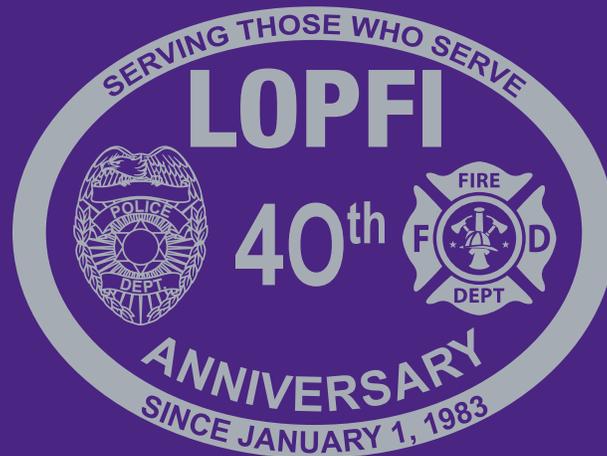


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Arkansas Local Police and Fire Retirement System

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# LOPFI



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended  
December 31, 2022  
and December 31, 2021



Fortieth  
Annual Comprehensive  
Financial Report  
Fiscal Years Ended  
December 31, 2022 and  
December 31, 2021

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

Arkansas Local Police and Fire Retirement System  
David B. Clark, Executive Director  
Jen Sines, Chief Financial Officer

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# Introductory Section

# BOARD OF TRUSTEES



**JOHN NEAL**  
Chairman, Retired Fire Employee Trustee  
*Harrison*  
*Term Expires Dec. 31, 2023*



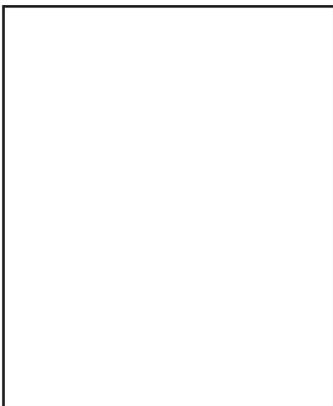
**MAYOR GARY BAXTER**  
Employer Trustee  
*Mulberry*  
*Term Expires Jan. 1, 2026*



**J. SCOTT BAXTER**  
Police Employee Trustee  
*Jonesboro*  
*Term Expires Jan. 1, 2026*



**DAMON REED**  
Fire Employee Trustee  
*Conway*  
*Term Expires Dec. 31, 2023*



**VACANT**  
Employer Trustee



**JACK "TIM" HILL**  
Retired Police Employee Trustee  
*Springdale*  
*Term Expires Dec. 31, 2023*



**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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

# LOPFI

## LOCAL POLICE & FIRE RETIREMENT SYSTEM

620 W. 3rd, Suite 200  
Little Rock, Arkansas 72201-2223  
Telephone: 501.682.1745  
email: [info@lopfi-prb.com](mailto:info@lopfi-prb.com)  
website: [www.lopfi-prb.com](http://www.lopfi-prb.com)

### Letter of Transmittal

June 1, 2023

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

Dear Trustees:

We are proud to present to you the Annual Comprehensive Financial Report (Report) of the Local Police and Fire Retirement System (LOPFI) for the year ended December 31, 2022. This Report celebrates LOPFI's 40<sup>th</sup> year of serving and providing retirement benefits to the covered police officers, firefighters, and their beneficiaries!

LOPFI was created by the Arkansas General Assembly in 1981 as an independent entity to serve as a statewide defined benefit retirement system for police officers and firefighters of political subdivisions in Arkansas. The benefit structure of LOPFI 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 in a manner that conforms with law and Board policy.

### **Accounting, Financial Reporting and Internal Controls**

LOPFI uses an accrual basis of accounting, which recognizes member and employer contributions as additions in the period member services were performed and deductions are recognized when they are incurred. LOPFI's accounting policies have been carefully developed to ensure conformity to generally accepted accounting principles (GAAP) in the United States.

Reporting the system's financial activity in a transparent and understandable manner is a vital responsibility of management. LOPFI's financial statements have been prepared in accordance with GAAP and are presented in a manner that is consistent with components 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)*

The Letter of Transmittal is meant to be examined in conjunction with the MD&A, not to replace the MD&A. The MD&A provides additional details of the basic financial statements from the system's independent auditors, which is located in the Financial Section of the Report. The annual audit is conducted to safeguard proper internal controls so that the financial statements are fairly presented. The auditors have unrestricted access to all records and agency staff, which ensures a scrupulous examination occurs with each audit. LOPFI received an unmodified opinion from its independent auditor regarding its financial statements for the year ended December 31, 2022.

Internal controls are used by the system to help 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 designed to provide a reasonable, not absolute, assertion that the safeguarding of system assets is present and that the financial records used in the preparation of the financial statements and accounting of the assets are valid. The concept behind internal controls recognizes that the cost of a control should not exceed its expected benefit. LOPFI's internal controls are assessed regularly to identify and rectify possible errors before they occur. Management takes internal controls very seriously and believes these internal controls demonstrate that the financial statements, supporting schedules, and statistical tables are reported in an accurate, clear, and concise manner.

### **Funding**

LOPFI recognizes the critical responsibility of protecting the benefits being paid to each retired participant along with the benefits accruing to the active members. As well as investment returns, employer contributions that are approximately level as a percentage of member payroll over decades of time are key aspects of the funding structure for all retirement benefits. Member contributions then fill out the funding framework. 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, 2022, the funded ratio for the entire portfolio decreased from 75% to 73% (includes liabilities for the 245 Local Plans administered by LOPFI) due to the impact of markets in the 2022 year. The funded percentage of the LOPFI-only portion of the portfolio i.e., excluding the Local Plans administered by LOPFI, decreased from 79% to 76%. The amortization schedule for Paid service increased from 15.9 years to 17.8 years. The amortization for Volunteer service increased from 15.2 years to 26.4 years. Both amortization schedules use a closed period, which supports the Board's mission to guide the system back to a fully funded position. In March 2022, the Board adopted a lower assumed rate of return and revised assumptions that recognized mortality improvements based on actuarial guidance. Furthermore, legislation was passed in early 2023 that has a marginal impact on LOPFI's benefit structure. Further details regarding the funded condition of LOPFI can be found in the Actuarial Section of this Report.

## Letter of Transmittal

(Continued)

### **Investment Process and Performance**

The 2022 calendar year saw a -14.90% net return, compared to the system's benchmark of -15.60%. As most people are aware, the rising inflation and aggressive interest rate hikes caused unsteady markets in 2022. While the current net investment return was negative, the results are still ahead of the policy index. This is due to the diligent work of the investment professionals who handle the system's investments at the direction of the Board. At December 31, 2022, the market value was \$2,740,056,933, down from the 2021 record achievement of \$3.230 billion.

LOPFI's investments conform to the Board's investment rule—Board Rule 20. This rule sets out the responsibilities of the Board and its advisors, and the objectives for the system's investments. LOPFI's assumed rate of return is 7.25%, lowered in 2022 from 7.5%. Over the past five years the LOPFI portfolio had a return of 5.57%; for the past 10 years the return was 7.36%; and since inception (the last 40 years) the return was 8.58%. These returns are all net results. Though the outlook for investments in the near future is uncertain and market volatility may continue, the Board has processes in place to blunt those effects. Along with a well-diversified portfolio, the Board employs an investment consultant and investment monitor, both highly experienced in complex investments. Furthermore, the Board reviews the investment reports at least quarterly to ensure compliance with the stated objectives and Board Rule 20. The Board retains the sole authority for how the investment program is administered. The Investment Section of this Report offers more details of the system's investments.

### **COVID-19 Pandemic**

LOPFI management is hopeful that we are well on the other side of the COVID-19 pandemic. The last few years have taught us the importance of being ever vigilant of the safety of those we serve, the Board, and staff. LOPFI operations have resumed as normal for in-person Board/Committee meetings and retirement counseling sessions. We will continue to offer the option to attend meetings or counseling through Zoom, one of the positive changes that has come from the pandemic. Our regional seminars for LOPFI Members and Employers will also resume as normal. We look forward to educating the membership of the available retirement benefits and being able to interact with those we serve! It has been a long road, but we thank you all for your patience during these trying times.

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

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 annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the 20<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

## Letter of Transmittal

*(Concluded)*

an easily readable and efficiently organized annual comprehensive 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 feel that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

This Report was the result of the joint efforts of LOPFI staff and the many professional service providers. Each person who took part in the development of this Report is greatly appreciated. LOPFI ensures this Report is readily available via the system's website. This approach allows parties such as the retirement system members, public, legislature, and participating employers to have easy access to the Report. The Report was assembled in a manner that is intended to be reader-friendly, so that it is a useful resource to those who have an interest in LOPFI.

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

*David B. Clark*  
Executive Director

*Jen Sines*  
Chief Financial Officer

# Administrative Organization

## STAFF

David B. Clark  
*Executive Director*

Jen Sines  
*Chief Financial Officer*

## ACTUARY

*Gabriel, Roeder, Smith and Company  
Heidi Barry and Casey Ahlbrandt-Rains  
Southfield, Michigan*

## DATA PROCESSING

*Tegrit Technologies  
Livonia, Michigan*

## INVESTMENT MONITOR

*AndCo Consulting  
Brendon Vavrica  
Orlando, Florida*

## AUDITOR

*FORVIS, LLP  
Kyle Elmore, CPA  
Little Rock, Arkansas*

## INVESTMENT CONSULTANT

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

## LEGAL COUNSEL

*Richard L. Ramsay  
Little Rock, Arkansas*

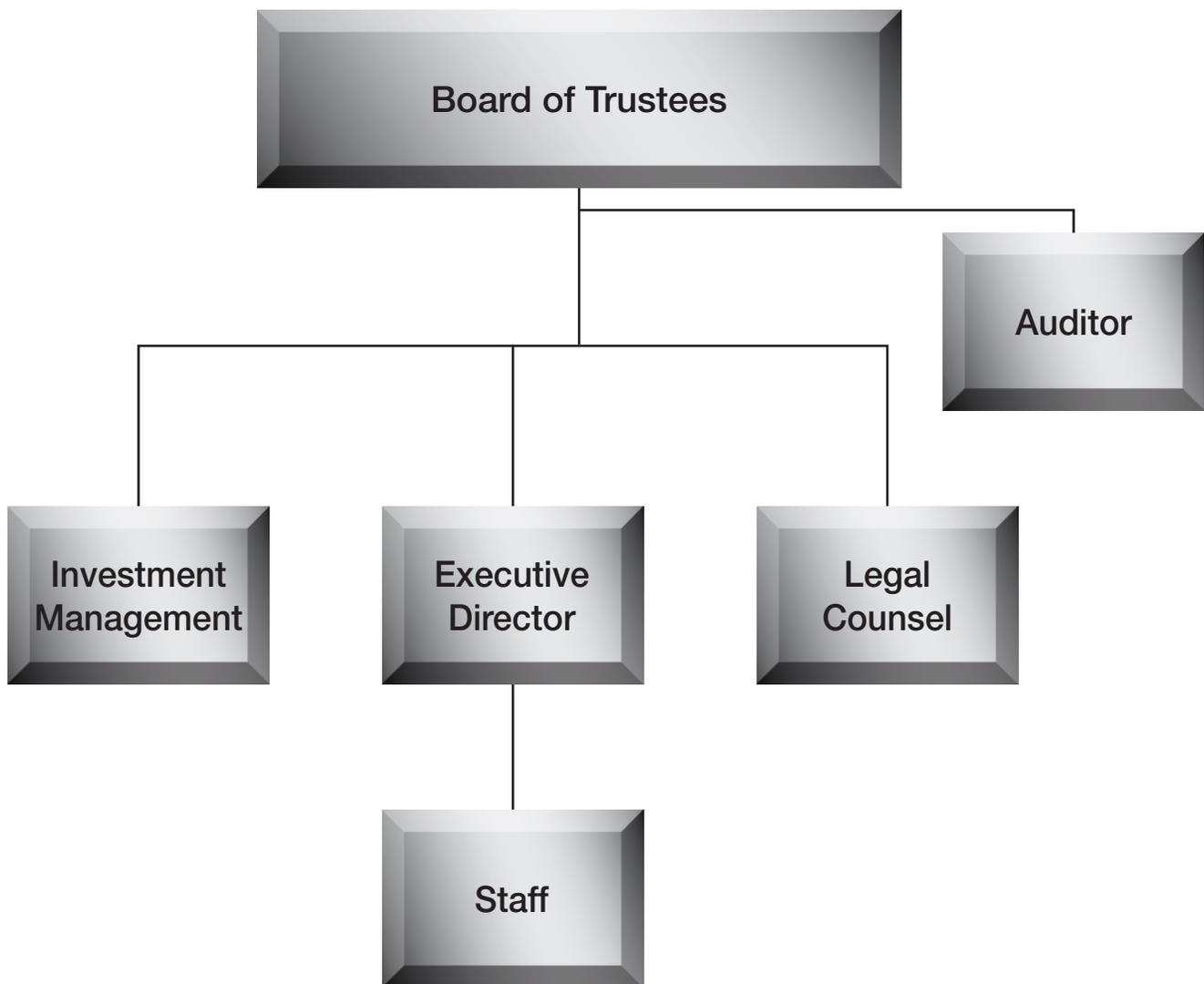
## INVESTMENT MANAGEMENT

- *Alternative Investment Management (AIM)  
New York, New York*
- *Barrow, Hanley, Mewhinney & Strauss  
Dallas, Texas*
- *Candlewood Credit Value Fund  
New York, New York*
- *Citigroup Private Equity  
New York, New York*
- *Congress Asset Management  
Boston, Massachusetts*
- *Dodge & Cox  
Braintree, Massachusetts*
- *DoubleLine Funds  
Los Angeles, California*
- *Garcia, Hamilton & Associates  
Houston, Texas*
- *Goldentree Select Offshore Fund, LTD  
New York, New York*
- *Goldman Sachs  
New York, New York*
- *HPS Specialty Loan Fund V, L.P.  
George Town, Grand Cayman*
- *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*
- *Neuberger Berman  
(Private Equity & Private Debt)  
Dallas, Texas*
- *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*
- *Silver Lake Partners VII, 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*
- *WP Global Partners LLC  
Chicago, Illinois*

*Detailed information regarding investment fees and commissions can be found in the Investment Section on pages 62-63.*

# 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

$\$7.61 \text{ per month} \times \text{Years of Service}$

(The \$7.61 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. Benefits with an effective date prior to April 1, 2021, the benefit shall either be equal to 65% of FAP or equal to the annuity paid to retirants for each year of paid service resulting from employment as provided for in ACA 24-10-602, whichever is greater. Benefits with an effective date on/after April 1, 2021, a member shall have his/her duty disability designated as Catastrophic Duty (benefit calculated as greater of 28 year of paid service or actual service credit), Hazardous Duty (benefit calculated as greater of 65% of FAP or actual service credit), or Ordinary Duty (Benefit calculated as greater of 15% of FAP or actual service).

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

A paid member with five (5) years of credited service, unless hired on or after July 1, 2013, which means the member must have ten (10) years of actual LOPFI credited service who becomes totally and permanently disabled from causes other than duty-related receives a non-duty benefit computed in the same manner as an age and service benefit, but based upon actual service and FAP at time of disability.

### **SURVIVOR BENEFIT**

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

### **POST RETIREMENT ADJUSTMENT**

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

### **OPTIONAL FORMS OF PAYMENT**

When a LOPFI member makes application for retirement, benefits may be calculated in four (4) optional forms and the member selects the one that best fits his/her retirement needs. Once the member's first benefit payment becomes payable the option is irrevocable, except with a life changing event. The options are:

Option A60: Under Option A60 a retirant receives an annuity for life, with the added provision that if he/she dies before being paid a total of 60 monthly payments, the same amount will be continued to his/her designated eligible beneficiary until a total of 60 monthly payments have been made. Option A60 pays an amount equal to 100% of the life benefit.

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

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

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

### **DEFERRED RETIREMENT OPTION PLAN**

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

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

When a paid member elects to enter DROP, their future monthly retirement benefit is calculated as though the member

was leaving employment at the time of entry into DROP and means no further paid or volunteer service credit accrual, for retirement benefit purposes, will occur. For members who have at least 28 years of service before electing to participate in DROP, 75% of the member's monthly benefit is placed into the member's DROP account. Members who have at least 20 years of service, but less than 28 years of service, and are at least age 55 before electing to participate in DROP, 72% of the member's monthly benefit is placed into the member's DROP account. The member's DROP account balance earns 6% annual interest and is awarded based on the average balance in the member's DROP account. During DROP the member contributions and employer contributions shall continue and are credited to the retirement system.

The member may remain in DROP up to a maximum of seven (7) years. DROP participants will begin receiving a 3% compound cost of living adjustment (COLA) to their future monthly retirement benefit in July once they reach year six (6) in DROP. At the conclusion of DROP, the member shall terminate employment and begin receiving the full monthly retirement benefit calculated at the time they entered DROP including the benefit attributable to any LOPFI volunteer service credit accrual prior to enrollment in DROP, plus any applicable COLA. At the option of the member, the DROP account balance can be rolled into an investment vehicle, received either as a lump-sum payment equal to the payments into their DROP account, as a monthly annuity that is the actuarial equivalent of the lump-sum to be paid in the form of the benefit option elected at the time of enrollment in DROP, which is also effective with the first retirement benefit payment, or leave their DROP balance, or a portion of, on account with LOPFI. Any portion of the DROP balance left on account will accrue 2% interest. Members may also elect a combination of the four options.

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

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

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

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

A member who elects to participate in this PALS option shall be eligible to receive, at the time of retirement, a lump-sum distribution in an amount not exceeding one (1) month of benefit for each completed month of service beyond eligibility for an unreduced retirement benefit. The lump-sum shall not exceed an amount equal to 60 months of retirement benefits.

If a member elects to participate in the PALS option, the member's retirement benefit shall be reduced by an amount that is the actuarial equivalent of the withdrawn amount.

#### **MEMBER CONTRIBUTIONS**

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

- (1) Paid service not covered by Social Security: 8.5% of pay.
- (2) Paid service also covered by Social Security: 2.5% of pay.
- (3) Paid service under Benefit Program 2: 8.5% of pay.
- (4) Volunteer service: No contribution.

#### **EMPLOYER CONTRIBUTIONS**

LOPFI requires that each employer make the actuarially required contribution in order to finance the benefits that political subdivisions have promised their employees. The actuary adjusts the rates annually to reflect each employer's experience.

# Summary of Plan Provisions

## For Local Fire and Police Pension and Relief Funds Under LOPFI Administration

### HISTORY

Legislative action dating back to 1921 and 1937 provided cities and towns with the option to establish retirement and relief fund programs (Local Plans) for firefighters and police officers, respectively. However, such authority was cancelled with the effective date of LOPFI, July 1981. Therefore, all Local Plans were established prior to this date.

### ADMINISTRATION

By voluntary mutual agreement, the City's governing body may enter into a management agreement for the administration of a Local Plan with the LOPFI Board of Trustees. Under the arrangement coverage provided by LOPFI is administrative only and does not change the benefit structure of the Local Plan.

### PARTICIPANTS

Under the Local Plans, membership is extended to certified uniformed personnel of police and fire departments in cities and towns with established plans.

### CREDITED SERVICE

Credited service is the combination of an employee's years of covered employment in paid and/or volunteer service. For police members and paid fire members, only service credit that is accrued under one employer is counted. However, volunteer fire members may combine service of five-year increments or more from other employers for retirement.

### MEMBER CONTRIBUTIONS

Paid members contribute 6% of salary if they do not participate in social security. For members participating in social security, the required contribution is 4% of salary. Volunteer members contribute \$12 per year.

