	1.6
12/31/02	158	1,556	46,480,114	29,872	6.0	2.4
12/31/2003	154	1,583	49,757,738	31,433	5.2	1.9
12/31/2004	154	1,583	51,235,812	32,366	3.0	3.3
12/31/2005	154	1,614	53,061,186	32,876	1.6	3.4
12/31/2006	161	1,680	57,466,068	34,206	4.0	2.5
12/31/2007	166	1,787	62,170,244	34,790	1.7	4.1
12/31/2008	163	1,838	66,243,983	36,041	3.6	0.1
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
12/31/2015	183	2,122	89,826,406	42,331	2.9	0.7
12/31/2016	179	2,152	91,581,947	42,557	0.5	2.1
12/31/2017	182	2,196	94,895,150	43,213	1.5	2.1
12/31/2018	183	2,229	98,772,944	44,313	2.5	1.9

* Includes DROP participants, if any.

Continued on next page

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

Paid Police Not Covered by Social Security	Valuation Groups	Active Members*			% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay		
12/31/85	13	214	\$ 3,386,482	\$15,825	6.3 %	3.8 %
12/31/86	13	283	4,798,324	16,955	7.1	1.1
12/31/87	13	321	5,812,570	18,108	6.8	4.4
12/31/88	14	410	7,849,599	19,145	5.7	4.4
12/31/89	14	426	8,769,222	20,585	7.5	4.6
12/31/90	14	539	11,392,678	21,137	2.7	6.1
12/31/91	14	629	13,997,170	22,253	5.3	3.1
12/31/92	14	693	16,891,924	24,375	9.5	2.9
12/31/93	14	735	18,643,459	25,365	4.1	2.7
12/31/94	14	866	22,959,944	26,513	4.5	2.7
12/31/95	14	1,002	27,042,274	26,988	1.8	2.5
12/31/96	14	1,087	31,394,960	28,882	7.0	3.3
12/31/97	14	1,154	35,468,514	30,735	6.4	1.7
12/31/98	14	1,220	39,052,564	32,010	4.1	1.6
12/31/99	14	1,257	42,319,350	33,667	5.2	2.7
12/31/00	15	1,300	45,395,466	34,920	3.7	3.4
12/31/01	15	1,310	47,997,431	36,639	4.9	1.6
12/31/02	14	1,309	51,013,420	38,971	6.4	2.4
12/31/2003	14	1,344	54,363,935	40,449	3.8	1.9
12/31/2004	15	1,369	57,397,946	41,927	3.7	3.3
12/31/2005	15	1,410	60,652,180	43,016	2.6	3.4
12/31/2006	14	1,455	64,982,903	44,662	3.8	2.5
12/31/2007	14	1,479	68,484,220	46,304	3.7	4.1
12/31/2008	14	1,507	72,880,723	48,361	4.4	0.1
12/31/2009	14	1,544	77,374,468	50,113	3.6	2.7
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
12/31/2015	14	1,599	87,090,401	54,466	(0.6)	0.7
12/31/2016	14	1,597	88,602,540	55,481	1.9	2.1
12/31/2017	14	1,635	93,831,833	57,390	3.4	2.1
12/31/2018	14	1,654	95,257,685	57,592	0.4	1.9

* Includes DROP participants, if any.

Continued on next page

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

Paid Fire Covered by Social Security	Valuation Groups	Active Members*			% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay		
12/31/85	2	12	\$ 210,238	\$17,520	7.1 %	3.8 %
12/31/86	2	14	254,921	18,209	3.9	1.1
12/31/87	2	16	321,457	20,091	10.3	4.4
12/31/88	3	19	382,949	20,155	0.3	4.4
12/31/89	3	17	363,844	21,403	6.2	4.6
12/31/90	3	22	475,090	21,595	0.9	6.1
12/31/91	3	23	497,074	21,612	0.1	3.1
12/31/92	2	23	535,463	23,281	7.7	2.9
12/31/93	2	24	601,457	25,061	7.6	2.7
12/31/94	2	22	544,619	24,755	(1.2)	2.7
12/31/95	2	24	642,998	26,792	8.2	2.5
12/31/96	2	24	658,401	27,433	2.4	3.3
12/31/97	2	16	413,344	25,834	(5.8)	1.7
12/31/98	2	15	427,149	28,477	10.2	1.6
12/31/99	2	15	443,877	29,592	3.9	2.7
12/31/00	3	20	550,930	27,547	(6.9)	3.4
12/31/01	4	34	1,091,894	32,115	16.6	1.6
12/31/02	5	34	1,236,009	36,353	13.2	2.4
12/31/2003	6	34	1,297,597	38,165	5.0	1.9
12/31/2004	7	58	1,881,084	32,432	(15.0)	3.3
12/31/2005	10	62	2,137,350	34,473	6.3	3.4
12/31/2006	13	71	2,459,152	34,636	0.5	2.5
12/31/2007	19	84	3,224,208	38,383	10.8	4.1
12/31/2008	20	85	3,310,078	38,942	1.5	0.1
12/31/2009	21	90	3,794,410	42,160	8.3	2.7
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
12/31/2015	27	124	5,239,454	42,254	2.7	0.7
12/31/2016	28	126	5,375,073	42,659	1.0	2.1
12/31/2017	27	126	5,486,384	43,543	2.1	2.1
12/31/2018	31	155	6,673,890	43,057	(1.1)	1.9

* Includes DROP participants, if any.

Continued on next page

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

Paid Fire Not Covered by Social Security	Valuation Groups	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/85	39	256	\$ 3,838,880	\$14,996	9.2 %	3.8 %
12/31/86	40	346	5,619,219	16,241	8.3	1.1
12/31/87	45	439	7,335,514	16,710	2.9	4.4
12/31/88	47	514	9,377,770	18,245	9.2	4.4
12/31/89	47	601	11,449,004	19,050	4.4	4.6
12/31/90	48	661	13,207,386	19,981	4.9	6.1
12/31/91	48	741	15,470,155	20,877	4.5	3.1
12/31/92	48	825	18,328,407	22,216	6.4	2.9
12/31/93	51	912	21,238,851	23,288	4.8	2.7
12/31/94	54	1003	24,431,883	24,359	4.6	2.7
12/31/95	55	1,115	28,317,948	25,397	4.3	2.5
12/31/96	55	1,216	32,183,785	26,467	4.2	3.3
12/31/97	58	1,334	37,011,225	27,745	4.8	1.7
12/31/98	58	1,417	41,048,974	28,969	4.4	1.6
12/31/99	58	1,549	47,249,417	30,503	5.3	2.7
12/31/00	60	1,680	52,268,378	31,112	2.0	3.4
12/31/01	59	1,732	57,430,283	33,158	6.6	1.6
12/31/02	59	1,821	64,691,073	35,525	7.1	2.4
12/31/2003	59	1,888	70,635,697	37,413	5.3	1.9
12/31/2004	60	1,956	76,826,671	39,277	5.0	3.3
12/31/2005	57	2,029	81,650,944	40,242	2.5	3.4
12/31/2006	59	2,122	88,041,571	41,490	3.1	2.5
12/31/2007	61	2,245	95,882,874	42,710	2.9	4.1
12/31/2008	60	2,202	98,780,987	44,860	5.0	0.1
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
12/31/2015	61	2,585	134,740,985	52,124	2.5	0.7
12/31/2016	62	2,676	140,445,733	52,483	0.7	2.1
12/31/2017	62	2,694	144,407,370	53,603	2.1	2.1
12/31/2018	62	2,717	149,934,716	55,184	2.9	1.9

* Includes DROP participants, if any.

Continued on next page

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

Total Paid	Valuation Groups	Active Members*			Inflation Increase % (CPI)	
		Number	Annual Payroll	Average Pay		% Increase
12/31/85	93	700	\$ 10,502,018	\$15,003	9.3 %	3.8 %
12/31/86	97	919	14,843,296	16,152	7.7	1.1
12/31/87	108	1,118	18,803,244	16,819	4.1	4.4
12/31/88	118	1,356	24,370,084	17,972	6.9	4.4
12/31/89	118	1,501	28,385,618	18,911	5.2	4.6
12/31/90	127	1,739	34,461,972	19,817	4.8	6.1
12/31/91	138	2,007	41,583,379	20,719	4.6	3.1
12/31/92	142	2,224	49,239,623	22,140	6.9	2.9
12/31/93	156	2,477	56,890,921	22,968	3.7	2.7
12/31/94	168	2,807	67,309,774	23,979	4.4	2.7
12/31/95	181	3,194	79,215,838	24,801	3.4	2.5
12/31/96	188	3,472	90,391,226	26,034	5.0	3.3
12/31/97	202	3,715	101,864,148	27,420	5.3	1.7
12/31/98	208	3,998	113,830,550	28,472	3.8	1.6
12/31/99	215	4,301	128,200,592	29,807	4.7	2.7
12/31/00	228	4,493	137,294,908	30,558	2.5	3.4
12/31/01	230	4,573	148,713,511	32,520	6.4	1.6
12/31/02	236	4,720	163,420,616	34,623	6.5	2.4
12/31/2003	233	4,849	176,054,967	36,307	4.9	1.9
12/31/2004	236	4,966	187,341,513	37,725	3.9	3.3
12/31/2005	236	5,115	197,501,660	38,612	2.4	3.4
12/31/2006	247	5,328	212,949,694	39,968	3.5	2.5
12/31/2007	261	5,603	230,177,530	41,081	2.7	4.1
12/31/2008	258	5,640	241,675,203	42,850	4.3	0.1
12/31/2009	269	5,907	261,726,443	44,308	3.4	2.7
12/31/2010	274	5,949	264,905,380	44,529	0.5	1.5
12/31/2011	275	6,016	272,769,765	45,341	1.8	3.0
12/31/2012	272	6,139	282,170,105	45,964	1.4	1.7
12/31/2013	272	6,245	296,617,371	47,497	3.3	1.5
12/31/2014	276	6,323	307,405,199	48,617	2.4	0.8
12/31/2015	285	6,430	316,897,246	49,284	1.4	0.7
12/31/2016	283	6,551	326,005,293	49,764	1.0	2.1
12/31/2017	285	6,651	338,620,737	50,913	2.3	2.1
12/31/2018	290	6,755	350,639,235	51,908	2.0	1.9

* Includes DROP participants, if any.

