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Arkansas Local Police and Fire Retirement System

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# **LOPFI**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Years Ended  
December 31, 2019  
and December 31, 2018**



Thirty-Seventh  
Comprehensive Annual  
Financial Report  
Fiscal Years Ended  
December 31, 2019 and  
December 31, 2018

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

Arkansas Local Police and Fire Retirement System  
David B. Clark, Executive Director  
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 tilted upwards. The background of the entire page is white.

# Introductory Section

# BOARD OF TRUSTEES



**MIKE GASKILL**  
Chairman, Employer Trustee  
*Paragould*  
Term Expires Dec. 31, 2022



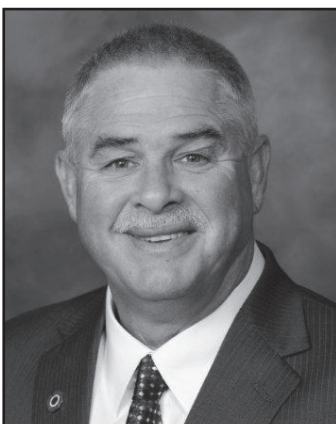
**MAYOR GARY BAXTER**  
Employer Trustee  
*Mulberry*  
Term Expires Jan. 1, 2022



**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



**ANDREW BRANCH**  
Public Trustee  
*Rogers*  
Term Expires Dec. 31, 2022

# 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, 2018**

*Christopher P. Morill*

Executive Director/CEO

# LOPFI

## ARKANSAS LOCAL POLICE & FIRE RETIREMENT SYSTEM

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### Letter of Transmittal

June 11, 2020

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

Dear Trustees:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Arkansas Local Police and Fire Retirement System (LOPFI) for the year ended December 31, 2019. This report covers activities of LOPFI's 37<sup>th</sup> year of providing retirement benefits to the covered police officers and firefighters.

LOPFI is a statewide defined benefit retirement system for police officers and firefighters of political subdivisions in Arkansas. The system'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. The retirement system uses an accrual basis of accounting, which recognize 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 manner is the responsibility of management. The financial statements have been prepared in accordance with GAAP and are organized in a manner consistent with pronouncements 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 is intended to be read in conjunction with the MD&A; not replace 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 this CAFR. The audit is conducted annually to ensure internal controls are in place and that the financial statements are fairly presented. The auditors have full access to all records and agency staff, which enables a thorough assessment with each audit. LOPFI received an unmodified opinion from its independent auditor regarding its financial statements for the year ended December 31, 2019.

As mentioned earlier, 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 sound. The concept behind internal controls recognizes that the cost of a control should not exceed its expected benefit. LOPFI's internal controls are examined regularly to detect and address 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**

A key responsibility of the retirement system is to properly fund the monthly benefit payments for current and future benefit recipients. In addition to consistent investment earnings to meet those benefit payments, there is 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, 2019, the funded ratio for the entire portfolio remained at 71% (this number is reflective of the liabilities for the 221 Local Plans administered by LOPFI). The LOPFI-only portion of the portfolio i.e. exclusive of the Local Plans administered by LOPFI, the funded percentage held steady at 76%. For the amortization schedules, the paid service amortization saw an incremental increase from 16.1 years to 16.5 years. Conversely, the volunteer service amortization decreased from 16.7 years to 16.5 years. Both amortization schedules use a closed period to help the Board's mission of steering the system back to a fully funded position. Further details concerning the funded condition of LOPFI is in the Actuarial Section of this report.

### **Investment Process and Performance**

The 2019-year experienced an incredibly strong investment return of a net 19.00%. This performance increased the market value of investments from \$2,047,506,375 at December 31, 2018 to \$2,445,644,901 at December 31, 2019.

## Letter of Transmittal

(Continued)

LOPFI's investments adhere to the Board's investment rule—Board Rule 20. This rule provides the responsibilities of the Board and its advisors, and the broad objectives for the system's investments. LOPFI's assumed rate of return is 7.5%. For the past five, 10, and 15 years the portfolio realized net returns of 7.13%, 8.33%, and 6.25%, respectively. Since inception of LOPFI, in other words over the last 37 years, LOPFI averaged a net return of 9.11%.

It is important to acknowledge there will be periods that the investments will have returns that are less than the assumed rate of 7.5%. That is simply a reality of the markets. Therefore, a well-diversified portfolio, which LOPFI employs, helps to buffer some of the variations over the long term. Assets are allocated amongst a variety of investment management firms and mandates. This structure includes investment style, expected return, level of acceptable risk, etc. The Board has an active monitoring process for the performance of each manager by employing an investment consultant and an independent investment monitor. Both firms are talented and provide an impartial 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 greater details of the system's investments.

### **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to LOPFI for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the 17<sup>th</sup> consecutive year that LOPFI has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgments**

This report was produced through the mutual work of system staff and the many professional service providers. Each person who participated in developing this report is truly appreciated. LOPFI ensures that its CAFR is readily available on the system's website as this allows interested parties such as the retirement system members, general public, Arkansas legislature, and participating employers easy access to the report. The

## Letter of Transmittal

*(Concluded)*

CAFR's design is meant to be user-friendly 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 offer 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 Heidi Barry  
Southfield, Michigan*

### DATA PROCESSING

*Tegrit Technologies  
Livonia, Michigan*

### INVESTMENT MONITOR

*AndCo Consulting  
John McCann  
Orlando, Florida*

### AUDITOR

*BKD, LLP CPAs & Advisors  
Kyle Elmore, CPA  
Little Rock, Arkansas*

### INVESTMENT CONSULTANT

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

### LEGAL COUNSEL

*Richard L. Ramsay  
Little Rock, Arkansas*

## INVESTMENT MANAGEMENT

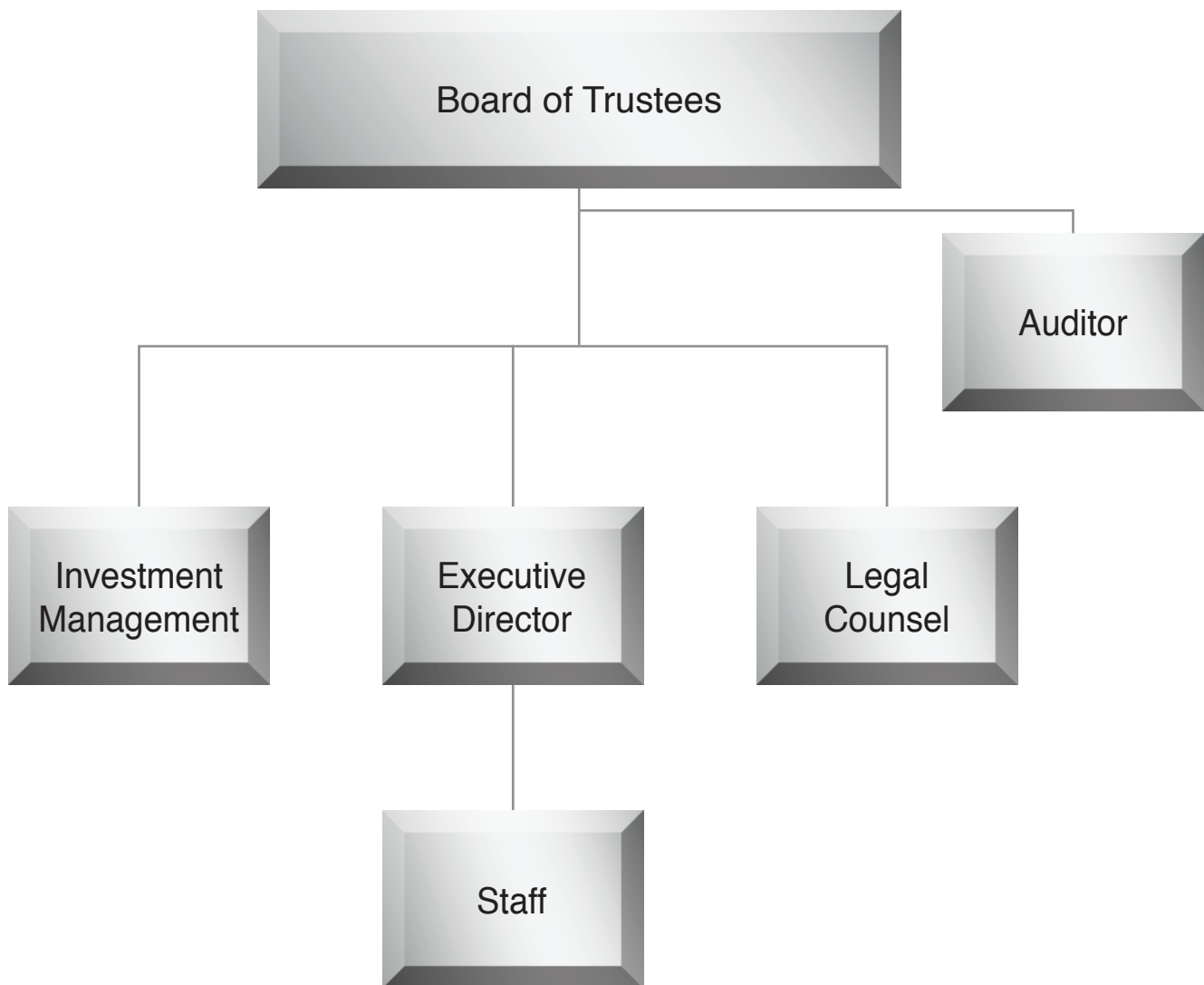
- *Aberdeen Asset Management  
Philadelphia, Pennsylvania*
- *Alternative Investment Management (AIM)  
New York, New York*
- *Barrow, Hanley, Mewhinney & Strauss  
Dallas, Texas*
- *Candlewood Credit Value Fund  
New York, New York*
- *Chickasaw Capital Management  
Memphis, Tennessee*
- *Citigroup Private Equity  
New York, New York*
- *ClearBridge  
Wilmington, Delaware*
- *Congress Asset Management  
Boston, Massachusetts*
- *Dodge & Cox  
Braintree, Massachusetts*
- *DoubleLine Funds  
Los Angeles, California*
- *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*
- *Loomis Sayles Trust Company, LLC  
Boston, Massachusetts*
- *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*
- *Snyder Capital Management, L.P.  
San Francisco, California*
- *State Street Global Advisors  
Boston, Massachusetts*
- *Wellington Management Company  
Boston, Massachusetts*
- *Western Asset Management Company (WAMCO)  
(Domestic Bonds)  
Pasadena, California*

*Detailed information regarding investment fees and commissions can be found in the Investment Section on pages 63-65.*



# 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. A Member hired on/after July 1, 2019, must first attain a vested

status with LOPFI before being eligible for simultaneous coverage at a second LOPFI-covered department. Then, the maximum amount of simultaneous service credit that can be accrued is five (5) years. This does not restrict a person from being an employee at more than one (1) LOPFI-covered department; rather, a Member cannot be enrolled in LOPFI at more than one (1) department until being vested. Enrollment in LOPFI at the second department may only continue up to the point the five-year maximum service credit is attained.

### **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 retiree 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).

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

$\$6.80 \text{ per month} \times \text{Years of Service}$

(The \$6.80 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 retirees 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 retiree 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 retiree 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 retiree.

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, 2019 and 2018, 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, 2019 and 2018, 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 audits 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 16, 2020

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2019 and 2018

This discussion and analysis of the Arkansas Local Police and Fire Retirement System (hereinafter referred to as LOPFI or the System) is for the years ended December 31, 2019 and 2018. 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 2019 and 2018.

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2019 and 2018

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

	2019	2018	2017*	2019 Percentage Change	2018 Percentage Change
Cash and cash equivalents	\$ 272,183,378	\$ 184,462,049	\$ 141,095,795	47.56%	30.74%
Total receivables	8,769,185	9,077,194	8,408,530	-3.39%	7.95%
Prepaid expenses	11,664,480	10,229,261	8,423,084	14.03%	21.44%
Total investments, at fair value	2,182,244,908	1,875,465,725	1,915,918,557	16.36%	-2.11%
Property and equipment, net	2,407,032	2,322,783	2,356,706	3.63%	-1.44%
Other assets	101,593	204,183	88,180	-50.24%	131.55%
<b>Total assets</b>	<b>\$ 2,477,370,576</b>	<b>\$ 2,081,761,195</b>	<b>\$ 2,076,290,852</b>	<b>19.00%</b>	<b>0.26%</b>
Accounts payable and accrued expenses	\$ 1,567,234	\$ 961,609	\$ 1,024,111	62.98%	-6.10%
Refunds payable	193,325	159,145	199,335	21.48%	-20.16%
Due to Pension Review Board	590,926	557,443	448,967	6.01%	24.16%
<b>Total liabilities</b>	<b>2,351,485</b>	<b>1,678,197</b>	<b>1,672,413</b>	<b>40.12%</b>	<b>0.35%</b>
Total deferred inflows of resources	507,510	229,841	-	120.81%	n/a
<b>Net position restricted for pensions</b>	<b>2,474,511,581</b>	<b>2,079,853,157</b>	<b>1,770,839,001</b>	<b>18.98%</b>	<b>17.45%</b>
Total liabilities, deferred inflows of resources and net position	\$ 2,477,370,576	\$ 2,081,761,195	\$ 1,772,511,414	19.00%	17.45%

\* In 2018, the System restated total assets and total deferred inflows of resources for GASB 87. The 2017 amounts presented above have not been adjusted for the restatement.

#### **December 31, 2019**

There was a growth in cash and total investments as a result of the positive market conditions. The total investments at fair value increase reflects the strong performance of the financial markets in 2019 coupled with the increased contributions and the receipt of over \$4.3 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 increase in the accounts payable and accrued expenses is due to the timing of certain investment expense payments. LOPFI also adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87) during 2019 that required a restatement of the total assets and total deferred inflows of resources for 2018.

#### **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.

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2019 and 2018

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

	2019	2018	2017	2019 Percentage Change	2018 Percentage Change
Total contributions	\$ 153,826,213	\$ 191,329,598	\$ 161,833,371	-19.60%	18.23%
Net investment income	390,828,049	(60,441,633)	253,402,809	-746.62%	-123.85%
Total additions	544,654,262	130,887,965	415,236,180	316.12%	-68.48%
Benefit payments, including refunds and DROP distributions	146,558,605	121,646,345	108,165,851	20.48%	12.46%
Administrative expenses	3,437,233	4,006,902	3,290,891	-14.22%	21.76%
Total deductions	149,995,838	125,653,247	111,456,742	19.37%	12.74%
Net increase in fiduciary net position	394,658,424	5,234,718	303,779,438	7439.25%	-98.28%
Net Position Restricted for Pensions, Beginning of Year	2,079,853,157	2,074,618,439	1,770,839,001	0.25%	17.15%
Net Position Restricted for Pensions, End of Year	\$ 2,474,511,581	\$ 2,079,853,157	\$ 2,074,618,439	18.98%	0.25%

#### **December 31, 2019**

There was a decrease to the total contributions, due to the decrease in agent plan mergers into the System compared to 2018 and 2017. The agent plan mergers for 2019 were approximately \$4.3 million. The agent plan mergers for 2018 and 2017 were approximately \$53.5 million and \$34.2 million, respectively. The net investment income increased as a result of the portfolios generated a return of 19.00%, 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. There was a decrease in administrative expenses in 2019 due to a decrease in the amount of expenses incurred for computer operations and processes.