### NORMAL RETIREMENT

A member may retire with 20 years of service regardless of age.

### SERVICE BENEFIT

#### Paid Members

Annual benefits equal to 50% of final pay attached to rank for firefighters and 50% of the highest salary for police officers. The minimum benefit is \$4,200 per year. If more than 20 years of service credit is accrued, \$240 annually is granted for each additional year of service credit, up to \$1,200 for 25 years of service. For retirants who accrue more than 25 years of service prior to the enrollment in their Local Plan's deferred retirement option plan (DROP), if applicable, and are age 60, an additional benefit of 1.25% of final pay is payable for each year over 25 years of service to a maximum of 100% of final pay or salary.

#### Volunteer Members

The minimum annual benefit is \$1,200 per year. An additional benefit of \$120 annual for each additional year of service over 20 years is granted up to a maximum amount of \$1,800 annually for 25 years of service or more.

### DISABILITY RETIREMENT

Members with a total and permanent physical or mental disability resulting from a duty related injury are granted 65% of final pay attached to rank for firefighters and 65% of highest salary for police officers. Members found to be suffering with a non-duty disability are granted 50% of final pay or highest compensation.

Volunteer members receive a disability benefit that equals the same as a regular retirement benefit. The minimum benefit is \$100 per month.

### SURVIVOR BENEFITS

A widow receives the same amount the member was receiving or eligible for, excluding the 1.25% additional formula for service over 25 years. Surviving children may receive \$1,500 annually up to age 19 for fire, up to age 18 for police or until marriage if occurs before the age limit. The age limit may be extended to age 23 if attending college.

The spouse of a volunteer member receives the benefit the member received or would have received. Surviving children may receive \$300 annually up to age 19 or marriage, whichever occurs first.



# Financial Section



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## Independent Auditor's Report

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

### **Opinion**

We have audited the accompanying financial statements of the Arkansas Local Police and Fire Retirement System (the System) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Arkansas Local Police and Fire Retirement System as of December 31, 2022 and 2021, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 audit 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The schedule of administrative expenses and the schedule of investment expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, investment, actuarial and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**FORVIS,LLP**

Little Rock, Arkansas  
April 14, 2023

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2022 and 2021

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, 2022 and 2021. 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, deferred inflows of resources 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 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 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 2022 and 2021.

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2022 and 2021

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

	2022	2021	2020	2022 Percentage Change	2021 Percentage Change
Cash and cash equivalents	\$ 149,370,707	\$ 55,228,421	\$ 95,944,189	170.46%	-42.44%
Total receivables	12,674,869	10,592,081	9,288,540	19.66%	14.03%
Prepaid expenses	14,625,139	14,035,674	13,818,816	4.20%	1.57%
Total investments, at fair value	2,594,527,517	3,186,230,192	2,694,686,125	-18.57%	18.24%
Property and equipment, net	3,347,590	3,605,971	2,909,379	-7.17%	23.94%
Other assets	88,811	123,362	183,083	-28.01%	-32.62%
<b>Total assets</b>	<b>\$ 2,774,634,633</b>	<b>\$ 3,269,815,701</b>	<b>\$ 2,816,830,132</b>	<b>-15.14%</b>	<b>16.08%</b>
Accounts payable and accrued expenses	\$ 1,097,274	\$ 1,620,885	\$ 1,293,456	-32.30%	25.31%
Refunds payable	220,430	214,582	277,073	2.73%	-22.55%
Due to Pension Review Board	352,372	416,560	382,300	-15.41%	8.96%
<b>Total liabilities</b>	<b>1,670,076</b>	<b>2,252,027</b>	<b>1,952,829</b>	<b>-25.84%</b>	<b>15.32%</b>
Total deferred inflows of resources	468,654	281,850	394,680	66.28%	-28.59%
<b>Net position restricted for pensions</b>	<b>2,772,495,903</b>	<b>3,267,281,824</b>	<b>2,814,482,623</b>	<b>-15.14%</b>	<b>16.09%</b>
Total liabilities, deferred inflows of resources and net position	\$ 2,774,634,633	\$ 3,269,815,701	\$ 2,816,830,132	-15.14%	16.08%

#### **December 31, 2022**

There was decrease in total investments as a result of the negative market conditions. The total investments at fair value decrease reflects the weak performance of the financial markets in 2022 coupled with the transfer of investments to cash and cash equivalents.

#### **December 31, 2021**

There was growth in 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 2021 coupled with the transfer of cash and cash equivalents to investments.

# Arkansas Local Police and Fire Retirement System

## Management's Discussion and Analysis

### December 31, 2022 and 2021

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

	2022	2021	2020	2022 Percentage Change	2021 Percentage Change
Total contributions	\$ 171,619,209	\$ 165,689,468	\$ 173,961,808	3.58%	-4.76%
Net investment income (loss)	(478,606,720)	467,050,885	326,040,500	-202.47%	43.25%
Total additions	(306,987,511)	632,740,353	500,002,308	-148.52%	26.55%
Benefit payments, including refunds and DROP distributions	184,653,916	176,064,754	156,095,858	4.88%	12.79%
Administrative expenses	3,144,494	3,876,398	3,935,408	-18.88%	-1.50%
Total deductions	187,798,410	179,941,152	160,031,266	4.37%	12.44%
Net increase in fiduciary net position	(494,785,921)	452,799,201	339,971,042	-209.27%	33.19%
Net Position Restricted for Pensions, Beginning of Year	3,267,281,824	2,814,482,623	2,474,511,581	16.09%	13.74%
Net Position Restricted for Pensions, End of Year	\$ 2,772,495,903	\$ 3,267,281,824	\$ 2,814,482,623	-15.14%	16.09%

#### **December 31, 2022**

There was an increase to the total contributions, due to the increase in contributions from members and employers/departments into the System. The net investment income decreased as a result of the portfolio producing a return of -14.90%, while 2021 had a return of 17.45%. 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.

#### **December 31, 2021**

There was a decrease to the total contributions, due to a decrease in agent plan mergers into the System compared to 2020. The net investment income increased as a result of the portfolio generating a return of 17.45%, while 2020 had a return of 13.19%. 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.

# Arkansas Local Police and Fire Retirement System

## Statements of Fiduciary Net Position

### December 31, 2022 and 2021

	2022		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 135,108,466	\$ 14,262,241	\$ 149,370,707
Contributions receivable	10,605,824	1,119,566	11,725,390
Interest receivable	418,647	44,193	462,840
Leases receivable	440,174	46,465	486,639
	<u>11,464,645</u>	<u>1,210,224</u>	<u>12,674,869</u>
Total receivables			
Prepaid expenses	13,228,699	1,396,440	14,625,139
Investments, at fair value			
Equity securities – U.S. companies	567,570,636	59,913,558	627,484,194
Equity securities – international companies	25,234,039	2,663,741	27,897,780
Mutual funds	1,231,981,109	130,049,668	1,362,030,777
U.S. Treasury securities	36,285,612	3,830,361	40,115,973
Corporate bonds	22,404,250	2,365,024	24,769,274
Mortgage-backed securities	75,530,123	7,973,067	83,503,190
Alternative investments	381,038,437	40,222,956	421,261,393
Real estate investment trusts	6,752,168	712,768	7,464,936
	<u>2,346,796,374</u>	<u>247,731,143</u>	<u>2,594,527,517</u>
Total investments, at fair value			
Property and equipment, net of accumulated depreciation	3,027,955	319,635	3,347,590
Other assets	80,331	8,480	88,811
	<u>2,509,706,470</u>	<u>264,928,163</u>	<u>2,774,634,633</u>
Total assets			
<b>Liabilities</b>			
Accounts payable and accrued expenses	992,504	104,770	1,097,274
Refunds payable	199,383	21,047	220,430
Due to Pension Review Board	318,727	33,645	352,372
	<u>1,510,614</u>	<u>159,462</u>	<u>1,670,076</u>
Total liabilities			
<b>Deferred Inflows of Resources</b>			
Deferred amounts for leases	423,906	44,748	468,654
	<u>423,906</u>	<u>44,748</u>	<u>468,654</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 2,507,771,950</u>	<u>\$ 264,723,953</u>	<u>\$ 2,772,495,903</u>

See Notes to Financial Statements

# Arkansas Local Police and Fire Retirement System

## Statements of Fiduciary Net Position (Continued)

### December 31, 2022 and 2021

	2021		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 49,628,043	\$ 5,600,378	\$ 55,228,421
Contributions receivable	8,832,536	996,726	9,829,262
Interest receivable	415,906	46,934	462,840
Leases receivable	269,560	30,419	299,979
Total receivables	9,518,002	1,074,079	10,592,081
Prepaid expenses	12,612,402	1,423,272	14,035,674
Investments, at fair value			
Equity securities – U.S. companies	475,835,200	53,696,600	529,531,800
Equity securities – international companies	27,253,434	3,075,470	30,328,904
Mutual funds	1,917,885,086	216,427,676	2,134,312,762
U.S. Treasury securities	65,879,084	7,434,260	73,313,344
Corporate bonds	34,800,006	3,927,078	38,727,084
Mortgage-backed securities	39,572,012	4,465,585	44,037,597
Alternative investments	290,313,306	32,761,000	323,074,306
Real estate investment trusts	11,595,839	1,308,556	12,904,395
Total investments, at fair value	2,863,133,967	323,096,225	3,186,230,192
Property and equipment, net of accumulated depreciation	3,240,311	365,660	3,605,971
Other assets	110,853	12,509	123,362
Total assets	2,938,243,578	331,572,123	3,269,815,701
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,456,521	164,364	1,620,885
Refunds payable	192,823	21,759	214,582
Due to Pension Review Board	374,319	42,241	416,560
Total liabilities	2,023,663	228,364	2,252,027
<b>Deferred Inflows of Resources</b>			
Deferred amounts for leases	253,269	28,581	281,850
<b>Net Position Restricted for Pensions</b>	\$ 2,935,966,646	\$ 331,315,178	\$ 3,267,281,824

See Notes to Financial Statements

# Arkansas Local Police and Fire Retirement System

## Statements of Changes in Fiduciary Net Position

### Years Ended December 31, 2022 and 2021

	2022		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Additions</b>			
<b>Contributions</b>			
Member contributions	\$ 27,469,832	\$ 15,259	\$ 27,485,091
Employer contributions	102,227,296	39,148,323	141,375,619
Local plan administrative mergers and paid military time	49,566	2,708,933	2,758,499
Total contributions	<u>129,746,694</u>	<u>41,872,515</u>	<u>171,619,209</u>
<b>Investment Income</b>			
Net depreciation in fair value of investments	(453,522,283)	(51,439,695)	(504,961,978)
Interest, dividends and other income	30,927,895	3,507,924	34,435,819
Less investment expenses	<u>(7,257,407)</u>	<u>(823,154)</u>	<u>(8,080,561)</u>
Net investment loss	<u>(429,851,795)</u>	<u>(48,754,925)</u>	<u>(478,606,720)</u>
Total additions	<u>(300,105,101)</u>	<u>(6,882,410)</u>	<u>(306,987,511)</u>
<b>Deductions</b>			
Benefit payments, including refunds and DROP distributions	125,265,453	59,388,463	184,653,916
Administrative expenses	<u>2,824,142</u>	<u>320,352</u>	<u>3,144,494</u>
Total deductions	<u>128,089,595</u>	<u>59,708,815</u>	<u>187,798,410</u>
<b>Net Decrease in Net Position Restricted for Pensions</b>	(428,194,696)	(66,591,225)	(494,785,921)
<b>Net Position Restricted for Pensions, Beginning of Year</b>	<u>2,935,966,646</u>	<u>331,315,178</u>	<u>3,267,281,824</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<u>\$ 2,507,771,950</u>	<u>\$ 264,723,953</u>	<u>\$ 2,772,495,903</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, 2022 and 2021

	2021		
	Cost-Sharing Multiple-Employer	Agent Multiple-Employer	Total
<b>Additions</b>			
<b>Contributions</b>			
Member contributions	\$ 25,896,170	\$ 12,988	\$ 25,909,158
Employer contributions	97,841,951	38,337,174	136,179,125
Local plan administrative mergers and paid military time	66,481	3,534,704	3,601,185
Total contributions	<u>123,804,602</u>	<u>41,884,866</u>	<u>165,689,468</u>
<b>Investment Income</b>			
Net appreciation in fair value of investments	403,569,047	47,876,953	451,446,000
Interest, dividends and other income	22,586,781	2,679,557	25,266,338
Less investment expenses	(8,636,832)	(1,024,621)	(9,661,453)
Net investment income	<u>417,518,996</u>	<u>49,531,889</u>	<u>467,050,885</u>
Total additions	<u>541,323,598</u>	<u>91,416,755</u>	<u>632,740,353</u>
<b>Deductions</b>			
Benefit payments, including refunds and DROP distributions	117,682,480	58,382,274	176,064,754
Administrative expenses	3,465,297	411,101	3,876,398
Total deductions	<u>121,147,777</u>	<u>58,793,375</u>	<u>179,941,152</u>
<b>Net Increase in Net Position Restricted for Pensions</b>	420,175,821	32,623,380	452,799,201
<b>Net Position Restricted for Pensions, Beginning of Year</b>	<u>2,515,790,825</u>	<u>298,691,798</u>	<u>2,814,482,623</u>
<b>Net Position Restricted for Pensions, End of Year</b>	<u>\$ 2,935,966,646</u>	<u>\$ 331,315,178</u>	<u>\$ 3,267,281,824</u>

See Notes to Financial Statements

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2022 and 2021

### 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, 2022, 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, 2022 and 2021

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, 2022 and 2021

#### **Plan Descriptions**

As of December 31, 2022 and 2021, the number of participating political subdivisions was 554 and 549, respectively. At December 31, 2022 and 2021, the System's membership consisted of the following:

Membership Classification	Number of Employees	
	2022	2021
Retired plan members or beneficiaries currently receiving benefits:		
Local plan fire without Social Security	999	1,032
Local plan police with Social Security	173	185
Local plan police without Social Security	622	655
Local plan volunteer fire	1,280	1,238
Subtotal for agent multiple-employer plans	<u>3,074</u>	<u>3,110</u>
LOPFI fire benefit program 2 – with Social Security	33	24
LOPFI fire benefit program 2 – without Social Security	220	184
LOPFI fire with Social Security	55	69
LOPFI fire without Social Security	1,389	1,291
LOPFI police benefit program 2 – with Social Security	39	22
LOPFI police benefit program 2 – without Social Security	213	210
LOPFI police with Social Security	1,598	1,544
LOPFI police without Social Security	945	858
LOPFI volunteer police benefit 4 program	2	-
LOPFI staff	6	3
LOPFI volunteer fire benefit program 3	3,729	3,496
LOPFI volunteer fire benefit program 4	21	6
LOPFI volunteer police benefit program 3	301	280
Subtotal for cost-sharing multiple-employer plans	<u>8,551</u>	<u>7,987</u>
Subtotal for retirees and beneficiaries	<u>11,625</u>	<u>11,097</u>
Active plan members:		
Local plan fire without Social Security	1	2
Local plan fire with Social Security	1	1
Local plan part paid contributory fire	2	2
Local plan volunteer fire	5	7
Subtotal for agent multiple-employer plans	<u>9</u>	<u>12</u>
LOPFI fire benefit program 2 – with Social Security	60	47
LOPFI fire benefit program 2 – without Social Security	191	183
LOPFI fire with Social Security	132	111
LOPFI fire without Social Security	2,484	2,421
LOPFI police benefit program 2 – with Social Security	67	64
LOPFI police benefit program 2 – without Social Security	233	232
LOPFI police with Social Security	2,252	2,179
LOPFI police without Social Security	1,223	1,222
LOPFI staff	6	8
LOPFI volunteer fire	6,743	6,800
LOPFI volunteer police	451	472
LOPFI volunteer fire benefit program 4	53	40
LOPFI volunteer police benefit program 4	4	4
Subtotal for cost-sharing multiple-employer plans	<u>13,899</u>	<u>13,783</u>
Subtotal for active employees	<u>13,908</u>	<u>13,795</u>
Inactive plan members entitled to but not yet receiving benefits	<u>9,962</u>	<u>8,845</u>
Total membership	<u>35,495</u>	<u>33,737</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2022 and 2021

**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, 2022, for each year of volunteer service, \$7.61 per month, to a maximum of \$304.40 monthly.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2022 and 2021

- 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, 2022 and 2021, the DROP accounts totaled \$46,293,213 and \$42,171,072, 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, 2022 and 2021 was approximately \$120,000 for both years, which includes both lease revenue and interest.

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2022 and 2021

### Note 3: Net Pension Liability

The components of the net pension liability of all entities participating in the cost-sharing plan at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 3,631,010,767	\$ 3,467,641,459
Plan's fiduciary net position	<u>2,507,771,950</u>	<u>2,935,966,646</u>
Net pension liability	<u>\$ 1,123,238,817</u>	<u>\$ 531,674,813</u>
Plan's fiduciary net position as a percentage of total pension liability	69.07%	84.67%

### Actuarial Assumptions

The total pension liability as of December 31, 2022 and 2021 was determined by actuarial valuations as of December 31, 2022 and 2021 using the following actuarial assumptions:

	<u>2022</u>	<u>2021</u>
Wage inflation	3.00%	2.00%
Price inflation	2.25%	2.25%
Investment rate of return	7.25%	7.00%

The mortality table used for the December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021

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.