Continued on next page

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

Volunteer Police	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	2	2	N/A	N/A	N/A
12/31/86	2	2			N/A
12/31/87	3	8			N/A
12/31/88	3	2			N/A
12/31/89	4	3			N/A
12/31/90	1	1			N/A
12/31/91	2	2			3.1%
12/31/92	4	5			2.9
12/31/93	4	5			2.7
12/31/94	8	10			2.7
12/31/95	8	9			2.5
12/31/96	9	10			3.3
12/31/97	10	14			1.7
12/31/98	7	8			1.6
12/31/99	8	10			2.7
12/31/00	8	9			3.4
12/31/01	10	16			1.6
12/31/02	19	49			2.4
12/31/2003	24	55			1.9
12/31/2004	24	55			3.3
12/31/2005	32	70			3.4
12/31/2006	38	91			2.5
12/31/2007	51	118			4.1
12/31/2008	42	123			0.1
12/31/2009	44	139			2.7
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
12/31/2015	105	366			0.7
12/31/2016	104	396			2.1
12/31/2017	108	408			2.1
12/31/2018	118	452			1.9

* 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 Plans)
 (Continued)

Volunteer Fire	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	166	756	N/A	N/A	N/A
12/31/86	185	1020			N/A
12/31/87	202	1238			N/A
12/31/88	207	1422			N/A
12/31/89	215	1623			N/A
12/31/90	218	1823			N/A
12/31/91	226	2005			3.1%
12/31/92	232	2167			2.9
12/31/93	237	2370			2.7
12/31/94	239	2452			2.7
12/31/95	238	2,684			2.5
12/31/96	243	2,895			3.3
12/31/97	248	3,063			1.7
12/31/98	249	3,175			1.6
12/31/99	253	3,397			2.7
12/31/00	254	3,481			3.4
12/31/01	255	3,585			1.6
12/31/02	261	3,809			2.4
12/31/2003	266	4,033			1.9
12/31/2004	282	4,351			3.3
12/31/2005	293	4,580			3.4
12/31/2006	303	4,814			2.5
12/31/2007	410	6,502			4.1
12/31/2008	415	6,480			0.1
12/31/2009	424	6,412			2.7
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
12/31/2015	461	6,938			0.7
12/31/2016	469	6,995			2.1
12/31/2017	471	6,933			2.1
12/31/2018	478	7,009			1.9

* 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 Plans)
 (Concluded)

Total Volunteer	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	168	758	N/A	N/A	N/A
12/31/86	187	1,022			N/A
12/31/87	205	1,246			N/A
12/31/88	210	1,424			N/A
12/31/89	219	1,626			N/A
12/31/90	219	1,824			N/A
12/31/91	228	2,007			3.1%
12/31/92	236	2,172			2.9
12/31/93	241	2,375			2.7
12/31/94	247	2,462			2.7
12/31/95	246	2,693			2.5
12/31/96	252	2,905			3.3
12/31/97	258	3,077			1.7
12/31/98	256	3,183			1.6
12/31/99	261	3,407			2.7
12/31/00	262	3,490			3.4
12/31/01	265	3,601			1.6
12/31/02	280	3,858			2.4
12/31/2003	290	4,088			1.9
12/31/2004	306	4,406			3.3
12/31/2005	325	4,650			3.4
12/31/2006	341	4,905			2.5
12/31/2007	461	6,620			4.1
12/31/2008	457	6,603			0.1
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
12/31/2015	566	7,304			0.7
12/31/2016	573	7,391			2.1
12/31/2017	579	7,341			2.1
12/31/2018	596	7,461			1.9

* 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 Plans)
Paid Service Active Members – December 31, 2018
Attained Age And Years of Service**

Attained Age	Years of Service at Valuation Date							Totals*	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Annual Payroll
Under 20	3							3	\$ 85,082
20-24	331	23						354	12,500,260
25-29	800	230	47					1,077	43,619,649
30-34	443	383	181	58				1,065	49,105,847
35-39	227	265	310	203	95			1,100	56,878,229
40-44	112	119	211	267	201	94		1,004	57,424,630
45-49	62	71	92	179	315	187	61	967	59,981,300
50-54	27	38	56	76	166	211	75	649	40,708,413
55-59	28	18	47	43	80	123	40	379	22,119,716
60-64	12	16	24	17	15	34	15	133	6,896,953
65-69	1	1	3	4	2	5	3	19	1,139,206
70+	2	1		1			1	5	179,950
Totals	2,048	1,165	971	848	874	654	195	6,755	\$ 350,639,235

Average Age: 39.2 years

Average Service: 12.5 years

Average Pay: \$51,908

* Includes DROP participants.

As a comparison, 6,651 paid service members participated in LOPFI on December 31, 2017.

**LOPFI (Excluding Local Plans)
Volunteer Service Active Members – December 31, 2018
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	68							68
20-24	557	60						617
25-29	494	303	56					853
30-34	400	269	220	61				950
35-39	308	240	182	199	63			992
40-44	251	185	152	146	141	69		944
45-49	208	166	143	125	152	119	41	954
50-54	159	135	119	106	104	87	80	790
55-59	115	89	106	87	78	58	53	586
60-64	65	67	54	51	49	34	37	357
65-69	45	40	34	33	18	21	15	206
70+	46	33	26	13	12	5	9	144
Totals	2,716	1,587	1,092	821	617	393	235	7,461

Average Age: 41.6 years

Average Service: 10.5 years

As a comparison, 7,341 volunteer service members participated in LOPFI on December 31, 2017.

LOPFI
Computed Employer Contributions
For Paid Service Members by Valuation Groups
December 31, 2018

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll												Totals
		Under 12.99%	13.00% -13.99%	14.00% -14.99%	15.00% -15.99%	16.00% -16.99%	17.00% -17.99%	18.00% -18.99%	19.00% -19.99%	20.00% -20.99%	21.00% -21.99%	22.00% -22.99%	23.00% & Above	
Paid Police														
W/SS	2,229	1	-	1	2	1	2	2	9	4	8	25	128	183
W/O SS	1,654	-	-	-	-	2	1	2	1	1	2	3	2	14
Paid Fire														
W/SS	155	-	-	-	-	-	-	-	-	-	-	11	20	31
W/O SS	2,717	-	-	-	-	-	2	3	1	-	5	7	44	62
December 31, 2018 #	6,755	1	-	1	2	3	5	7	11	5	15	46	194	290
December 31, 2017 *	6,651	1	1	1	3	5	7	11	5	15	18	24	194	285

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

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	
December 31, 2016	6,551	0	1	0	0	0	2	3	5	272	283
December 31, 2015 *	6,430	1	0	0	1	2	3	5	7	266	285
December 31, 2014	6,323	1	0	1	2	3	5	6	11	247	276
December 31, 2013	6,245	1	0	2	3	5	6	11	6	238	272
December 31, 2012 *#	6,139	1	2	3	6	6	11	7	16	220	272
December 31, 2011 @	6,016	3	3	6	6	12	6	17	19	203	275
December 31, 2010	5,949	7	6	6	13	6	17	18	27	174	274
December 31, 2009	5,907	8	8	8	5	11	20	17	33	159	269
December 31, 2008 *#	5,640	13	7	4	12	17	17	27	26	135	258

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

Continued on next page

LOPFI
Volunteer Service Members by Valuation Groups
December 31, 2018

Group	Number of Active Members	Number of Employers
Volunteer Police	452	118
Volunteer Fire	7,009	478
December 31, 2018	7,461	596
December 31, 2017	7,341	579
December 31, 2016	7,391	573
December 31, 2015	7,304	566
December 31, 2014	7,347	554
December 31, 2013	7,140	534
December 31, 2012	7,029	511
December 31, 2011	7,034	512
December 31, 2010	6,734	485
December 31, 2009	6,551	468

Benefit Program 2 Employers (Included in Paid Service Schedules)

Employer	Number of Active Members*	Payroll
Bella Vista Police	32	\$ 1,801,562
Bella Vista Fire	59	2,960,615
Fayetteville Police	133	7,743,466
Fayetteville Fire	122	8,075,700
Hot Springs Police	106	5,741,808
Hot Springs Fire	89	4,502,977
Marion Police	27	1,035,843
Total Benefit Program 2	568	\$ 31,861,971

* Includes DROP participants, if any.

Benefit Program 4 Employers (Included in Volunteer Service Schedules)

Employer	Number of Active Members
Greenwood Volunteer Fire	34
Higginson Volunteer Police	4
Higginson Volunteer Fire	12
Norfolk Volunteer Police	1
Total Benefit Program 4	51

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

Year Ended December 31:	2014	2015	2016	2017	2018
A. Funding Value Beginning of Year	\$1,391,830,575	\$1,554,175,988	\$1,702,593,072	\$1,857,485,451	\$2,066,004,218
B. Market Value End of Year	1,610,091,699	1,646,678,312	1,770,838,998	2,074,618,439	2,079,853,157
C. Market Value Beginning of Year	1,467,975,980	1,610,091,699	1,646,678,312	1,770,838,998	2,074,618,439
D. Non-Investment Net Cash Flow	37,152,170	37,416,976	28,455,864	53,667,520	69,683,253
E. Investment Income					
E1. Market Total: B - C - D	104,963,549	(830,363)	95,704,822	250,111,921	(64,448,535)
E1(a). Assumed Rate of Return	8.0%	8.0%	7.75%	7.75%	7.50%
E2. Amount for Immediate Recognition	112,832,533	125,830,748	133,053,628	146,034,739	157,563,438
E3. Amount for Phased-In Recognition E1-E2	(7,868,984)	(126,661,111)	(37,348,806)	104,077,182	(222,011,973)
F. Phased-In Recognition of Investment Income					
F1. Current Year: 0.20 x E3	(1,573,797)	(25,332,222)	(7,469,761)	20,815,436	(44,402,395)
F2. First Prior Year	22,376,852	(1,573,797)	(25,332,222)	(7,469,761)	20,815,436
F3. Second Prior Year	5,381,814	22,376,852	(1,573,797)	(25,332,222)	(7,469,761)
F4. Third Prior Year	(15,683,289)	5,381,814	22,376,852	(1,573,797)	(25,332,222)
F5. Fourth Prior Year	<u>1,859,130</u>	<u>(15,683,287)</u>	<u>5,381,815</u>	<u>22,376,852</u>	<u>(1,573,796)</u>
F6. Total Recognized Investment Gain	12,360,710	(14,830,640)	(6,617,113)	8,816,508	(57,962,738)
G. Funding Value End of Year: A + D + E2 + F6	1,554,175,988	1,702,593,072	1,857,485,451	2,066,004,218	2,235,288,171
120% Corridor	1,932,110,039	1,976,013,974	2,125,006,798	2,489,542,127	2,495,823,788
80% Corridor	1,288,073,359	1,317,342,650	1,416,671,198	1,659,694,751	1,663,882,526
Funding Value End of Year	1,554,175,988	1,702,593,072	1,857,485,451	2,066,004,218	2,235,288,171
H. Difference between Market & Funding Value	55,915,711	(55,914,760)	(86,646,453)	8,614,221	(155,435,014)
I. Recognized Rate of Return	8.88%	7.06%	7.36%	8.22%	4.74%
J. Market Rate of Return	7.06%	(0.05%)	5.76%	13.91%	(3.06%)
K. Ratio of Funding Value to Market Value	96.53%	103.40%	104.89%	99.58%	107.47%