#### **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.

# Arkansas Local Police and Fire Retirement System

## Statements of Fiduciary Net Position

### December 31, 2019 and 2018

	2019		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 242,661,320	\$ 29,522,058	\$ 272,183,378
Contributions receivable	6,616,739	804,989	7,421,728
Interest receivable	739,198	89,930	829,128
Leases receivable	462,109	56,220	518,329
Total receivables	7,818,046	951,139	8,769,185
Prepaid expenses	10,399,306	1,265,174	11,664,480
Investments, at fair value			
Equity securities – U.S. companies	360,467,004	43,854,240	404,321,244
Equity securities – international companies	25,121,766	3,056,302	28,178,068
Mutual funds	1,221,117,832	148,560,601	1,369,678,433
U.S. Treasury securities	45,189,157	5,497,691	50,686,848
Corporate bonds	65,481,701	7,966,472	73,448,173
Mortgage-backed securities	4,125,698	501,930	4,627,628
Alternative investments	219,371,226	26,688,597	246,059,823
Real estate investment trusts	4,675,833	568,858	5,244,691
Total investments, at fair value	1,945,550,217	236,694,691	2,182,244,908
Property and equipment, net of accumulated depreciation	2,145,956	261,076	2,407,032
Other assets	90,572	11,021	101,593
Total assets	2,208,665,417	268,705,159	2,477,370,576
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,397,246	169,988	1,567,234
Refunds payable	172,356	20,969	193,325
Due to Pension Review Board	526,832	64,094	590,926
Total liabilities	2,096,434	255,051	2,351,485
<b>Deferred Inflows of Resources</b>			
Deferred amounts for leases	452,464	55,046	507,510
<b>Net Position Restricted for Pensions</b>			
	\$ 2,206,116,519	\$ 268,395,062	\$ 2,474,511,581

See Notes to Financial Statements

**Arkansas Local Police and Fire Retirement System**  
**Statements of Fiduciary Net Position (Continued)**  
**December 31, 2019 and 2018**

	2018		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 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
Leases receivable	202,952	26,889	229,841
Total receivables	8,015,273	1,061,921	9,077,194
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	1,838,220,574	243,540,621	2,081,761,195
<b>Liabilities</b>			
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
<b>Deferred Inflows of Resources</b>			
Deferred amounts for leases	202,952	26,889	229,841
<b>Net Position Restricted for Pensions</b>	<b>\$ 1,836,535,754</b>	<b>\$ 243,317,403</b>	<b>\$ 2,079,853,157</b>

See Notes to Financial Statements

# Arkansas Local Police and Fire Retirement System

## Statements of Changes in Fiduciary Net Position

### Years Ended December 31, 2019 and 2018

	2019		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Additions</b>			
<b>Contributions</b>			
Member contributions	\$ 25,157,606	\$ 19,622	\$ 25,177,228
Employer contributions	88,524,836	35,680,713	124,205,549
Local plan administrative mergers and paid military time	180,761	4,262,675	4,443,436
Total contributions	<u>113,863,203</u>	<u>39,963,010</u>	<u>153,826,213</u>
<b>Investment Income</b>			
Net appreciation in fair value of investments	326,031,351	42,436,485	368,467,836
Interest, dividends and other income	25,624,342	3,335,283	28,959,625
Less investment expenses	(5,839,357)	(760,055)	(6,599,412)
Net investment income	<u>345,816,336</u>	<u>45,011,713</u>	<u>390,828,049</u>
Total additions	<u>459,679,539</u>	<u>84,974,723</u>	<u>544,654,262</u>
<b>Deductions</b>			
Benefit payments, including refunds and DROP distributions	87,057,377	59,501,228	146,558,605
Administrative expenses	3,041,397	395,836	3,437,233
Total deductions	<u>90,098,774</u>	<u>59,897,064</u>	<u>149,995,838</u>
<b>Net Increase in Net Position Restricted for Pensions</b>	369,580,765	25,077,659	394,658,424
<b>Net Position Restricted for Pensions, Beginning of Year</b>	<u>1,836,535,754</u>	<u>243,317,403</u>	<u>2,079,853,157</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<u>\$ 2,206,116,519</u>	<u>\$ 268,395,062</u>	<u>\$ 2,474,511,581</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, 2019 and 2018

	2018		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Additions</b>			
<b>Contributions</b>			
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>
<b>Investment Income (Loss)</b>			
Net appreciation 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>
<b>Deductions</b>			
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>
<b>Net Increase (Decrease) in Net Position Restricted for Pensions</b>	(22,855,142)	28,089,860	5,234,718
<b>Net Position Restricted for Pensions, Beginning of Year</b>	<u>1,859,390,896</u>	<u>215,227,543</u>	<u>2,074,618,439</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<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

## Notes to Financial Statements

December 31, 2019 and 2018

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

The Arkansas Local Police and Fire Retirement System (the System or LOPFI) is a statewide retirement 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.

#### ***Cash Equivalents***

The System considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019, cash equivalents consisted primarily of money market accounts with brokers.

#### ***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 equities are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners, in the absence of readily ascertainable market values.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2019 and 2018

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

Net increase in fair value of investments reflected in the accompanying statements of changes in fiduciary net position represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments.

The change in net unrealized gains or losses on investments represents the change in the difference between the cost and fair value of investments at the beginning versus the end of the year.

### ***Deferred Inflows of Resources***

The System reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of fiduciary net position.

### ***Investment Income***

Net investment income 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 asset, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities and the actuarial valuation of the System's benefits at the date of the financial statements and the reported changes in plan net position during the reporting period. Actual results may differ from those estimates.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

### December 31, 2019 and 2018

#### **Plan Descriptions**

As of December 31, 2019 and 2018, the number of participating political subdivisions was 525 and 533, respectively. At December 31, 2019 and 2018, the System's membership consisted of the following:

Membership Classification	Number of Employees	
	2019	2018
Retired plan members or beneficiaries currently receiving benefits:		
Local plan fire without Social Security	1,041	1,046
Local plan police with Social Security	196	202
Local plan police without Social Security	694	713
Local plan volunteer fire	1,276	1,272
Subtotal for agent multiple-employer plans	3,207	3,233
LOPFI fire benefit program 2 – with Social Security	27	18
LOPFI fire benefit program 2 – without Social Security	173	124
LOPFI fire with Social Security	48	56
LOPFI fire without Social Security	1,054	937
LOPFI police benefit program 2 – with Social Security	28	14
LOPFI police benefit program 2 – without Social Security	164	156
LOPFI police with Social Security	1,319	1,233
LOPFI police without Social Security	737	639
LOPFI staff	3	3
LOPFI volunteer fire	2,976	2,699
LOPFI volunteer fire benefit program 4	2	1
LOPFI volunteer police benefit program 3	212	188
Subtotal for cost-sharing multiple-employer plans	6,743	6,068
Subtotal for retirees and beneficiaries	9,950	9,301
Active plan members:		
Local plan fire without Social Security	2	2
Local plan fire with Social Security	1	1
Local plan part paid contributory fire	2	2
Local plan volunteer fire	7	12
Subtotal for agent multiple-employer plans	12	17
LOPFI fire benefit program 2 – with Social Security	58	56
LOPFI fire benefit program 2 – without Social Security	178	181
LOPFI fire with Social Security	96	92
LOPFI fire without Social Security	2,374	2,322
LOPFI police benefit program 2 – with Social Security	64	57
LOPFI police benefit program 2 – without Social Security	224	228
LOPFI police with Social Security	2,192	2,103
LOPFI police without Social Security	1,314	1,314
LOPFI staff	9	9
LOPFI volunteer fire	7,012	6,963
LOPFI volunteer police	473	447
LOPFI volunteer fire benefit program 4	43	46
LOPFI volunteer police benefit program 4	5	5
Subtotal for cost-sharing multiple-employer plans	14,042	13,823
Subtotal for active employees	14,054	13,840
Inactive plan members entitled to but not yet receiving benefits	8,088	7,811
Total membership	32,092	30,952

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2019 and 2018

**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 ensure 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.

**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 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, 2019, for each year of volunteer service, \$6.80 per month, to a maximum of \$272.00 monthly.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2019 and 2018

- e. Before the date that the first payment of his annuity becomes due, but not thereafter, a member may elect in writing to receive his annuity as a life annuity or he may elect to have his life annuity reduced but not any temporary annuity which may be payable, and nominate a beneficiary in accordance with the provisions of one of four options. If a member does not elect an option, his annuity shall be paid to him as a life annuity.

**Benefit Program 2:** For each year of paid service rendered on or after the election date of Benefit 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. 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, 2019 and 2018, the DROP accounts totaled \$40,349,945 and \$34,631,905, respectively.

### Note 2: Leases Receivable

The System leases a portion of its office space to various third parties, the terms of which expire 2022 through 2026. Payments increase based on the terms of the lease agreements. The leases were measured based upon the timing and amount of these payments at lease commencement. There are no variable payments. Revenue recognized under lease contracts during the years ended December 31, 2019 and 2018, was approximately \$95,000 and \$62,000, respectively, which includes both lease revenue and interest.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2019 and 2018

### Note 3: Net Pension Liability

The components of the net pension liability of all entities participating in the cost-sharing plan at December 31, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 3,020,856,753	\$ 2,789,499,220
Plan's fiduciary net position	<u>2,206,116,519</u>	<u>1,836,535,754</u>
Net pension liability	<u>\$ 814,740,234</u>	<u>\$ 952,963,466</u>
Plan's fiduciary net position as a percentage of total pension liability	73.03%	65.84%

### Actuarial Assumptions

The total pension liability as of December 31, 2019 and 2018, was determined by actuarial valuations as of December 31, 2019 and 2018, using the following actuarial assumptions:

	<u>2019</u>	<u>2018</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, 2019 and 2018, 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, 2019 and 2018, calculation 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, 2019 and 2018

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.

2019		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	30.00%	1.30%
Domestic equity	42.00%	5.40%
Foreign equity	18.00%	7.80%
Alternative investments	10.00%	6.70%
Total	100.00%	

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%	

### Single Discount Rate

The single discount rate used to measure the total pension liability was 7.00% for both years ended December 31, 2019 and 2018. 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, 2019 and 2018

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, 2019, 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 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 1,296,458,804	\$ 814,740,234	\$ 426,497,079

### Note 4: Deposits and Investments

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

#### **Custodial Credit Risk**

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

The System's deposits and investments are held by the System's custodian in the System's name. Investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, domestic and foreign corporate debt and equity securities, real estate and real estate trusts. The state law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The System's investment policy does not directly address custodial credit risk. At December 31, 2019, 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 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, 2019 and 2018

The following table summarizes the System's fixed income portfolio exposure levels and credit qualities at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
<b>Fixed Income Security Type by S&amp;P Rating</b>		
Corporate and Foreign Bonds		
AA	\$ 8,040,589	\$ 5,894,353
A	51,404,341	29,396,366
BBB	<u>14,003,243</u>	<u>6,675,455</u>
	<u>73,448,173</u>	<u>41,966,174</u>
<b>Mortgage-Backed Securities</b>		
Not rated	<u>4,627,628</u>	<u>9,388,481</u>
	<u>\$ 78,075,801</u>	<u>\$ 51,354,655</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, 2019 and 2018, the System's effective duration by investment type was:

<b>Fixed Income Security Type</b>	<b>Duration</b>	
	<u>2019</u>	<u>2018</u>
U.S. Government and Government Related	2.02	1.54
Non-U.S. Government and Government Related	0.00	0.78
U.S. Credit	1.32	0.82
Non-U.S. Credit	0.35	-0.65
Mortgage-Backed	1.31	1.56
Non-Agency Mortgage-Backed	0.04	0.00
Asset-Backed	0.03	0.01
Other	0.01	0.02
Cash	<u>0.02</u>	<u>0.00</u>
Total Duration	<u>5.09</u>	<u>4.08</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2019 and 2018

### ***Rate of Return***

For the years ended December 31, 2019 and 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.00% and -2.59%, 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 5: 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, 2019 and 2018

#### **Recurring Measurements**

The following tables present the fair value measurements of assets and liabilities 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, 2019 and 2018:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2019</b>				
<b>Investments by Fair Value Level</b>				
Equity securities – diversified	\$ 404,321,244	\$ 404,321,244	\$ -	\$ -
Equity securities – foreign	28,178,068	28,178,068	-	-
Equity mutual funds	1,014,124,963	294,537,403	719,587,560	-
International equity mutual funds	69,637,299	-	69,637,299	-
Fixed income mutual funds	285,916,171	153,864,134	132,052,037	-
Real estate investment trusts	5,244,691	5,244,691	-	-
U.S. government obligations	50,686,848	-	50,686,848	-
Corporate bonds	73,448,173	73,448,173	-	-
Mortgage-backed securities	4,627,628	-	4,627,628	-
	<u>1,936,185,085</u>	<u>959,593,713</u>	<u>976,591,372</u>	<u>-</u>
<b>Total investments by fair value level</b>				
<b>Investments Measured at the Net Asset Value (NAV) <sup>(A)</sup></b>				
Private equity funds	72,229,706			
Private debt funds	45,419,403			
Equity long/short hedge funds	34,651,424			
Commercial real estate funds	27,618,071			
Bank recapitalization and value opportunities funds	13,248,865			
Energy funds	12,023,601			
Opportunistic credit funds	40,868,753			
	<u>246,059,823</u>			
<b>Total investments measured at the NAV</b>	<u>246,059,823</u>			
<b>Total investments measured at fair value</b>	<u>\$ 2,182,244,908</u>	<u>\$ 959,593,713</u>	<u>\$ 976,591,372</u>	<u>\$ -</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

### December 31, 2019 and 2018

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2018</b>				
<b>Investments by Fair Value Level</b>				
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	-
U.S. government obligations	2,701,208	2,701,208	-	-
Corporate bonds	72,671,322	-	72,671,322	-
Collateralized mortgage obligations	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>
<b>Total investments by fair value level</b>				
<b>Investments Measured at the Net Asset Value (NAV) <sup>(A)</sup></b>				
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>			
<b>Total investments measured at the NAV</b>	<u>225,048,987</u>			
<b>Total investments measured at fair value</b>	<u>\$ 1,875,465,725</u>	<u>\$ 706,850,037</u>	<u>\$ 943,566,701</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, 2019 and 2018

#### Investments

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

	December 31, 2019			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds <sup>(A)</sup>	\$ 64,451,634	\$ 43,463,818		
Private equity funds <sup>(A)</sup>	7,778,072	-	Semi-annually	5 Months
Private debt funds <sup>(B)</sup>	45,419,403	15,830,019		
Equity long/short hedge funds <sup>(C)</sup>	34,651,424	-	Quarterly	90 Days
Commercial real estate funds <sup>(D)</sup>	27,618,071	-	Quarterly	45 Days
Bank recapitalization and value opportunistic funds <sup>(E)</sup>	13,248,865	2,740,000		
Energy funds <sup>(F)</sup>	12,023,601	600,983		
Opportunistic credit funds <sup>(G)</sup>	40,868,753	-	Annually	90 Days

	December 31, 2018			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds <sup>(A)</sup>	\$ 64,276,109	\$ 29,020,080		
Private equity funds <sup>(A)</sup>	7,488,636	-	Semi-annually	5 Months
Private debt funds <sup>(B)</sup>	39,558,265	26,951,838		
Equity long/short hedge funds <sup>(C)</sup>	29,872,079	-	Quarterly	90 Days
Commercial real estate funds <sup>(D)</sup>	26,716,623	-	Quarterly	45 Days
Bank recapitalization and value opportunistic funds <sup>(E)</sup>	12,186,906	9,824,000		
Energy funds <sup>(F)</sup>	17,211,848	600,983		
Opportunistic credit funds <sup>(G)</sup>	27,738,521	-	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, refinancing, 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, 2019 and 2018

- (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 be redeemed annually after a 90 day notice period.