2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Stock – Large Cap	21.00%	4.05%
U.S. Stock – Small Cap	21.00%	4.65%
International Equity	9.00%	5.27%
Emerging Markets	9.00%	7.49%
U.S. Corporate Bonds	25.00%	-0.35%
Real Estate	5.00%	3.76%
Private Equity	10.00%	9.10%
Total	100.00%	

2021		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Stock – Large Cap	21.00%	4.77%
U.S. Stock – Small Cap	21.00%	5.47%
International Equity	9.00%	5.97%
Emerging Markets	9.00%	8.33%
U.S. Corporate Bonds	25.00%	0.66%
Real Estate	5.00%	4.34%
Private Equity	10.00%	9.05%
Total	100.00%	

### Single Discount Rate

The single discount rate used to measure the total pension liability was 7.00% for the years ended December 31, 2022 and 2021. 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, 2022 and 2021

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, 2022 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% lower or 1% higher:

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Net pension liability	\$ 1,672,188,582	\$ 1,123,238,817	\$ 679,252,862

### 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, 2022, 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, 2022 and 2021

The following table summarizes the System's fixed income portfolio exposure levels and credit qualities at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<b>Fixed Income Security Type by S&amp;P Rating</b>		
Corporate and Foreign Bonds		
AA	\$ -	\$ 4,284,494
A	12,959,187	15,047,595
BBB	11,810,087	19,394,995
	<u>24,769,274</u>	<u>38,727,084</u>
<b>Mortgage-Backed Securities</b>		
Not rated	<u>83,503,190</u>	<u>44,037,597</u>
	<u>\$ 108,272,464</u>	<u>\$ 82,764,681</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, 2022 and 2021, the System's effective duration by investment type was:

<u>Fixed Income Security Type</u>	<u>Duration</u>	
	<u>2022</u>	<u>2021</u>
U.S. Government and Government Related	1.85	2.38
U.S. Credit	1.33	1.38
Non-U.S. Credit	-0.07	0.09
Mortgage-Backed	2.29	1.06
Non-Agency Mortgage-Backed	0.04	0.03
Asset-Backed	0.02	0.04
Other	0.02	0.04
Cash	<u>0.00</u>	<u>0.00</u>
Total Duration	<u>5.48</u>	<u>5.02</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

December 31, 2022 and 2021

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

For the years ended December 31, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -14.90% and 17.45%, 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, 2022 and 2021

### 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, 2022 and 2021:

	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, 2022</b>				
<b>Investments by Fair Value Level</b>				
Equity securities – diversified	\$ 627,484,194	\$ 627,484,194	\$ -	\$ -
Equity securities – foreign	27,897,780	27,897,780	-	-
Equity mutual funds	1,107,686,420	159,896,929	541,708,790	406,080,701
International equity mutual funds	48,645,472	-	48,645,472	-
Fixed income mutual funds	205,698,885	-	95,566,766	110,132,119
Real estate investment trusts	7,464,936	7,464,936	-	-
U.S. government obligations	40,115,973	-	40,115,973	-
Corporate bonds	24,769,274	-	24,769,274	-
Mortgage-backed securities	83,503,190	-	83,503,190	-
	<u>2,173,266,124</u>	<u>822,743,839</u>	<u>834,309,465</u>	<u>516,212,820</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	167,602,884			
Private debt funds	57,582,034			
Equity long/short hedge funds	37,188,703			
Real estate funds	59,438,960			
Bank recapitalization and value opportunities funds	28,116,178			
Energy funds	5,089,542			
Opportunistic credit funds	66,243,092			
	<u>421,261,393</u>			
<b>Total investments measured at the NAV</b>				
<b>Total investments measured at fair value</b>	<u>\$ 2,594,527,517</u>	<u>\$ 822,743,839</u>	<u>\$ 834,309,465</u>	<u>\$ 516,212,820</u>

# Arkansas Local Police and Fire Retirement System

## Notes to Financial Statements

### December 31, 2022 and 2021

	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, 2021</b>				
<b>Investments by Fair Value Level</b>				
Equity securities – diversified	\$ 529,531,800	\$ 523,326,576	\$ -	\$ 6,205,224
Equity securities – foreign	30,328,904	30,328,904	-	-
Equity mutual funds	1,683,412,967	314,167,420	1,289,333,273	79,912,274
International equity mutual funds	102,067,168	-	102,067,168	-
Fixed income mutual funds	348,832,627	186,127,528	162,705,099	-
U.S. government obligations	12,904,395	12,904,395	-	-
Corporate bonds	73,313,344	-	73,313,344	-
Collateralized mortgage obligations	38,727,084	-	38,727,084	-
Mortgage-backed securities	44,037,597	-	44,037,597	-
	<u>2,863,155,886</u>	<u>1,066,854,823</u>	<u>1,710,183,565</u>	<u>86,117,498</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	123,080,514			
Private debt funds	50,111,110			
Equity long/short hedge funds	42,173,638			
Real estate funds	33,226,860			
Bank recapitalization and value opportunities funds	13,150,065			
Energy funds	5,607,773			
Opportunistic credit funds	55,724,346			
	<u>323,074,306</u>			
<b>Total investments measured at the NAV</b>				
<b>Total investments measured at fair value</b>	<u>\$ 3,186,230,192</u>	<u>\$ 1,066,854,823</u>	<u>\$ 1,710,183,565</u>	<u>\$ 86,117,498</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, 2022 and 2021

#### Investments

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

	December 31, 2022			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds <sup>(A)</sup>	\$ 158,731,454	\$ 69,977,392		
Private equity funds <sup>(A)</sup>	8,871,429	-	Semi-annually	5 Months
Private debt funds <sup>(B)</sup>	57,582,034	50,572,733		
Equity long/short hedge funds <sup>(C)</sup>	37,188,703	-	Quarterly	90 Days
Real estate funds <sup>(D)</sup>	59,438,960	-	Quarterly	45 Days
Bank recapitalization and value opportunistic funds <sup>(E)</sup>	28,116,178	2,000,000		
Energy funds <sup>(F)</sup>	5,089,542	600,983		
Opportunistic credit funds <sup>(G)</sup>	66,243,092	-	Annually	90 Days

	December 31, 2021			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds <sup>(A)</sup>	\$ 113,637,521	\$ 54,222,448		
Private equity funds <sup>(A)</sup>	9,442,993	-	Semi-annually	5 Months
Private debt funds <sup>(B)</sup>	50,111,110	32,164,602		
Equity long/short hedge funds <sup>(C)</sup>	42,173,638	-	Quarterly	90 Days
Real estate funds <sup>(D)</sup>	33,226,860	-	Quarterly	45 Days
Bank recapitalization and value opportunistic funds <sup>(E)</sup>	13,150,065	-		
Energy funds <sup>(F)</sup>	5,607,773	600,983		
Opportunistic credit funds <sup>(G)</sup>	55,724,346	-	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, 2022 and 2021

- (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.

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## Required Supplementary Information

# Arkansas Local Police and Fire Retirement System

## Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 63,599,165	\$ 63,571,932	\$ 62,439,385	\$ 59,701,701	\$ 61,057,199	\$ 52,999,883	\$ 52,411,007	\$ 50,466,076	\$ 51,147,644
Interest on the total pension liability	240,576,582	224,826,211	210,227,380	194,307,497	182,428,731	170,545,435	157,522,879	146,226,976	134,748,677
Benefit changes	32,765,847	-	(2,985,529)	-	(24,831,215)	-	-	-	272,375
Differences between expected and actual experience	76,572,153	33,796,334	45,976,608	64,405,712	32,299,710	27,286,660	19,163,957	5,172,371	(1,779,051)
Assumption changes	(124,878,986)	24,271,181	-	-	-	219,939,183	-	53,731,281	-
Benefit payments, DROP Distributions and Refunds	(125,265,453)	(117,682,480)	(97,656,316)	(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>	<u>163,369,308</u>	<u>228,783,178</u>	<u>218,001,528</u>	<u>231,357,533</u>	<u>176,851,753</u>	<u>406,351,153</u>	<u>170,799,231</u>	<u>210,189,125</u>	<u>148,657,000</u>
<b>Total Pension Liability, Beginning of Year</b>	<u>3,467,641,459</u>	<u>3,238,858,281</u>	<u>3,020,856,753</u>	<u>2,789,499,220</u>	<u>2,612,647,467</u>	<u>2,206,296,314</u>	<u>2,035,497,083</u>	<u>1,825,307,958</u>	<u>1,676,650,958</u>
<b>Total Pension Liability, End of Year</b>	<u>\$ 3,631,010,767</u>	<u>\$ 3,467,641,459</u>	<u>\$ 3,238,858,281</u>	<u>\$ 3,020,856,753</u>	<u>\$ 2,789,499,220</u>	<u>\$ 2,612,647,467</u>	<u>\$ 2,206,296,314</u>	<u>\$ 2,035,497,083</u>	<u>\$ 1,825,307,958</u>
<b>Plan Fiduciary Net Position</b>									
Employer contributions	\$ 102,227,296	\$ 97,841,951	\$ 93,919,327	\$ 88,524,836	\$ 83,861,098	\$ 77,410,021	\$ 75,298,216	\$ 67,624,600	\$ 63,964,129
Employee contributions	27,469,832	25,896,170	26,577,992	25,157,606	24,456,628	23,351,970	21,816,086	21,187,024	21,844,747
Other contributions	49,566	66,481	98,204	180,761	87,759	54,467	38,872	34,066	56,744
Pension plan net investment income	(429,851,795)	417,518,996	290,325,750	345,816,336	(53,604,321)	227,213,213	88,592,090	1,642,306	95,052,926
Benefit payments, DROP distributions and refunds	(125,265,453)	(117,682,480)	(97,656,316)	(87,057,377)	(74,102,672)	(64,420,008)	(58,298,612)	(45,407,579)	(35,732,645)
Pension plan administrative expense	(2,824,142)	(3,465,297)	(3,590,651)	(3,041,397)	(3,553,631)	(2,950,772)	(2,665,399)	(2,482,123)	(2,258,660)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(428,194,696)</u>	<u>420,175,821</u>	<u>309,674,306</u>	<u>369,580,765</u>	<u>(22,855,139)</u>	<u>260,658,891</u>	<u>124,781,253</u>	<u>42,598,294</u>	<u>142,927,241</u>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<u>2,935,966,646</u>	<u>2,515,790,825</u>	<u>2,206,116,519</u>	<u>1,836,535,754</u>	<u>1,859,390,893</u>	<u>1,598,732,002</u>	<u>1,473,950,749</u>	<u>1,431,352,455</u>	<u>1,288,425,214</u>
<b>Plan Fiduciary Net Position, End of Year</b>	<u>\$ 2,507,771,950</u>	<u>\$ 2,935,966,646</u>	<u>\$ 2,515,790,825</u>	<u>\$ 2,206,116,519</u>	<u>\$ 1,836,535,754</u>	<u>\$ 1,859,390,893</u>	<u>\$ 1,598,732,002</u>	<u>\$ 1,473,950,749</u>	<u>\$ 1,431,352,455</u>
<b>Net Pension Liability, End of Year</b>	<u>\$ 1,123,238,817</u>	<u>\$ 531,674,813</u>	<u>\$ 723,067,456</u>	<u>\$ 814,740,234</u>	<u>\$ 952,963,466</u>	<u>\$ 753,256,574</u>	<u>\$ 607,564,312</u>	<u>\$ 561,546,334</u>	<u>\$ 393,955,503</u>
<b>Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	69.07%	84.67%	77.68%	73.03%	65.84%	71.17%	72.46%	72.41%	78.42%
<b>Covered Payroll</b>	\$ 414,280,752	\$ 392,522,925	\$ 386,909,993	\$ 371,574,513	\$ 356,157,157	\$ 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>	286.16%	135.45%	186.88%	219.27%	267.57%	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
12/31/2013	\$ 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%
12/31/2020	93,919,327	93,919,327	-	386,909,993	24.27%
12/31/2021	97,841,951	97,841,951	-	392,522,925	24.93%
12/31/2022	102,227,296	102,227,296	-	414,280,752	24.68%

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31, 2020.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14 years beginning January 1, 2022
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Inflation	3.25%
Price Inflation	2.50%
Salary Increases	3.75% to 18.25%, including inflation
Investment Rate of Return	7.50%, as adopted by the Board
Retirement Age	Experience-based table of rates that condition. Last updated for the 2017 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 benefits, methods or assumptions in the December 31, 2020 actuarial valuation. There were benefit provision changes for the December 31, 2020 actuarial valuation. They include Act 72 of 2021 related to duty disability benefits, Acts 374 of 2021 related to reciprocal service and final average pay and Act 344 of 2021 related to return to service for retirees.

**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>
12/31/2013	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%
12/31/2020	13.19%
12/31/2021	17.45%
12/31/2022	-14.90%

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.

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## Supplementary Information

# Arkansas Local Police and Fire Retirement System

## Schedule of Administrative Expenses

### Years Ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>Personal Services</b>		
Staff expense	\$ 1,164,633	\$ 905,350
<b>Professional Services</b>		
Computer operations/process	999,963	2,055,324
Audit services	121,800	102,600
Actuarial services	357,848	388,994
Legal services	177,936	140,000
Medical advisor/related	31,762	45,691
Total professional services	1,689,309	2,732,609
<b>General Operating Expense</b>		
Insurance expense	56,886	56,304
Office equipment	48,762	33,403
Office supplies	7,925	21,890
Printing	24,951	23,210
Telephone	32,024	31,696
Postage	20,923	17,099
Publications	717	722
Travel/professional education/conferences	26,493	18,225
Miscellaneous	(1,073)	2
Board/kitchen supplies	3,072	3,167
Total general operating expense	220,680	205,718
Total expenses	3,074,622	3,843,677
Depreciation expense	69,872	32,721
<b>Total Administrative Expenses</b>	\$ 3,144,494	\$ 3,876,398

**Arkansas Local Police and Fire Retirement System**  
**Schedule of Investment Expenses**  
**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
Investment consulting fees	\$ 860,000	\$ 860,000
Money manager fees	6,741,111	8,347,003
Custodial fees	216,000	216,000
Investment monitor expenses	263,450	238,450
Total investment expenses	\$ 8,080,561	\$ 9,661,453



# Stephens Inc.

May 2023

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 12/31/22</b>	<b>Aggregate Range</b>
<b>Domestic Equities</b>		40-70%
Active	34%	
Passive	20%	
<b>Foreign Equities</b>	4%	0-10%
<b>Fixed Income</b>		20-50%
US Bonds	21%	20-50%
Foreign Bonds	0%	0-10%
<b>Alternative Investments</b>	16%	0-15%
<b>Cash</b>	5%	0-20%

LOPFI's portfolio was down -14.90%\* for the fiscal year ended 2022 versus the comparative index return of -15.60%\* with an ending market value of \$2,740,056,933\* (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 Chartered 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.

*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.*

# 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>
12/31/2013	17.76% [\$1,445,479]	4.5%	31.40% [\$938,956]	(2.14)% [\$423,458]	0.02% [\$83,065]
12/31/2014	8.16% [\$1,599,410]	3.7%	10.70% [\$1,051,403]	4.02% [\$461,241]	1.85% [\$105,313]
12/31/2015	0.10% [\$1,628,538]	4.1%	0.16% [\$1,053,718]	0.06% [\$461,935]	0.02% [\$112,885]
12/31/2016	6.25% [\$1,735,363]	5.5%	8.88% [\$974,647]	3.15% [\$488,906]	0.08% [\$107,818]
12/31/2017	14.48% [\$2,037,994]	5.6%	22.92% [\$1,394,069]	4.80% [\$538,625]	0.10% [\$105,300]
12/31/2018	(2.59)% [\$2,047,506]	4.9%	(5.68)% [\$1,081,845]	(0.27)% [\$538,068]	0.08% [\$150,645]
12/31/2019	19.00% [\$2,445,645]	4.8%	29.95% [\$1,327,087]	8.48% [\$574,253]	0.11% [\$245,970]
12/31/2020	13.19% [\$2,765,997]	3.6%	19.54% [\$1,675,119]	7.56% [\$719,602]	0.05% [\$62,926]
12/31/2021	17.45% [\$3,230,391]	10.0%	23.95% [\$2,108,238]	(0.80)% [\$715,265]	0.03% [\$26,597]
12/31/2022	(14.90)% [\$2,740,056]	9.5%	(19.54)% [\$1,590,731]	(12.25)% [\$587,084]	1.30% [\$125,314]

### **QUARTERLY VALUES (RETURNS)**

<b>Period Ended</b>	<b>Total Fund</b>	<b>Equities</b>	<b>Fixed Income</b>
12/31/2022	5.27%	8.14%	1.87%

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.

# LOPFI Retirement System

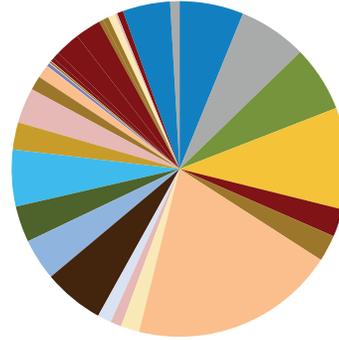
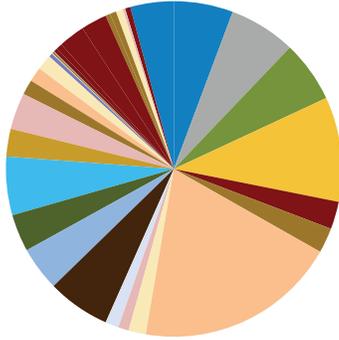
## Executive Summary

### Market Values

December 31, 2022

Sep-2022 : \$2,595,611,050

Dec-2022 : \$2,740,056,933



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Barrow LCV	147,737,938	5.7	Barrow LCV	168,769,528	6.2
Lazard Equity	166,680,596	6.4	Lazard Equity	179,970,264	6.6
Dodge & Cox Stock (DODGX)	154,033,433	5.9	Dodge & Cox Stock (DODGX)	174,049,602	6.4
Wellington Growth II Equity	262,054,007	10.1	Wellington Growth II Equity	268,614,381	9.8
Congress Equity	68,809,941	2.7	Congress Equity	73,695,471	2.7
Snyder Capital Mngmnt Small Cap Value	62,808,250	2.4	Snyder Capital Mngmnt Small Cap Value	69,784,597	2.5
SSGA Russell 3000 Fd	505,292,085	19.5	SSGA Russell 3000 Fd	541,708,790	19.8
Wellington International Growth	43,324,972	1.7	Wellington International Growth	48,645,472	1.8
Wellington Enduring Assets CTF	26,213,216	1.0	Wellington Enduring Assets CTF	29,112,899	1.1
Wellington Emerging Dev Fd	33,541,551	1.3	Wellington Emerging Dev Fd	36,380,630	1.3
PIMCO Total Return (PTTRX)	157,118,483	6.1	PIMCO Total Return (PTTRX)	159,896,929	5.8
Doubleline Total Return	110,340,112	4.3	Doubleline Total Return	110,132,119	4.0
WAMCO US CORE	93,326,122	3.6	WAMCO US CORE	95,566,766	3.5
GHA Fixed Income	146,219,958	5.6	GHA Fixed Income	149,516,075	5.5
Loomis Sayles Credit Asset	69,298,925	2.7	Loomis Sayles Credit Asset	71,972,791	2.6
AIM Thirteen Partners Private Equity	91,207,177	3.5	AIM Thirteen Partners Private Equity	93,307,992	3.4
AIM Thirteen Partners Equity Offshore	37,640,628	1.5	AIM Thirteen Partners Equity Offshore	37,188,703	1.4
JP Morgan RE	36,331,750	1.4	JP Morgan RE	34,438,960	1.3
Citco Credit Value	630,903	0.0	Citco Credit Value	630,903	0.0
Citigroup-StepStone Private Equity	247,518	0.0	Citigroup-StepStone Private Equity	144,607	0.0
Wellington Commodities	37,628,322	1.4	Wellington Commodities	45,788	0.0
JP Morgan Infrastructure	9,271,804	0.4	JP Morgan Infrastructure	8,871,429	0.3
KKR Mezzanine	1,401,037	0.1	KKR Mezzanine	1,341,790	0.0
KKR Direct Lending	411,482	0.0	KKR Direct Lending	237,924	0.0
KKR Energy Income & Growth	4,411,493	0.2	KKR Energy Income & Growth	5,089,612	0.2
NB Private Debt	475,341	0.0	NB Private Debt	488,315	0.0
PIMCO Bravo II	1,421,853	0.1	PIMCO Bravo II	761,553	0.0
PIMCO Bravo I	12,987	0.0	PIMCO Bravo I	-	0.0
PIMCO Bravo III	9,549,621	0.4	PIMCO Bravo III	9,587,396	0.3
PIMCO Bravo IV	14,712,293	0.6	PIMCO Bravo IV	17,767,229	0.6
Goldentree Select Offshore	65,946,744	2.5	Goldentree Select Offshore	66,243,092	2.4
Owl Rock Direct Lending	64,470,368	2.5	Owl Rock Direct Lending	68,291,674	2.5
Goldman Sachs Vintage VII	12,123,977	0.5	Goldman Sachs Vintage VII	11,198,729	0.4
Riverstone Credit Partners	15,414,610	0.6	Riverstone Credit Partners	14,982,189	0.5
HPS Specialty Fund V	17,403,163	0.7	HPS Specialty Fund V	18,941,701	0.7
WP Explorer 3 Private Equity	6,248,510	0.2	WP Explorer 3 Private Equity	6,197,550	0.2
WP Alpha Core VI	13,205,481	0.5	WP Alpha Core VI	16,168,563	0.6
Liquidation (Cash)	108,644,401	4.2	Liquidation (Cash)	125,314,918	4.6
KKR Property Partners	-	0.0	KKR Property Partners	25,000,000	0.9