LOPFI
Reported Accrued Assets Available for Benefits
December 31, 2018

<u>Group Type</u>	<u>No. #</u>	<u>Employer Accumulation Account</u>	<u>Members' Deposit Account</u>	<u>Retirement Reserve Account &</u>	<u>Total @</u>
Paid Police W/SS	183	95,669,959	17,960,101	-	113,630,060
Paid Police W/O SS	14	176,472,479	86,573,778	-	263,046,257
Paid Fire W/SS	31	6,191,826	2,102,314	-	8,294,140
Paid Fire W/O SS	62	338,954,907	133,223,900	-	472,178,807
Subtotal	290	617,289,171	239,860,093	-	857,149,264
Volunteer Police and Fire	596	37,797,560	-	-	37,797,560
Retirants and Beneficiaries	-	-	-	941,588,930	941,588,930
Total	886	655,086,731	239,860,093	941,588,930	1,836,535,754

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, 2018. Totals include accounts for employers with no active participants as of December 31, 2018.

@ Does not include assets of \$243,317,403 invested by LOPFI on behalf of Relief and Pension Funds under LOPFI administration.

& Includes DROP Reserve Account.

LOPFI and Local Plan Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (c) = (b) - (a)	Funded Ratio (d) = (a)/(b)	Annual Covered Payroll (e)	UAAL as a Percentage of Covered Payroll (f) = (c)/(e)
12/31/2005	\$ 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%
12/31/2015	# 1,702,593,072	2,455,768,287	753,175,215	69%	317,133,046	237%
12/31/2016	1,857,485,451	2,623,115,852	765,630,401	71%	326,307,029	235%
12/31/2017	# 2,066,004,218	2,892,057,540	826,053,322	71%	338,837,262	244%
12/31/2018	+ 2,235,288,171	3,154,883,796	919,595,625	71%	350,825,283	262%

+ After legislated benefit changes and board policy changes

After changes in actuarial assumptions

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	Actuarial Valuation Assets	Assets/ Liabilities*	Average Contribution Rate	Amortization Period
12/31/2005	236	5,115	\$ 589,536,989	\$ 546,315,508	93 %	15.04 %	30.0
12/31/2006	247	5,328	679,947,017	633,759,848	93	15.11	30.0
12/31/07	261	5,603	790,780,919	740,968,085	94	15.16	30.0
12/31/08 #+	258	5,640	941,808,816	778,148,309	83	15.30	30.0
12/31/09	269	5,907	1,089,212,977	765,350,382	70	17.25	30.0
12/31/10	274	5,949	1,188,842,953	840,895,829	71	17.03	30.0
12/31/11	275	6,016	1,307,344,445	928,177,445	71	18.01	30.0
12/31/2012 #+	272	6,139	1,434,209,374	1,031,482,975	72	18.97	22.3
12/31/2013	272	6,245	1,592,077,174	1,188,197,455	75	19.39	19.5
12/31/2014	276	6,323	1,734,569,468	1,335,956,221	77	20.12	16.3
12/31/2015 #	285	6,430	1,937,302,402	1,463,508,550	76	21.04	18.8
12/31/2016	283	6,551	2,101,909,805	1,607,578,162	76	21.90	16.8
12/31/2017 #	285	6,651	2,317,272,762	1,774,216,157	77	22.44	17.0
12/31/2018	290	6,755	2,500,817,858	1,890,785,753	76	22.84	18.2
12/31/2018 +	290	6,755	2,477,962,759	1,890,785,753	76	22.84	16.1

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

After changes in actuarial valuation assumptions.

+ 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	Actuarial Valuation Assets	Assets/Liabilities*	Average Contribution Rate	Amortization Period
12/31/2005	325	4,650	\$ 28,869,651	\$ 19,106,574	66 %	\$ 32.30	30.0
12/31/2006	341	4,905	33,214,438	21,250,207	64	33.91	30.0
12/31/07	461	6,620	47,026,093	26,468,537	56	39.15	30.0
12/31/08 #	457	6,603	53,074,090	24,187,269	46	46.14	30.0
12/31/09	468	6,551	58,959,579	27,103,260	46	49.15	29.0
12/31/10	485	6,734	64,586,619	32,173,609	50	49.62	28.0
12/31/11	512	7,034	71,670,610	36,812,938	51	51.56	27.0
12/31/2012 #	511	7,029	78,626,100	42,114,214	54	53.75	26.0
12/31/2013	534	7,140	84,573,784	49,562,326	59	52.68	25.0
12/31/2014	554	7,347	90,183,301	57,093,309	63	52.68	20.7
12/31/2015 #	566	7,304	97,465,046	62,673,098	64	54.13	21.2
12/31/2016	573	7,391	103,714,962	69,786,157	67	55.62	18.5
12/31/2017 #	579	7,341	112,025,766	77,776,841	69	59.00	16.0
12/31/2018	596	7,461	118,978,599	83,364,148	70	59.00	16.7

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

After changes in actuarial valuation assumptions.

+ 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 (Concluded)

Total Plan

Valuation Date	Valuation Groups	Active Members	Actuarial Accrued Liabilities	Actuarial Valuation Assets	Assets/ Liabilities*
12/31/2005	561	9,765	\$ 618,406,640	\$ 565,422,082	91 %
12/31/2006	588	10,233	713,161,455	655,010,055	92
12/31/07	722	12,223	837,807,012	767,436,622	92
12/31/08 #+	715	12,243	994,882,906	802,335,578	81
12/31/09	737	12,458	1,148,172,556	792,453,642	69
12/31/10	759	12,683	1,253,429,572	873,069,438	70
12/31/11	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
12/31/2015 #	851	13,734	2,034,767,448	1,526,181,648	75
12/31/2016	856	13,942	2,205,624,767	1,677,364,319	76
12/31/2017 #	864	13,992	2,429,298,528	1,851,992,998	76
12/31/2018	886	14,216	2,619,796,457	1,974,149,901	75
12/31/2018 +	886	14,216	2,596,941,358	1,974,149,901	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.

+ 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	Active and Inactive	Actuarial Value of Assets	Covered by Assets		
		Retirees and Beneficiaries	Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)				
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
2015 +	211,502,055	526,188,884	1,199,611,463	1,463,508,560	100	100	61
2016	220,115,288	632,757,349	1,249,037,168	1,607,578,162	100	100	60
2017 +	229,228,802	760,264,654	1,327,779,306	1,774,216,157	100	100	59
2018 *	239,860,093	867,082,665	1,371,020,001	1,890,785,753	100	100	57

Local Paid Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current	Active and Inactive	Actuarial Value of Assets	Covered by Assets		
		Retirees and Beneficiaries	Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)				
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	-
2015 +	1,455,029	371,571,160	32,666,704	167,837,218	100	45	-
2016	1,595,793	372,340,632	27,740,698	171,109,243	100	46	-
2017 +	1,274,344	415,623,362	25,783,235	199,957,371	100	48	-
2018	1,158,476	509,574,301	24,638,215	244,799,518	100	48	-

LOPFI Volunteer Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current	Active and Inactive	Actuarial Value of Assets	Covered by Assets		
		Retirees and Beneficiaries	Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)				
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
2015 +	-	28,794,727	68,670,319	62,673,098	-	100	49
2016	-	31,622,143	72,092,819	69,786,157	-	100	53
2017 +	-	36,279,130	75,746,636	77,776,841	-	100	55
2018	-	39,876,740	79,101,859	83,364,148	-	100	55

Local Volunteer Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current	Active and Inactive	Actuarial Value of Assets	Covered by Assets		
		Retirees and Beneficiaries	Members, Employer Financed Portion		(1)	(2)	(3)
December 31	(1)	(2)	(3)				
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	-
2015 +	4,398	14,991,823	308,725	8,574,196	100	57	-
2016	6,919	15,514,259	292,784	9,011,889	100	58	-
2017 +	6,284	19,761,146	310,641	14,053,849	100	71	-
2018	6,461	22,310,984	254,001	16,338,752	100	73	-

* After legislated benefit changes for LOPFI members

+ After changes in actuarial assumptions

***Derivation of Actuarial Gain (Loss)
Year Ended December 31, 2018
(LOPFI and Local Plans Combined)***

(1)	UAAL* at start of year	\$	826,053,322
(2)	Employer normal cost from last valuation		34,748,438
(3)	Actual employer contributions		104,016,627
(4)	Interest accrual: (1) x .075 + [(2)-(3)] x (.075/2)		59,356,442
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)		816,141,575
(6)	Change from benefit changes*		27,955,616
(7)	Change from revised actuarial assumptions		-
(8)	Expected UAAL after changes		844,097,191
(9)	Actual UAAL at end of year		919,595,625
(10)	Gain (loss) (8) - (9)		(75,498,434)
(11)	Gain (loss) as percent of actuarial accrued liabilities at start of year	\$2,892,057,540	(2.6)%

Valuation Date December 31	Actuarial Gain (Loss) as a Percentage of Beginning Accrued Liabilities
2009	(2.9) %
2010	(0.7)
2011	(1.9)
2012	(1.1)
2013	0.7
2014	(0.1)
2015	(0.3)
2016	(0.5)
2017	(0.3)
2018	(2.6)

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

Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2018 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 2019 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 or her 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 2018 was \$1,410.