### Note 6: 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.

### Note 7: Change in Accounting Principle

The System adopted Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87), in the current year. Under the standard, lessees will now be required to recognize substantially all long-term leases on the statement of net position as both a right-to-use asset and a lease liability. In addition, lessors will be required to recognize a lease receivable and a deferred inflow of resources. GASB 87 also requires leases to be evaluated for the identification of lease and nonlease components in a contract. Adoption of GASB 87 resulted in the recording of a lease receivable and a deferred inflow of resources as of December 31, 2019 and 2018.

### Note 8: Subsequent Events

There has been significant volatility in the investment markets both nationally and globally since December 31, 2019, resulting in an overall market decline in certain market segments which has resulted in a decline in the value of our investment portfolio as of April 16, 2020, which is the date the financial statements were available to be issued.



## Required Supplementary Information

# Arkansas Local Police and Fire Retirement System

## Required Supplementary Information

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

	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 59,701,701	\$ 61,057,199	\$ 52,999,883	\$ 52,411,007	\$ 50,466,076	\$ 51,147,644
Interest on the total pension liability	194,307,497	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	64,405,712	32,299,710	27,286,660	19,163,957	5,172,371	(1,779,051)
Assumption changes	-	-	219,939,183	-	53,731,281	-
Benefit payments, DROP Distributions and Refunds	(87,057,377)	(74,102,672)	(64,420,008)	(58,298,612)	(45,407,579)	(35,732,645)
<b>Net Change in Total Pension Liability</b>	<b>231,357,533</b>	<b>176,851,753</b>	<b>406,351,153</b>	<b>170,799,231</b>	<b>210,189,125</b>	<b>148,657,000</b>
<b>Total Pension Liability, Beginning of Year</b>	<b>2,789,499,220</b>	<b>2,612,647,467</b>	<b>2,206,296,314</b>	<b>2,035,497,083</b>	<b>1,825,307,958</b>	<b>1,676,650,958</b>
<b>Total Pension Liability, End of Year</b>	<b>\$ 3,020,856,753</b>	<b>\$ 2,789,499,220</b>	<b>\$ 2,612,647,467</b>	<b>\$ 2,206,296,314</b>	<b>\$ 2,035,497,083</b>	<b>\$ 1,825,307,958</b>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ 88,524,836	\$ 83,861,098	\$ 77,416,248	\$ 75,298,216	\$ 67,624,600	\$ 63,964,129
Employee contributions	25,157,606	24,456,628	23,429,576	21,816,086	21,187,024	21,844,747
Other contributions	180,761	87,756	54,467	38,872	34,066	56,744
Pension plan net investment income	345,816,336	(53,604,321)	227,217,628	88,592,090	1,642,306	95,052,926
Benefit payments, DROP distributions and refunds	(87,057,377)	(74,102,672)	(64,503,839)	(58,298,612)	(45,407,579)	(35,732,645)
Pension plan administrative expense	(3,041,397)	(3,553,631)	(2,955,186)	(2,665,399)	(2,482,123)	(2,258,660)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>369,580,765</b>	<b>(22,855,142)</b>	<b>260,658,894</b>	<b>124,781,253</b>	<b>42,598,294</b>	<b>142,927,241</b>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<b>1,836,535,754</b>	<b>1,859,390,896</b>	<b>1,598,732,002</b>	<b>1,473,950,749</b>	<b>1,431,352,455</b>	<b>1,288,425,214</b>
<b>Plan Fiduciary Net Position, End of Year</b>	<b>\$ 2,206,116,519</b>	<b>\$ 1,836,535,754</b>	<b>\$ 1,859,390,896</b>	<b>\$ 1,598,732,002</b>	<b>\$ 1,473,950,749</b>	<b>\$ 1,431,352,455</b>
<b>Net Pension Liability, End of Year</b>	<b>\$ 814,740,234</b>	<b>\$ 952,963,466</b>	<b>\$ 753,256,571</b>	<b>\$ 607,564,312</b>	<b>\$ 561,546,334</b>	<b>\$ 393,955,503</b>
<b>Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	73.03%	65.84%	71.17%	72.46%	72.41%	78.42%
<b>Covered Payroll</b>	\$ 371,574,513	\$ 356,127,157	\$ 339,098,676	\$ 329,344,355	\$ 320,487,331	\$ 310,870,608
<b>Plan's Net Pension Liability as a Percentage of Covered Payroll</b>	219.27%	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 for the cost-sharing multiple-employer defined benefit pension plan. 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
12/31/2010	\$ 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%
12/31/2019	88,524,836	88,524,836	-	371,574,513	23.82%

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31, 2017

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	17.0 years beginning January 1, 2019
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Inflation	3.25%
Price Inflation	2.50%
Salary Increases	3.75% to 18.25% as adopted by the Board
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last update for the 2017 valuation pursuant to an experience study of the period 2012–2016.
Mortality	RP-2014 Healthy Annuitant, Disabled Retiree and Employee mortality tables for males and females. 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.

**Other Information:**

Notes: There were no changes in benefit provisions or methods in the December 31, 2017, actuarial valuation. There were changes in the assumptions following an experience study of the period 2012–2016. The Schedule of Employer Contributions, methods and assumptions are for the cost-sharing multiple-employer defined pension plan.

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

<b>Fiscal Year Ending</b>	<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>
12/31/2010	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%
12/31/2019	19.00%

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, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Personal Services</b>		
Staff expense	\$ 750,974	\$ 727,322
<b>Professional Services</b>		
Computer operations/process	1,829,823	2,441,284
Audit services	92,600	89,250
Actuarial services	328,100	315,500
Legal services	130,000	135,615
Medical advisor/related	56,874	32,887
Total professional services	2,437,397	3,014,536
<b>General Operating Expense</b>		
Insurance expense	55,444	55,042
Office equipment	27,067	28,832
Office supplies	29,368	14,329
Printing	22,308	18,114
Telephone	18,500	17,507
Postage	15,678	17,494
Publications	1,853	1,299
Travel/professional education/conferences	41,117	51,828
Board/kitchen supplies	3,605	2,966
Miscellaneous	-	23,711
Total general operating expense	214,940	231,122
Total expenses	3,403,311	3,972,980
Depreciation expense	33,922	33,922
<b>Total Administrative Expenses</b>	<b>\$ 3,437,233</b>	<b>\$ 4,006,902</b>

**Arkansas Local Police and Fire Retirement System**  
**Schedule of Investment Expenses**  
**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Investment consulting fees	\$ 760,000	\$ 760,000
Money manager fees	5,404,962	5,281,981
Custodial fees	216,000	162,000
Investment monitor expenses	<u>218,450</u>	<u>203,450</u>
Total investment expenses	<u>\$ 6,599,412</u>	<u>\$ 6,407,431</u>



# Stephens Inc.

May 2020

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 AndCo Consulting). The Plan's investments are consistent with the stated Investment Policy.

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

	<b>Allocation As of 12/31/19</b>	<b>Permissible Range</b>
<b>Domestic Equities</b>		
Large Cap	33	15-30%
Mid Cap	6	15-30%
Small Cap	1	0-20%
<b>Foreign Equities</b>	2	0-10%
<b>Index</b>	12	5-15%
<b>US Bonds</b>	24	20-50%
<b>Foreign Bonds</b>	0	0-10%
<b>Alternative Investments</b>	12	0-15%
<b>Cash</b>	10	0-20%

LOPFI's portfolio was up 19.00%\* for the fiscal year ended 2019 versus the comparative index return of 19.72%\* with an ending market value of \$2.445 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: AndCo Consulting. AndCo 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](http://www.stephens.com)

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





## LOPFI Investment Performance Ten Year History

<b>ANNUAL VALUES</b>					
<b>Investment Return % (TW*) For Period</b>					
<b>[Asset Market Value (millions) End of Period]</b>					
<b>Period Ended</b>	<b>Total Fund</b>	<b>Inflation + 3%**</b>	<b>Equities</b>	<b>Fixed Income</b>	<b>Cash</b>
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]
12/31/19	19.00% [\$2,445,645]	4.8%	29.95% [\$1,327,087]	8.48% [\$574,253]	0.11% [245,970]

### QUARTERLY VALUES (RETURNS)

<b>Period Ended</b>	<b>Total Fund</b>	<b>Equities</b>	<b>Fixed Income</b>
12/31/2019	5.22%	8.80%	0.25%

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, 2019

Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
State Street Flagship Index Fd	283,712,248	12.2	State Street Flagship Index Fd	309,441,313	12.7
Wellington Equity	258,993,897	11.2	Wellington Equity	285,017,479	11.7
Barrow LCV	178,340,868	7.7	Liquidation (Cash)	245,969,543	10.1
Dodge & Cox Stock Fund	172,828,875	7.5	Dodge & Cox Stock Fund	190,268,066	7.8
PIMCO Total Return	154,320,245	6.7	Barrow LCV	189,656,093	7.8
GHA Fixed Income	134,619,148	5.8	PIMCO Total Return	153,864,141	6.3
Lazard Equity	133,358,178	5.8	Lazard Equity	144,357,769	5.9
WAMCO US CORE	131,108,174	5.7	GHA Fixed Income	134,952,160	5.5
Liquidation (Cash)	115,234,403	5.0	WAMCO US CORE	132,052,037	5.4
Doubleline Total Return	101,835,664	4.4	Doubleline Total Return	101,835,664	4.2
Loomis Sayles Credit Asset	50,781,984	2.2	SSGA S&P Mid-Cap 400 Index	51,971,240	2.1
Fisher Intl Eq	49,351,039	2.1	Loomis Sayles Credit Asset	51,549,200	2.1
SSGA S&P Mid-Cap 400 Index	48,508,444	2.1	Congress Equity	43,274,115	1.8
AIM Thirteen Partners Equity	41,040,138	1.8	AIM Thirteen Partners Equity	43,038,635	1.8
Congress Equity	39,755,267	1.7	Wellington International Growth	42,488,591	1.7
Goldentree Select Offshore	39,526,569	1.7	Goldentree Select Offshore	39,716,312	1.6
Wellington International Growth	38,888,330	1.7	AIM Thirteen Partners Equity Offshore	34,120,529	1.4
Fisher Emerging Mkts	34,670,635	1.5	Owl Rock Direct Lending	28,003,103	1.1
AIM Thirteen Partners Equity Offshore	34,096,388	1.5	JP Morgan RE	27,618,071	1.1
Global Currents Intl Eq/Clearbridge	29,739,737	1.3	Wellington Capital Stewards	27,410,296	1.1
Owl Rock Direct Lending	28,049,040	1.2	Wellington Commodities	27,148,709	1.1
JP Morgan RE	27,065,721	1.2	Chickasaw Capital	26,139,371	1.1
Wellington Commodities	25,873,787	1.1	Wellington Enduring Assets CTF	21,608,327	0.9
Wellington Capital Stewards	24,539,446	1.1	Snyder Capital Mngmnt Small Cap Value	21,546,823	0.9
Chickasaw Capital	21,681,182	0.9	KKR Energy Income & Growth	12,917,274	0.5
Wellington Enduring Assets CTF	20,521,970	0.9	Riverstone Credit Partners	12,100,083	0.5
Snyder Capital Mngmnt Small Cap Value	20,389,206	0.9	Goldman Sachs Vintage VII	10,477,662	0.4
KKR Energy Income & Growth	14,974,102	0.6	PIMCO Bravo III	8,194,897	0.3
Riverstone Credit Partners	11,943,691	0.5	JP Morgan Infrastructure	7,778,072	0.3
Goldman Sachs Vintage VII	10,418,155	0.4	Macquarie Infrastructure	5,632,551	0.2
PIMCO Bravo III	7,986,719	0.3	PIMCO Bravo II	4,627,529	0.2
JP Morgan Infrastructure	7,826,241	0.3	NB Private Debt	4,314,295	0.2
NB Private Debt	5,732,163	0.2	KKR Mezzanine	2,337,569	0.1
Macquarie Infrastructure	5,470,175	0.2	Citigroup-StepStone Private Equity	1,754,493	0.1
PIMCO Bravo II	5,051,089	0.2	KKR Direct Lending	1,034,230	0.0
KKR Mezzanine	2,272,535	0.1	NB Crossroads	958,170	0.0
Citigroup-StepStone Private Equity	1,758,897	0.1	Citco	248,202	0.0
Citco	1,689,631	0.1	PIMCO Bravo I	175,442	0.0
KKR Direct Lending	1,462,108	0.1	Fisher Intl Eq	46,843	0.0
NB Crossroads	980,836	0.0	Global Currents Intl Eq/Clearbridge	-	0.0
PIMCO Bravo I	134,642	0.0	Fisher Emerging Mkts	-	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, 2019

Asset Allocation & Performance	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>Total Fund Composite</b>	<b>2,445,644,901</b>	<b>100.0</b>	<b>5.22</b>	<b>19.00</b>	<b>19.00</b>	<b>9.89</b>	<b>7.13</b>	<b>5.54</b>	<b>01/01/2001</b>
Total Fund Policy Index			5.34	19.72	19.72	9.46	7.17	5.74	
<b>Total Equity Composite</b>	<b>1,327,086,956</b>	<b>54.3</b>	<b>8.80</b>	<b>29.95</b>	<b>29.95</b>	<b>14.64</b>	<b>10.44</b>	<b>7.84</b>	<b>01/01/1998</b>
Total Equity Policy Index			9.10	29.17	29.17	12.91	10.23	7.66	
<b>Domestic Equity</b>									
Barrow LCV	189,656,093	7.8	6.34	26.38	26.38	11.33	9.10	7.83	01/01/2006
Russell 1000 Value Index			7.41	26.54	26.54	9.68	8.29	7.67	
Lazard Equity	144,357,769	5.9	8.25	31.21	31.21	14.01	10.59	12.63	07/01/2013
S&P 500 Index			9.07	31.49	31.49	15.27	11.70	13.66	
State Street Flagship Index Fd	309,441,313	12.7	9.07	31.47	31.47	15.27	11.71	8.76	04/01/2005
S&P 500 Index			9.07	31.49	31.49	15.27	11.70	9.32	
Dodge & Cox Stock Fund	190,268,066	7.8	10.09	24.83	24.83	11.13	9.72	7.89	01/01/2006
Russell 1000 Value Index			7.41	26.54	26.54	9.68	8.29	7.67	
Wellington Equity	285,017,479	11.7	9.94	42.07	42.07	25.21	16.80	8.79	01/01/1998
Russell 1000 Growth Index			10.62	36.39	36.39	20.49	14.63	7.66	
Wellington Capital Stewards	27,410,296	1.1	11.70	30.27	30.27	N/A	N/A	7.73	07/01/2018
Russell Midcap Index			7.06	30.54	30.54	12.06	9.33	10.40	
Congress Equity	43,274,115	1.8	8.85	34.86	34.86	14.80	11.66	14.14	07/01/2013
Russell Midcap Growth Index			8.17	35.47	35.47	17.36	11.60	13.62	
SSGA S&P Mid-Cap 400 Index	51,971,240	2.1	7.14	26.27	26.27	N/A	N/A	4.62	08/01/2018
S&P MidCap 400 Index			7.06	26.20	26.20	9.26	9.03	4.58	
Snyder Capital Mngmnt Small Cap Value	21,546,823	0.9	5.68	N/A	N/A	N/A	N/A	7.73	07/01/2019
Russell 2000 Value Index			8.49	22.39	22.39	4.77	6.99	7.87	



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, 2019 (Continued)