# 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, 2022

### Asset Allocation & Performance

	Allocation		Performance(%)							Inception Date
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception		
<b>Total Fund Composite</b>	<b>2,740,056,933</b>	<b>100.0</b>	<b>5.27</b>	<b>-14.90</b>	<b>-14.90</b>	<b>4.21</b>	<b>5.58</b>	<b>5.36</b>	<b>01/01/2001</b>	
Total Fund Policy Index			6.27	-15.60	-15.60	2.66	4.49	5.31		
<b>Total Equity Composite</b>	<b>1,590,731,634</b>	<b>58.1</b>	<b>8.14</b>	<b>-19.54</b>	<b>-19.54</b>	<b>6.03</b>	<b>7.88</b>	<b>7.62</b>	<b>01/01/1998</b>	
Total Equity Policy Index			7.97	-18.30	-18.30	5.83	7.31	7.44		
<b>Domestic Equity</b>										
Barrow LCV	168,769,528	6.2	14.24	-2.23	-2.23	8.68	9.04	7.98	01/01/2006	
Russell 1000 Value Index			12.42	-7.54	-7.54	5.96	6.67	7.37		
Lazard Equity	179,970,264	6.6	7.97	-16.12	-16.12	7.58	9.35	11.01	07/01/2013	
S&P 500 Index			7.56	-18.11	-18.11	7.66	9.42	11.73		
SSGA Russell 3000 Fd	541,708,790	19.8	7.21	-19.16	-19.16	N/A	N/A	-2.56	04/01/2021	
Russell 3000 Index			7.18	-19.21	-19.21	7.07	8.79	-2.62		
Dodge & Cox Stock (DODGX)	174,049,602	6.4	12.99	-7.22	-7.22	9.41	8.72	8.16	01/01/2006	
Russell 1000 Value Index			12.42	-7.54	-7.54	5.96	6.67	7.37		
Wellington Growth II Equity	268,614,381	9.8	2.40	-33.49	-33.49	3.95	10.18	8.20	01/01/1998	
Russell 1000 Growth Index			2.20	-29.14	-29.14	7.79	10.96	7.67		
Congress Equity	73,695,471	2.7	7.10	-27.55	-27.55	7.18	9.78	11.90	07/01/2013	
Russell Midcap Growth Index			6.90	-26.72	-26.72	3.85	7.64	10.44		
Snyder Capital Mngmnt Small Cap Value	69,784,597	2.5	11.11	-8.98	-8.98	6.36	N/A	7.69	07/01/2019	
Russell 2000 Value Index			8.42	-14.48	-14.48	4.70	4.13	6.29		
Owl Rock Equity Security	15,184,346	0.6	14.61	35.68	35.68	N/A	N/A	22.83	01/01/2021	
<b>International Equity</b>										
Wellington Enduring Assets CTF	29,112,899	1.1	10.89	-8.78	-8.78	2.27	N/A	4.22	07/01/2019	
Dow Jones Brookfield Global Infrastructure Index			9.85	-5.81	-5.81	2.20	N/A	3.88		
Wellington International Growth	48,645,472	1.8	12.05	-26.58	-26.58	-0.48	2.20	6.06	04/01/2016	
Wellington IG Custom Benchmark			12.94	-22.80	-22.80	-0.10	1.83	6.47		
Wellington Emerging Dev Fd	36,380,630	1.3	8.29	-25.47	-25.47	N/A	N/A	-16.22	04/01/2021	
MSCI Emerging Markets IMI (Net)			9.50	-19.83	-19.83	-1.82	-1.10	-13.41		
<b>Total Fixed Income Composite</b>	<b>587,084,681</b>	<b>21.4</b>	<b>1.87</b>	<b>-12.25</b>	<b>-12.25</b>	<b>-2.17</b>	<b>0.26</b>	<b>3.73</b>	<b>01/01/1998</b>	
Total Fixed Income Policy Index			2.58	-13.09	-13.09	-3.05	-0.40	3.69		
PIMCO Total Return (PTRRX)	159,896,929	5.8	1.77	-14.09	-14.09	-2.48	0.03	3.53	10/01/2002	
Blmbg. U.S. Aggregate Index			1.87	-13.01	-13.01	-2.71	0.02	3.14		
WAMCO Fixed Income	95,566,766	3.5	2.37	-16.24	-16.24	-3.66	-0.29	3.03	10/01/2002	
Blmbg. U.S. Aggregate Index			1.87	-13.01	-13.01	-2.71	0.02	3.14		
GHA Fixed Income	149,516,075	5.5	2.25	-6.53	-6.53	-0.97	0.81	3.61	04/01/2005	
Blmbg. U.S. Aggregate Index			1.87	-13.01	-13.01	-2.71	0.02	3.05		
Doubleline Total Return	110,132,119	4.0	-0.19	-12.98	-12.98	-3.13	N/A	-2.18	07/01/2019	
Blmbg. U.S. Aggregate Index			1.87	-13.01	-13.01	-2.71	0.02	-1.65		
Loomis Sayles Credit Asset	71,972,791	2.6	3.86	-9.94	-9.94	0.68	N/A	1.46	07/01/2019	
L.S. Credit Asset Index			3.40	-10.59	-10.59	-0.73	N/A	0.38		

The Owl Rock security listed above represents only the Owl Rock Corporation Equity Security that is not part of their Alternative Investment. The Owl Rock Alternative Investments are represented on the Comparative IRR page.

Continued on next page



# 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, 2022 (Concluded)

	Allocation		Performance(%)					Inception	Inception Date
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR		
<b>Alternatives</b>									
AIM Thirteen Partners Equity Offshore S&P 500 Index	37,188,703	1.4	-1.20 7.56	-11.82 -18.11	-11.82 -18.11	2.91 7.66	4.14 9.42	4.69 12.87	06/01/2012
Goldentree Select Offshore HFRI RV: Fixed Income-Corporate Index	66,243,092	2.4	0.45 2.16	2.98 -4.53	2.98 -4.53	12.39 2.99	9.75 3.36	9.18 4.77	05/01/2016
JP Morgan RE NCREIF Property Index	34,438,960	1.3	-5.21 -3.50	3.65 5.52	3.65 5.52	7.63 8.06	6.64 7.46	5.38 6.65	10/01/2007
Wellington Commodities Bloomberg Commodity Index Total Return	45,788	0.0	5.90 2.22	9.07 16.09	9.07 16.09	12.81 12.65	8.14 6.44	8.45 6.67	04/01/2016
Liquidation (Cash)	125,314,918	4.6							

The Owl Rock security listed above represents only the Owl Rock Corporation Equity Security that is not part of their Alternative Investment.  
The Owl Rock Alternative Investments are represented on the Comparative IRR page.



# LOPFI Retirement System

## Total Fund Trailing 5-Years

December 31, 2022

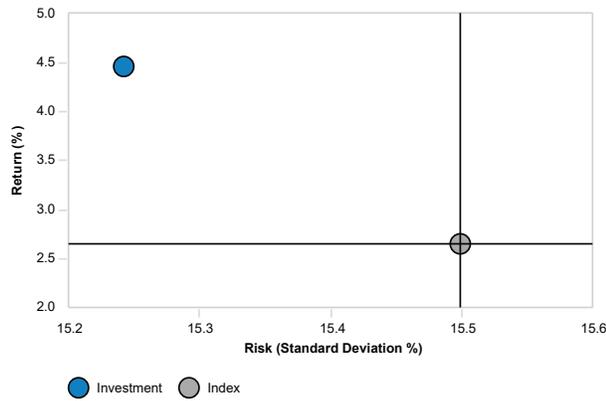
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	4.46	15.24	0.31	105.90	8	92.97	4
Index	2.66	15.50	0.20	100.00	7	100.00	5

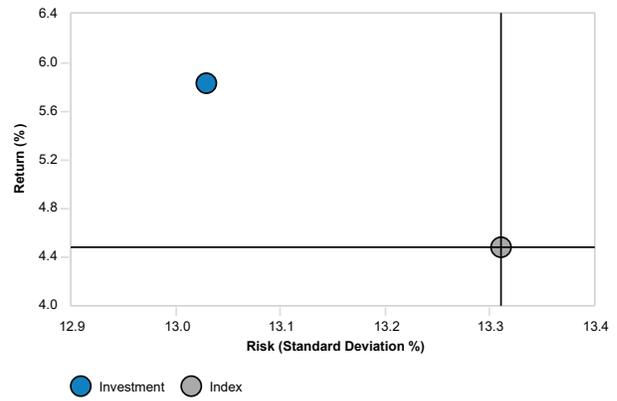
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.84	13.03	0.40	104.31	15	92.22	5
Index	4.49	13.31	0.30	100.00	13	100.00	7

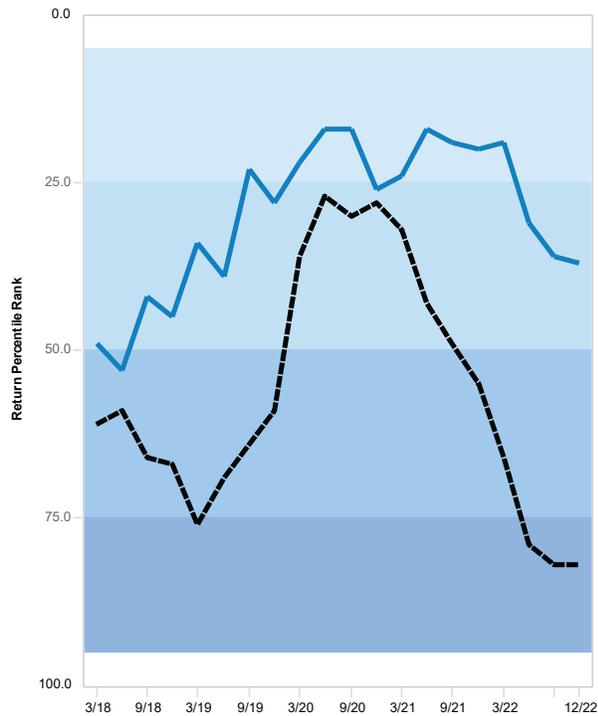
### Risk and Return 3 Years



### Risk and Return 5 Years

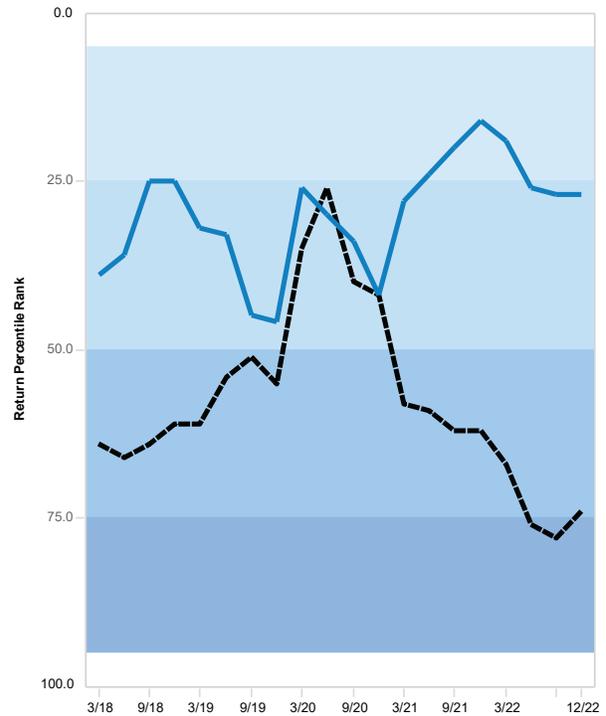


### 3 Year Rolling Percentile Rank All Public Plans-Total Fund



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
— Investment	20	9 (45%)	10 (50%)	1 (5%)	0 (0%)
— Index	20	0 (0%)	7 (35%)	9 (45%)	4 (20%)

### 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	6 (30%)	14 (70%)	0 (0%)	0 (0%)
— Index	20	0 (0%)	4 (20%)	14 (70%)	2 (10%)

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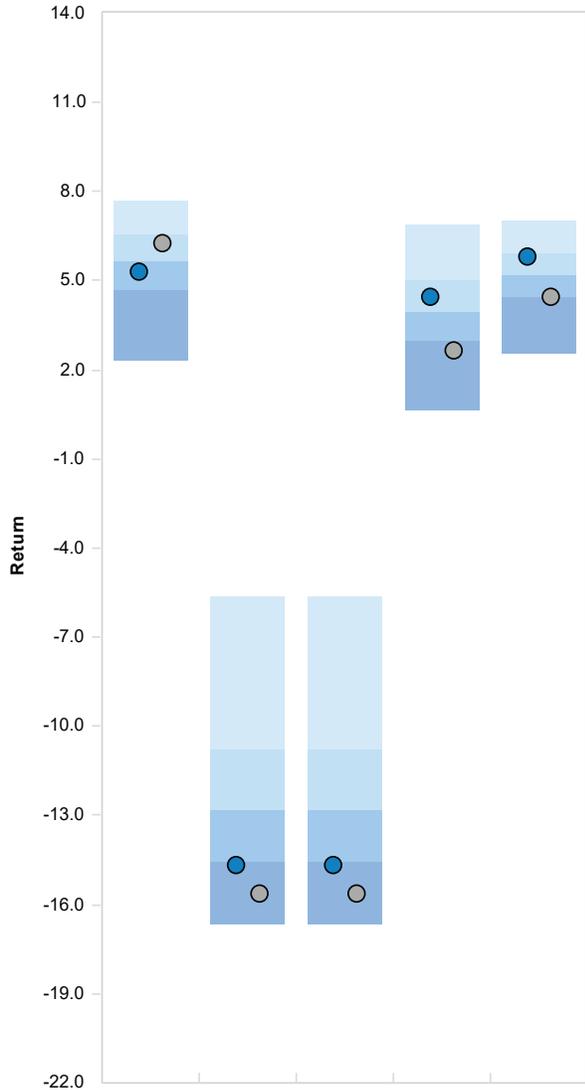


# LOPFI Retirement System

## Total Fund Trailing 5-Years

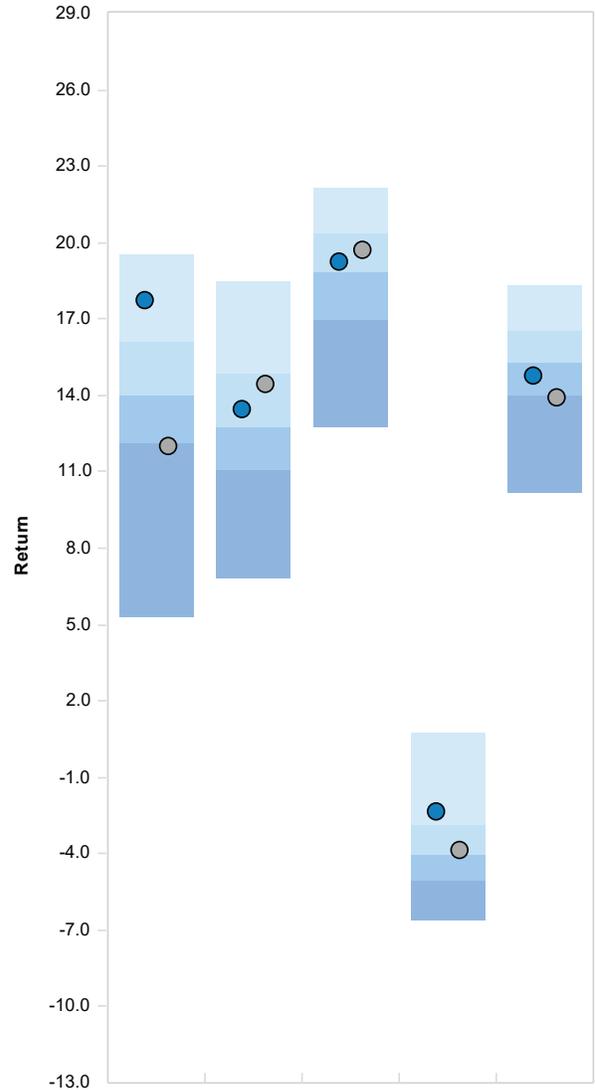
December 31, 2022 (Concluded)

Peer Group Analysis - All Public Plans-Total Fund



	QTR	YTD	1 YR	3 YR	5 YR
● Investment	5.33 (62)	-14.69 (77)	-14.69 (77)	4.46 (37)	5.84 (27)
○ Index	6.27 (33)	-15.60 (87)	-15.60 (87)	2.66 (82)	4.49 (74)
Median	5.65	-12.79	-12.79	3.98	5.17

Peer Group Analysis - All Public Plans-Total Fund



	2021	2020	2019	2018	2017
● Investment	17.76 (12)	13.47 (40)	19.28 (45)	-2.34 (18)	14.77 (63)
○ Index	12.02 (78)	14.44 (30)	19.71 (38)	-3.84 (47)	13.94 (76)
Median	13.97	12.71	18.86	-4.08	15.33

### Comparative Performance

	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021
Investment	-4.55	-10.77	-4.90	5.04	0.66	6.82
Index	-5.27	-11.42	-5.35	4.35	-0.16	4.84



## LOPFI Retirement System

TOTAL ANNUAL RETURNS 2018 - 2022 ( Net of Investment Management Fees beginning 2008)  
(AndCo's calculations are time-weighted and based on the trade date of all transactions)