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 or her service and pay record to time of early retirement, but reduced to reflect the fact that his or her age when payments begin is younger than his or her normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his or her age at early retirement is younger than his or her 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 or her early retirement age, and (ii) after completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, he or she becomes eligible for a vested termination annuity; provided he or she lives to his or her normal retirement age and does not withdraw his or her accumulated contributions. The vested annuity amount, payable monthly for life from his or her normal retirement age, is computed in the same manner as an age & service annuity, based upon his or her service and pay 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 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 or her 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 or her 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 or her 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 or her 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 or her covered pay if his or her 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 or her 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 or her behalf, the member may choose to have his or her accumulated contributions refunded to him. If he or she dies, his or her accumulated contributions are refunded to his or her 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 or her 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 or her 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

Illustration 1
FOR PAID SERVICE WHICH IS NOT COVERED BY
SOCIAL SECURITY

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

Final Average Pay (FAP) ⁽¹⁾	LOPFI BENEFIT ⁽²⁾	
	\$	% of FAP
<u>32 Years of Service ⁽³⁾</u>		
\$ 2,400	\$ 2,258	94 %
3,000	2,822	94
3,600	3,387	94
4,200	3,951	94
4,800	4,516	94
<u>28 Years of Service ⁽³⁾</u>		
\$ 2,400	\$ 1,976	82 %
3,000	2,470	82
3,600	2,964	82
4,200	3,457	82
4,800	3,951	82
<u>20 Years of Service ⁽³⁾</u>		
\$ 2,400	\$ 1,411	59 %
3,000	1,764	59
3,600	2,117	59
4,200	2,470	59
4,800	2,822	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 the 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

Illustration 2 ⁽⁵⁾

FOR PAID SERVICE WHICH IS COVERED BY SOCIAL SECURITY

**(The Applicable Benefit Program is Years of Paid Service times:
1.94% of FAP ⁽¹⁾ for life, plus 1.0% of FAP ⁽¹⁾ Temporary to Full
Social Security Retirement Age)**

Final Average Pay (FAP) ⁽¹⁾	LOPFI Benefit ⁽³⁾		Estimated Social Security ⁽²⁾	Estimated Monthly		Percent of FAP	
	To SSRA	At SSRA ⁽⁶⁾		To SSRA	At SSRA	To SSRA	At SSRA
32 Years of Service ⁽⁴⁾							
\$2,400	\$ 2,258	\$ 2,063	\$ 1,164	\$ 2,258	\$ 3,227	94 %	131 %
3,000	2,822	2,577	1,328	2,822	3,905	94	127
3,600	3,387	3,094	1,495	3,387	4,589	94	124
4,200	3,951	3,609	1,658	3,951	5,267	94	122
4,800	4,516	4,125	1,823	4,516	5,948	94	121
28 Years of Service ⁽⁴⁾							
\$2,400	\$ 1,976	\$ 1,805	\$ 1,164	\$ 1,976	\$ 2,969	82 %	121 %
3,000	2,470	2,256	1,328	2,470	3,584	82	117
3,600	2,964	2,708	1,495	2,964	4,203	82	114
4,200	3,457	3,157	1,658	3,457	4,815	82	112
4,800	3,951	3,609	1,823	3,951	5,432	82	110
20 Years of Service ⁽⁴⁾							
\$2,400	\$ 1,411	\$ 1,289	\$ 1,164	\$ 1,411	\$ 2,453	59 %	100 %
3,000	1,764	1,611	1,328	1,764	2,939	59	96
3,600	2,117	1,934	1,495	2,117	3,429	59	93
4,200	2,470	2,256	1,658	2,470	3,914	59	91
4,800	2,822	2,577	1,823	2,822	4,400	59	89

- (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 the 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 2019 Social Security estimates for a participant who retired in 2009 at age 56.
- (6) Amounts at Social Security Retirement Age are adjusted for post-retirement increases of 3% annually from retirement to SSRA. Amounts to Social Security Retirement Age are benefits at commencement.

LOPFI

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

Illustration 3 ⁽⁵⁾

FOR PAID SERVICE WHICH IS COVERED BY SOCIAL SECURITY

**(The Applicable Benefit Program is Years of Paid Service times:
1.94% of FAP ⁽¹⁾ for life, plus 1.0% of FAP ⁽¹⁾ Temporary to Full
Social Security Retirement Age)**

Final Average Pay (FAP) ⁽¹⁾	LOPFI Benefit ⁽³⁾		Estimated Social Security ⁽²⁾	Estimated Monthly Total		Percent of FAP		
	To SSRA	At SSRA ⁽⁶⁾		To SSRA	At SSRA	To SSRA	At SSRA	
32 Years of Service ⁽⁴⁾								
\$2,400	\$ 2,258	\$ 2,063	\$ 1,656	\$ 2,258	\$ 3,719	94 %	118 %	
3,000	2,822	2,577	1,885	2,822	4,462	94	113	
3,600	3,387	3,094	2,110	3,387	5,204	94	110	
4,200	3,951	3,609	2,335	3,951	5,944	94	108	
4,800	4,516	4,125	2,563	4,516	6,688	94	106	
28 Years of Service ⁽⁴⁾								
\$2,400	\$ 1,976	\$ 1,805	\$ 1,656	\$ 1,976	\$ 3,461	82 %	110 %	
3,000	2,470	2,256	1,885	2,470	4,141	82	105	
3,600	2,964	2,708	2,110	2,964	4,818	82	102	
4,200	3,457	3,157	2,335	3,457	5,492	82	100	
4,800	3,951	3,609	2,563	3,951	6,172	82	98	
20 Years of Service ⁽⁴⁾								
\$2,400	\$ 1,411	\$ 1,289	\$ 1,656	\$ 1,411	\$ 2,945	59 %	94 %	
3,000	1,764	1,611	1,885	1,764	3,496	59	89	
3,600	2,117	1,934	2,110	2,117	4,044	59	86	
4,200	2,470	2,256	2,335	2,470	4,591	59	83	
4,800	2,822	2,577	2,563	2,822	5,140	59	82	

- (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 the 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 2029 Social Security estimates for a participant who retires in 2019 at age 56.
- (6) Amounts at Social Security Retirement Age are adjusted for post-retirement increases of 3% annually from retirement to SSRA. Amounts to Social Security Retirement Age are benefits at commencement.

Arkansas Local Police and Fire Retirement System
Brief Summary as of December 31, 2018 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 2019 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, 2018 of LOPFI Coverage for *VOLUNTEER SERVICE*

Benefits and Conditions Evaluated and/or Considered (Section References are to Arkansas Code of 1987, Including Amendments from 2019 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 or her 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 2018 was \$1,410.

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, 2018 valuations was \$6.80 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, 2018 valuations was \$11.02 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 or her service record to time of early retirement, but reduced to reflect the fact that his or her age when payments begin is younger than his or her normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his or her age at early retirement is younger than his or her normal retirement age.

Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his or her early retirement age, and (ii) after completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, he or she becomes eligible for a vested termination annuity; provided he or she lives to his or her normal retirement age (and does not withdraw any accumulated contributions). The vested annuity amount, payable monthly for life from his or her normal retirement age, is computed in the same manner as an age & service annuity, based upon his or her 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 or her 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 or her 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 or her 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 or her 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.

Illustration of Computed Employer Contributions 16.0-Year Closed Amortization Period

LOPFI Paid Service (Based on Projected Future Payroll)

Year Ended December 31,	Illustrative Payroll	Normal Cost	Payment for Amortization of UAL	Computed Employer Rate	Annual Employer Dollar Contribution
2018	\$ 100,000	8.90%	13.94%	22.84%	\$ 22,840
2019	103,250	8.90%	13.94%	22.84%	23,582
2020	106,606	8.90%	13.94%	22.84%	24,349
2021	110,070	8.90%	13.94%	22.84%	25,140
2022	113,648	8.90%	13.94%	22.84%	25,957
2023	117,341	8.90%	13.94%	22.84%	26,801
2024	121,155	8.90%	13.94%	22.84%	27,672
2025	125,092	8.90%	13.94%	22.84%	28,571
2026	129,158	8.90%	13.94%	22.84%	29,500
2027	133,355	8.90%	13.94%	22.84%	30,458
2028	137,689	8.90%	13.94%	22.84%	31,448
2029	142,164	8.90%	13.94%	22.84%	32,470
2030	146,785	8.90%	13.94%	22.84%	33,526
2031	151,555	8.90%	13.94%	22.84%	34,615
2032	156,481	8.90%	13.94%	22.84%	35,740
2033	161,566	8.90%	13.94%	22.84%	36,902
2034	166,817	8.90%	13.94%	22.84%	38,101
2035	172,239	8.90%	13.94%	22.84%	39,339
2036	177,837	8.90%	0.00%	8.90%	15,827
2037	183,616	8.90%	0.00%	8.90%	16,342
2038	189,584	8.90%	0.00%	8.90%	16,873
2039	195,745	8.90%	0.00%	8.90%	17,421
2040	202,107	8.90%	0.00%	8.90%	17,988
2041	208,675	8.90%	0.00%	8.90%	18,572
2042	215,457	8.90%	0.00%	8.90%	19,176
2043	222,460	8.90%	0.00%	8.90%	19,799
2044	229,690	8.90%	0.00%	8.90%	20,442
2045	237,155	8.90%	0.00%	8.90%	21,107
2046	244,862	8.90%	0.00%	8.90%	21,793

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 16.7-Year Closed Amortization Period

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

Year Ended December 31,	Basic Benefit Factor@	Illustrative Monthly Active Member Count	Normal Cost	Payment for Amortization of UAL	Computed Monthly Employer Rate	Annual Employer Dollar Contribution
2018	\$ 6.80	10	\$ 24.08	\$ 34.92	\$ 59.00	\$ 7,080
2019	6.97	10	24.68	34.92	59.60	7,152
2020	7.14	10	25.30	34.92	60.22	7,226
2021	7.32	10	25.93	34.92	60.85	7,302
2022	7.50	10	26.58	34.92	61.50	7,380
2023	7.69	10	27.24	34.92	62.16	7,459
2024	7.88	10	27.92	34.92	62.84	7,541
2025	8.08	10	28.62	34.92	63.54	7,625
2026	8.28	10	29.34	34.92	64.26	7,711
2027	8.49	10	30.07	34.92	64.99	7,799
2028	8.70	10	30.82	34.92	65.74	7,889
2029	8.92	10	31.59	34.92	66.51	7,981
2030	9.14	10	32.38	34.92	67.30	8,076
2031	9.37	10	33.19	34.92	68.11	8,173
2032	9.60	10	34.02	34.92	68.94	8,273
2033	9.84	10	34.87	34.92	69.79	8,375
2034	10.09	10	35.74	34.92	70.66	8,479
2035	10.34	10	36.63	34.92	71.55	8,586
2036	10.60	10	37.55	34.92	72.47	8,696
2037	10.87	10	38.49	0.00	38.49	4,619
2038	11.14	10	39.45	0.00	39.45	4,734
2039	11.42	10	40.44	0.00	40.44	4,853
2040	11.71	10	41.45	0.00	41.45	4,974
2041	12.00	10	42.49	0.00	42.49	5,099
2042	12.30	10	43.55	0.00	43.55	5,226
2043	12.61	10	44.64	0.00	44.64	5,357
2044	12.93	10	45.76	0.00	45.76	5,491