	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>International Equity</b>									
Wellington Enduring Assets CTF MSCI EAFE Index	21,608,327	0.9	5.29 8.21	N/A 22.66	N/A 22.66	N/A 10.11	N/A 6.18	8.04 7.13	07/01/2019
Wellington International Growth MSCI AC World Index Growth	42,488,591	1.7	9.26 10.29	28.56 33.17	28.56 33.17	15.77 17.00	N/A 11.09	11.61 14.53	04/01/2016
<b>Total Fixed Income Composite</b>	<b>574,253,202</b>	<b>23.5</b>	<b>0.25</b>	<b>8.48</b>	<b>8.48</b>	<b>4.27</b>	<b>3.20</b>	<b>4.56</b>	<b>01/01/1998</b>
Total Fixed Income Policy Index			0.14	7.68	7.68	3.94	2.73	4.64	
PIMCO Total Return Blmbg. Barc. U.S. Aggregate Index	153,864,141	6.3	-0.30 0.18	8.58 8.72	8.58 8.72	4.31 4.03	3.64 3.05	4.61 4.19	10/01/2002
WAMCO Fixed Income Blmbg. Barc. U.S. Aggregate Index	132,052,037	5.4	0.62 0.18	11.07 8.72	11.07 8.72	4.92 4.03	3.77 3.05	4.24 4.19	10/01/2002
GHA Fixed Income Bloomberg Barclays Intermediate US Govt/Credit Idx	134,952,160	5.5	0.25 0.37	5.96 6.80	5.96 6.80	3.01 3.24	2.66 2.57	4.57 3.71	04/01/2005
Doubleline Total Return Blmbg. Barc. U.S. Aggregate Index	101,835,664	4.2	0.00 0.18	N/A 8.72	N/A 8.72	N/A 4.03	N/A 3.05	1.84 2.45	07/01/2019
Loomis Sayles Credit Asset L.S. Credit Asset Index	51,549,200	2.1	1.51 1.49	N/A N/A	N/A N/A	N/A N/A	N/A N/A	3.10 3.58	07/01/2019



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, 2019 (Continued)

	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>Alternatives</b>									
JP Morgan RE NCREIF Property Index	27,618,071	1.1	2.04 1.55	3.37 6.42	3.37 6.42	5.49 6.70	7.53 8.25	4.84 6.31	10/01/2007
Chickasaw Capital Alerian MLP Index	26,139,371	1.1	-3.23 -4.08	8.08 6.56	8.08 6.56	-7.99 -4.45	-8.85 -7.00	7.33 3.20	07/01/2010
Citco HFRI Event-Driven (Total) Index	248,202	0.0	-43.60 2.88	-62.38 7.53	-62.38 7.53	-29.17 4.23	-21.55 3.84	-10.48 3.90	04/01/2011
Citigroup-StepStone Private Equity LPX MM Private Equity Index ETF	1,754,493	0.1	-0.25 11.00	-1.73 35.22	-1.73 35.22	-1.49 12.49	-5.75 9.72	3.20 4.87	10/01/2007
Wellington Commodities Bloomberg Commodity Index Total Return	27,148,709	1.1	4.93 4.42	12.19 7.69	12.19 7.69	2.33 -0.94	N/A -3.92	5.09 2.12	04/01/2016
JP Morgan Infrastructure S&P Global Infrastructure	7,778,072	0.3	-0.62 5.12	3.86 26.99	3.86 26.99	6.60 11.35	4.77 6.57	4.13 9.22	01/01/2009
Macquarie Infrastructure S&P Global Infrastructure	5,632,551	0.2	48.25 5.12	62.26 26.99	62.26 26.99	21.36 11.35	14.30 6.57	9.11 9.22	01/01/2009
NB Crossroads LPX MM Private Equity Index ETF	958,170	0.0	-2.31 11.00	17.31 35.22	17.31 35.22	0.49 12.49	N/A 9.72	2.81 13.04	05/01/2016
NB Private Debt S&P/LSTA Leveraged Loan Index	4,314,295	0.2	-10.27 1.73	15.35 8.64	15.35 8.64	2.52 4.35	3.14 4.45	6.84 4.48	07/01/2007
PIMCO Bravo I S&P/LSTA Leveraged Loan Index	175,442	0.0	30.30 1.73	-47.43 8.64	-47.43 8.64	-23.23 4.35	N/A 4.45	-12.04 5.30	05/01/2016
PIMCO Bravo II S&P/LSTA Leveraged Loan Index	4,627,529	0.2	-0.28 1.73	-5.89 8.64	-5.89 8.64	3.30 4.35	5.03 4.45	10.96 4.30	04/01/2011
PIMCO Bravo III S&P/LSTA Leveraged Loan Index	8,194,897	0.3	2.61 1.73	15.96 8.64	15.96 8.64	9.61 4.35	N/A 4.45	8.32 4.58	11/01/2016
KKR Mezzanine S&P/LSTA Leveraged Loan Index	2,337,569	0.1	-0.14 1.73	-4.19 8.64	-4.19 8.64	7.85 4.35	2.52 4.45	-5.39 4.69	10/01/2010
KKR Direct Lending S&P/LSTA Leveraged Loan Index	1,034,230	0.0	-15.07 1.73	-23.00 8.64	-23.00 8.64	-13.06 4.35	N/A 4.45	-9.03 5.30	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, 2019 (Concluded)

	Allocation		Performance(%)						Inception Date
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	
KKR Energy Income & Growth LPX MM Private Equity Index ETF	12,917,274	0.5	-12.93 11.00	-18.09 35.22	-18.09 35.22	2.78 12.49	N/A 9.72	-4.64 13.04	05/01/2016
AIM Thirteen Partners Equity Offshore HFRX Global Hedge Fund Index	34,120,529	1.4	0.07 2.57	14.22 8.62	14.22 8.62	7.35 2.41	4.54 1.19	5.29 1.58	04/01/2012
AIM Thirteen Partners Equity LPX MM Private Equity Index ETF	43,038,635	1.8	4.87 11.00	12.35 35.22	12.35 35.22	9.53 12.49	N/A 9.72	8.08 13.04	06/01/2016
Goldentree Select Offshore HFRI RV: Fixed Income-Corporate Index	39,716,312	1.6	0.48 1.79	4.91 9.09	4.91 9.09	5.50 4.81	N/A 4.75	6.61 6.24	05/01/2016
Owl Rock Direct Lending S&P/LSTA Leveraged Loan Index	28,003,103	1.1	1.31 1.73	4.52 8.64	4.52 8.64	7.05 4.35	N/A 4.45	6.38 4.87	09/01/2016
Goldman Sachs Vintage VII LPX MM Private Equity Index ETF	10,477,662	0.4	1.51 11.00	9.78 35.22	9.78 35.22	N/A 12.49	N/A 9.72	13.55 8.33	08/01/2017
Riverstone Credit Partners S&P/LSTA Leveraged Loan Index	12,100,083	0.5	3.43 1.73	-11.89 8.64	-11.89 8.64	N/A 4.35	N/A 4.45	12.26 4.22	08/01/2018
Liquidation (Cash)	245,969,543	10.1							



# Arkansas LOPFI Retirement System

## Total Fund Trailing 5-Years

December 31, 2019

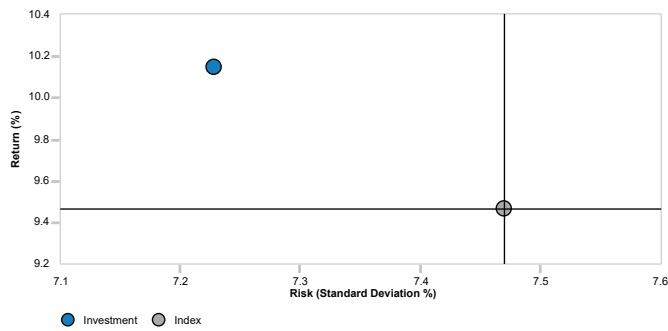
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.15	7.23	1.15	102.71	11	89.18	1
Index	9.46	7.47	1.03	100.00	10	100.00	2

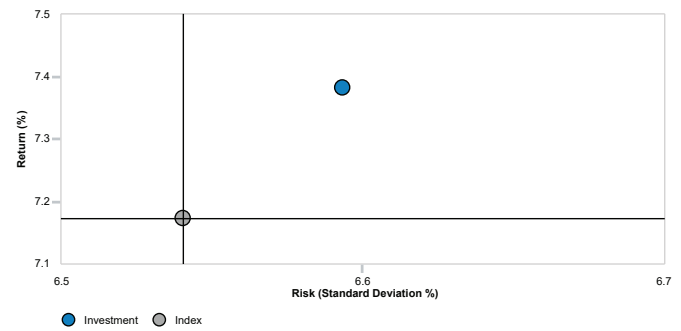
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	7.38	6.59	0.97	102.02	17	99.58	3
Index	7.17	6.54	0.95	100.00	17	100.00	3

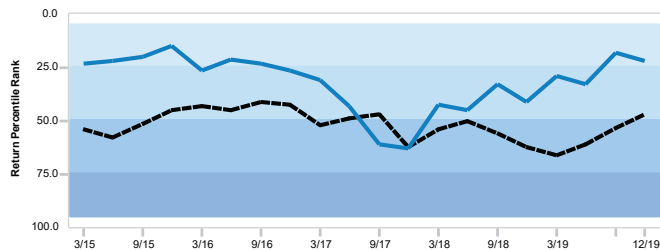
### Risk and Return 3 Years



### Risk and Return 5 Years

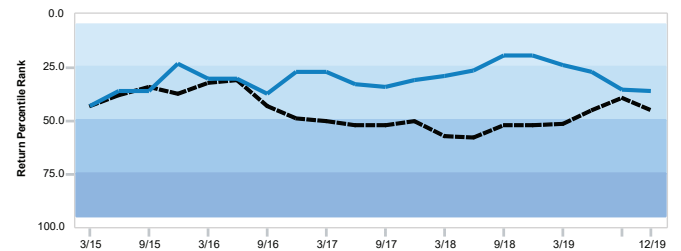


### 3 Year Rolling Percentile Rank All Public Plans-Total Fund



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	8 (40%)	10 (50%)	2 (10%)	0 (0%)
Index	20	0 (0%)	9 (45%)	11 (55%)	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	4 (20%)	16 (80%)	0 (0%)	0 (0%)
Index	20	0 (0%)	13 (65%)	7 (35%)	0 (0%)



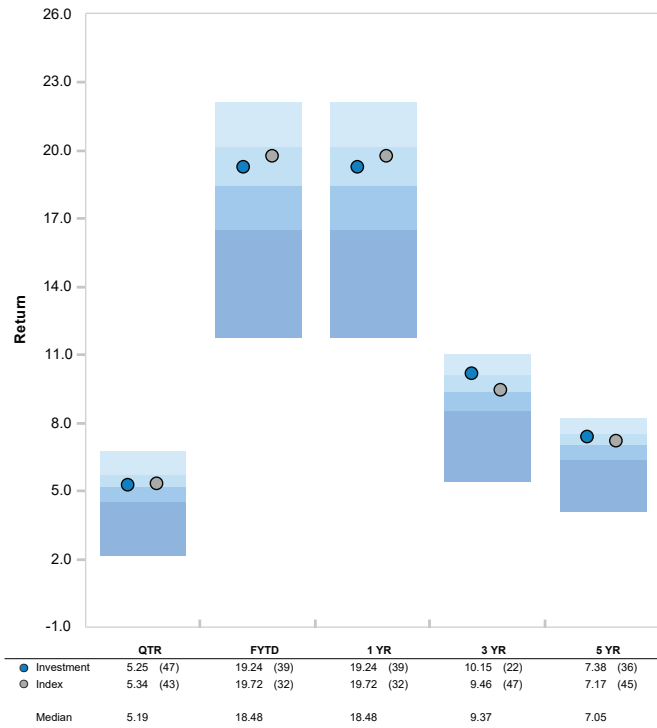
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# Arkansas LOPFI Retirement System

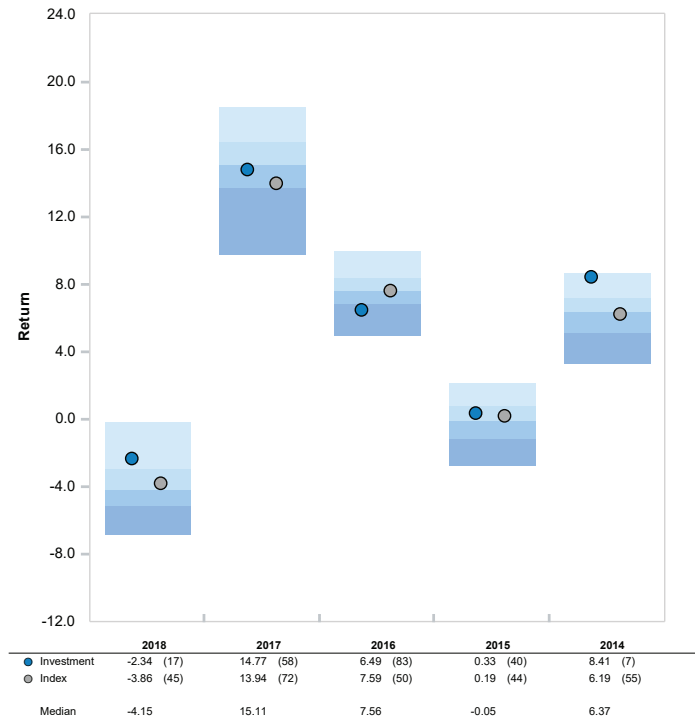
## Total Fund Trailing 5-Years

December 31, 2019 (Continued)

Peer Group Analysis - All Public Plans-Total Fund



Peer Group Analysis - All Public Plans-Total Fund



**Comparative Performance**

	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019	1 Qtr Ending Mar-2019	1 Qtr Ending Dec-2018	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018
Investment	1.31 (16)	3.62 (15)	7.92 (63)	-7.77 (57)	3.74 (9)	1.61 (24)
Index	0.96 (40)	3.56 (20)	8.71 (42)	-7.67 (52)	3.25 (19)	1.39 (35)
Median	0.83	3.26	8.41	-7.54	2.59	1.03