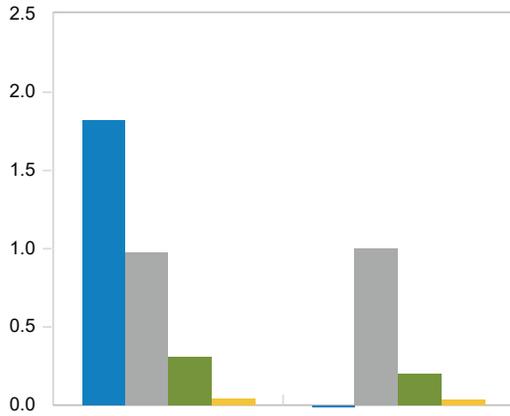
Manager	Annual Return					5 Years Annualized (Shorter periods as indicated)
	2018	2019	2020	2021	2022	
Wellington	1.74%	42.07%	43.31%	17.85%	-33.49%	10.18%
Barrow Hanley	-4.96%	26.38%	4.23%	25.95%	-2.23%	9.04%
PIMCO	-0.56%	8.58%	8.88%	-0.84%	-14.09%	0.03%
WAMCO	-0.76%	11.07%	9.16%	-2.22%	-16.24%	-0.29%
GHA	1.15%	5.96%	5.82%	-1.81%	-6.53%	0.81%
Dodge & Cox	-7.07%	24.83%	7.16%	31.73%	-7.22%	8.72%
N.B. Private Debt	-2.60%	15.35%	14.34%	10.70%	3.06%	11.82%
Citigroup Private Equity	-16.83%	-1.73%	-1.17%	-12.47%	0.00%	3.44%
JP Morgan R.E.	6.98%	3.37%	0.42%	19.81%	3.65%	6.64%
JP Morgan Infrastructure	3.34%	3.86%	9.14%	3.57%	-4.41%	4.73%
Macquarie Infrastructure	7.29%	62.26%	-20.99%	8.87%	-3.87%	8.74%
KKR Mezzanine Partners	25.87%	-4.19%	-23.19%	9.94%	-28.63%	-3.86%
CITCO	10.11%	-62.38%	45.65%	20.44%	-0.37%	-6.94%
PIMCO Bravo II	2.59%	-5.89%	-20.24%	19.72%	-17.61%	1.34%
AIM 13 Partners Offshore	-1.62%	14.22%	13.84%	8.58%	-3.46%	13.27%
Congress	-4.01%	34.86%	31.62%	29.13%	-27.55%	9.78%
Lazard	-4.32%	31.21%	15.95%	28.03%	-16.12%	9.35%
Wellington International Growth	-12.00%	28.56%	22.10%	9.93%	-26.58%	2.20%
Wellington Commodities	-8.18%	12.19%	5.64%	24.62%	9.07%	8.14%
PIMCO Bravo I	33.81%	-47.43%	-49.56%	-16.74%	-0.67%	3.82%
PIMCO Bravo III	1.31%	15.96%	1.03%	15.42%	2.46%	9.66%
KKR Direct Lending	-15.67%	-23.00%	-64.47%	-29.60%	-0.44%	-24.01%
KKR Energy Income & Growth	14.36%	-18.09%	-25.80%	17.87%	13.65%	-9.72%
AIM 13 Partners Equity	13.10%	12.35%	0.48%	20.58%	-11.82%	4.14%
Goldentree Select Offshore	6.93%	4.91%	9.47%	25.95%	2.98%	9.75%
Owl Rock Corporate	6.95%	4.52%	-2.25%	20.42%	-7.19%	0.26%
Goldman Sachs Vintage VII	23.82%	9.78%	1.51%	29.95%	-13.37%	15.17%
Owl Rock Technology				25.29%	-1.42%	7.13%
Riverstone Credit Partners		-11.89%	-10.04%	18.13%	28.09%	10.08%
Snyder Capital Management			15.41%	14.54%	-8.98%	7.69%
Wellington Enduring Assets			2.31%	14.62%	-8.78%	4.22%
Doubleline Total Return			4.38%	0.08%	-12.98%	-2.18%
Loomis Sayles Credit Asset			9.95%	3.05%	-9.94%	1.46%
Owl Rock Equity				11.20%	35.68%	22.83%
SSGA R3000 Index Fund					-19.16%	-2.56%
Wellington Emerging					-25.47%	-16.22%
HPS Specialty Fund V					1.80%	5.22%
Owl Rock Technology II					-0.52%	-1.31%
WP Explorer 3					-2.68%	-5.19%
WP Core Alpha VI					NA	36.33%
Owl Rock Corporate III					NA	1.28%
PIMCO Bravo IV					NA	-6.42%
<b>TOTAL FUND</b>	<b>-2.59%</b>	<b>19.00%</b>	<b>13.19%</b>	<b>17.45%</b>	<b>-14.90%</b>	

# LOPFI Retirement System

## Index Comparison

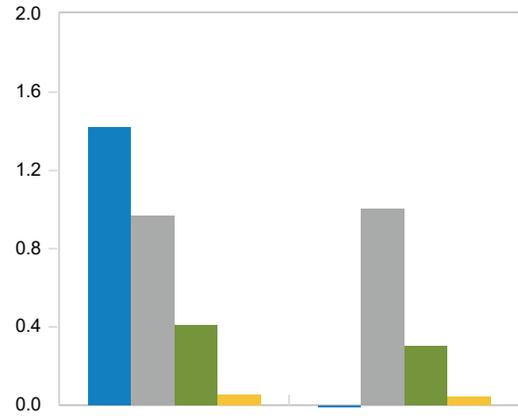
December 31, 2022

**Risk / Reward Historical Statistics 3 Years Ending December 31, 2022**



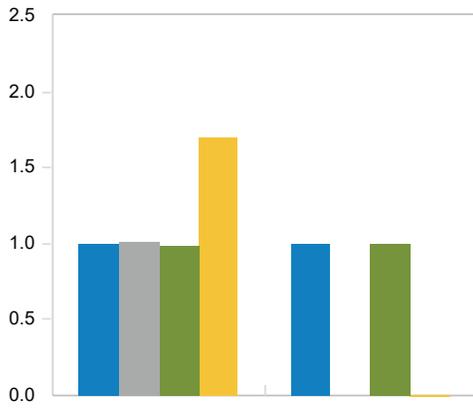
	Total Fund Composite	Total Fund Policy Index
Alpha	1.82	0.00
Beta	0.98	1.00
Sharpe Ratio	0.31	0.20
Treynor Ratio	0.05	0.03

**Risk / Reward Historical Statistics 5 Years Ending December 31, 2022**



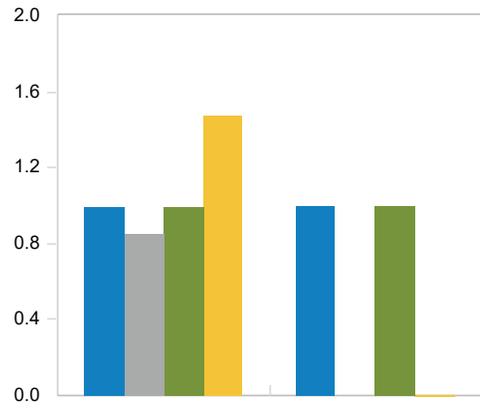
	Total Fund Composite	Total Fund Policy Index
Alpha	1.42	0.00
Beta	0.97	1.00
Sharpe Ratio	0.40	0.30
Treynor Ratio	0.05	0.04

**Index Relative Historical Statistics 3 Years Ending December 31, 2022**



	Total Fund Composite	Total Fund Policy Index
Actual Correlation	0.99	1.00
Information Ratio	1.01	N/A
R-Squared	0.99	1.00
Tracking Error	1.70	0.00

**Index Relative Historical Statistics 5 Years Ending December 31, 2022**



	Total Fund Composite	Total Fund Policy Index
Actual Correlation	0.99	1.00
Information Ratio	0.86	N/A
R-Squared	0.99	1.00
Tracking Error	1.48	0.00

Benchmark: Total Fund Policy Index



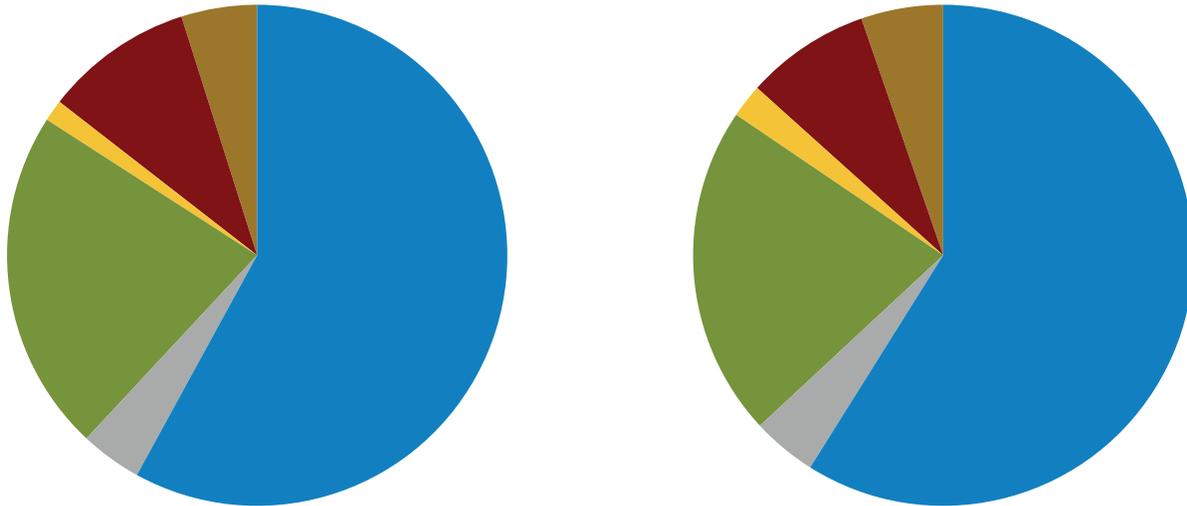
# LOPFI Retirement System

## Executive Summary

December 31, 2022

September 30, 2022 : \$2,595,611,050

December 31, 2022 : \$2,740,056,933



Asset Allocation by Segment			Asset Allocation by Segment		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	1,504,898,465	58.0	Domestic Equity	1,614,646,628	58.9
International Equity	103,079,738	4.0	International Equity	114,139,001	4.2
Domestic Fixed Income	574,910,031	22.1	Domestic Fixed Income	585,957,043	21.4
Real Estate	36,331,750	1.4	Real Estate	59,438,960	2.2
Private Equity	249,331,050	9.6	Private Equity	220,345,885	8.0
Cash Equivalent	127,060,017	4.9	Cash Equivalent	145,529,415	5.3



**LOPFI Retirement System**  
Schedule of Investment Expenses  
As of December 31, 2022

Professional / Consultant	Nature of Service	Amount
Barrow, Hanley - Large Cap Value - Equity*	Money Manager	\$ 493,042
Congress - Mid Cap Growth - Equity*	Money Manager	\$ 378,399
Garcia Hamilton - Core Fixed Income*	Money Manager	\$ 192,547
JP Morgan IIF - Tax Exempt	Money Manager	\$ 100,961
JP Morgan*	Money Manager	\$ 350,847
KKR Mezzanine	Money Manager	\$ 11,880
Lazard - Large Cap Equity*	Money Manager	\$ 906,825
Loomis Sayles	Money Manager	\$ 341,769
Owl Rock	Money Manager	\$ 57,769
Snyder	Money Manager	\$ 629,482
SSGA Russell 3000	Money Manager	\$ 113,517
WAMCO - Aggregate Fixed Income*	Money Manager	\$ 129,703
WP Global Core Alpha VI & Explorer 3 LP	Money Manager	\$ 707,458
Wellington - Commodities*	Money Manager	\$ 294,181
Wellington - International Growth - Equity*	Money Manager	\$ 381,737
Wellington - Large Cap Growth - Equity*	Money Manager	\$ 1,240,767
Wellington - Emerging Market	Money Manager	\$ 232,117
Wellington - Enduring Assets	Money Manager	<u>\$ 178,112</u>
<b>Total Investment Fees</b>		<u>\$ 6,741,111</u>
Regions Bank	Custodial Service	<u>\$ 216,000</u>
Stephens	Investment Consultant	<u>\$ 860,000</u>
AndCo Consulting	Investment Monitoring	<u>\$ 263,450</u>
Grand Total		<b>\$ 8,080,561</b>
MV of Fund @ 12/31/2022		\$ 2,740,056,933
Grand Total as a % of the 12/31/2022 MV		<b>0.29%</b>

**LOPFI Retirement System**  
**Schedule of Broker Commissions**  
Year Ending December 31, 2022

Brk#	Broker Name	Broker Commissions	Gross Price Of Assets	Average Commission per share	Shares
65544	B.Riley & Co., LLC	\$78.70	\$224,555.02	\$ (0.02)	5246
61610	Barclays Capital Le	\$304.18	\$2,252,673.88	\$ (0.01)	24994
70398	Berenberg Capital Markets LLC	\$562.57	\$2,538,959.78	\$ (0.04)	16073
45	BMO Capital Markets Corp.	\$2,708.55	\$6,743,567.37	\$ (0.04)	73496
84341	Citation Group/BCC Clrg	\$860.24	\$6,437,881.97	\$ (0.02)	51235
69276	Citigroup Global Markets Inc	\$4,811.77	\$21,141,108.64	\$ (0.03)	183798
505	Citigroup Global Markets, INC./CC	\$0.48	\$109,922.19	\$ (0.01)	48
63364	CJS Securities Inc.	\$203.25	\$695,432.21	\$ (0.03)	8129
74962	CL King	\$43.76	\$179,462.84	\$ (0.03)	1750
62513	Cowen and Company, LLC	\$356.03	\$2,955,583.64	\$ (0.03)	14186
355	Credit Suisse Securities (USA)	\$742.34	\$2,279,716.56	\$ (0.02)	33234
361	D. A. Davidson and Co.	\$100.32	\$188,149.05	\$ (0.03)	4012
647	Daiwa Capital Markets America Inc.	\$636.25	\$1,457,756.24	\$ (0.03)	18179
73558	Exane Inc.	\$482.27	\$1,567,317.59	\$ (0.04)	13779
5	Goldman, Sachs and Co	\$7,256.08	\$18,091,421.48	\$ (0.03)	226071
6826	Instinet	\$5,660.01	\$17,538,075.96	\$ (0.02)	233214
83213	ISI Group Inc	\$1,279.92	\$5,094,457.68	\$ (0.03)	38477
6164	ITG, Inc.	\$106.16	\$524,876.52	\$ (0.03)	4245
57079	J.P. Morgan Securities Inc.	\$8,729.74	\$20,086,854.47	\$ (0.03)	257376
19	Jefferies LLC	\$219.02	\$1,773,419.58	\$ (0.01)	34782
67526	Keybank Capital Markets Inc.	\$602.25	\$2,137,781.83	\$ (0.03)	20075
69400	Liquidnet Inc.	\$3,418.59	\$13,324,186.14	\$ (0.02)	224151
63054	Loop Capital Markets	\$207.71	\$2,352,528.13	\$ (0.02)	9782
69237	Luminex Trading and Analytics LLC	\$148.00	\$2,442,720.36	\$ (0.01)	29535
161	Merrill Lynch,Pierce,Fenner & Smith	\$2,122.33	\$4,963,008.58	\$ (0.03)	63961
61407	Mizuho Securities USA, Inc	\$0.59	\$7,767.18	\$ (0.02)	39
62526	MKM Partners LLC	\$27.45	\$52,168.73	\$ (0.01)	5490
50	Morgan Stanley and Co, LLC	\$3,204.70	\$8,680,731.72	\$ (0.03)	95705
571	Oppenheimer and Co Inc	\$191.01	\$731,555.25	\$ (0.03)	6367
69444	Piper Sandler & Co.	\$10,398.92	\$19,966,504.14	\$ (0.04)	297107
725	Raymond James and Associates Inc	\$197.83	\$1,969,955.95	\$ (0.01)	39537
547	Robert W. Baird & Co. Inc.	\$259.07	\$502,443.01	\$ (0.02)	13087
13	Sanford C. Bernstein & Co., LLC	\$924.40	\$5,588,597.35	\$ (0.02)	39956
64336	Seaport Group Securities, LLC	\$226.74	\$249,741.01	\$ (0.03)	9069
74998	Stephens Inc	\$75.75	\$454,292.18	\$ (0.03)	3029
793	Stifel, Nicolaus and Co., Inc.	\$642.33	\$2,288,089.85	\$ (0.03)	24164
62519	Strategas Securities LLC	\$1,194.43	\$2,379,460.42	\$ (0.04)	34126
54720	Suntrust Capital Markets, Inc.	\$239.95	\$243,975.88	\$ (0.03)	9598
642	UBS Securities LLC	\$2,569.37	\$8,222,524.34	\$ (0.03)	84926
53312	Virtu Americas LLC	\$938.50	\$2,688,967.33	\$ (0.03)	35380
69025	Wedbush Securities Inc.	\$197.30	\$291,748.54	\$ (0.03)	7892
46171	Wells Fargo Securities, LLC	\$549.64	\$1,094,430.96	\$ (0.03)	21210
771	William Blair and Company, L.L.C	\$94.20	\$822,988.35	\$ (0.03)	3140
	Total	\$63,572.70	\$193,337,359.90	\$ (0.03)	2319650

**LOPFI Retirement System**  
**Highest Portfolio Holdings by Manager**  
**Top Three Securities**  
As of December 31, 2022

	Barrow Hanley	Lazard Asset Management	Dodge & Cox	Wellington Growth	Wellington EM	SSgA
Security Name 1	Merck & Co., Inc.	Microsoft Corp (MSFT)	Charles Schwab Corp.	Microsoft Corp	Bk Rakyat Indonesia	Apple
MATURITY		n/a				
Market Value	\$6,433,991	\$11,419,508.94	\$4,297 million	\$376,040,637.84	\$2,812,824.73	\$28,006,344.44
Percent of Fund	3.81%	6.35%	4.86%	10.85%	2.16%	5.17%
Security Name 2	Air Products and Chemicals, Inc.	Alphabet Inc - Class A (GOOGL)	Occidental Petroleum Corp.	Apple Inc	Cia de Saneamento	Microsoft
MATURITY		n/a				
Market Value	\$6,213,905	\$8,348,322.60	\$4,203 million	\$330,604,546.26	\$2,391,523.08	\$25,731,167.53
Percent of Fund	3.68%	4.64%	4.76%	9.54%	1.84%	4.75%
Security Name 3	Elevance Health, Inc.	Johnson & Johnson (JNJ)	Wells Fargo & Co.	Alphabet Inc	Samsung SDI Co Ltd	Amazon
MATURITY		n/a				
Market Value	\$6,188,470	\$7,748,575.60	\$3,270 million	\$201,323,312.39	\$2,263,981.02	\$10,671,663.16
Percent of Fund	3.67%	4.31%	3.70%	2.81%	1.74%	1.97%
<b>TOTAL PORTFOLIO MV:</b>	<b>\$168,769,528.00</b>	<b>\$179,970,264.00</b>	<b>\$174,049,602.00</b>	<b>\$268,614,380.73</b>	<b>\$36,380,629.72</b>	<b>\$541,708,790.00</b>
	Congress Asset Management	Snyder Capital Management, L.P.	Wellington Enduring	Wellington Intl. Growth		
Security Name 1	Deckers Outdoor Corporation	Halozyme Therapeutics Inc.	AES Corp/The	Tencent Holdings Ltd		
MATURITY	-	N/A				
Market Value	\$2,594,540.00	\$3,492,066.80	\$14,093,262.80	\$46,834,374.85		
Percent of Fund	3.52%	5.00%	4.54%	3.69%		
Security Name 2	Ulta Beauty Inc	KBR, Inc.	Vinci SA	Taiwan Semi Mfg Co		
MATURITY	-	N/A				
Market Value	\$2,345,350.00	\$3,227,611.20	\$11,896,969.09	\$41,032,084.56		
Percent of Fund	3.18%	4.63%	3.83%	3.23%		
Security Name 3	Horizon Therapeutics Plc	Clean Harbors Inc.	Sempra Energy	AstraZeneca PLC		
MATURITY	-	N/A				
Market Value	\$2,276,000.00	\$3,215,559.24	\$11,479,231.20	\$40,634,415.75		
Percent of Fund	3.09%	4.61%	3.70%	3.20%		
<b>TOTAL PORTFOLIO MV:</b>	<b>\$73,695,471.00</b>	<b>\$69,784,597.00</b>	<b>\$29,112,899.26</b>	<b>\$48,645,472.49</b>		

*Continued on next page*

**LOPFI Retirement System**  
**Highest Portfolio Holdings by Manager**  
**Top Three Securities**  
As of December 31, 2022 *(Continued)*

	Western Asset Management Company, LLC	PIMCO	Garcia Hamilton & Associates	DoubleLine Capital LP	Loomis, Sayles & Company	LIQUIDATION
Security Name 1	WESTERN ASSET US CORE BOND LLC*	Uniform Mortgage-Backed	US Treasury 2.375% Due 05-15-27	DOUBLELINE SELECTIVE CREDIT FUND	HSBC HOLDINGS PLC 4.18 USD	Regions Trust Cash Sweep
MATURITY	N/A	9/1/52	5/15/27	N/A	12/9/25	N/A
Market Value	\$95,566,766	\$15,655,508.32	13,033,725.39	\$141,875,576	\$780,552	\$125,314,918
Percent of Fund	100.00%	9.79%	8.72%	128.82%	1.08%	100%
Security Name 2		Uniform Mortgage-Backed	FNMA Pool #MA4783 4.000% Due 10-01-52	UNITED STATES TSY. 3.00%	VOLKSWAGEN GROUP AMERICA 144A W/O RTS 3.95 USD	
MATURITY		11/1/52	10/1/52	8/15/52	6/6/25	
Market Value		\$10,473,248.85	11,157,525.09	\$35,175,094	\$536,711	
Percent of Fund		6.55%	7.46%	31.94%	0.75%	
Security Name 3		Uniform Mortgage-Backed	US Treasury 1.875% Due 02-15-32	UNITED STATES TSY. 4.125%	SCIL IV LLC / SCIL USA H 144A W/O RTS 5.375 USD	
MATURITY		11/1/52	2/15/32	11/15/32	11/1/26	
Market Value		\$8,506,516.62	10,935,665.73	\$27,141,797	\$464,758	
Percent of Fund		5.32%	7.31%	24.64%	0.65%	
<b>TOTAL PORTFOLIO MV:</b>	<b>\$95,566,765.54</b>	<b>\$159,896,929.00</b>	<b>\$149,506,075.00</b>	<b>\$110,132,119.00</b>	<b>\$71,972,791</b>	<b>\$125,314,918.00</b>