@ 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 \$6.80 effective July 1, 2019. For purposes for this illustration, the factor was assumed to increase by 2.50% 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-2014 Healthy Annuitant
Generational Mortality Tables
and 7.50% Interest
(First Used for December 31, 2017 Valuations)

Sample Attained Ages	Probability of Dying Next Year*		Value at Retirement: \$1.00 Monthly for Life		Future Life Expectancy (years)*					
	Men	Women	Men	Women	2018		2023		2028	
					Men	Women	Men	Women	Men	Women
35	0.173%	0.136%	\$ 154.32	\$ 156.82	46.33	50.01	46.89	50.53	47.44	51.05
40	0.254%	0.208%	150.58	153.97	41.24	44.90	41.77	45.40	42.31	45.91
45	0.364%	0.264%	145.83	150.35	36.29	39.91	36.80	40.39	37.32	40.88
50	0.536%	0.335%	139.81	145.46	31.49	34.97	32.00	35.44	32.50	35.92
55	0.770%	0.469%	132.39	138.92	26.90	30.12	27.39	30.58	27.86	31.04
60	1.077%	0.700%	123.28	130.64	22.54	25.46	22.98	25.88	23.42	26.31
65	1.548%	1.045%	112.26	120.43	18.43	21.04	18.81	21.42	19.21	21.82
70	2.310%	1.621%	99.12	107.85	14.61	16.87	14.93	17.22	15.29	17.58
75	3.679%	2.649%	83.80	92.86	11.11	13.01	11.40	13.34	11.70	13.66
80	6.196%	4.522%	67.06	76.04	8.03	9.58	8.29	9.86	8.54	10.14

* Life expectancies in future years are determined by the fully generational MP-2016 projection scale.

Sample Attained Ages	Benefit Increasing 3.00% Yearly	Portion of Age 55 Lives Still Alive	Sample Attained Ages
55	\$100	100 %	55
60	116	95	60
65	134	89	65
70	156	81	70
75	181	69	75
80	209	53	80

Schedule A-2 Probabilities of Disability Retirement

Paid Service Members (First Used for December 31, 2017 Valuations)

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.07 %	0.12 %
25	0.07	0.12
30	0.10	0.15
35	0.13	0.21
40	0.20	0.32
45	0.31	0.49
50	0.52	0.84
55	0.91	1.45
60	1.36	2.18

Volunteer Service Members (First Used for December 31, 2017 Valuations)

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.04 %	0.00 %
25	0.04	0.00
30	0.04	0.00
35	0.04	0.00
40	0.09	0.01
45	0.12	0.01
50	0.23	0.02
55	0.41	0.04
60	0.65	0.06

Schedule A-3

Probabilities of Retirement for Members Eligible to Retire (First Used for December 31, 2017 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	6 %			
50-54	6			
55		18 %	28	20 %
56		15	29	15
57		15	30	15
58		15	31	15
59		15	32	15
60		20	33	25
61		15	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).

We assume on average the DROP duration (for members currently in the DROP) is 5 years. Active 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.

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire
(Concluded)
(First Used for December 31, 2017 Valuations)

Volunteer Service Members

Retirement Ages	Percents of Active Members Retiring within Next Year	
	Early	Normal
Under 50		18 %
50-54	2.5 %	18
55-59		15
60-64		10
65-69		15
70-74		20
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, 2017 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	9.42
30		7.92
35		6.07
40		4.84
45		3.87
50		3.08
55		0.88
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	9.50
30		9.50
35		9.50
40		9.50
45		9.50
50		9.50
55		9.50
60		9.50

Schedule A-5
Pay Increase Assumptions
for an Individual Paid Service Member
(First Used for December 31, 2017 Valuations)

Pay Increase Assumptions for an Individual Member			
Service Years	Merit and Seniority	Base (Economic)	Increase Next Year
1	15.00%	3.25%	18.25%
2	9.00%	3.25%	12.25%
3	4.00%	3.25%	7.25%
4	3.00%	3.25%	6.25%
5	2.00%	3.25%	5.25%
6	1.50%	3.25%	4.75%
7	1.50%	3.25%	4.75%
8	1.50%	3.25%	4.75%
9	1.00%	3.25%	4.25%
10	1.00%	3.25%	4.25%
11	0.50%	3.25%	3.75%
12	0.50%	3.25%	3.75%
13	0.50%	3.25%	3.75%
14	0.50%	3.25%	3.75%
15	0.50%	3.25%	3.75%
16	0.50%	3.25%	3.75%
17	0.50%	3.25%	3.75%
18	0.50%	3.25%	3.75%
19	0.50%	3.25%	3.75%
20+	0.50%	3.25%	3.75%

Investment Return and Inflation

Long-Term Expected Return on Plan Assets

Information about the assumed rate of investment return is included in the 2012-2016 five-year experience study. The assumed rate of investment return falls within a reasonable range of the long-term expected rate of return.

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. Best estimates of arithmetic real returns for the 10-year period from 2018 to 2027 were based on capital market assumptions collected from a dozen national investment consultants. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2018, these best estimates are summarized in the following table:

Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
Fixed Income	28%	0.9%	0.25%
Domestic Equity	42%	5.3%	2.23%
Foreign Equity	20%	7.0%	1.40%
Alternative Investments	10%	6.2%	0.62%
Total	100%		4.50%
Expected Inflation			2.50%
Total Return			7.00%

Gabriel, Roeder, Smith & Company does not provide investment advice.

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

LOPFI Paid Service

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2008	Retirement	120	\$ 1,896,855	6	\$ 25,908	618	\$ 9,191,906	25.56	\$ 14,874	2.40
	Survivor of active	7	50,387	-	-	75	411,798	13.94	5,491	3.31
	Survivor of retired	1	4,408	2	8,225	21	133,551	(2.78)	6,360	1.86
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
December 31, 2015	Retirement	311	8,567,006	17	369,053	2,049	45,772,169	21.82	22,339	4.34
	Survivor of active	5	52,935	8	38,557	97	719,939	2.04	7,422	5.19
	Survivor of retired	13	217,911	4	18,596	67	769,834	34.94	11,490	16.80
December 31, 2016	Retirement	358	9,667,785	33	412,922	2,374	55,027,032	20.22	23,179	3.76
	Survivor of active	1	41,255	3	21,630	95	739,564	2.73	7,785	4.89
	Survivor of retired	16	236,963	4	21,003	79	985,794	28.05	12,478	8.60
December 31, 2017	Retirement	352	9,567,871	33	457,772	2,693	64,137,131	16.56	23,816	2.75
	Survivor of active	11	102,949	5	19,030	101	823,483	11.35	8,153	4.73
	Survivor of retired	21	281,874	5	161,825	95	1,105,843	12.18	11,640	(6.72)
December 31, 2018	Retirement	320	9,702,523	38	398,114	2,975	73,441,540	14.51	24,686	3.65
	Survivor of active	12	83,922	5	23,899	108	883,506	7.29	8,181	0.34
	Survivor of retired	11	110,354	9	108,967	97	1,107,230	0.13	11,415	(1.93)

* 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 in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2008	Retirement	106	\$ 134,401	9	\$ 6,415	463	\$ 478,136	36.55	\$ 1,033	7.94
	Survivor of active	15	4,235	2	452	54	18,898	25.03	350	(5.15)
	Survivor of retired	6	5,511	1	375	24	16,294	46.03	679	15.67
December 31, 2009	Retirement	272	359,520	14	10,099	721	827,557	73.08	1,148	11.13
	Survivor of active	14	4,482	2	873	66	22,507	19.10	341	(2.57)
	Survivor of retired	13	12,309	4	1,227	33	27,376	68.01	830	22.24
December 31, 2010	Retirement	182	213,270	16	15,511	887	1,025,316	23.90	1,156	0.70
	Survivor of active	12	5,150	3	1,464	75	26,193	16.38	349	2.35
	Survivor of retired	29	25,603	20	15,326	42	37,653	37.54	897	8.07
December 31, 2011	Retirement	195	232,470	18	17,746	1,064	1,240,040	20.94	1,165	0.78
	Survivor of active	21	9,896	-	-	96	36,089	37.78	376	7.74
	Survivor of retired	18	16,523	2	771	58	53,405	41.83	921	2.68
December 31, 2012	Retirement	215	229,048	24	25,481	1,255	1,443,607	16.42	1,150	(1.29)
	Survivor of active	15	3,735	3	868	108	38,956	7.94	361	(3.99)
	Survivor of retired	14	15,241	4	3,162	68	65,484	22.62	963	4.56
December 31, 2013	Retirement	234	274,185	27	30,879	1,462	1,686,913	16.85	1,154	0.35
	Survivor of active	21	7,185	7	2,099	122	44,042	13.06	361	0.00
	Survivor of retired	26	29,008	3	1,758	91	92,734	41.61	1,019	5.82
December 31, 2014	Retirement	241	276,068	22	24,459	1,681	1,938,522	14.92	1,153	(0.09)
	Survivor of active	16	4,151	6	2,208	132	45,985	4.41	348	(3.60)
	Survivor of retired	18	18,571	10	13,075	99	98,230	5.93	992	(2.65)
December 31, 2015	Retirement	251	339,418	33	36,715	1,899	2,241,225	15.62	1,180	2.34
	Survivor of active	11	3,182	7	1,574	136	47,593	3.50	350	0.57
	Survivor of retired	22	20,746	5	2,910	116	116,066	18.16	1,001	0.91
December 31, 2016	Retirement	218	283,941	42	48,527	2,075	2,476,639	10.50	1,194	1.19
	Survivor of active	22	10,936	6	1,251	152	57,278	20.35	377	7.71
	Survivor of retired	29	35,094	14	14,065	131	137,095	18.12	1,047	4.60
December 31, 2017	Retirement	280	357,463	35	43,329	2,320	2,790,773	12.68	1,203	0.75
	Survivor of active	28	8,857	6	1,193	174	64,942	13.38	373	(1.06)
	Survivor of retired	17	22,702	9	11,424	139	148,373	8.23	1,067	1.91
December 31, 2018	Retirement	302	362,684	54	71,173	2,568	3,082,284	10.45	1,200	(0.25)
	Survivor of active	2	2,860	8	3,113	168	64,689	(0.39)	385	3.22
	Survivor of retired	28	38,862	15	21,944	152	165,291	11.40	1,087	1.87