## Arkansas LOPFI Retirement System

### TOTAL ANNUAL RETURNS 2015 - 2019 ( Net of Investment Management Fees beginning 2008)

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

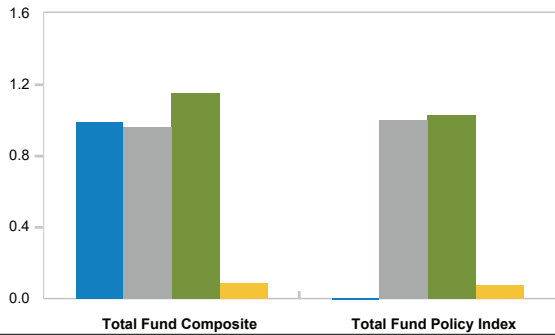
Manager	Annual Return					5 Years Annualized (Shorter periods as indicated)	
	2015	2016	2017	2018	2019		
Wellington	10.29%	0.43%	35.80%	1.74%	42.07%	16.80%	
Barrow Hanley	-1.68%	13.95%	14.89%	-4.96%	26.38%	9.10%	
PIMCO	2.68%	2.60%	5.13%	-0.56%	8.58%	3.64%	
WAMCO	0.65%	3.51%	4.78%	-0.76%	11.07%	3.77%	
Aberdeen	-4.85%	1.78%	8.07%	-1.10%	-1.10%		
SSGA Index Plus	1.42%	11.96%	21.83%	-4.38%	31.47%	11.71%	
GHA	1.25%	3.06%	1.98%	1.15%	5.96%	2.66%	
Dodge & Cox	-4.49%	21.28%	18.32%	-7.07%	24.83%	9.72%	
N.B. Private Debt	0.60%	7.68%	-4.10%	-2.60%	15.35%	3.14%	
Citigroup Private Equity	22.11%	-36.28%	16.95%	-16.83%	-1.73%	-5.75%	
JP Morgan R.E.	12.99%	8.39%	6.16%	6.98%	3.37%	7.53%	
JP Morgan Infrastructure	0.31%	3.90%	12.87%	3.34%	3.86%	4.77%	
Macquarie Infrastructure	-1.69%	11.02%	2.68%	7.29%	62.26%	14.30%	
Chickasaw	-36.86%	27.88%	-8.54%	-21.19%	8.08%	-8.85%	
KKR Mezzanine Partners	-7.39%	-2.50%	50.13%	25.87%	-4.19%	2.52%	
CITCO	-4.21%	-12.72%	-14.22%	10.11%	-62.38%	-21.55%	
PIMCO Bravo II	6.31%	9.09%	14.16%	2.59%	-5.89%	5.03%	
AIM 13 Partners Offshore	-1.72%	2.68%	10.08%	-1.62%	14.22%	4.54%	
Congress	1.23%	13.32%	16.88%	-4.01%	34.86%	11.66%	
Lazard	1.03%	10.46%	18.05%	-4.32%	31.21%	10.59%	
WAMCO High Yield	-9.04%	8.81%	4.91%	-0.40%	-0.40%		
Wellington International Growth			37.15%	-12.00%	28.56%	11.61%	3 years, 9 months
Wellington Commodities			4.03%	-8.18%	12.19%	5.09%	3 years, 9 months
N.B. Crossroads			13.43%	-23.73%	17.31%	2.81%	3 years, 8 months
PIMCO Bravo I			-35.69%	33.81%	-47.43%	-12.04%	3 years, 8 months
PIMCO Bravo III			12.10%	1.31%	15.96%	8.32%	3 years, 2 months
KKR Direct Lending			1.20%	-15.67%	-23.00%	-9.03%	3 years, 8 months
KKR Energy Income & Growth			15.90%	14.36%	-18.09%	-4.64%	3 years, 8 months
AIM 13 Partners Equity			3.41%	13.10%	12.35%	8.08%	3 years, 7 months
Goldentree Select Offshore			4.67%	6.93%	4.91%	6.61%	3 years, 8 months
Owl Rock Direct Lending			9.75%	6.95%	4.52%	6.38%	3 years, 4 months
Goldman Sachs Vintage VII				23.82%	9.78%	13.55%	2 years, 5 months
Wellington Capital Stewards				N/A	30.27%	7.73%	1 year, 6 months
SSGA S&P400 Mid Cap				N/A	26.27%	4.62%	1 year, 5 months
Riverstone Credit Partners				N/A	-11.89%	12.26%	1 year, 5 months
Snyder Capital Management					N/A	7.73%	6 months
Wellington Enduring Assets					N/A	8.04%	6 months
Doubleline Total Return					N/A	1.84%	6 months
Loomis Sayles Credit Asset					N/A	3.10%	6 months
<b>TOTAL FUND</b>	0.10%	6.25%	14.57%	-2.59%	19.00%	7.13%	

# Arkansas LOPFI Retirement System

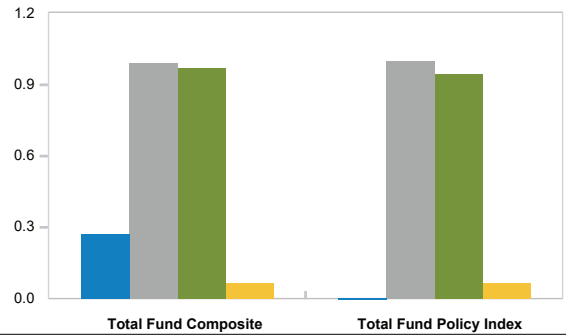
## Index Comparison

December 31, 2019

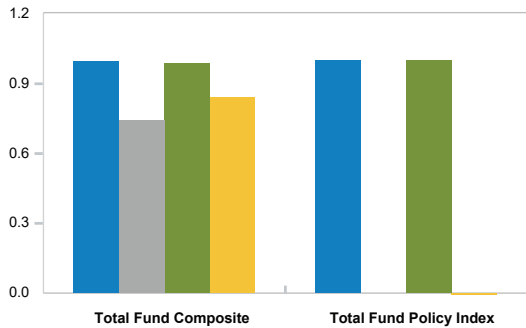
**Risk / Reward Historical Statistics 3 Years Ending December 31, 2019**



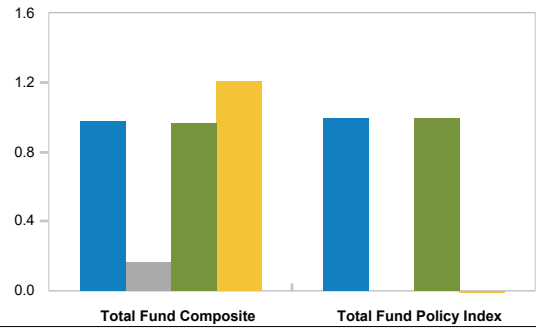
**Risk / Reward Historical Statistics 5 Years Ending December 31, 2019**



**Benchmark Relative Historical Statistics 3 Years Ending December 31, 2019**



**Benchmark Relative Historical Statistics 5 Years Ending December 31, 2019**



Benchmark: Total Fund Policy Index



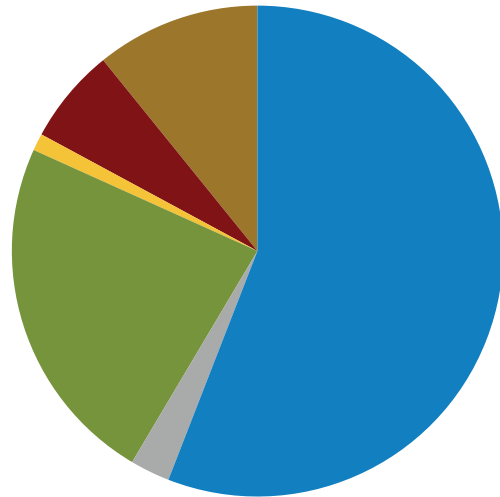
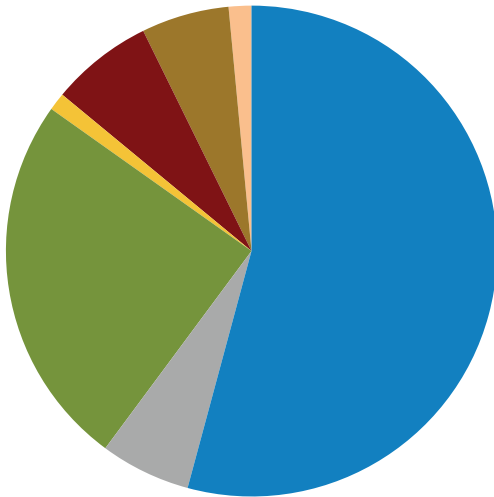
# Arkansas LOPFI Retirement System

## Executive Summary

December 31, 2019

Asset Allocation By Segment as of  
September 30, 2019 : \$2,316,531,566

Asset Allocation By Segment as of  
December 31, 2019 : \$2,445,644,901



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	1,255,415,755	54.2	Domestic Equity	1,367,280,923	55.9
International Equity	138,004,767	6.0	International Equity	64,096,918	2.6
Domestic Fixed Income	571,582,418	24.7	Domestic Fixed Income	568,063,685	23.2
Real Estate	27,065,721	1.2	Real Estate	27,618,071	1.1
Private Equity	155,953,285	6.7	Private Equity	154,172,404	6.3
Cash	133,838,986	5.8	Cash	264,412,899	10.8
Emerging Equity	34,670,635	1.5	Emerging Equity	-	0.0



# Arkansas LOPFI Retirement System

## Schedule of Investment Expenses

As of December 31, 2019

Professional / Consultant	Nature of Service	Amount
Aberdeen Asset - International Fixed Income*	Money Manager	\$ 122,205
Barrow, Hanley - Large Cap Value - Equity*	Money Manager	\$ 504,315
Chickasaw*	Money Manager	\$ 193,544
ClearBridge (formerly Global Currents) - International Equity	Money Manager	\$ 185,995
Congress - Mid Cap Growth - Equity*	Money Manager	\$ 200,224
Fisher Investments - Emerging Markets Equity*	Money Manager	\$ 331,176
Garcia Hamilton - Core Fixed Income*	Money Manager	\$ 241,419
JP Morgan IIF - Tax Exempt	Money Manager	\$ 40,499
JP Morgan*	Money Manager	\$ 201,729
Lazard - Large Cap Equity*	Money Manager	\$ 664,868
Loomis Sayles	Money Manager	\$ 118,711
Owl Rock	Money Manager	\$ 45,000
Snyder	Money Manager	\$ 100,970
State Street - Large Cap Core Equity*	Money Manager	\$ 71,706
State Street - Mid Cap S&P 400	Money Manager	\$ 28,932
WAMCO - Aggregate Fixed Income*	Money Manager	\$ 499,557
WAMCO	Money Manager	\$ 127,398
Wellington - Capital Stewards*	Money Manager	\$ 99,611
Wellington - Commodities*	Money Manager	\$ 194,872
Wellington - International Growth - Equity*	Money Manager	\$ 288,887
Wellington - Large Cap Growth - Equity*	Money Manager	\$ 1,017,475
Wellington - Enduring Assets	Money Manager	\$ 61,931
Western Asset - Short Term/High Yield*	Money Manager	\$ 63,936
<b>Total Investment Fees</b>		<b>\$ 5,404,962</b>
Regions Bank	Custodial Service	\$ 216,000
Stephens	Investment Consultant	\$ 760,000
AndCo Consulting	Investment Monitoring	\$ 218,450
Grand Total		<b>\$ 6,599,412</b>
MV of Fund @ 12/31/2019		\$ 2,445,644,901
Grand Total as a % of the 12/31/2019 MV		<b>0.27%</b>

## Arkansas LOPFI Retirement System

### Schedule of Broker Commissions

Year Ending December 31, 2019

Brk#	Broker Name	Broker	
		Commissions	Gross Price of Assets
61610	Barclays Capital Le	\$ 3,442	\$ 6,432,618
70398	Berenberg Capital Markets LLC	\$ 95	\$ 35,710
45	BMO Capital Markets Corp.	\$ 8,443	\$ 13,674,386
58851	BTIG, LLC	\$ 45	\$ 45,968
696	Cantor Fitzgerald and Co.	\$ 36	\$ 89,843
84341	Citation Group/BCC Clrg	\$ 1,316	\$ 10,445,304
69276	Citigroup Global Markets Inc	\$ 15,826	\$ 43,380,748
505	Citigroup Global Markets, INC/CC	\$ 30	\$ 91,968
70069	Clsa Americas	\$ 28	\$ 74,405
68991	Cornerstone Macro LLC	\$ 54	\$ 236,379
62513	Cowen and Company, LLC	\$ 243	\$ 725,894
355	Credit Suisse Securities (USA)	\$ 3,061	\$ 7,627,832
647	Daiwa Capital Markets America Inc.	\$ 562	\$ 1,457,084
573	Deutsche Bank Securities Inc	\$ 868	\$ 879,530
83620	Fidelity Cap Mkts (Div Of NFSC)	\$ 195	\$ 523,398
5	Goldman, Sachs and Co	\$ 4,570	\$ 10,301,419
58498	Imperial Capital LLC	\$ 59	\$ 264,760
6826	Instinet	\$ 9,651	\$ 31,914,308
83213	ISI Group Inc	\$ 2,127	\$ 4,603,459
57079	J.P. Morgan Securities Inc.	\$ 4,547	\$ 12,560,547
19	Jefferies LLC	\$ 308	\$ 1,652,321
345	Keffe, Bruyette, and Woods Inc	\$ 540	\$ 181,840
67526	Keybank Capital Markets Inc.	\$ 515	\$ 569,727
69400	Liquidnet Inc.	\$ 6,123	\$ 24,722,294
69237	Luminex Trading and Analytics LLC	\$ 85	\$ 533,573
76099	Macquarie Securities (USA) Inc.	\$ 94	\$ 258,873
161	Merrill Lynch, Pierce, Fenner & Smith	\$ 27,705	\$ 32,446,856
61407	Mizuho Securities USA, Inc	\$ 62	\$ 272,308
62526	MDM Partners LLC	\$ 696	\$ 2,951,846
59872	Monness, Crespi, Hardt & Co. Inc.	\$ 101	\$ 44,800
50	Morgan Stanley and Co, LLC	\$ 4,507	\$ 13,786,019
89984	O Neil William & Co. INC/BCC CLRG	\$ 824	\$ 2,640,654
571	Oppenheimer and Co Inc	\$ 567	\$ 1,488,898
69444	Piper Jaffray & Co.	\$ 5,266	\$ 27,809,508
725	Raymond James and Associates Inc	\$ 9	\$ 82,696
235	RBC Capital Markets, LLC	\$ 13,684	\$ 8,788,530
68021	Redburn	\$ 157	\$ 58,603
13	Sanford C. Bernstein & Co., LLC	\$ 2,564	\$ 10,163,620
96	Scotia Capital Mkts (USA) Inc	\$ 694	\$ 1,298,421
64336	Seaport Group Securities, LLC	\$ 482	\$ 1,882,085
793	Stifel, Nicolaus and Co., Inc.	\$ 1,711	\$ 2,978,271
62519	Strategas Securities LLC	\$ 238	\$ 368,076
77733	Stuart Frankel & Co. Inc	\$ 382	\$ 2,355,246
72492	Sungard Brokerage & Sec. Svcs LLC	\$ 258	\$ 868,290
54720	Suntrust Capital Markets, Inc.	\$ 902	\$ 1,765,186

## Arkansas LOPFI Retirement System

### Schedule of Broker Commissions

Year Ending December 31, 2019

(continued)

70506	Telsey Advisory Group	\$	5	\$	16,989
642	UBS Securities LLC	\$	4,145	\$	8,670,578
62465	Virtu Americas LLC	\$	1,075	\$	2,980,411
9883	Weeden & Co	\$	5,059	\$	17,239,350
46171	Wells Fargo Securities, LLC	\$	5,537	\$	3,283,062
771	William Blair and Company, L.L.C	\$	688	\$	1,222,097
66817	Wolfe Research Securities	\$	225	\$	273,749
	Total	\$	140,411	\$	319,020,335

**Arkansas LOPFI Retirement System**  
**Highest Portfolio Holdings by Manager**  
**Top Three Securities**  
As of December 31, 2019

	<u>BARROW, HANLEY</u>	<u>LAZARD</u>	<u>STATE STREET S&amp;P 500</u>	<u>DODGE &amp; COX</u>	<u>WELLINGTON EQUITY</u>	<u>WELLINGTON CAPITAL STEWARDS</u>
	AIR PRODUCTS					
1	AND CHEMICALS	MICROSOFT	APPLE	CHARLES SCHWAB	MICROSOFT	INSPERITY INC.
MATURITY	N/A	N/A	N/A	N/A	N/A	N/A
Market Value	\$6,637,963	\$7,650,962	\$14,234,300	\$7,420,455	\$21,661,328	\$1,370,515
Percent of Fund	3.50%	5.30%	4.60%	3.90%	7.60%	5.00%
	2 DOLLAR GENERAL	ALPHABET INC A	MICROSOFT	WELLS FARGO & CO.	APPLE	DXC TECHNOLOGY
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	3.30%	4.50%	4.50%	3.80%	7.60%	5.00%
	3 LOWE'S COS INC	BOA	AMAZON	CAPITAL ONE	AMAZON	MEDICAL PROPERTIES TRUST
MATURITY	N/A	N/A	N/A	N/A	N/A	N/A
Market Value	\$6,258,651	\$5,629,953	\$8,973,798	\$6,469,114	\$17,956,101	\$1,151,232
Percent of Fund	3.30%	3.90%	2.90%	3.40%	6.30%	4.20%
<b>TOTAL:</b>	<b>\$189,656,093.00</b>	<b>\$144,357,769.00</b>	<b>\$309,441,313.00</b>	<b>\$190,268,066.00</b>	<b>\$285,017,479.00</b>	<b>\$27,410,296.00</b>

\* Use of custodian, manager data, and estimates.