## LOPFI Retirement System

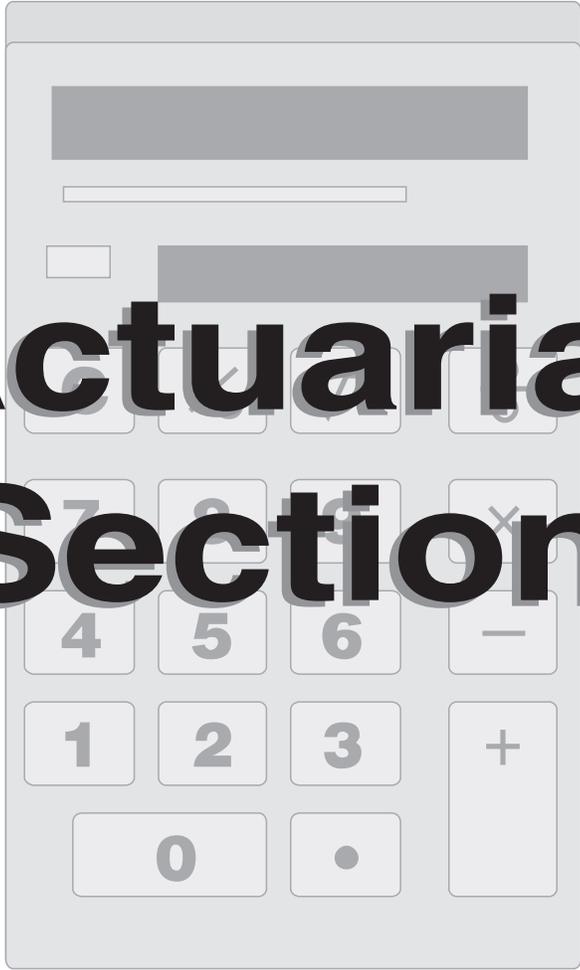
### Investment Summary

Years Ending December 31, 2022 and 2021

<u>Type of Investment</u>	December 31, 2022		% of Total
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 143,425,846	\$ 143,425,846	5.2%
Investments:			
Equity Securities - Diversified	468,381,687	627,484,194	22.9%
Equity Securities - Foreign	25,817,992	27,897,780	1.0%
Equity Mutual Funds	1,063,632,877	1,107,686,420	40.5%
International Equity Mutual Funds	39,207,110	48,645,472	1.8%
Fixed Income Mutual Funds	215,483,006	205,698,885	7.5%
Real Estate Investment Trusts	5,735,481	7,464,936	0.3%
U.S. Government Obligations	41,455,912	40,115,973	1.5%
Corporate Bonds	28,442,725	24,769,274	0.9%
Mortgage-Backed Securities	84,035,061	83,503,190	3.1%
Alternative Investments	336,568,842	421,261,393	15.4%
	<u>\$ 2,308,760,693</u>	<u>\$ 2,594,527,517</u> *	<u>94.8%</u>
Total Investments	<u>\$ 2,452,186,539.00</u>	<u>\$ 2,737,953,363.00</u>	<u>100.0%</u>

<u>Type of Investment</u>	December 31, 2021		% of Total
	<u>Cost Value</u>	<u>Fair Value</u>	
Cash and Short Term Investments	\$ 40,984,380	\$ 40,984,380	1.5%
Investments:			
Equity Securities - Diversified	441,469,316	529,531,800	19.3%
Equity Securities - Foreign	23,685,383	30,328,904	1.1%
Equity Mutual Funds	1,179,804,124	1,683,412,967	61.5%
International Equity Mutual Funds	64,461,580	102,067,168	3.7%
Fixed Income Mutual Funds	328,903,299	348,832,627	12.7%
Real Estate Investment Trusts	7,001,610	12,904,395	0.5%
U.S. Government Obligations	73,269,266	73,313,344	2.7%
Corporate Bonds	39,323,260	38,727,084	1.4%
Mortgage-Backed Securities	44,482,739	44,037,597	1.6%
Alternative Investments	227,988,946	323,074,306	11.8%
	<u>\$ 2,430,389,523</u>	<u>\$ 3,186,230,192</u> *	<u>116.4%</u>
Total Investments	<u>\$ 2,471,373,903</u>	<u>\$ 3,227,214,572</u>	<u>117.9%</u>

\* Per Statements of Fiduciary Net Position on Pages 25 & 26.



# 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, 2023

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 that which is 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, plan provisions as of December 31, 2022, and legislative changes that were passed subsequent to the valuation date.

LOPFI's administrative staff provides the actuary with data for the actuarial valuations. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer term trends. The plan's external auditor also audits the actuarial data annually. We are not responsible for the accuracy or completeness of the data provided by LOPFI staff.

The December 31, 2022 valuation reflects legislative changes in benefit provisions for paid active members. There were no changes in actuarial assumptions changes or methods.

Actuarial valuations as of December 31, 2022 were prepared for 931 employer groups. Summary information about the resulting new employer contribution rates is shown in the compiled annual report. Results of the 2022 actuarial valuations indicate that aggregate actuarial accrued liabilities are 73% covered by the actuarial value of assets. This is a decrease from last year's result of 75%. The actuarial value of assets is about 111% of the market value of assets as of December 31, 2022. These results include the 278 local police and fire pension and relief valuations 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 Annual Comprehensive 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, 2022 valuations were based upon demographic assumptions that were recommended in connection with a study of experience covering the period from January 1, 2017 through December 31, 2020 and the economic assumptions adopted by the Board in March 2022. 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 assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

Note that other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed.

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

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

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

***On the basis of the December 31, 2022 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.***

Board of Trustees  
May 11, 2023  
Page 4

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. The actuaries 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,  
Gabriel, Roeder, Smith & Company



Heidi G. Barry, ASA, FCA, MAAA



Casey T. Ahlbrandt-Rains, ASA, MAAA

HGB/CTA: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. 24-10205(a)(1).

## ECONOMIC ASSUMPTIONS -----

*The investment return rate* used in the valuation was 7.25% 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 3.00% wage inflation assumption, the 7.25% investment return rate translates to an assumed real rate of return of 4.25%.

*Price inflation* was assumed to be 2.25% 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 3.00% recognizes wage inflation.

*Total active member payroll* is assumed to increase 3.00% 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 Pub-2010 Amount-Weighted General Below Median Income Healthy Retiree tables, set forward one year for males, and two years for females. The disability post-retirement mortality tables used were the Pub-2010 Amount-Weighted General Disabled Retiree tables for males and females. The death-in-service mortality tables used were the Pub-2010 Amount-Weighted General Below Median Income Employee tables for males and females. Fifty percent of deaths-in-service were assumed to be duty related. The tables were adjusted for fully generational mortality improvements using Scale MP-2020. 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 \$8.09 effective July 1, 2023 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 \$13.10 effective July 1, 2023 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*			Inflation Increase % (CPI)	
		Number	Annual Payroll	Average Pay		% Increase
12/31/85	39	218	\$ 3,066,418	\$14,066	10.7 %	3.8 %
12/31/86	42	276	4,170,832	15,112	7.4	1.1
12/31/87	48	342	5,333,703	15,596	3.2	4.4
12/31/88	54	413	6,759,766	16,367	4.9	4.4
12/31/89	54	457	7,803,548	17,076	4.3	4.6
12/31/90	62	517	9,386,818	18,156	6.3	6.1
12/31/91	73	614	11,618,980	18,923	4.2	3.1
12/31/92	78	683	13,483,829	19,742	4.3	2.9
12/31/93	89	806	16,407,154	20,356	3.1	2.7
12/31/94	98	916	19,373,328	21,150	3.9	2.7
12/31/95	110	1,053	23,212,618	22,044	4.2	2.5
12/31/96	117	1,145	26,154,080	22,842	3.6	3.3
12/31/97	128	1,211	28,971,065	23,923	4.7	1.7
12/31/98	134	1,346	33,301,863	24,741	3.4	1.6
12/31/99	141	1,480	38,187,948	25,803	4.3	2.7
12/31/00	150	1,493	39,080,134	26,176	1.4	3.4
12/31/01	152	1,497	42,193,903	28,186	7.7	1.6
12/31/02	158	1,556	46,480,114	29,872	6.0	2.4
12/31/2003	154	1,583	49,757,738	31,433	5.2	1.9
12/31/2004	154	1,583	51,235,812	32,366	3.0	3.3
12/31/2005	154	1,614	53,061,186	32,876	1.6	3.4
12/31/2006	161	1,680	57,466,068	34,206	4.0	2.5
12/31/2007	166	1,787	62,170,244	34,790	1.7	4.1
12/31/2008	163	1,838	66,243,983	36,041	3.6	0.1
12/31/2009	172	1,905	71,687,015	37,631	4.4	2.7
12/31/2010	175	1,906	72,900,413	38,248	1.6	1.5
12/31/2011	176	1,931	74,098,384	38,373	0.3	3.0
12/31/2012	175	1,948	75,476,200	38,745	1.0	1.7
12/31/2013	172	1,986	79,718,641	40,140	3.6	1.5
12/31/2014	176	2,020	83,100,711	41,139	2.5	0.8
12/31/2015	183	2,122	89,826,406	42,331	2.9	0.7
12/31/2016	179	2,152	91,581,947	42,557	0.5	2.1
12/31/2017	182	2,196	94,895,150	43,213	1.5	2.1
12/31/2018	183	2,229	98,772,944	44,313	2.5	1.9
12/31/2019	186	2,332	106,236,865	45,556	2.8	2.3
12/31/2020	186	2,349	109,497,373	46,614	2.3	1.4
12/31/2021	183	2,328	111,773,904	48,013	3.0	7.0
12/31/2022	182	2,403	122,202,327	50,854	5.9	6.5

\* 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
12/31/2020	14	1,609	97,972,198	60,890	2.6	1.4
12/31/2021	14	1,543	96,159,660	62,320	2.3	7.0
12/31/2022	15	1,539	101,369,200	65,867	5.7	6.5

\* Includes DROP participants, if any.

Continued on next page

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

Paid Fire Covered by Social Security	Valuation Groups	Active Members*			% Increase	Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay		
12/31/85	2	12	\$ 210,238	\$17,520	7.1 %	3.8 %
12/31/86	2	14	254,921	18,209	3.9	1.1
12/31/87	2	16	321,457	20,091	10.3	4.4
12/31/88	3	19	382,949	20,155	0.3	4.4
12/31/89	3	17	363,844	21,403	6.2	4.6
12/31/90	3	22	475,090	21,595	0.9	6.1
12/31/91	3	23	497,074	21,612	0.1	3.1
12/31/92	2	23	535,463	23,281	7.7	2.9
12/31/93	2	24	601,457	25,061	7.6	2.7
12/31/94	2	22	544,619	24,755	(1.2)	2.7
12/31/95	2	24	642,998	26,792	8.2	2.5
12/31/96	2	24	658,401	27,433	2.4	3.3
12/31/97	2	16	413,344	25,834	(5.8)	1.7
12/31/98	2	15	427,149	28,477	10.2	1.6
12/31/99	2	15	443,877	29,592	3.9	2.7
12/31/00	3	20	550,930	27,547	(6.9)	3.4
12/31/01	4	34	1,091,894	32,115	16.6	1.6
12/31/02	5	34	1,236,009	36,353	13.2	2.4
12/31/2003	6	34	1,297,597	38,165	5.0	1.9
12/31/2004	7	58	1,881,084	32,432	(15.0)	3.3
12/31/2005	10	62	2,137,350	34,473	6.3	3.4
12/31/2006	13	71	2,459,152	34,636	0.5	2.5
12/31/2007	19	84	3,224,208	38,383	10.8	4.1
12/31/2008	20	85	3,310,078	38,942	1.5	0.1
12/31/2009	21	90	3,794,410	42,160	8.3	2.7
12/31/2010	23	99	4,092,787	41,341	(1.9)	1.5
12/31/2011	23	104	4,155,015	39,952	(3.4)	3.0
12/31/2012	22	101	4,221,364	41,796	4.6	1.7
12/31/2013	25	102	4,331,413	42,465	1.6	1.5
12/31/2014	25	114	4,689,955	41,140	(3.1)	0.8
12/31/2015	27	124	5,239,454	42,254	2.7	0.7
12/31/2016	28	126	5,375,073	42,659	1.0	2.1
12/31/2017	27	126	5,486,384	43,543	2.1	2.1
12/31/2018	31	155	6,673,890	43,057	(1.1)	1.9
12/31/2019	32	165	7,248,722	43,932	2.0	2.3
12/31/2020	32	168	7,912,729	47,100	7.2	1.4
12/31/2021	36	172	7,961,038	46,285	(1.7)	7.0
12/31/2022	36	202	10,246,076	50,723	9.6	6.5

\* 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
12/31/2020	63	2,790	164,234,390	58,865	3.6	1.4
12/31/2021	62	2,791	167,384,344	59,973	1.9	7.0
12/31/2022	63	2,873	176,743,947	61,519	2.6	6.5

\* Includes DROP participants, if any.

*Continued on next page*

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

Total Paid	Valuation Groups	Active Members*				Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	% Increase	
12/31/85	93	700	\$ 10,502,018	\$15,003	9.3 %	3.8 %
12/31/86	97	919	14,843,296	16,152	7.7	1.1
12/31/87	108	1,118	18,803,244	16,819	4.1	4.4
12/31/88	118	1,356	24,370,084	17,972	6.9	4.4
12/31/89	118	1,501	28,385,618	18,911	5.2	4.6
12/31/90	127	1,739	34,461,972	19,817	4.8	6.1
12/31/91	138	2,007	41,583,379	20,719	4.6	3.1
12/31/92	142	2,224	49,239,623	22,140	6.9	2.9
12/31/93	156	2,477	56,890,921	22,968	3.7	2.7
12/31/94	168	2,807	67,309,774	23,979	4.4	2.7
12/31/95	181	3,194	79,215,838	24,801	3.4	2.5
12/31/96	188	3,472	90,391,226	26,034	5.0	3.3
12/31/97	202	3,715	101,864,148	27,420	5.3	1.7
12/31/98	208	3,998	113,830,550	28,472	3.8	1.6
12/31/99	215	4,301	128,200,592	29,807	4.7	2.7
12/31/00	228	4,493	137,294,908	30,558	2.5	3.4
12/31/01	230	4,573	148,713,511	32,520	6.4	1.6
12/31/02	236	4,720	163,420,616	34,623	6.5	2.4
12/31/2003	233	4,849	176,054,967	36,307	4.9	1.9
12/31/2004	236	4,966	187,341,513	37,725	3.9	3.3
12/31/2005	236	5,115	197,501,660	38,612	2.4	3.4
12/31/2006	247	5,328	212,949,694	39,968	3.5	2.5
12/31/2007	261	5,603	230,177,530	41,081	2.7	4.1
12/31/2008	258	5,640	241,675,203	42,850	4.3	0.1
12/31/2009	269	5,907	261,726,443	44,308	3.4	2.7
12/31/2010	274	5,949	264,905,380	44,529	0.5	1.5
12/31/2011	275	6,016	272,769,765	45,341	1.8	3.0
12/31/2012	272	6,139	282,170,105	45,964	1.4	1.7
12/31/2013	272	6,245	296,617,371	47,497	3.3	1.5
12/31/2014	276	6,323	307,405,199	48,617	2.4	0.8
12/31/2015	285	6,430	316,897,246	49,284	1.4	0.7
12/31/2016	283	6,551	326,005,293	49,764	1.0	2.1
12/31/2017	285	6,651	338,620,737	50,913	2.3	2.1
12/31/2018	290	6,755	350,639,235	51,908	2.0	1.9
12/31/2019	294	6,889	367,225,538	53,306	2.7	2.3
12/31/2020	295	6,916	379,616,690	54,890	3.0	1.4
12/31/2021	295	6,834	383,278,946	56,084	2.2	7.0
12/31/2022	296	7,017	410,561,550	58,510	4.3	6.5

\* 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	% Increase	
12/31/85	2	2	N/A	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
12/31/2020	115	470				1.4
12/31/2021	119	476				7.0
12/31/2022	124	455				6.5

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

*Continued on next page*

## LOPFI Covered Groups and Covered Persons

(Excluding Local Plans)

*(Continued)*

Volunteer Fire	Valuation Groups*	Number	Active Members			Inflation Increase % (CPI)
			Annual Payroll	Average Pay	% Increase	
12/31/85	166	756	N/A	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
12/31/2020	487	7,038				1.4
12/31/2021	489	6,840				7.0
12/31/2022	494	6,796				6.5

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

*Continued on next page*

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

Total Volunteer	Valuation Groups*	Active Members			Inflation Increase % (CPI)
		Number	Annual Payroll	Average Pay	
12/31/85	168	758	N/A	N/A	N/A
12/31/86	187	1,022			N/A
12/31/87	205	1,246			N/A
12/31/88	210	1,424			N/A
12/31/89	219	1,626			N/A
12/31/90	219	1,824			N/A
12/31/91	228	2,007			3.1%
12/31/92	236	2,172			2.9
12/31/93	241	2,375			2.7
12/31/94	247	2,462			2.7
12/31/95	246	2,693			2.5
12/31/96	252	2,905			3.3
12/31/97	258	3,077			1.7
12/31/98	256	3,183			1.6
12/31/99	261	3,407			2.7
12/31/00	262	3,490			3.4
12/31/01	265	3,601			1.6
12/31/02	280	3,858			2.4
12/31/2003	290	4,088			1.9
12/31/2004	306	4,406			3.3
12/31/2005	325	4,650			3.4
12/31/2006	341	4,905			2.5
12/31/2007	461	6,620			4.1
12/31/2008	457	6,603			0.1
12/31/2009	468	6,551			2.7
12/31/2010	485	6,734			1.5
12/31/2011	512	7,034			3.0
12/31/2012	511	7,029			1.7
12/31/2013	534	7,140			1.5
12/31/2014	554	7,347			0.8
12/31/2015	566	7,304			0.7
12/31/2016	573	7,391			2.1
12/31/2017	579	7,341			2.1
12/31/2018	596	7,461			1.9
12/31/2019	601	7,533			2.3
12/31/2020	602	7,508			1.4
12/31/2021	608	7,316			7.0
12/31/2022	618	7,251			6.5

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

**LOPFI (Excluding Local Plans)  
Paid Service Active Members – December 31, 2022  
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	12							12	\$ 352,240
20-24	489	25						514	21,710,639
25-29	802	232	60					1,094	51,639,444
30-34	558	466	191	73				1,288	69,088,356
35-39	260	250	237	184	89			1,020	60,058,139
40-44	114	148	185	234	186	103		970	61,921,276
45-49	58	60	91	144	253	163	89	858	60,224,276
50-54	57	42	58	76	185	235	99	752	52,964,678
55-59	31	18	43	49	48	119	43	351	23,464,189
60-64	7	14	25	11	19	35	17	128	7,660,235
65-69	3	6	3	4	2	1	3	22	1,118,308
70+	5			2		1		8	359,770
<b>Totals</b>	<b>2,396</b>	<b>1,261</b>	<b>893</b>	<b>777</b>	<b>782</b>	<b>657</b>	<b>251</b>	<b>7,017</b>	<b>\$ 410,561,550</b>

Average Age: 38.5 years

Average Service: 11.8 years

Average Pay: \$58,510

\* Includes DROP participants.