Continued on next page

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

Local Paid Service

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2008	Retirement	39	\$ 1,076,014	25	\$ 384,056	810	\$ 16,412,337	4.40	\$ 20,262	2.60
	Survivor of active	3	83,382	-	-	7	124,763	201.50	17,823	72.29
	Survivor of retired	18	346,417	22	173,580	216	2,887,102	6.37	13,366	8.33
December 31, 2009	Retirement	10	438,424	22	292,992	798	16,557,769	0.89	20,749	2.40
	Survivor of active	17	227,302	1	1,500	23	350,565	180.98	15,242	(14.48)
	Survivor of retired	20	286,266	29	327,986	207	2,845,382	(1.45)	13,746	2.84
December 31, 2010	Retirement	118	2,666,918	28	406,946	888	18,817,741	13.65	21,191	2.13
	Survivor of active	-	1,890	-	6,122	23	346,333	(1.21)	15,058	(1.21)
	Survivor of retired	187	2,875,614	154	2,286,964	240	3,434,032	20.69	14,308	4.09
December 31, 2011	Retirement	34	991,101	21	321,147	901	19,487,695	3.56	21,629	2.07
	Survivor of active	3	24,618	2	25,746	24	345,205	(0.33)	14,384	(4.48)
	Survivor of retired	15	287,361	12	139,014	243	3,582,379	4.32	14,742	3.03
December 31, 2012	Retirement	35	1,122,749	25	431,333	911	20,179,111	3.55	22,151	2.41
	Survivor of active	-	2,005	1	4,214	23	342,996	(0.64)	14,913	3.68
	Survivor of retired	28	631,844	19	210,681	252	4,003,542	11.76	15,887	7.77
December 31, 2013	Retirement	300	8,003,688	22	403,589	1,189	27,779,210	37.66	23,364	5.48
	Survivor of active	3	70,252	4	51,330	22	361,918	5.52	16,451	10.31
	Survivor of retired	102	2,151,973	7	76,301	347	6,079,214	51.85	17,519	10.27
December 31, 2014	Retirement	34	1,037,839	41	795,906	1,182	28,021,143	0.87	23,707	1.47
	Survivor of active	-	3,226	-	-	22	365,144	0.89	16,597	0.89
	Survivor of retired	27	612,017	18	273,656	356	6,417,575	5.57	18,027	2.90
December 31, 2015	Retirement	48	1,585,403	39	668,103	1,191	28,938,443	3.27	24,298	2.49
	Survivor of active	1	11,069	2	39,490	21	336,723	(7.78)	16,034	(3.39)
	Survivor of retired	39	736,035	23	370,013	372	6,783,597	5.70	18,235	1.15
December 31, 2016	Retirement	28	663,817	42	808,519	1,177	28,793,741	(0.50)	24,464	0.68
	Survivor of active	1	8,712	-	-	22	345,435	2.59	15,702	(2.07)
	Survivor of retired	28	593,043	23	347,147	377	7,029,493	3.62	18,646	2.25
December 31, 2017	Retirement	122	3,554,712	35	795,031	1,264	31,553,422	9.58	24,963	2.04
	Survivor of active	2	43,909	1	7,425	23	381,919	10.56	16,605	5.75
	Survivor of retired	58	1,149,220	24	357,161	411	7,821,552	11.27	19,031	2.06
December 31, 2018	Retirement	237	8,914,833	54	1,178,112	1,447	39,290,143	24.52	27,153	8.77
	Survivor of active	4	90,907	0	0	27	472,826	23.80	17,512	5.46
	Survivor of retired	102	3,066,934	26	459,655	487	10,428,831	33.33	21,414	12.52

* Includes DROP members.

Continued on next page

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

Local Volunteer Service

		Added		Removed		End of Year		% Increase in Annual Allowance	Average	
		No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		Annual Allowance	% Increase in Allowance
December 31, 2008	Retirement	130	\$ 240,216	5	\$ 7,007	526	\$ 865,274	36.90	\$ 1,645	4.38
	Survivor of active	3	5,327	-	-	5	8,701	157.89	1,740	3.14
	Survivor of retired	45	63,123	10	12,266	156	205,941	32.79	1,320	2.96
December 31, 2009	Retirement	128	196,439	20	30,294	634	1,031,419	19.20	1,627	(1.09)
	Survivor of active	9	12,556	-	-	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	Retirement	48	87,376	23	34,348	659	1,084,447	5.14	1,646	1.17
	Survivor of active	0	211	-	-	14	21,468	1	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	Retirement	21	37,674	25	35,673	655	1,086,448	0.18	1,659	0.79
	Survivor of active	-	217	-	-	14	21,685	1.01	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	Retirement	9	24,510	24	38,642	640	1,072,316	(1.30)	1,675	0.96
	Survivor of active	-	185	2	2,511	12	19,359	(11)	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	Retirement	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	Retirement	47	88,609	22	32,882	694	1,189,513	4.92	1,714	1.12
	Survivor of active	-	232	-	-	14	21,521	1	1,537	1.05
	Survivor of retired	32	56,045	11	14,792	238	355,809	13.11	1,495	3.10
December 31, 2015	Retirement	27	50,934	30	46,371	691	1,194,076	0.38	1,728	0.82
	Survivor of active	1	1,439	1	1,200	14	21,760	1.11	1,554	1.11
	Survivor of retired	27	41,171	19	26,369	246	370,611	4.16	1,507	0.80
December 31, 2016	Retirement	37	80,525	40	60,439	688	1,214,162	1.68	1,765	2.14
	Survivor of active	1	2,526	2	2,340	13	21,946	0.85	1,688	8.62
	Survivor of retired	45	76,922	16	22,294	275	425,239	14.74	1,546	2.59
December 31, 2017	Retirement	175	358,989	33	63,305	830	1,509,846	24.35	1,819	3.06
	Survivor of active	4	4,821	-	-	17	26,767	21.97	1,575	(6.69)
	Survivor of retired	99	190,566	24	36,316	350	579,489	36.27	1,656	7.12
December 31, 2018	Retirement	77	225,052	41	73,666	866	1,661,232	10.03	1,918	5.44
	Survivor of active	1	2,109	1	1,957	17	26,919	0.57	1,583	0.51
	Survivor of retired	60	141,299	21	32,132	389	688,656	18.84	1,770	6.88



Statistical Section Summary

Retirement

Page 122 reflects Demographic Data for active, inactive, vested, retirees and survivors as December 31, 2018. Annualized benefits payable as of December 31, 2018 by Option Type is shown on page 123

Schedule of Deductions by Type

Page 124 reflects the last 10 years of Benefits Paid, Refunds to termed contributory members, Administrative Expenses (net of Investment Expenses) and DROP Distributions. Benefits paid growth is a combination of the growing number of retired LOPFI members as well as the addition of retirees from newly consolidated local plans. Refunds are directly associated with contributory members terminating and withdrawing their member contributions. Page 125 provides a breakdown of benefits paid by type for the last 10 years.

Schedule of Additions by Source

Page 124 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 due to rising active membership and associated wages reported by LOPFI-covered employer groups. Investment Income (Loss) has a direct correlation to the economy and each Money Managers' investment performance.

Schedule of Changes in Net Position

Page 124 reflects the last 10 years of Changes in Net Position, which is the difference between Total Additions and Total Deductions.

Benefit Deductions by Type

Page 125 provides a 10-year history of the dollar amount paid for the various types of retirement.

Schedules of Retirement Payments

Pages 126-136 present schedules of retirement payments showing type of retirement, option selected by each type of department.

Participating Employer Groups

Page 137 shows the Top Ten Participating Employers in the plan.

LOPFI Demographic Data (Excluding Local Plans) As of December 31, 2018

Active Paid Members*

Number.....	6,755
Average Age.....	39.2 years
Average Length of Service.....	12.5 years
Average Annual Salary.....	\$51,908

Active Volunteer Members

Number.....	7,461
Average Age.....	41.6 years
Average Length of Service.....	10.5 years

Terminated Vested Members / Other

7,811

Total Retirees and Survivors

Number.....	6,068*
Average Monthly Benefit.....	\$1,081@

2018 Retirees and Survivors

Normal	Duty Related Disability
Number	Number
5,048*	366
Average Age	Average Age
61.6 years	52.1 years
Average Length of Service	Average Length of Service
14.8 years	10.3 years
Average Monthly Benefit	Average Monthly Benefit
\$1,020	\$2,759
Survivors (Death in Service)	Non-Duty Related Disability
Number	Number
275	379
Average Age	Average Age
40.7 years	52.1 years
Average Length of Service	Average Length of Service
\$287	8.7 years
Average Monthly Benefit	Average Monthly Benefit
	\$855

* Includes 393 DROP participants

@ Average monthly benefit is \$1,977 and \$96 for paid service members and volunteer service members, respectively.

LOPFI

Benefit by Type, Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Type of Benefit										
Age and service benefits:										
Retirees	21,626,643	25,651,097	30,238,832	34,443,325	47,799,528	55,199,884	63,125,113	71,239,156	82,529,778	99,062,323
Survivors	2,971,839	3,465,841	3,616,128	4,108,817	6,200,657	6,588,171	7,044,115	7,542,039	8,480,895	10,929,848
Death in service benefits	898,742	936,616	980,215	1,008,201	1,097,643	1,138,211	1,126,015	1,164,223	1,297,111	1,447,940
Disability benefits:										
Retirees - duty	6,453,030	7,293,655	8,075,405	9,051,595	9,924,865	10,391,624	11,603,555	12,463,445	13,367,050	14,280,745
Retirees - non-duty	1,680,756	2,001,873	2,371,096	2,645,607	2,911,913	3,131,886	3,417,245	3,808,973	4,094,343	4,132,130
Survivors	299,158	481,592	572,584	570,491	634,652	853,962	995,993	1,035,582	1,174,363	1,460,161
Total benefits	33,930,168	39,830,674	45,854,260	51,828,036	68,569,258	77,303,738	87,312,036	97,253,418	110,943,540	131,313,147
Refunds	1,027,093	814,866	1,097,813	1,504,764	1,499,210	1,425,245	1,628,853	1,860,721	1,448,044	2,084,959

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 125.