	<u>CONGRESS</u>	<u>STATE STREET S&amp;P MID-CAP 400</u>	<u>SNYDER CAPITAL</u>	<u>WELLINGTON ENDURING ASSETS</u>	<u>WELLINGTON INTL GROWTH</u>
	GENERAC	TELEDYNE			
1	HOLDINGS, INC.	TELEDYNE TECHNOLOGIES	ENTEGRIS INC.	IBERDROLA SA	NESTLE SA
MATURITY	N/A	N/A	N/A	N/A	N/A
Market Value	\$1,644,416	\$363,799	\$1,055,794	\$1,037,200	\$2,081,941
Percent of Fund	3.80%	0.70%	4.90%	4.80%	4.90%
	2 DIODES INC.	DOMINO'S PIZZA INC.	WOODWARD INC.	TC ENERGY CORP	ALIBABA GROUP
MATURITY	N/A	N/A	N/A	N/A	N/A
Market Value	\$1,384,772	\$363,799	\$883,420	\$1,037,200	\$2,081,941
Percent of Fund	3.20%	0.70%	4.10%	4.80%	4.90%
	3 BURLINGTON STORES	TYLER TECHNOLOGIES	TELEDYNE TECHNOLOGIES	COMCAST CORP	TENCENT HOLDINGS
MATURITY	N/A	N/A	N/A	N/A	N/A
Market Value	\$1,384,772	\$311,827	\$818,779	\$1,037,200	\$1,699,544
Percent of Fund	3.20%	0.60%	3.80%	4.80%	4.00%
<b>TOTAL:</b>	<b>\$43,274,115.00</b>	<b>\$51,971,240.00</b>	<b>\$21,546,823.00</b>	<b>\$21,608,327.00</b>	<b>\$42,488,591.00</b>

\* 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, 2019 *(Continued)*

	WAMCO	PIMCO TOTAL RETURN FUND	GARCIA HAMILTON	DOUBLELINE TOTAL RETURN	LIQUIDATION
	WA PREMIER GOVMT.	CREDIT SUISSE MORTGAGE	UNITED STATES TREASURY DTD	GLOBAL BOND FUND	REGIONS TRUST CASH SWEEP
1					
MATURITY	12/1/99	6/1/50	5/15/27	NA	N/A
Market Value	\$5,744,264	\$2,918,803	\$15,582,453	\$7,650,787	\$245,779,734
Percent of Fund	4.35%	1.90%	11.60%	7.50%	100.00%
2					
MATURITY	11/30/26	4/25/58	11/15/27	N/A	N/A
Market Value	\$2,310,911	\$1,077,049	\$11,794,305	\$3,774,388	\$0
Percent of Fund	1.75%	0.70%	8.78%	3.70%	0.00%
3					
MATURITY	11/30/24	6/25/48	9/13/21	11/30/21	N/A
Market Value	\$2,205,269	\$1,707,892	\$6,340,446	\$1,530,157	\$0
Percent of Fund	1.67%	1.11%	4.72%	1.50%	0.00%
<b>TOTAL:</b>	<b>\$132,052,037.00</b>	<b>\$153,864,141.00</b>	<b>\$134,331,492.00</b>	<b>\$102,010,490.00</b>	<b>\$245,779,734</b>

\* Use of custodian, manager data, and estimates.



## Arkansas LOPFI Retirement System

Investment Summary  
Year Ending December 31, 2019

<u>Type of Investment</u>	December 31, 2019		% of Total
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 263,182,405	\$ 263,182,405	10.8%
Investments:			
Equity Securities - Diversified	314,672,958	404,321,244	16.5%
Equity Securities - Foreign	19,830,122	28,178,068	1.2%
Equity Mutual Funds	647,848,419	1,014,124,963	41.5%
International Equity Mutual Funds	57,999,164	69,637,299	2.9%
Fixed Income Mutual Funds	273,957,749	285,916,171	11.7%
Real Estate Investment Trusts	4,205,128	5,244,691	0.2%
U.S. Government Obligations	48,676,757	50,686,848	2.1%
Corporate Bonds	72,578,451	73,448,173	3.0%
Mortgage-Backed Securities	4,714,862	4,627,628	0.2%
Alternative Investments	219,528,357	246,059,823	10.1%
	<u>\$ 1,664,011,967</u>	<u>\$ 2,182,244,908</u> *	<u>89.2%</u>
Total Investments	<u>\$ 1,927,194,372</u>	<u>\$ 2,445,427,313</u>	<u>100.0%</u>

<u>Type of Investment</u>	December 31, 2018		% of Total
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 184,462,049	\$ 184,462,049	7.5%
Investments:			
Equity Securities - Diversified	293,107,796	314,192,434	12.9%
Equity Securities - Foreign	46,701,294	49,083,451	2.0%
Equity Mutual Funds	452,120,453	628,807,985	25.7%
International Equity Mutual Funds	106,422,632	120,902,724	4.9%
Fixed Income Mutual Funds	383,170,991	410,702,959	16.8%
Real Estate Investment Trusts	2,985,154	2,701,208	0.1%
U.S. Government Obligations	72,154,928	72,671,322	3.0%
Corporate Bonds	42,449,849	41,966,174	1.7%
Mortgage-Backed Securities	9,386,662	9,388,481	0.4%
Alternative Investments	209,659,031	225,048,987	9.2%
	<u>\$ 1,618,158,790</u>	<u>\$ 1,875,465,725</u> *	<u>76.7%</u>
Total Investments	<u>\$ 1,802,620,839</u>	<u>\$ 2,059,927,774</u>	<u>84.2%</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 11, 2020

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

Dear Trustees:

The basic financial objective of the Arkansas Local Police and Fire Retirement System (LOPFI) as provided in the Arkansas Code is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Arkansas citizens and, when combined with present assets and future investment return, will be sufficient to meet the financial obligations of LOPFI to present and future benefit recipients.

The 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, 2019.

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.

There were no changes in benefits, actuarial assumptions or methods for the December 31, 2019 valuation.

As of December 31, 2019, actuarial valuations were made for 908 employer groups. Summary information about the resulting new employer contribution rates is shown in the compiled annual report. Results of the 2019 actuarial valuations indicate that aggregate actuarial accrued liabilities are 71% covered by the actuarial value of assets. This is unchanged from last year's result of 71%. The actuarial value of assets is about 97% of the

market value of assets as of December 31, 2019. These results include the 249 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, 2019 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).

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, which gives the Board the authority to adopt the assumptions used in actuarial valuations. The Board has committed to an ongoing review of the actuarial assumptions. In our opinion, the demographic assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable. **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)<sup>1</sup>.**

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 32 years for paid and 26 years for volunteer.

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.

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<sup>1</sup> 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 7.00% would be reasonable. Please see our report dated September 29, 2017 for additional information.

Board of Trustees  
May 11, 2020  
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***On the basis of the December 31, 2019 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 and Casey T. Ahlbrandt-Rains are Members of the American Academy of Actuaries (MAAA) and meet 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



Casey T. Ahlbrandt-Rains, ASA, MAAA

DLH/HGB/CAR:dj

# 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 \$6.96 effective July 1, 2020 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 \$11.27 effective July 1, 2020 and is assumed to increase at the assumed rate of price inflation in future years.

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

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

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

**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.

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

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

Paid Police Covered by Social Security	Valuation Groups	Active Members*			% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay		
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
12/31/2019	186	2,332	106,236,865	45,556	2.8	2.3

\* 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*			Inflation Increase % (CPI)	
		Number	Annual Payroll	Average Pay		% Increase
12/31/85	13	214	\$ 3,386,482	\$15,825	6.3 %	3.8 %
12/31/86	13	283	4,798,324	16,955	7.1	1.1
12/31/87	13	321	5,812,570	18,108	6.8	4.4
12/31/88	14	410	7,849,599	19,145	5.7	4.4
12/31/89	14	426	8,769,222	20,585	7.5	4.6
12/31/90	14	539	11,392,678	21,137	2.7	6.1
12/31/91	14	629	13,997,170	22,253	5.3	3.1
12/31/92	14	693	16,891,924	24,375	9.5	2.9
12/31/93	14	735	18,643,459	25,365	4.1	2.7
12/31/94	14	866	22,959,944	26,513	4.5	2.7
12/31/95	14	1,002	27,042,274	26,988	1.8	2.5
12/31/96	14	1,087	31,394,960	28,882	7.0	3.3
12/31/97	14	1,154	35,468,514	30,735	6.4	1.7
12/31/98	14	1,220	39,052,564	32,010	4.1	1.6
12/31/99	14	1,257	42,319,350	33,667	5.2	2.7
12/31/00	15	1,300	45,395,466	34,920	3.7	3.4
12/31/01	15	1,310	47,997,431	36,639	4.9	1.6
12/31/02	14	1,309	51,013,420	38,971	6.4	2.4
12/31/2003	14	1,344	54,363,935	40,449	3.8	1.9
12/31/2004	15	1,369	57,397,946	41,927	3.7	3.3
12/31/2005	15	1,410	60,652,180	43,016	2.6	3.4
12/31/2006	14	1,455	64,982,903	44,662	3.8	2.5
12/31/2007	14	1,479	68,484,220	46,304	3.7	4.1
12/31/2008	14	1,507	72,880,723	48,361	4.4	0.1
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
12/31/2019	14	1,637	97,125,778	59,332	3.0	2.3

\* 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*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
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
12/31/2019	32	165	7,248,722	43,932	2.0	2.3

\* 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*			% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay		
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
12/31/2019	62	2,755	156,614,173	56,847	3.0	2.3

\* 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*			% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay		
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
12/31/2019	294	6,889	367,225,538	53,306	2.7	2.3

\* 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
12/31/2019	119	478			2.3

\* 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
12/31/2019	482	7,055			2.3

\* 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)

	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
Total Volunteer					
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
12/31/2019	601	7,533			2.3

\* 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, 2019  
Attained Age And Years of Service**

Attained Age	Years of Service at Valuation Date							Totals*	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Annual Payroll
Under 20	2							2	\$ 48,731
20-24	363	31						394	14,242,986
25-29	845	234	50					1,129	47,520,969
30-34	474	396	183	76				1,129	53,785,301
35-39	225	245	309	181	106			1,066	56,799,462
40-44	122	138	181	260	187	104		992	58,110,406
45-49	75	70	88	172	294	194	79	972	61,737,331
50-54	34	33	59	68	171	214	88	667	43,606,098
55-59	31	20	44	40	77	127	42	381	22,947,109
60-64	10	14	31	15	15	35	14	134	7,221,257
65-69	2	2		2	3	1	6	16	916,241
70+	3	1		1	1		1	7	289,647
<b>Totals</b>	<b>2,186</b>	<b>1,184</b>	<b>945</b>	<b>815</b>	<b>854</b>	<b>675</b>	<b>230</b>	<b>6,889</b>	<b>\$ 367,225,538</b>

Average Age: 39.0 years

Average Service: 12.3 years

Average Pay: \$53,306

\* Includes DROP participants.

As a comparison, 6,755 paid service members participated in LOPFI on December 31, 2018.

**LOPFI (Excluding Local Plans)  
 Volunteer Service Active Members – December 31, 2019  
 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	77							77
20-24	536	65						601
25-29	482	305	51					838
30-34	402	295	224	68				989
35-39	324	253	196	198	74			1,045
40-44	236	183	147	154	129	76		925
45-49	223	160	129	125	140	127	48	952
50-54	159	136	109	98	97	86	76	761
55-59	131	94	94	111	82	53	65	630
60-64	79	61	51	50	47	28	42	358
65-69	49	42	29	25	23	17	15	200
70+	42	35	23	18	21	7	11	157
<b>Totals</b>	<b>2,740</b>	<b>1,629</b>	<b>1,053</b>	<b>847</b>	<b>613</b>	<b>394</b>	<b>257</b>	<b>7,533</b>

Average Age: 41.6 years

Average Service: 10.5 years

As a comparison, 7,461 volunteer service members participated in LOPFI on December 31, 2018.

**LOPFI**  
**Computed Employer Contributions**  
**For Paid Service Members by Valuation Groups**  
**December 31, 2019**

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	2,332	1	-	-	1	1	1	2	2	9	4	8	157	186
W/O SS	1,637	-	-	-	-	-	2	1	2	1	1	2	5	14
Paid Fire														
W/SS	165	-	-	-	-	-	-	-	-	-	-	-	32	32
W/O SS	2,755	-	-	-	-	-	-	2	3	1	-	5	51	62
December 31, 2019	6,889	1	-	-	1	1	3	5	7	11	5	15	245	294
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, 2019**

<b>Group</b>	<b>Number of Active Members</b>	<b>Number of Employers</b>
Volunteer Police	478	119
Volunteer Fire	7,055	482
December 31, 2019	7,533	601
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)

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Employer	Number of Active Members*	Payroll
Bella Vista Police	34	\$ 2,046,730
Bella Vista Fire	61	3,206,745
Fayetteville Police	130	7,899,377
Fayetteville Fire	121	8,229,330
Hot Springs Police	103	5,884,997
Hot Springs Fire	89	4,533,705
Marion Police	31	1,230,393
Sparkman Police	1	24,911
<b>Total Benefit Program 2</b>	<b>570</b>	<b>\$ 33,056,188</b>

\* Includes DROP participants, if any.