As a comparison, 6,834 paid service members participated in LOPFI on December 31, 2021.

**LOPFI (Excluding Local Plans)  
Volunteer Service Active Members – December 31, 2022  
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	61							61
20-24	428	61						489
25-29	380	310	68					758
30-34	358	268	227	83				936
35-39	282	242	185	178	82			969
40-44	227	189	175	146	160	66		963
45-49	195	164	113	106	136	120	57	891
50-54	165	146	104	129	86	88	81	799
55-59	101	113	88	96	61	58	62	579
60-64	83	77	50	63	44	40	41	398
65-69	59	50	32	28	24	14	27	234
70+	33	50	24	26	14	9	18	174
<b>Totals</b>	<b>2,372</b>	<b>1,670</b>	<b>1,066</b>	<b>855</b>	<b>607</b>	<b>395</b>	<b>286</b>	<b>7,251</b>

Average Age: 42.5 years

Average Service: 11.0 years

As a comparison, 7,316 volunteer service members participated in LOPFI on December 31, 2021.

**LOPFI**  
**Computed Employer Contributions**  
**For Paid Service Members by Valuation Groups**  
**December 31, 2022**

Group	Number of Active Members	Number of Valuation Groups with Indicated Computed Employer Contributions Expressed as Percents of Active Member Payroll										Totals
		Under 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% -23.99%	24.00% & Above	
December 31, 2017 *	6,651	6	5	7	11	5	15	18	24	190	4	285
December 31, 2018 #	6,755	4	3	5	7	11	5	15	46	189	5	290
December 31, 2019	6,889	2	1	3	5	7	11	5	15	238	7	294
December 31, 2020 #	6,916	1	1	1	3	5	7	11	5	253	8	295
December 31, 2021 *	6,834	1	-	1	1	3	5	7	11	43	223	295
December 31, 2022 #	7,017	1	-	-	1	1	2	5	7	55	224	296
Paid Police												
W/SS	2,403	1	-	-	1	1	-	2	2	32	143	182
W/O SS	1,539	-	-	-	-	-	2	1	2	1	9	15
Paid Fire												
W/SS	202	-	-	-	-	-	-	-	-	16	20	36
W/O SS	2,873	-	-	-	-	-	-	2	3	6	52	63

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

\* After changes in actuarial valuation assumptions.

# After legislated benefit changes.

Continued on next page

**LOPFI**  
**Volunteer Service Members by Valuation Groups**  
**December 31, 2022**

<b>Group</b>	<b>Number of Active Members</b>	<b>Number of Employers</b>
December 31, 2009	6,551	468
December 31, 2010	6,734	485
December 31, 2011	7,034	512
December 31, 2017	7,341	579
December 31, 2012	7,029	511
December 31, 2013	7,140	534
December 31, 2014	7,347	554
December 31, 2015	7,304	566
December 31, 2016	7,391	573
December 31, 2018	7,461	596
December 31, 2019	7,533	601
December 31, 2020	7,508	602
December 31, 2021	7,316	608
December 31, 2022	7,251	618
Volunteer Police	455	124
Volunteer Fire	6,796	494

**Benefit Program 2 Employers  
(Included in Paid Service Schedules)**

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<b>Employer</b>	<b>Number of Active Members*</b>	<b>Payroll</b>
140626 Bella Vista Police	40	\$ 2,538,519
140636 Bella Vista Fire	65	3,926,035
614927 Fayetteville Police	131	9,469,739
614937 Fayetteville Fire	125	9,179,818
911327 Hot Springs Police	109	6,963,543
911337 Hot Springs Fire	83	5,182,303
1278526 Marion Police	27	1,167,098
<b>Total Benefit Program 2</b>	<b>580</b>	<b>\$ 38,427,055</b>

\* Includes DROP participants, if any.

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

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<b>Employer</b>	<b>Number of Active Members</b>
336039 Chickalah Volunteer Fire	7
747139 Greenwood Volunteer Fire	31
884229 Higginson Volunteer Police	3
884239 Higginson Volunteer Fire	15
1516429 Norfolk Volunteer Police	1
<b>Total Benefit Program 4</b>	<b>57</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:	2018	2019	2020	2021	2022
A. Funding Value Beginning of Year	\$2,066,004,218	\$2,235,288,171	\$2,397,980,317	\$2,637,519,696	\$2,926,343,924
B. Market Value End of Year	2,079,853,157	2,474,511,579	2,814,482,623	3,267,281,824	2,772,495,903
C. Market Value Beginning of Year	2,074,618,439	2,079,853,157	2,474,511,579	2,814,482,623	3,267,281,824
D. Non-Investment Net Cash Flow	69,683,253	7,267,608	17,865,951	(10,375,288)	(13,034,709)
E. Investment Income					
E1. Market Total: B - C - D	(64,448,535)	387,390,814	322,105,093	463,174,489	(481,751,212)
E1(a). Assumed Rate of Return	7.50%	7.50%	7.50%	7.50%	7.25%
E2. Amount for Immediate Recognition	157,563,438	167,919,148	180,518,497	197,424,904	211,687,426
E3. Amount for Phased-In Recognition E1-E2	(222,011,973)	219,471,666	141,586,596	265,749,585	(693,438,638)
F. Phased-In Recognition of Investment Income					
F1. Current Year: 0.20 x E3	(44,402,395)	43,894,333	28,317,319	53,149,917	(138,687,728)
F2. First Prior Year	20,815,436	(44,402,395)	43,894,333	28,317,319	53,149,917
F3. Second Prior Year	(7,469,761)	20,815,436	(44,402,395)	43,894,333	28,317,319
F4. Third Prior Year	(25,332,222)	(7,469,761)	20,815,436	(44,402,395)	43,894,333
F5. Fourth Prior Year	<u>(1,573,796)</u>	<u>(25,332,223)</u>	<u>(7,469,762)</u>	<u>20,815,438</u>	<u>(44,402,393)</u>
F6. Total Recognized Investment Gain	(57,962,738)	(12,494,610)	41,154,931	101,774,612	(57,728,552)
G. Funding Value End of Year: A + D + E2 + F6	2,235,288,171	2,397,980,317	2,637,519,696	2,926,343,924	3,067,268,089
120% Corridor	2,495,823,788	2,969,413,895	3,377,379,148	3,920,738,189	3,326,995,084
80% Corridor	1,663,882,526	1,979,609,263	2,251,586,098	2,613,825,459	2,217,996,722
Funding Value End of Year	2,235,288,171	2,397,980,317	2,637,519,696	2,926,343,924	3,067,268,089
H. Difference between Market & Funding Value	(155,435,014)	76,531,262	176,962,927	340,937,900	(294,772,186)
I. Recognized Rate of Return	4.74%	6.94%	9.21%	11.37%	5.27%
J. Market Rate of Return	(3.06%)	18.59%	12.97%	16.49%	(14.77%)
K. Ratio of Funding Value to Market Value	107.47%	96.91%	93.71%	89.57%	110.63%

**LOPFI**  
**Reported Accrued Assets Available for Benefits**  
**December 31, 2022**

<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	182	96,233,518	24,871,318	-	121,104,836
Paid Police W/O SS	15	105,462,362	87,080,586	-	192,542,948
Paid Fire W/SS	36	10,767,990	3,237,385	-	14,005,375
Paid Fire W/O SS	<u>63</u>	<u>324,265,065</u>	<u>147,523,733</u>	-	<u>471,788,798</u>
Subtotal	296	536,728,935	262,713,022	-	799,441,957
Volunteer Police and Fire	618	49,442,277	-	-	49,442,277
Retirants and Beneficiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,658,887,716</u>	<u>1,658,887,716</u>
Total	914	586,171,212	262,713,022	1,658,887,716	2,507,771,950

**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, 2022. Totals include accounts for employers with no active participants as of December 31, 2022.*

@ Does not include assets of \$264,723,953 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
12/31/2020	+ 2,637,519,696	3,572,572,929	935,053,233	74	379,736,069	246
12/31/2021	# 2,926,343,924	3,895,299,842	968,955,918	75	383,460,690	253
12/31/2022	3,067,268,089	4,148,729,077	1,081,460,988	74	410,696,540	263
12/31/2022	+ 3,067,268,089	4,180,902,097	1,113,634,008	73	410,696,540	271

+ 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**

<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	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
12/31/2020 +	295	6,916	2,887,310,723	2,256,519,852	78	23.38	13.8
12/31/2021 #	295	6,834	3,193,285,631	2,515,658,420	79	23.72	15.9
12/31/2022	296	7,017	3,433,075,153	2,653,811,204	77	23.83	17.7
12/31/2022 +	296	7,017	3,465,248,173	2,653,811,204	77	23.83	17.8

\* If this ratio approaches 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
12/31/2020	602	7,508	133,866,429	101,496,995	76	59.00	13.1
12/31/2021 #	608	7,316	148,345,786	114,245,426	77	60.00	15.2
12/31/2022	618	7,251	164,296,294	120,522,577	73	60.00	26.4

\* If this ratio approaches 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
12/31/2020 +	897	14,424	3,021,177,152	2,358,016,847	78
12/31/2021 #	903	14,150	3,341,631,417	2,629,903,846	79
12/31/2022	914	14,268	3,597,371,447	2,774,333,781	77
12/31/2022 +	914	14,268	3,629,544,467	2,774,333,781	76

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

# After changes in actuarial valuation assumptions.

+ After legislated benefit changes and board policy changes

## Short Condition Test Comparative Statement

### LOPFI Paid Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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
2020 *	251,563,149	1,168,479,254	1,467,268,320	2,256,519,852	100	100	57
2021 +	254,808,504	1,394,652,805	1,543,824,322	2,515,658,420	100	100	56
2022 *	262,713,022	1,553,287,616	1,649,247,535	2,653,811,204	100	100	51

### Local Paid Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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	-
2020	847,168	506,805,254	21,006,978	261,734,327	100	51	-
2021 +	745,609	504,959,151	23,563,366	275,650,869	100	54	-
2022	597,719	504,926,084	20,013,360	271,010,385	100	54	-

### LOPFI Volunteer Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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
2020	-	48,621,919	85,244,510	101,496,995	-	100	62
2021 +	-	55,037,613	93,308,173	114,245,426	-	100	63
2022	-	59,306,887	104,989,407	120,522,577	-	100	58

### Local Volunteer Service

Valuation Date	Actuarial Accrued Liabilities for				Portion of Present Values Covered by Assets		
	Member Contributions	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Actuarial Value of Assets			
					(1)	(2)	(3)
December 31	(1)	(2)	(3)	Assets	(1)	(2)	(3)
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	-
2020	4,277	22,583,013	149,087	17,768,522	100	79	-
2021 +	5,009	24,243,140	152,150	20,789,209	100	86	-
2022	3,912	25,667,465	149,090	21,923,923	100	85	-

\* After legislated benefit changes for LOPFI members

+ After changes in actuarial assumptions

***Derivation of Actuarial Gain (Loss)  
Year Ended December 31, 2022  
(LOPFI and Local Plans Combined)***

(1)	UAAL at start of year	\$ 968,955,918
(2)	Employer normal cost from last valuation	38,487,528
(3)	Actual employer contributions	129,285,608
(4)	Interest accrual: (1) x .075 + [(2)-(3)] x (.075/2)	66,957,874
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	945,115,712
(6)	Change from benefit changes*	47,398,007
(7)	Change from revised actuarial assumptions	-
(8)	Expected UAAL after changes	992,513,719
(9)	Actual UAAL at end of year	1,113,634,008
(10)	Gain (loss) (8) - (9)	(121,120,289)
(11)	Gain (loss) as percent of actuarial accrued liabilities at start of year	\$3,895,299,842 (3.1)%

<b>Valuation Date December 31</b>	<b>Actuarial Gain (Loss) as a Percentage of Beginning Accrued Liabilities</b>
2013	0.7 %
2014	(0.1)
2015	(0.3)
2016	(0.5)
2017	(0.3)
2018	(2.6)
2019	(1.9)
2020	0.5
2021	2.4
2022	(3.1)

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

**Arkansas LOcal Police and Fire Retirement System**  
**Brief Summary as of December 31, 2022 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 2023 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 2022 was \$1,592.

***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, 3.00% of the member's final average pay.
- B. *Paid Service Also Covered by Social Security.*** For each year of such service, 2.00% 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 for duty disability retirements approved prior to April 1, 2021.

An approved duty disability retirement that is effective on or after April 1, 2021, shall be classified as catastrophic duty disability, hazardous duty disability, or ordinary duty disability in accordance with the criteria in the rules for disability retirement established by the board.

The minimum annuity payable to:

- (i) A catastrophic duty disability retiree shall be an annuity based on twenty-eight (28) years of accrued paid service credit;
- (ii) A hazardous duty disability retiree shall be sixty-five percent (65%) of the final average pay of the member; and
- (iii) An ordinary duty disability retiree shall be fifteen percent (15%) of the final average pay of the member.

**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 1 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 9.5% 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 3.5% 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 10 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 3.00% of FAP<sup>(1)</sup>)

Final Average Pay (FAP) (1)		LOPFI BENEFIT (2)	
		\$	% of FAP
32 Years of Service (3)			
\$ 2,400	\$	2,304	96 %
3,000		2,880	96
3,600		3,456	96
4,200		4,032	96
4,800		4,608	96
28 Years of Service (3)			
\$ 2,400	\$	2,016	84 %
3,000		2,520	84
3,600		3,024	84
4,200		3,528	84
4,800		4,032	84
20 Years of Service (3)			
\$ 2,400	\$	1,440	60 %
3,000		1,800	60
3,600		2,160	60
4,200		2,520	60
4,800		2,880	60

- (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: 2.00% of FAP<sup>(1)</sup> for life,  
plus 1.0% of FAP<sup>(1)</sup> Temporary to Full Social Security Retirement Age)

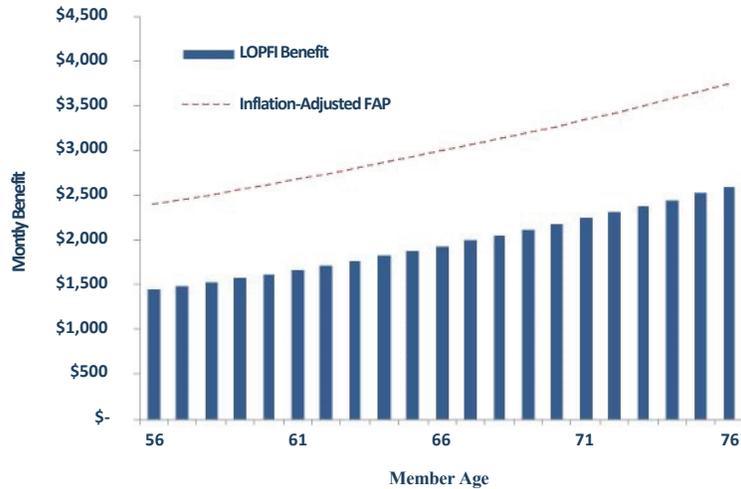
Final Average Pay (FAP) at LOPFI Retirement Age (LRA) (1)	LOPFI Benefit (3)		Estimated Social Security (2)	Estimated Monthly Total		Percent of FAP		
	At LRA	At SSRA (6)		At LRA	At SSRA	At LRA	At SSRA (7)	
<b>32 Years of Service (4)</b>								
\$2,400	\$ 2,304	\$ 2,126	\$ 1,779	\$ 2,304	\$ 3,905	96 %	127 %	
3,000	2,880	2,658	1,998	2,880	4,656	96	121	
3,600	3,456	3,189	2,229	3,456	5,418	96	118	
4,200	4,032	3,721	2,451	4,032	6,172	96	115	
4,800	4,608	4,252	2,676	4,608	6,928	96	113	
<b>28 Years of Service (4)</b>								
\$2,400	\$ 2,016	\$ 1,860	\$ 1,779	\$ 2,016	\$ 3,639	84 %	119 %	
3,000	2,520	2,326	1,998	2,520	4,324	84	113	
3,600	3,024	2,791	2,229	3,024	5,020	84	109	
4,200	3,528	3,256	2,451	3,528	5,707	84	106	
4,800	4,032	3,721	2,676	4,032	6,397	84	104	
<b>20 Years of Service (4)</b>								
\$2,400	\$ 1,440	\$ 1,329	\$ 1,779	\$ 1,440	\$ 3,108	60 %	101 %	
3,000	1,800	1,661	1,998	1,800	3,659	60	95	
3,600	2,160	1,993	2,229	2,160	4,222	60	92	
4,200	2,520	2,326	2,451	2,520	4,777	60	89	
4,800	2,880	2,658	2,676	2,880	5,334	60	87	

- (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 2032 Social Security estimates for a participant who retires in 2022 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.
- (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.

## LOPFI with Social Security vs. LOPFI-Only Comparing Normal Benefit Amounts in Retirement

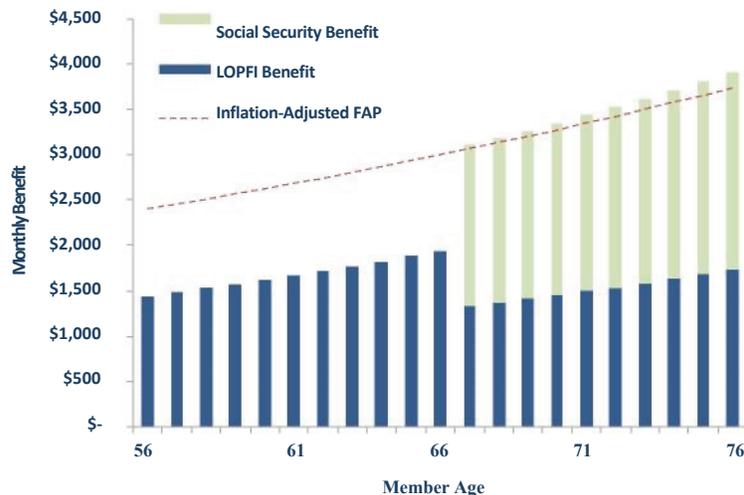
As a summary of the principles set forth in illustrations 1 and 2 on the previous pages, the graphs below show retirement benefit amounts for a LOPFI employee who retires at age 56 with 20 years of service and a monthly FAP of \$2,400 at retirement.

### *For Paid Service Which is Not Covered by Social Security*



The LOPFI benefit for a member not covered by Social Security will replace a portion of the inflation-adjusted earnings at retirement.

### *For Paid Service Which is Covered by Social Security*



If the member is covered by Social Security, the LOPFI benefit is reduced at full Social Security retirement age, after which the member would begin receiving an OASI benefit. The total combined benefit would serve to replace the member's inflation-adjusted final average pay at retirement from LOPFI. The provisions of Social Security coverage create an environment in which retirees may achieve full replacement of their inflation-adjusted earnings when they reach full Social Security retirement age.