LOPFI
Expenses by Type
Last Ten Calendar Years

Year	Benefits Paid	Member		Administrative Expenses	DROP Distributions	Total Expenses
		Contribution	Refunds			
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
2015	\$79,109,426	\$1,628,853		\$3,059,933	\$4,937,829	\$88,736,041
2016	\$88,975,265	\$1,860,721		\$3,106,088	\$11,289,357	\$105,231,431
2017	\$98,658,207	\$1,448,044		\$3,290,891	\$8,059,600	\$111,456,742
2018	\$111,931,404	\$2,084,959		\$4,006,902	\$7,629,982	\$125,653,247

LOPFI
Revenues by Source
Last Ten Calendar Years

Year	Member Contributions	Employer Contributions	Local Plan Merger		Total Income (Loss)
			/ Military Purchase	Investment Income (Loss)	
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
2015	\$21,229,760	\$90,860,443	\$11,002,882	\$2,229,569	\$125,322,654
2016	\$22,247,783	\$98,532,455	\$9,800,970	\$98,810,912	\$229,392,120
2017	\$23,451,952	\$104,112,452	\$34,268,967	\$253,402,809	\$415,236,180
2018	\$24,457,967	\$113,287,095	\$53,584,536	(\$60,441,633)	\$130,887,965

LOPFI
Changes in Net Position
Last Ten Calendar Years

Year	Change in Plan Net Position
2009	\$ 170,575,255
2010	\$ 128,012,362
2011	\$ 45,890,987
2012	\$ 157,100,908
2013	\$ 309,202,232
2014	\$ 142,115,720
2015	\$ 36,586,613
2016	\$ 124,160,689
2017	\$ 303,779,438
2018	\$ 5,234,718

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
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
2015	\$54,776,884	\$9,055,428	\$14,348,172	\$928,942	\$79,109,426
2016	\$61,944,083	\$9,882,470	\$16,045,680	\$1,103,033	\$88,975,265
2017	\$70,094,581	\$10,350,865	\$17,073,901	\$1,138,860	\$98,658,206
2018	\$80,612,454	\$11,916,368	\$18,062,001	\$1,340,581	\$111,931,404

Paid Police (Excluding Local Plan)

Monthly Benefit	No. of Retirants	Type of Retirement*						Option Selected#			
		1	2	3	4	5	6	Life	Opt. A	Opt. B	Opt. C
\$1-500	522	433	3	-	50	13	23	235	94	93	100
501-1,000	313	226	1	2	40	8	36	135	50	79	49
1,001-1,500	202	155	4	8	15	12	8	98	22	39	43
1,501-2,000	189	127	2	22	20	17	1	91	23	45	30
2,001-2,500	212	111	2	67	14	18	-	107	26	48	31
2,501-3,000	178	94	-	55	10	19	-	95	22	39	22
3,001-3,500	146	78	-	42	5	21	-	89	14	33	10
3,501-4,000	104	52	-	23	4	25	-	66	6	19	13
Over \$4,000	179	119	1	18	2	39	-	117	16	32	14
Total	2,045	1,395	13	237	160	172	68	1,033	273	427	312

* *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

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	94	63	-	-	12	6	13	41	12	30	11
501-1,000	117	77	1	-	11	9	19	63	13	27	14
1,001-1,500	127	76	1	4	15	26	5	68	16	26	17
1,501-2,000	175	105	-	16	8	44	2	103	33	24	15
2,001-2,500	155	75	1	28	11	40	-	95	17	27	16
2,501-3,000	113	49	-	26	4	33	1	73	12	18	10
3,001-3,500	126	69	-	28	7	22	-	73	16	24	13
3,501-4,000	73	43	-	17	-	13	-	39	10	17	7
Over \$4,000	155	115	-	8	4	28	-	82	8	39	26
Total	1,135	672	3	127	72	221	40	637	137	232	129

* *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

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	151	131	-	-	14	6	61	23	30	37
51-75	17	17	-	-	-	-	4	5	-	8
76-100	5	5	-	-	-	-	1	2	1	1
101-125	6	6	-	-	-	-	2	3	-	1
126-150	5	5	-	-	-	-	2	-	1	2
151-175	2	2	-	-	-	-	-	1	-	1
176-200	1	1	-	-	-	-	-	1	-	-
201-225	1	1	-	-	-	-	1	-	-	-
Over \$225	-	-	-	-	-	-	-	-	-	-
Total	188	168	-	-	14	6	71	35	32	50

* *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*

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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	754	557	1	1	77	118	305	115	198	136
51-75	376	331	-	-	16	29	134	66	66	110
76-100	285	253	2	-	17	13	106	62	35	82
101-125	268	248	3	-	16	1	90	64	32	82
126-150	349	336	8	-	5	-	106	90	42	111
151-175	239	235	1	1	2	-	73	64	13	89
176-200	232	232	-	-	-	-	85	49	21	77
201-225	130	130	-	-	-	-	56	12	13	49
Over \$225	67	67	-	-	-	-	25	5	6	31
Total	2,700	2,389	15	2	133	161	980	527	426	767

* *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*

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Schedule of Retirements by Type of Benefit and Department

LOPFI Paid Police

Retirement Effective Dates January 1, 2009 to December 31, 2018			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	\$ 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.									
01/01/15 - 12/31/15	Average Monthly Benefit	\$ 541	\$ 1,042	\$ 1,609	\$ 2,122	\$ 2,605	\$ 3,597	\$ 2,929	
	Final Average Pay*	\$ 36,115	\$ 39,441	\$ 45,483	\$ 49,372	\$ 52,736	\$ 65,597	\$ 57,992	
	Number of Active Retirees	426	283	224	164	185	146	12	
* Final Average Pay for 179 members was not provided. # Includes 137 members whose service was not provided.									
01/01/16 - 12/31/16	Average Monthly Benefit	\$ 540	\$ 1,073	\$ 1,667	\$ 2,168	\$ 2,708	\$ 3,676	\$ 3,088	
	Final Average Pay*	\$ 37,515	\$ 39,959	\$ 47,726	\$ 50,490	\$ 54,517	\$ 67,410	\$ 59,390	
	Number of Active Retirees	479	308	275	178	220	178	14	
* Final Average Pay for 215 members was not provided. # Includes 147 members whose service was not provided.									
01/01/17 - 12/31/17	Average Monthly Benefit	\$ 537	\$ 1,084	\$ 1,699	\$ 2,192	\$ 2,800	\$ 3,779	\$ 3,340	
	Final Average Pay*	\$ 38,860	\$ 40,588	\$ 48,874	\$ 50,955	\$ 55,378	\$ 68,000	\$ 63,588	
	Number of Active Retirees	542	329	333	199	245	209	16	
* Final Average Pay for 237 members was not provided. # Includes 166 members whose service was not provided.									
01/01/18 - 12/31/18	Average Monthly Benefit	\$ 550	\$ 1,099	\$ 1,715	\$ 2,268	\$ 2,909	\$ 3,919	\$ 3,562	
	Final Average Pay*	\$ 40,232	\$ 41,301	\$ 49,319	\$ 52,473	\$ 57,043	\$ 70,244	\$ 65,743	
	Number of Active Retirees	585	353	358	227	259	245	18	
* Final Average Pay for 271 members was not provided. # Includes 183 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, 2009 to December 31, 2018			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	\$ 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.								
01/01/15 - 12/31/15	Average Monthly Benefit	\$ 868	\$ 1,448	\$ 1,691	\$ 2,264	\$ 2,475	\$ 3,541	\$ 4,041	
	Final Average Pay*	\$ 42,852	\$ 49,598	\$ 51,452	\$ 54,020	\$ 52,292	\$ 62,555	\$ 74,880	
	Number of Active Retirees	126	116	136	103	113	162	17	
	* Final Average Pay for 109 members was not provided.								
	# Includes 73 members whose service was not provided.								
01/01/16 - 12/31/16	Average Monthly Benefit	\$ 909	\$ 1,466	\$ 1,693	\$ 2,293	\$ 2,600	\$ 3,618	\$ 4,041	
	Final Average Pay*	\$ 43,242	\$ 48,514	\$ 53,078	\$ 53,664	\$ 53,194	\$ 63,655	\$ 75,792	
	Number of Active Retirees	138	128	165	115	127	202	21	
	* Final Average Pay for 138 members was not provided.								
	# Includes 79 members whose service was not provided.								
01/01/17 - 12/31/17	Average Monthly Benefit	\$ 883	\$ 1,482	\$ 1,755	\$ 2,388	\$ 2,676	\$ 3,673	\$ 4,096	
	Final Average Pay*	\$ 44,010	\$ 48,778	\$ 54,274	\$ 54,487	\$ 54,654	\$ 64,229	\$ 77,794	
	Number of Active Retirees	158	131	197	126	147	235	22	
	* Final Average Pay for 146 members was not provided.								
	# Includes 85 members whose service was not provided.								
01/01/18 - 12/31/18	Average Monthly Benefit	\$ 879	\$ 1,528	\$ 1,769	\$ 2,458	\$ 2,736	\$ 3,741	\$ 3,992	
	Final Average Pay*	\$ 45,881	\$ 49,259	\$ 55,274	\$ 57,070	\$ 55,418	\$ 65,392	\$ 75,810	
	Number of Active Retirees	176	135	219	139	170	268	28	
	* Final Average Pay for 163 members was not provided.								
	# Includes 89 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, 2009 to December 31, 2018			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	\$ 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.							
01/01/15	-	12/31/15	Average Monthly Benefit	\$ 11	\$ 42	\$ 74	\$ 113	\$ 139	\$ 182	\$ 119
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	79	24	5	7	4	2	1
			# Includes 13 members whose service was not provided.							
01/01/16	-	12/31/16	Average Monthly Benefit	\$ 12	\$ 44	\$ 71	\$ 116	\$ 142	\$ 188	\$ 123
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	89	31	6	7	4	2	1
			# Includes 14 members whose service was not provided.							
01/01/17	-	12/31/17	Average Monthly Benefit	\$ 12	\$ 45	\$ 74	\$ 120	\$ 146	\$ 193	\$ 127
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	113	34	7	7	4	2	1
			# Includes 16 members whose service was not provided.							
01/01/18	-	12/31/18	Average Monthly Benefit	\$ 13	\$ 45	\$ 76	\$ 123	\$ 154	\$ 199	\$ 131
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	128	39	8	7	3	2	1
			# Includes 17 members whose service was not provided.							