## Benefit Program 4 Employers (Included in Volunteer Service Schedules)

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Employer	Number of Active Members
Greenwood Volunteer Fire	31
Higginson Volunteer Police	4
Higginson Volunteer Fire	12
Norfolk Volunteer Police	1
<b>Total Benefit Program 4</b>	<b>48</b>

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

Year Ended December 31:	2015	2016	2017	2018	2019
A. Funding Value Beginning of Year	\$1,554,175,988	\$1,702,593,072	\$1,857,485,451	\$2,066,004,218	\$2,235,288,171
B. Market Value End of Year	1,646,678,312	1,770,838,998	2,074,618,439	2,079,853,157	2,474,511,579
C. Market Value Beginning of Year	1,610,091,699	1,646,678,312	1,770,838,998	2,074,618,439	2,079,853,157
D. Non-Investment Net Cash Flow	37,416,976	28,455,864	53,667,520	69,683,253	7,267,608
E. Investment Income					
E1. Market Total: B - C - D	(830,363)	95,704,822	250,111,921	(64,448,535)	387,390,814
E1(a). Assumed Rate of Return	8.00%	7.75%	7.75%	7.50%	7.50%
E2. Amount for Immediate Recognition	125,830,748	133,053,628	146,034,739	157,563,438	167,919,148
E3. Amount for Phased-In Recognition E1-E2	(126,661,111)	(37,348,806)	104,077,182	(222,011,973)	219,471,666
F. Phased-In Recognition of Investment Income					
F1. Current Year: 0.20 x E3	(25,332,222)	(7,469,761)	20,815,436	(44,402,395)	43,894,333
F2. First Prior Year	(1,573,797)	(25,332,222)	(7,469,761)	20,815,436	(44,402,395)
F3. Second Prior Year	22,376,852	(1,573,797)	(25,332,222)	(7,469,761)	20,815,436
F4. Third Prior Year	5,381,814	22,376,852	(1,573,797)	(25,332,222)	(7,469,761)
F5. Fourth Prior Year	<u>(15,683,287)</u>	<u>5,381,815</u>	<u>22,376,852</u>	<u>(1,573,796)</u>	<u>(25,332,223)</u>
F6. Total Recognized Investment Gain	(14,830,640)	(6,617,113)	8,816,508	(57,962,738)	(12,494,610)
G. Funding Value End of Year: A + D + E2 + F6	1,702,593,072	1,857,485,451	2,066,004,218	2,235,288,171	2,397,980,317
120% Corridor	1,976,013,974	2,125,006,798	2,489,542,127	2,495,823,788	2,969,413,895
80% Corridor	1,317,342,650	1,416,671,198	1,659,694,751	1,663,882,526	1,979,609,263
Funding Value End of Year	1,702,593,072	1,857,485,451	2,066,004,218	2,235,288,171	2,397,980,317
H. Difference between Market & Funding Value	(55,914,760)	(86,646,453)	8,614,221	(155,435,014)	76,531,262
I. Recognized Rate of Return	7.06%	7.36%	8.22%	4.74%	6.94%
J. Market Rate of Return	(0.05%)	5.76%	13.91%	(3.06%)	18.59%
K. Ratio of Funding Value to Market Value	103.40%	104.89%	99.58%	107.47%	96.91%

**LOPFI**  
**Reported Accrued Assets Available for Benefits**  
**December 31, 2019**

<u>Group Type</u>	<u>No. #</u>	<u>Employer Accumulation Account</u>	<u>Members' Deposit Account</u>	<u>Retirement Reserve Account &amp;</u>	<u>Total @</u>
Paid Police W/SS	186	139,500,674	19,909,817	-	159,410,491
Paid Police W/O SS	14	222,393,007	86,370,605	-	308,763,612
Paid Fire W/SS	32	9,874,562	2,450,485	-	12,325,047
Paid Fire W/O SS	<u>62</u>	<u>432,541,850</u>	<u>136,065,689</u>	-	<u>568,607,539</u>
Subtotal	294	804,310,093	244,796,596	-	1,049,106,689
Volunteer Police and Fire	601	50,062,572	-	-	50,062,572
Retirants and Beneficiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,106,947,258</u>	<u>1,106,947,258</u>
Total	895	854,372,665	244,796,596	1,106,947,258	2,206,116,519

**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, 2019. Totals include accounts for employers with no active participants as of December 31, 2019.*

@ Does not include assets of \$268,395,062 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%
12/31/2019	2,397,980,317	3,365,160,599	967,180,282	71%	367,406,964	263%

+ 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
12/31/2007	261	5,603	790,780,919	740,968,085	94	15.16	30.0
12/31/2008 #+	258	5,640	941,808,816	778,148,309	83	15.30	30.0
12/31/2009	269	5,907	1,089,212,977	765,350,382	70	17.25	30.0
12/31/2010	274	5,949	1,188,842,953	840,895,829	71	17.03	30.0
12/31/2011	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	2,477,962,759	1,890,785,753	76	22.84	16.1
12/31/2019	294	6,889	2,688,706,314	2,046,963,145	76	23.17	16.5

\* 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**

<b>Valuation Date</b>	<b>Valuation Groups</b>	<b>Active Members</b>	<b>Actuarial Accrued Liabilities</b>	<b>Actuarial Valuation Assets</b>	<b>Assets/Liabilities*</b>	<b>Average Contribution Rate</b>	<b>Amortization Period</b>
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
12/31/2007	461	6,620	47,026,093	26,468,537	56	39.15	30.0
12/31/2008 #	457	6,603	53,074,090	24,187,269	46	46.14	30.0
12/31/2009	468	6,551	58,959,579	27,103,260	46	49.15	29.0
12/31/2010	485	6,734	64,586,619	32,173,609	50	49.62	28.0
12/31/2011	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
12/31/2019	601	7,533	126,633,600	91,327,397	72	59.00	16.5

\* 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
12/31/2007	722	12,223	837,807,012	767,436,622	92
12/31/2008 #+	715	12,243	994,882,906	802,335,578	81
12/31/2009	737	12,458	1,148,172,556	792,453,642	69
12/31/2010	759	12,683	1,253,429,572	873,069,438	70
12/31/2011	787	13,050	1,379,015,055	964,990,383	70
12/31/2012 #+	783	13,168	1,512,835,474	1,073,597,189	71
12/31/2013	806	13,385	1,676,650,958	1,237,759,781	74
12/31/2014	830	13,670	1,824,752,769	1,393,049,530	76
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	2,596,941,358	1,974,149,901	76
12/31/2019	895	14,422	2,815,339,914	2,138,290,542	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 December 31	Actuarial Accrued Liabilities for				Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)			(1)	(2)	(3)
						%	%	%
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	
2019	244,796,596	1,022,434,924	1,421,474,794	2,046,963,145	100	100	55	

### Local Paid Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)			(1)	(2)	(3)
						%	%	%
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	-	
2019	1,061,086	503,135,342	22,195,366	242,430,841	100	48	-	

### LOPFI Volunteer Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)			(1)	(2)	(3)
						%	%	%
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	
2019	-	44,341,829	82,291,771	91,327,397	-	100	57	

### Local Volunteer Service

Valuation Date December 31	Actuarial Accrued Liabilities for				Actuarial Value of Assets	Portion of Present Values Covered by Assets		
	Member Contributions (1)	Current Retirees and Beneficiaries (2)	Active and Inactive Members, Employer Financed Portion (3)			(1)	(2)	(3)
						%	%	%
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	-	
2019	4,190	23,272,798	151,903	17,258,934	100	74	-	

\* After legislated benefit changes for LOPFI members

+ After changes in actuarial assumptions



***Derivation of Actuarial Gain (Loss)  
Year Ended December 31, 2019  
(LOPFI and Local Plans Combined)***

(1)	UAAL* at start of year	\$	919,595,625
(2)	Employer normal cost from last valuation		33,362,822
(3)	Actual employer contributions		113,692,346
(4)	Interest accrual: (1) x .075 + [(2)-(3)] x (.075/2)		65,957,315
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)		905,223,416
(6)	Change from benefit changes*		3,241,698
(7)	Change from revised actuarial assumptions		-
(8)	Expected UAAL after changes		908,465,114
(9)	Actual UAAL at end of year		967,180,282
(10)	Gain (loss) (8) - (9)		(58,715,168)
(11)	Gain (loss) as percent of actuarial accrued liabilities at start of year	\$3,154,883,796	(1.9)%

<b>Valuation Date December 31</b>	<b>Actuarial Gain (Loss) as a Percentage of Beginning Accrued Liabilities</b>
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)
2019	(1.9)

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

**Arkansas LOcal Police and Fire Retirement System**  
**Brief Summary as of December 31, 2019 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 2019 was \$1,448.

***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<sup>(1)</sup>)

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI BENEFIT <sup>(2)</sup>	
	\$	% of FAP
<u>32 Years of Service <sup>(3)</sup></u>		
\$ 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 <sup>(3)</sup></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 <sup>(3)</sup></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 <sup>(5)</sup>*

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

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

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI Benefit <sup>(3)</sup>		Estimated Social Security <sup>(2)</sup>	Estimated Monthly Total		Percent of FAP	
	To SSRA	At SSRA <sup>(6)</sup>		To SSRA	At SSRA	To SSRA	At SSRA
<b>32 Years of Service <sup>(4)</sup></b>							
\$2,400	\$ 2,258	\$ 2,063	\$ 1,217	\$ 2,258	\$ 3,280	94 %	133 %
3,000	2,822	2,577	1,388	2,822	3,965	94	129
3,600	3,387	3,094	1,562	3,387	4,656	94	126
4,200	3,951	3,609	1,734	3,951	5,343	94	124
4,800	4,516	4,125	1,902	4,516	6,027	94	123
<b>28 Years of Service <sup>(4)</sup></b>							
\$2,400	\$ 1,976	\$ 1,805	\$ 1,217	\$ 1,976	\$ 3,022	82 %	123 %
3,000	2,470	2,256	1,388	2,470	3,644	82	119
3,600	2,964	2,708	1,562	2,964	4,270	82	116
4,200	3,457	3,157	1,734	3,457	4,891	82	114
4,800	3,951	3,609	1,902	3,951	5,511	82	112
<b>20 Years of Service <sup>(4)</sup></b>							
\$2,400	\$ 1,411	\$ 1,289	\$ 1,217	\$ 1,411	\$ 2,506	59 %	102 %
3,000	1,764	1,611	1,388	1,764	2,999	59	98
3,600	2,117	1,934	1,562	2,117	3,496	59	95
4,200	2,470	2,256	1,734	2,470	3,990	59	93
4,800	2,822	2,577	1,902	2,822	4,479	59	91

- (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 2020 Social Security estimates for a participant who retired in 2010 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 <sup>(5)</sup>*

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

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

Final Average Pay (FAP) <sup>(1)</sup>	LOPFI Benefit <sup>(3)</sup>		Estimated Social Security <sup>(2)</sup>	Estimated Monthly Total		Percent of FAP	
	To SSRA	At SSRA <sup>(6)</sup>		To SSRA	At SSRA	To SSRA	At SSRA <sup>(7)</sup>
<u>32 Years of Service <sup>(4)</sup></u>							
\$2,400	\$ 2,258	\$ 2,063	\$ 1,683	\$ 2,258	\$ 3,746	94 %	119 %
3,000	2,822	2,577	1,909	2,822	4,486	94	114
3,600	3,387	3,094	2,133	3,387	5,227	94	111
4,200	3,951	3,609	2,357	3,951	5,966	94	108
4,800	4,516	4,125	2,583	4,516	6,708	94	107
<u>28 Years of Service <sup>(4)</sup></u>							
\$2,400	\$ 1,976	\$ 1,805	\$ 1,683	\$ 1,976	\$ 3,488	82 %	111 %
3,000	2,470	2,256	1,909	2,470	4,165	82	106
3,600	2,964	2,708	2,133	2,964	4,841	82	102
4,200	3,457	3,157	2,357	3,457	5,514	82	100
4,800	3,951	3,609	2,583	3,951	6,192	82	98
<u>20 Years of Service <sup>(4)</sup></u>							
\$2,400	\$ 1,411	\$ 1,289	\$ 1,683	\$ 1,411	\$ 2,972	59 %	94 %
3,000	1,764	1,611	1,909	1,764	3,520	59	89
3,600	2,117	1,934	2,133	2,117	4,067	59	86
4,200	2,470	2,256	2,357	2,470	4,613	59	84
4,800	2,822	2,577	2,583	2,822	5,160	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 2030 Social Security estimates for a participant who retires in 2020 at age 56.
- (6) Amounts at Social Security Retirement Age are adjusted for post-retirement increases of 3% annually from retirement to SSRA. Amounts at Social Security Retirement Age are benefits at commencement.
- (7) Amounts at Social Security Retirement Age are discounted by price inflation annually from SSRA to the retirement date and then displayed as a percent of FAP.

**Arkansas Local Police and Fire Retirement System  
Brief Summary as of December 31, 2019 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, 2019 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 2019 was \$1,448.

***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, 2019 valuations was \$6.96 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, 2019 valuations was \$11.27 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 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.



**Illustration of Computed Employer Contributions**  
**16.5-Year Closed Amortization Period**  
**LOPFI Paid Service**  
*(Based on Projected Future Payroll)*

<b>Year Ended December 31,</b>	<b>Illustrative Payroll</b>	<b>Normal Cost</b>	<b>Payment for Amortization of UAL</b>	<b>Computed Employer Rate</b>	<b>Annual Employer Dollar Contribution</b>
2019	\$ 100,000	8.91%	14.26%	23.17%	\$ 23,170
2020	103,250	8.91%	14.26%	23.17%	23,923
2021	106,606	8.91%	14.26%	23.17%	24,701
2022	110,070	8.91%	14.26%	23.17%	25,503
2023	113,648	8.91%	14.26%	23.17%	26,332
2024	117,341	8.91%	14.26%	23.17%	27,188
2025	121,155	8.91%	14.26%	23.17%	28,072
2026	125,092	8.91%	14.26%	23.17%	28,984
2027	129,158	8.91%	14.26%	23.17%	29,926
2028	133,355	8.91%	14.26%	23.17%	30,898
2029	137,689	8.91%	14.26%	23.17%	31,903
2030	142,164	8.91%	14.26%	23.17%	32,939
2031	146,785	8.91%	14.26%	23.17%	34,010
2032	151,555	8.91%	14.26%	23.17%	35,115
2033	156,481	8.91%	14.26%	23.17%	36,257
2034	161,566	8.91%	14.26%	23.17%	37,435
2035	166,817	8.91%	14.26%	23.17%	38,652
2036	172,239	8.91%	14.26%	23.17%	39,908
2037	177,837	8.91%	14.26%	23.17%	41,205
2038	183,616	8.91%	0.00%	8.91%	16,360
2039	189,584	8.91%	0.00%	8.91%	16,892
2040	195,745	8.91%	0.00%	8.91%	17,441
2041	202,107	8.91%	0.00%	8.91%	18,008
2042	208,675	8.91%	0.00%	8.91%	18,593
2043	215,457	8.91%	0.00%	8.91%	19,197
2044	222,460	8.91%	0.00%	8.91%	19,821
2045	229,690	8.91%	0.00%	8.91%	20,465
2046	237,155	8.91%	0.00%	8.91%	21,130
2047	244,862	8.91%	0.00%	8.91%	21,817

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**  
**16.5-Year Closed Amortization Period**  
**LOPFI Benefit Program 3 Volunteer Service**  
*(Based on Projected Benefit Factors)*

<b>Year Ended December 31,</b>	<b>Basic Benefit Factor@</b>	<b>Illustrative Monthly Active Member Count</b>	<b>Normal Cost</b>	<b>Payment for Amortization of UAL</b>	<b>Computed Monthly Employer Rate</b>	<b>Annual Employer Dollar Contribution</b>
2019	\$ 6.96	10	\$ 24.39	\$ 34.61	\$ 59.00	\$ 7,080
2020	7.13	10	25.00	34.61	59.61	7,153
2021	7.31	10	25.63	34.61	60.24	7,229
2022	7.49	10	26.27	34.61	60.88	7,306
2023	7.68	10	26.93	34.61	61.54	7,385
2024	7.87	10	27.60	34.61	62.21	7,465
2025	8.07	10	28.29	34.61	62.90	7,548
2026	8.27	10	29.00	34.61	63.61	7,633
2027	8.48	10	29.73	34.61	64.34	7,721
2028	8.69	10	30.47	34.61	65.08	7,810
2029	8.91	10	31.23	34.61	65.84	7,901
2030	9.13	10	32.01	34.61	66.62	7,994
2031	9.36	10	32.81	34.61	67.42	8,090
2032	9.59	10	33.63	34.61	68.24	8,189
2033	9.83	10	34.47	34.61	69.08	8,290
2034	10.08	10	35.33	34.61	69.94	8,393
2035	10.33	10	36.21	34.61	70.82	8,498
2036	10.59	10	37.12	34.61	71.73	8,608
2037	10.85	10	38.05	34.61	72.66	8,719
2038	11.12	10	39.00	0.00	39.00	4,680
2039	11.40	10	39.98	0.00	39.98	4,798
2040	11.69	10	40.98	0.00	40.98	4,918
2041	11.98	10	42.00	0.00	42.00	5,040
2042	12.28	10	43.05	0.00	43.05	5,166
2043	12.59	10	44.13	0.00	44.13	5,296
2044	12.90	10	45.23	0.00	45.23	5,428
2045	13.22	10	46.36	0.00	46.36	5,563