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Schedule of Retirements by Type of Benefit and Department

(Continued)

LOPFI Volunteer Fire

Retirement Effective Dates January 1, 2009 to December 31, 2018			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	\$ 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.								
01/01/15 - 12/31/15	Average Monthly Benefit	\$ 36	\$ 47	\$ 76	\$ 109	\$ 132	\$ 170	\$ 202	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	466	301	275	202	392	265	128	
	# Includes 248 members whose service was not provided.								
01/01/16 - 12/31/16	Average Monthly Benefit	\$ 37	\$ 48	\$ 77	\$ 111	\$ 136	\$ 174	\$ 207	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	533	337	288	215	417	288	140	
	# Includes 279 members whose service was not provided.								
01/01/17 - 12/31/17	Average Monthly Benefit	\$ 37	\$ 49	\$ 79	\$ 114	\$ 139	\$ 179	\$ 210	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	602	389	312	244	441	312	165	
	# Includes 308 members whose service was not provided.								
01/01/18 - 12/31/18	Average Monthly Benefit	\$ 36	\$ 49	\$ 81	\$ 116	\$ 142	\$ 182	\$ 215	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	678	432	342	266	472	332	178	
	# Includes 317 members whose service was not provided.								

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Schedule of Retirements by Type of Benefit and Department

(Continued)

Local Plan Paid Police

Retirement Effective Dates January 1, 2009 to December 31, 2018			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	\$ 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.							
01/01/15	-	12/31/15	Average Monthly Benefit	\$ 1,841	\$ 1,617	\$ 1,600	\$ 1,926	\$ 1,946	\$ 2,160	\$ 2,019
			Final Average Pay	\$ 66,259	\$ 17,949	\$ 26,323	\$ 35,739	\$ 40,817	\$ 57,726	\$ 43,380
			Number of Active Retirees	564	7	7	23	117	94	70
			* Final Average Pay for 727 members was not provided.							
			# Includes 564 members whose service was not provided.							
01/01/16	-	12/31/16	Average Monthly Benefit	\$ 1,874	\$ 1,679	\$ 1,606	\$ 1,951	\$ 1,964	\$ 2,222	\$ 2,121
			Final Average Pay	\$ 65,055	\$ 17,949	\$ 26,323	\$ 35,739	\$ 40,822	\$ 41,005	\$ 45,416
			Number of Active Retirees	552	6	7	23	118	90	63
			* Final Average Pay for 703 members was not provided.							
			# Includes 552 members whose service was not provided.							
01/01/17	-	12/31/17	Average Monthly Benefit	\$ 1,921	\$ 1,707	\$ 1,757	\$ 1,977	\$ 1,989	\$ 2,276	\$ 2,134
			Final Average Pay	\$ 57,960	\$ 17,949	\$ 27,104	\$ 35,739	\$ 40,864	\$ 41,038	\$ 45,719
			Number of Active Retirees	642	5	6	23	117	88	62
			* Final Average Pay for 792 members was not provided.							
			# Includes 642 members whose service was not provided.							
01/01/18	-	12/31/18	Average Monthly Benefit	\$ 2,004	\$ 1,746	\$ 1,763	\$ 2,039	\$ 2,035	\$ 2,367	\$ 2,211
			Final Average Pay	\$ 57,794	\$ 17,949	\$ 27,104	\$ 35,739	\$ 41,399	\$ 41,038	\$ 47,743
			Number of Active Retirees	626	5	6	21	109	88	60
			* Final Average Pay for 764 members was not provided.							
			# Includes 626 members whose service was not provided.							

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Schedule of Retirements by Type of Benefit and Department

(Continued)

Local Plan Paid Fire

Retirement Effective Dates			Service at Retirement							
			0-4#	5-9	10-14	15-19	20-24	25-29	30+	
January 1, 2009 to December 31, 2018										
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.								
01/01/15	- 12/31/15	Average Monthly Benefit	\$ 1,718	\$ 3,056	\$ 1,439	\$ 1,739	\$ 1,742	\$ 2,043	\$ 2,287	
		Final Average Pay	\$ 36,012	\$ 38,605	\$ 28,248	\$ 28,122	\$ 35,052	\$ 38,973	\$ 44,586	
		Number of Active Retirees	337	1	3	14	88	119	140	
		* Final Average Pay for 441 members was not provided.								
		# Includes 333 members whose service was not provided.								
01/01/16	- 12/31/16	Average Monthly Benefit	\$ 1,704	\$ 3,056	\$ 1,482	\$ 1,766	\$ 1,780	\$ 2,035	\$ 2,309	
		Final Average Pay	\$ 35,607	\$ 38,605	\$ 28,248	\$ 28,122	\$ 35,213	\$ 39,109	\$ 44,929	
		Number of Active Retirees	368	1	3	14	85	113	133	
		* Final Average Pay for 460 members was not provided.								
		# Includes 364 members whose service was not provided.								
01/01/17	- 12/31/17	Average Monthly Benefit	\$ 1,755	\$ 3,056	\$ 1,526	\$ 1,772	\$ 1,808	\$ 2,095	\$ 2,392	
		Final Average Pay	\$ 36,053	\$ 38,605	\$ 28,248	\$ 28,915	\$ 35,213	\$ 39,575	\$ 45,515	
		Number of Active Retirees	416	1	3	13	84	107	131	
		* Final Average Pay for 503 members was not provided.								
		# Includes 412 members whose service was not provided.								
01/01/18	- 12/31/18	Average Monthly Benefit	\$ 2,217	\$ 3,056	\$ 1,572	\$ 1,799	\$ 1,835	\$ 2,139	\$ 2,455	
		Final Average Pay	\$ 36,056	\$ 38,605	\$ 28,248	\$ 28,915	\$ 35,213	\$ 40,061	\$ 45,776	
		Number of Active Retirees	716	1	3	13	83	102	128	
		* Final Average Pay for 799 members was not provided.								
		# Includes 712 members whose service was not provided.								

Continued on next page

Schedule of Retirements by Type of Benefit and Department (Concluded)

Local Plan Volunteer Fire

Retirement Effective Dates January 1, 2009 to December 31, 2018			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		\$ 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.								
01/01/15 - 12/31/15	Average Monthly Benefit		\$ 135	\$ 113	\$ 117	\$ 117	\$ 139	\$ 150	\$ 151
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		575	4	3	15	96	132	126
	# Includes 571 members whose service was not provided.								
01/01/16 - 12/31/16	Average Monthly Benefit		\$ 138	\$ 113	\$ 117	\$ 114	\$ 141	\$ 153	\$ 154
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		606	4	3	14	91	131	127
	# Includes 602 members whose service was not provided.								
01/01/17 - 12/31/17	Average Monthly Benefit		\$ 147	\$ 113	\$ 117	\$ 114	\$ 140	\$ 154	\$ 156
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		838	4	3	14	89	127	122
	# Includes 836 members whose service was not provided.								
01/01/18 - 12/31/18	Average Monthly Benefit		\$ 157	\$ 113	\$ 117	\$ 114	\$ 141	\$ 157	\$ 161
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		923	4	3	14	88	127	113
	# Includes 921 members whose service was not provided.								

LOPFI Top Ten Participating Employers

	2018		2017		2016		2015		2014		2013		2012		2011		2010		2009	
	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees	No.	% of Covered Employees
Fayetteville Paid Fire	122	1.8%	118	1.8%	121	1.8%	107	1.7%	108	1.7%	107	1.7%	108	1.8%	105	1.7%	105	1.8%	104	1.8%
Fort Smith Paid Fire	168	2.5%	164	2.5%	165	2.5%	156	2.4%	161	2.5%	156	2.5%	139	2.3%	124	2.1%	119	2.0%	120	2.0%
Fayetteville Paid Police	133	2.0%	129	1.9%	124	1.9%	122	1.9%	120	1.9%	120	1.9%	112	1.8%	114	1.9%	114	1.9%	118	2.0%
Jonesboro Paid Police	159	2.4%	156	2.3%	161	2.5%	154	2.4%	155	2.5%	154	2.5%	145	2.4%	145	2.4%	147	2.5%	143	2.4%
Little Rock Paid Fire	393	5.8%	406	6.1%	412	6.3%	403	6.3%	391	6.2%	395	6.3%	393	6.4%	373	6.2%	360	6.1%	354	6.0%
Little Rock Paid Police	571	8.5%	565	8.5%	516	7.9%	517	8.0%	541	8.6%	539	8.6%	522	8.5%	485	8.1%	495	8.3%	492	8.3%
North Little Rock Paid Fire	158	2.3%	157	2.4%	161	2.5%	141	2.2%	140	2.2%	139	2.2%	139	2.3%	138	2.3%	134	2.3%	134	2.3%
North Little Rock Paid Police	182	2.7%	184	2.8%	174	2.7%	175	2.7%	185	2.9%	188	3.0%	184	3.0%	181	3.0%	181	3.0%	176	3.0%
Springdale Paid Fire	120	1.8%	119	1.8%	115	1.8%	115	1.8%	113	1.8%	109	1.7%	109	1.8%	109	1.8%	109	1.8%	109	1.8%
Springdale Paid Police	143	2.1%	#N/A	#N/A	139	2.1%	140	2.2%	130	2.1%	123	2.0%	122	2.0%	119	2.0%	116	1.9%	117	2.0%




LOPFI

ARKANSAS LOCAL POLICE AND FIRE
RETIREMENT SYSTEM

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Please visit our website at www.lopfi-prb.com for meeting dates, agendas, minutes of previous meetings, seminar dates and locations, PensioNews, access to the **Member Portal**, and many other topics.

COMMENTS THAT YOU MAY HAVE

We would love to hear from you. With valuable feedback from our Members and employer groups, we can make your membership more rewarding!