@ 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 \$6.96 effective July 1, 2020. 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 Health Annuitant**  
**Generational Mortality Tables**  
**and 7.50% Interest**  
*(First Used for December 31, 2017 Valuations)*

Attained Ages	Next Year*		\$1.00 Monthly for Life		2019		2024		2029	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
35	0.172%	0.136%	\$ 154.40	\$ 156.88	46.44	50.12	47.00	50.63	47.56	51.15
40	0.253%	0.207%	150.68	154.04	41.34	45.00	41.88	45.50	42.42	46.01
45	0.361%	0.262%	145.96	150.44	36.39	40.00	36.91	40.49	37.43	40.98
50	0.529%	0.332%	139.98	145.59	31.59	35.06	32.10	35.54	32.60	36.01
55	0.761%	0.465%	132.60	139.08	27.00	30.21	27.48	30.67	27.96	31.13
60	1.069%	0.697%	123.50	130.81	22.62	25.54	23.07	25.97	23.51	26.40
65	1.541%	1.041%	112.48	120.62	18.50	21.12	18.89	21.50	19.29	21.90
70	2.296%	1.607%	99.36	108.10	14.67	16.94	15.00	17.29	15.36	17.65
75	3.643%	2.619%	84.10	93.15	11.17	13.08	11.46	13.40	11.76	13.72
80	6.127%	4.474%	67.38	76.34	8.08	9.64	8.34	9.92	8.59	10.19

\* 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	54	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**

<b>Retirement Ages</b>	<b>Percents of Active Members Retiring within Next Year</b>	
	<b>Early</b>	<b>Normal</b>
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**

Ages	Service	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)*

<b>Pay Increase Assumptions for an Individual Member</b>			
<b>Service Years</b>	<b>Merit and Seniority</b>	<b>Base (Economic)</b>	<b>Increase Next Year</b>
1	15.00%	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 2019 to 2028 were based on capital market assumptions collected from fourteen national investment consultants. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2019, 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	30%	1.3%	0.40%
Domestic Equity	42%	5.4%	2.27%
Foreign Equity	18%	7.8%	1.40%
Alternative Investments	10%	6.7%	0.67%
<b>Total</b>	<b>100%</b>		<b>4.74%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>6.99%</b>

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, 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)
December 31, 2019	Retirement	380	11,370,675	30	468,181	3,325	84,344,034	14.85	25,367	2.76
	Survivor of active	20	129,798	3	21,662	125	991,642	12.24	7,933	(3.03)
	Survivor of retired	9	229,694	3	35,039	103	1,301,885	17.58	12,640	10.73

\* 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, 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	0	-	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
December 31, 2019	Retirement	337	426,392	61	78,585	2,844	3,430,091	11.28	1,206	0.50
	Survivor of active	30	9,012	10	1,817	188	71,884	11.12	382	(0.78)
	Survivor of retired	31	33,191	25	33,785	158	164,697	(0.36)	1,042	(4.14)

*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, 2010	Retirement	118	\$ 2,666,918	28	\$ 406,946	888	\$ 18,817,741	13.65	\$ 21,191	2.13
	Survivor of active	0	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	0	0	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	-	-	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
December 31, 2019	Retirement	22	925,524	51	1,137,359	1,418	39,078,308	(0.54)	27,559	1.50
	Survivor of active	0	2,742	2	37,378	25	438,190	(7.33)	17,528	0.09
	Survivor of retired	26	682,836	25	456,573	488	10,655,094	2.17	21,834	1.96

\* 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, 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	0.99	1,533	0.99
	Survivor of retired	131	181,383	113	151,528	200	272,279	12.32	1,361	2.18
December 31, 2011	Retirement	21	37,674	25	35,673	655	1,086,448	0.18	1,659	0.79
	Survivor of active	0	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	0	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	0	0	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	1	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	0	0	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
December 31, 2019	Retirement	47	162,997	39	64,014	874	1,760,215	5.96	2,014	5.01
	Survivor of active	1	2,054	2	3,941	16	25,032	(7.01)	1,565	(1.14)
	Survivor of retired	28	70,009	31	53,470	386	705,195	2.40	1,827	3.22



## Statistical Section Summary

### Retirement

Page 122 reflects Demographic Data for active, inactive, vested, retirees and survivors as December 31, 2019. Annualized benefits payable as of December 31, 2019 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, 2019

## Active Paid Members\*

Number.....	6,889
Average Age.....	39.2 years
Average Length of Service.....	12.5 years
Average Annual Salary.....	\$53,306

## Active Volunteer Members

Number.....	7,533
Average Age.....	41.6 years
Average Length of Service.....	10.5 years

## Terminated Vested Members / Other

8,088

## Total Retirees and Survivors

Number.....	6,743*
Average Monthly Benefit.....	\$1,116@

### 2019 Retirees and Survivors

<b>Normal</b>	
Number	5,657*
Average Age	61.6 years
Average Length of Service	14.8 years
Average Monthly Benefit	\$1,063

<b>Duty Related Disability</b>	
Number	379
Average Age	52.6 years
Average Length of Service	10.4 years
Average Monthly Benefit	\$2,821

<b>Survivors (Death in Service)</b>	
Number	313
Average Age	39.6 years
Average Monthly Benefit	\$283

<b>Non-Duty Related Disability</b>	
Number	394
Average Age	52.6 years
Average Length of Service	8.8 years
Average Monthly Benefit	\$895

\* Includes 380 DROP participants

@ Average monthly benefit is \$2,032 and \$96 for paid service members and volunteer service members, respectively.

## LOPFI

### Benefit by Type, Last Ten Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Type of Benefit</b>										
Age and service benefits:										
Retirees	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	109,251,033
Survivors	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	11,329,951
Death in service benefits	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	1,526,748
Disability benefits:										
Retirees - duty	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	14,935,013
Retirees - non-duty	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	4,426,602
Survivors	481,592	572,584	570,491	634,652	853,962	995,993	1,035,582	1,174,363	1,460,161	1,496,920
Total benefits	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	142,966,267
Refunds	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	2,126,021

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	Total Expenses
		Contribution Refunds		Distributions	
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
2019	\$134,889,820	\$2,126,021	\$3,437,233	\$9,542,764	\$149,995,838

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

Year	Member Contributions	Employer Contributions	Local Plan Merger	Investment Income (Loss)	Total Income (Loss)
			/ Military Purchase		
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
2019	\$25,177,228	\$124,205,549	\$4,443,436	\$390,828,049	\$544,654,262

**LOPFI**  
**Changes in Net Position**  
**Last Ten Calendar Years**

Year	Change in Plan Net Position
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
2019	\$ 394,658,424

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
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
2019	\$99,503,016	\$14,608,657	\$19,157,033	\$1,621,114	\$134,889,820

## 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	573	477	3	2	50	15	26	268	103	94	108
501-1,000	334	249	1	2	37	7	38	146	53	83	52
1,001-1,500	218	164	5	8	19	13	9	108	27	42	41
1,501-2,000	213	152	2	19	21	18	1	98	27	51	37
2,001-2,500	218	124	1	66	13	14	-	109	25	53	31
2,501-3,000	175	93	-	55	9	18	-	95	25	36	19
3,001-3,500	159	91	-	42	8	18	-	85	20	40	14
3,501-4,000	134	73	-	31	4	26	-	94	4	23	13
Over \$4,000	227	166	1	20	3	37	-	136	20	49	22
<b>Total</b>	<b>2,251</b>	<b>1,589</b>	<b>13</b>	<b>245</b>	<b>164</b>	<b>166</b>	<b>74</b>	<b>1,139</b>	<b>304</b>	<b>471</b>	<b>337</b>

\* *Type of Retirement*

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

# *Option Selected at Retirement*

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

*Continued on next page*

## 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	116	79	-	-	12	4	21	50	12	40	14
501-1,000	134	95	1	-	10	7	21	74	14	33	13
1,001-1,500	138	85	-	4	18	25	6	76	16	28	18
1,501-2,000	189	124	1	15	7	40	2	108	37	27	17
2,001-2,500	172	96	1	26	14	35	-	97	22	33	20
2,501-3,000	117	57	-	26	4	29	1	74	12	22	9
3,001-3,500	150	83	-	29	8	30	-	88	21	27	14
3,501-4,000	93	60	-	20	1	12	-	45	14	24	10
Over \$4,000	193	146	-	11	4	32	-	98	10	50	35
<b>Total</b>	<b>1,302</b>	<b>825</b>	<b>3</b>	<b>131</b>	<b>78</b>	<b>214</b>	<b>51</b>	<b>710</b>	<b>158</b>	<b>284</b>	<b>150</b>

\* *Type of Retirement*

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

# *Option Selected at Retirement*

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

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## 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	168	148	-	-	14	6	72	25	34	37
51-75	21	21	-	-	-	-	6	4	-	11
76-100	6	6	-	-	-	-	2	3	-	1
101-125	6	6	-	-	-	-	3	2	1	-
126-150	6	6	-	-	-	-	3	-	-	3
151-175	2	2	-	-	-	-	-	-	1	1
176-200	2	2	-	-	-	-	-	2	-	-
201-225	1	1	-	-	-	-	1	-	-	-
Over \$225	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>212</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>6</b>	<b>87</b>	<b>36</b>	<b>36</b>	<b>53</b>

\* *Type of Retirement*

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

# *Option Selected at Retirement*

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

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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	855	638	1	1	80	135	347	130	233	145
51-75	413	364	-	-	17	32	156	71	70	116
76-100	307	276	1	-	16	14	117	64	34	92
101-125	283	265	3	-	14	1	101	65	35	82
126-150	354	337	8	-	9	-	124	91	43	96
151-175	272	267	2	2	1	-	82	70	17	103
176-200	246	245	-	-	1	-	88	68	22	68
201-225	158	158	-	-	-	-	69	15	13	61
Over \$225	90	90	-	-	-	-	38	6	8	38
<b>Total</b>	<b>2,978</b>	<b>2,640</b>	<b>15</b>	<b>3</b>	<b>138</b>	<b>182</b>	<b>1,122</b>	<b>580</b>	<b>475</b>	<b>801</b>

\* *Type of Retirement*

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

# *Option Selected at Retirement*

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

*Continued on next page*

## Schedule of Retirements by Type of Benefit and Department

### LOPFI Paid Police

Retirement Effective Dates January 1, 2010 to December 31, 2019			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/19 - 12/31/19	Average Monthly Benefit	\$ 557	\$ 1,096	\$ 1,755	\$ 2,301	\$ 2,984	\$ 4,057	\$ 3,727	
	Final Average Pay*	\$ 42,278	\$ 42,897	\$ 50,892	\$ 54,578	\$ 59,660	\$ 71,559	\$ 69,429	
	Number of Active Retirees	643	377	390	250	290	278	23	
* Final Average Pay for 291 members was not provided. # Includes 198 members whose service was not provided.									

Continued on next page

# Schedule of Retirements by Type of Benefit and Department

(Continued)

## LOPFI Paid Fire

Retirement Effective Dates January 1, 2010 to December 31, 2019			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/19 - 12/31/19	Average Monthly Benefit	\$ 848	\$ 1,563	\$ 1,775	\$ 2,470	\$ 2,868	\$ 3,806	\$ 4,005	
	Final Average Pay*	\$ 50,482	\$ 52,389	\$ 56,789	\$ 59,629	\$ 57,603	\$ 66,660	\$ 79,643	
	Number of Active Retirees	211	141	243	175	196	304	32	
* Final Average Pay for 196 members was not provided. # Includes 112 members whose service was not provided.									

Continued on next page



# Schedule of Retirements by Type of Benefit and Department

(Continued)

## LOPFI Volunteer Police

Retirement Effective Dates January 1, 2010 to December 31, 2019			Service at Retirement						
			0-4	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/19 - 12/31/19	Average Monthly Benefit	\$ 13	\$ 47	\$ 80	\$ 125	\$ 158	\$ 205	\$ 134	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	147	42	9	8	3	2	1	
# Includes 19 members whose service was not provided.									

Continued on next page

## Schedule of Retirements by Type of Benefit and Department

(Continued)

### LOPFI Volunteer Fire

Retirement Effective Dates January 1, 2010 to December 31, 2019			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/19 - 12/31/19	Average Monthly Benefit	\$ 34	\$ 50	\$ 82	\$ 119	\$ 145	\$ 186	\$ 220	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	765	489	375	289	506	356	198	
# Includes 344 members whose service was not provided.									

Continued on next page

# Schedule of Retirements by Type of Benefit and Department

(Continued)

## Local Plan

## Paid Police

Retirement Effective Dates January 1, 2010 to December 31, 2019			Service at Retirement							
			0-4#	5-9	10-14	15-19	20-24	25-29	30+	
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.							
01/01/19	-	12/31/19	Average Monthly Benefit	\$ 2,025	\$ 1,864	\$ 1,770	\$ 2,120	\$ 2,099	\$ 2,395	\$ 2,204
			Final Average Pay	\$ 58,156	\$ 17,949	\$ 27,104	\$ 37,006	\$ 42,012	\$ 40,763	\$ 48,492
			Number of Active Retirees	611	4	6	19	108	86	56
			* Final Average Pay for 744 members was not provided.							
			# Includes 611 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 January 1, 2010 to December 31, 2019			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/19 - 12/31/19	Average Monthly Benefit	\$ 2,225	\$ 2,162	\$ 1,594	\$ 1,826	\$ 1,878	\$ 2,294	\$ 2,593	
	Final Average Pay	\$ 37,718	\$ 38,605	\$ 28,248	\$ 28,915	\$ 35,067	\$ 39,780	\$ 46,247	
	Number of Active Retirees	717	2	4	13	85	102	118	
* Final Average Pay for 798 members was not provided. # Includes 713 members whose service was not provided.									

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## Schedule of Retirements by Type of Benefit and Department

(Concluded)

### Local Plan Volunteer Fire

Retirement Effective Dates January 1, 2010 to December 31, 2019			Service at Retirement					
			0-4#	5-9	10-14	15-19	20-24	25-29
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.							
01/01/19 - 12/31/19	Average Monthly Benefit	\$ 163	\$ 210	\$ 125	\$ 114	\$ 164	\$ 160	\$ 163
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees	924	5	2	14	89	131	111
	# Includes 922 members whose service was not provided.							

## LOPFI Top Ten Participating Employers

	2019		2018		2017		2016		2015		2014		2013		2012		2011		2010	
	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 Fire	121	1.8%	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%
Fayetteville Police	130	1.9%	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%
Fort Smith Fire	161	2.3%	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%
Jonesboro Police	159	2.3%	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%
Little Rock Fire	411	6.0%	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%
Little Rock Police	571	8.3%	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%
North Little Rock Fire	155	2.2%	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%
North Little Rock Police	176	2.6%	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%
Springdale Fire	124	1.8%	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%
Springdale Police	146	2.1%	143	2.1%	145	2.2%	139	2.1%	140	2.2%	130	2.1%	123	2.0%	122	2.0%	119	2.0%	116	1.9%

  
 **LOPFI**ARKANSAS LOCAL POLICE AND FIRE  
RETIREMENT SYSTEM **POLICE**

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## LOPFI STAFF

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Please visit our website at [www.lopfi-prb.com](http://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!