**Arkansas LOcal Police and Fire Retirement System  
Brief Summary as of December 31, 2022 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 2023 General Assembly Session)

The provisions for Benefit Program 2 departments are the same as those for Benefit Program 1 departments 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, 3.00% of the member's final average pay.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 3.34% 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, 2.00% 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, 3.00% 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, 2022 of LOPFI Coverage for**  
***VOLUNTEER SERVICE***

**Benefits and Conditions Evaluated and/or Considered**

(Section References are to Arkansas Code of 1987, Including Amendments from 2023 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 2022 was \$1,592.

***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, 2022 valuations was \$8.09 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, 2022 valuations was \$13.10 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**  
**15.9-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>
2022	\$ 100,000	9.05%	14.78%	23.83%	\$ 23,830
2023	103,000	9.05%	14.78%	23.83%	24,545
2024	106,090	9.05%	14.78%	23.83%	25,281
2025	109,273	9.05%	14.78%	23.83%	26,040
2026	112,551	9.05%	14.78%	23.83%	26,821
2027	115,927	9.05%	14.78%	23.83%	27,626
2028	119,405	9.05%	14.78%	23.83%	28,454
2029	122,987	9.05%	14.78%	23.83%	29,308
2030	126,677	9.05%	14.78%	23.83%	30,187
2031	130,477	9.05%	14.78%	23.83%	31,093
2032	134,392	9.05%	14.78%	23.83%	32,026
2033	138,423	9.05%	14.78%	23.83%	32,986
2034	142,576	9.05%	14.78%	23.83%	33,976
2035	146,853	9.05%	14.78%	23.83%	34,995
2036	151,259	9.05%	14.78%	23.83%	36,045
2037	155,797	9.05%	14.78%	23.83%	37,126
2038	160,471	9.05%	14.78%	23.83%	38,240
2039	165,285	9.05%	14.78%	23.83%	39,387
2040	170,243	9.05%	14.78%	23.83%	40,569
2041	175,351	9.05%	14.78%	23.83%	41,786
2042	180,611	9.05%	0.00%	9.05%	16,345
2043	186,029	9.05%	0.00%	9.05%	16,836
2044	191,610	9.05%	0.00%	9.05%	17,341
2045	197,359	9.05%	0.00%	9.05%	17,861
2046	203,279	9.05%	0.00%	9.05%	18,397
2047	209,378	9.05%	0.00%	9.05%	18,949
2048	215,659	9.05%	0.00%	9.05%	19,517
2049	222,129	9.05%	0.00%	9.05%	20,103
2050	228,793	9.05%	0.00%	9.05%	20,706

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**  
**15.2-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>
2022	\$ 8.09	10	\$ 27.42	\$ 32.58	\$ 60.00	\$ 7,200
2023	8.27	10	28.04	32.58	60.62	7,274
2024	8.46	10	28.67	32.58	61.25	7,350
2025	8.65	10	29.32	32.58	61.90	7,428
2026	8.84	10	29.98	32.58	62.56	7,507
2027	9.04	10	30.65	32.58	63.23	7,588
2028	9.24	10	31.34	32.58	63.92	7,670
2029	9.45	10	32.05	32.58	64.63	7,756
2030	9.66	10	32.77	32.58	65.35	7,842
2031	9.88	10	33.51	32.58	66.09	7,931
2032	10.10	10	34.26	32.58	66.84	8,021
2033	10.33	10	35.03	32.58	67.61	8,113
2034	10.56	10	35.82	32.58	68.40	8,208
2035	10.80	10	36.63	32.58	69.21	8,305
2036	11.04	10	37.45	32.58	70.03	8,404
2037	11.29	10	38.29	32.58	70.87	8,504
2038	11.54	10	39.15	32.58	71.73	8,608
2039	11.80	10	40.03	32.58	72.61	8,713
2040	12.07	10	40.93	32.58	73.51	8,821
2041	12.34	10	41.85	32.58	74.43	8,932
2042	12.62	10	42.79	32.58	75.37	9,044
2043	12.90	10	43.75	32.58	76.33	9,160
2044	13.19	10	44.73	32.58	77.31	9,277
2045	13.49	10	45.74	32.58	78.32	9,398
2046	13.79	10	46.77	32.58	79.35	9,522
2047	14.10	10	47.82	32.58	80.40	9,648
2048	14.42	10	48.90	32.58	81.48	9,778

@ 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 \$8.09 effective July 1, 2023. For purposes for this illustration, the factor was assumed to increase by 2.25% 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 Pub-2010 General Below Median Income**  
**Health Retiree Generational Mortality Tables**  
**and 7.25% Interest**  
*(First Used for December 31, 2021 Valuations)*

Sample Attained Ages	Probability of Dying Value at Retirement:				Future Life Expectancy (years)*					
	Next Year*		\$1.00 Monthly for		2022		2027		2032	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
35	0.111%	0.051%	\$ 159.49	\$ 163.01	46.73	50.81	47.32	51.28	47.92	51.75
40	0.137%	0.066%	155.03	159.60	41.43	45.48	42.00	45.95	42.60	46.42
45	0.246%	0.164%	148.86	154.90	36.20	40.21	36.74	40.66	37.32	41.13
50	0.710%	0.412%	142.24	149.86	31.44	35.32	31.94	35.76	32.49	36.21
55	0.905%	0.499%	135.32	143.81	27.09	30.61	27.58	31.04	28.09	31.46
60	1.161%	0.616%	126.68	135.71	22.89	25.98	23.34	26.37	23.80	26.77
65	1.441%	0.823%	115.64	124.93	18.81	21.43	19.19	21.77	19.60	22.14
70	2.152%	1.320%	101.93	111.28	14.93	17.09	15.23	17.38	15.58	17.70
75	3.473%	2.323%	86.19	94.96	11.41	13.09	11.65	13.34	11.92	13.60
80	5.962%	4.293%	69.42	76.90	8.36	9.57	8.55	9.76	8.76	9.97

\* Life expectancies in future years are determined by the fully generational MP-2020 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	70	75
80	209	55	80

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

**Paid Service Members**  
*(First Used for December 31, 2021 Valuations)*

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.10 %	0.13 %
25	0.10	0.13
30	0.12	0.16
35	0.17	0.22
40	0.26	0.34
45	0.40	0.52
50	0.68	0.89
55	1.18	1.55
60	1.77	2.32

Given the relatively small number of disabilities in total and the sensitivity of the results to the actual disability benefit that members would qualify for we have assumed the minimum disability benefit would be based on duty disabilities being split 1/3 catastrophic, 1/3 hazardous and 1/3 ordinary duty. The resulting weighted minimum disability benefit is approximately 55% of final average pay. This assumption will be reviewed and updated as experience emerges.

**Volunteer Service Members**  
*(First Used for December 31, 2021 Valuations)*

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.03 %	0.00 %
25	0.05	0.00
30	0.10	0.01
35	0.15	0.01
40	0.22	0.01
45	0.28	0.01
50	0.35	0.02
55	0.42	0.02
60	0.47	0.03

**Schedule A-3**  
**Probabilities of Retirement for Members Eligible to Retire**  
*(First Used for December 31, 2021 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	4 %			
46	4			
47	5			
48	5			
49	5			
50	6			
51	6			
52	6			
53	7			
54	7			
55		30 %	28	30 %
56		30	29	20
57		25	30	15
58		25	31	15
59		25	32	15
60		25	33	25
61		25	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, 2021 Valuations)*

**Volunteer Service Members**

<b>Percents of Active Members Retiring within Next Year</b>		
<b>Retirement Ages</b>	<b>Early</b>	<b>Normal</b>
Under 50		15 %
50-54	2.5 %	15
55-59		15
60-64		10
65-69		15
70-74		15
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, 2021 Valuations)*

**Paid Service Members**

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	18.50 %
	1	15.50
	2	13.00
	3	11.50
	4	11.00
25	5 & Over	10.17
30		8.55
35		6.56
40		5.23
45		4.18
50		3.33
55		0.95
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	10.50
30		10.50
35		10.50
40		10.50
45		10.50
50		10.50
55		10.50
60		10.50



**Schedule A-5**  
**Pay Increase Assumptions**  
**for an Individual Paid Service Member**  
*(First Used for December 31, 2021 Valuations)*

<b>Pay Increase Assumptions for an Individual Member</b>			
<b>Years of Service</b>	<b>Merit and Seniority</b>	<b>Base (Economic)</b>	<b>Increase Next Year</b>
1	15.00%	3.00%	18.00%
2	9.00%	3.00%	12.00%
3	4.00%	3.00%	7.00%
4	3.50%	3.00%	6.50%
5	2.50%	3.00%	5.50%
6	2.00%	3.00%	5.00%
7	2.00%	3.00%	5.00%
8	2.00%	3.00%	5.00%
9	1.50%	3.00%	4.50%
10	1.50%	3.00%	4.50%
11	1.00%	3.00%	4.00%
12	1.00%	3.00%	4.00%
13	0.50%	3.00%	3.50%
14	0.50%	3.00%	3.50%
15	0.50%	3.00%	3.50%
16	0.50%	3.00%	3.50%
17	0.50%	3.00%	3.50%
18	0.50%	3.00%	3.50%
19	0.50%	3.00%	3.50%
20+	0.50%	3.00%	3.50%

# Investment Return and Inflation

## Long-Term Expected Return on Plan Assets

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 were based on capital market assumptions collected from several national investment consultants as of December 31, 2021. The average arithmetic nominal expected return based on these assumptions is 6.23%. Preliminary analysis of these assumptions gathered for 2023 indicates that nominal returns will be higher than the prior year. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

### Asset Allocation

Asset Class	Target Allocation <sup>a</sup>	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Stock - Large Cap	21%	4.05%	0.85%
U.S. Stock - Small Cap	21%	4.65%	0.98%
International Equity	9%	5.27%	0.47%
Emerging Markets	9%	7.49%	0.67%
U.S. Corporate Bonds	25%	-0.35%	-0.09%
Real Estate	5%	3.76%	0.19%
Private Equity	10%	9.10%	0.91%
<b>Total</b>	<b>100%</b>		<b>3.98%</b>
Expected Inflation			2.25%
<b>Total Return Based on GRS 2022 Capital Market Survey</b>			<b>6.23%</b>

<sup>a</sup> Target allocation based on 70/30 blend suggested by the investment policy.

<sup>b</sup> Based on capital market assumptions from investment professionals for 2022.

<sup>c</sup> Though not yet finalized, the GRS 2023 survey as of December 31, 2022 and analysis of long-term capital market assumptions is expected to yield rates of return that are approximately 100 basis points higher than the GRS 2022 survey.

The assumed rate of investment return falls within a reasonable range of the long-term expected rate of return.

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, 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
December 31, 2020	Retirement	338	12,115,568	39	800,609	3,624	95,658,993	13.42	26,396	4.06
	Survivor of active	16	196,570	2	13,040	139	1,175,172	18.51	8,454	6.57
	Survivor of retired	11	204,964	9	208,626	105	1,298,223	(0.28)	12,364	(2.18)
December 31, 2021	Retirement	369	11,923,020	59	977,061	3,934	106,604,952	11.44	27,098	2.66
	Survivor of active	14	222,146	9	41,061	144	1,356,257	15.41	9,418	11.40
	Survivor of retired	30	383,618	8	139,356	127	1,542,485	18.82	12,146	(1.76)
December 31, 2022	Retirement	343	12,701,874	59	1,247,813	4,218	118,059,013	10.74	27,989	3.29
	Survivor of active	2	56,966	5	32,188	141	1,381,035	1.83	9,795	4.00
	Survivor of retired	25	835,647	13	97,464	139	2,280,668	47.86	16,408	35.09

\* 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, 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)
December 31, 2020	Retirement	305	416,268	46	58,366	3,103	3,787,993	10.43	1,221	1.24
	Survivor of active	20	11,498	15	4,076	193	79,306	10.32	411	7.59
	Survivor of retired	19	25,148	19	19,903	158	169,942	3.18	1,076	3.26
December 31, 2021	Retirement	381	493,207	72	102,246	3,412	4,178,954	10.32	1,225	0.33
	Survivor of active	28	10,956	22	5,960	199	84,302	6.30	424	3.16
	Survivor of retired	29	27,764	16	14,448	171	183,258	7.84	1,072	(0.37)
December 31, 2022	Retirement	351	471,908	92	121,575	3,671	4,529,287	8.38	1,234	0.73
	Survivor of active	9	7,584	16	2,543	192	89,343	5.98	465	9.67
	Survivor of retired	37	48,058	18	20,802	190	210,514	14.87	1,108	3.36

*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, 2013	Retirement	300	\$ 8,003,688	22	\$ 403,589	1,189	\$ 27,779,210	37.66	\$ 23,364	5.48
	Survivor of active	3	70,252	4	51,330	22	361,918	5.52	16,451	10.31
	Survivor of retired	102	2,151,973	7	76,301	347	6,079,214	51.85	17,519	10.27
December 31, 2014	Retirement	34	1,037,839	41	795,906	1,182	28,021,143	0.87	23,707	1.47
	Survivor of active	-	3,226	-	-	22	365,144	0.89	16,597	0.89
	Survivor of retired	27	612,017	18	273,656	356	6,417,575	5.57	18,027	2.90
December 31, 2015	Retirement	48	1,585,403	39	668,103	1,191	28,938,443	3.27	24,298	2.49
	Survivor of active	1	11,069	2	39,490	21	336,723	(7.78)	16,034	(3.39)
	Survivor of retired	39	736,035	23	370,013	372	6,783,597	5.70	18,235	1.15
December 31, 2016	Retirement	28	663,817	42	808,519	1,177	28,793,741	(0.50)	24,464	0.68
	Survivor of active	1	8,712	-	-	22	345,435	2.59	15,702	(2.07)
	Survivor of retired	28	593,043	23	347,147	377	7,029,493	3.62	18,646	2.25
December 31, 2017	Retirement	122	3,554,712	35	795,031	1,264	31,553,422	9.58	24,963	2.04
	Survivor of active	2	43,909	1	7,425	23	381,919	10.56	16,605	5.75
	Survivor of retired	58	1,149,220	24	357,161	411	7,821,552	11.27	19,031	2.06
December 31, 2018	Retirement	237	8,914,833	54	1,178,112	1,447	39,290,143	24.52	27,153	8.77
	Survivor of active	4	90,907	-	-	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	-	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
December 31, 2020	Retirement	40	1,358,752	67	1,563,768	1,391	38,873,292	(0.52)	27,946	1.40
	Survivor of active	1	15,683	1	8,820	25	445,053	1.57	17,802	1.56
	Survivor of retired	55	1,402,303	30	547,727	513	11,509,670	8.02	22,436	2.76
December 31, 2021	Retirement	4	731,131	56	1,358,978	1,339	38,245,445	(1.62)	28,563	2.21
	Survivor of active	-	2,890	-	-	25	447,943	0.65	17,918	0.65
	Survivor of retired	27	747,437	32	534,701	508	11,722,406	1.85	23,076	2.85
December 31, 2022	Retirement	3	1,616,871	62	1,527,670	1,280	38,334,646	0.23	29,949	4.85
	Survivor of active	1	50,260	2	39,284	24	458,919	2.45	19,122	6.72
	Survivor of retired	25	1,280,335	43	818,847	490	12,183,894	3.94	24,865	7.75

\* 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, 2013	Retirement	49	\$ 93,001	20	\$ 31,531	669	\$ 1,133,786	5.73	\$ 1,695	1.19
	Survivor of active	3	3,730	1	1,800	14	21,289	9.97	1,521	(5.70)
	Survivor of retired	33	57,346	18	27,045	217	314,556	10.66	1,450	3.06
December 31, 2014	Retirement	47	88,609	22	32,882	694	1,189,513	4.92	1,714	1.12
	Survivor of active	-	232	-	-	14	21,521	1.09	1,537	1.05
	Survivor of retired	32	56,045	11	14,792	238	355,809	13.11	1,495	3.10
December 31, 2015	Retirement	27	50,934	30	46,371	691	1,194,076	0.38	1,728	0.82
	Survivor of active	1	1,439	1	1,200	14	21,760	1.11	1,554	1.11
	Survivor of retired	27	41,171	19	26,369	246	370,611	4.16	1,507	0.80
December 31, 2016	Retirement	37	80,525	40	60,439	688	1,214,162	1.68	1,765	2.14
	Survivor of active	1	2,526	2	2,340	13	21,946	0.85	1,688	8.62
	Survivor of retired	45	76,922	16	22,294	275	425,239	14.74	1,546	2.59
December 31, 2017	Retirement	175	358,989	33	63,305	830	1,509,846	24.35	1,819	3.06
	Survivor of active	4	4,821	-	-	17	26,767	22	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)	1,565	(1.14)
	Survivor of retired	28	70,009	31	53,470	386	705,195	2.40	1,827	3.22
December 31, 2020	Retirement	9	45,099	54	103,946	829	1,701,368	(3.34)	2,052	1.89
	Survivor of active	-	316	3	3,300	13	22,048	(11.92)	1,696	8.37
	Survivor of retired	35	81,176	36	60,012	385	726,359	3.00	1,887	3.28
December 31, 2021	Retirement	45	160,512	50	85,712	824	1,776,168	4.40	2,156	5.07
	Survivor of active	-	325	2	4,080	11	18,293	(17.03)	1,663	(1.95)
	Survivor of retired	55	130,425	37	74,462	403	782,322	7.70	1,941	2.86
December 31, 2022	Retirement	64	195,150	39	78,264	849	1,893,054	6.58	2,230	3.43
	Survivor of active	1	1,635	1	2,643	11	17,285	(5.51)	1,571	(5.53)
	Survivor of retired	50	119,644	33	58,926	420	843,040	7.76	2,007	3.40



## Statistical Section Summary

### Retirement

Page 120 reflects Demographic Data for active, inactive, vested, retirees and survivors as December 31, 2022. Annualized benefits payable as of December 31, 2022 by Option Type is shown on page 121

### Schedule of Deductions by Type

Page 122 reflects the last 10 years of Benefits Paid, Refunds, 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 associated with contributory members terminating and withdrawing their member contributions, deaths, and refunds of service financing plans. Page 123 provides a breakdown of benefits and refunds paid by type for the last 10 years.

### Schedule of Additions by Source

Page 122 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 122 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 123 provides a 10-year history of the dollar amount paid for the various types of retirement.

### Schedules of Retirement Payments

Pages 124-134 present schedules of retirement payments showing type of retirement, option selected by each type of department (Agent and Cost-sharing).

### Participating Employer Groups

Page 135 shows the Top Ten Participating Employers in the plan.

# LOPFI Demographic Data (Excluding Local Plans) As of December 31, 2022

## Active Paid Members\*

Number.....	7,017
Average Age.....	38.5 years
Average Length of Service.....	11.8 years
Average Annual Salary.....	\$58,510

## Active Volunteer Members

Number.....	7,251
Average Age.....	42.5 years
Average Length of Service.....	11 years

## Terminated Vested Members / Other

9,962

## Total Retirees and Survivors

Number.....	8,551*
Average Monthly Benefit.....	\$1,233@

### 2022 Retirees and Survivors

Normal	Duty Related Disability
Number	Number
7,403*	400
Average Age	Average Age
59 years	51.6 years
Average Length of Service	Average Length of Service
14.4 years	10.4 years
Average Monthly Benefit	Average Monthly Benefit
\$1,188	\$3,054
Survivors (Death in Service)	Non-Duty Related Disability
Number	Number
333	415
Average Age	Average Age
41.2 years	51.5 years
Average Length of Service	Average Length of Service
\$368	8.6 years
Average Monthly Benefit	Average Monthly Benefit
	\$988

\* Includes 369 DROP participants

@ Average monthly benefit is \$2,255 and \$99 for paid service members and volunteer service members, respectively.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Type of Benefit</b>										
Age and service benefits:										
Retirees	47,799,528	55,199,884	63,125,113	71,239,156	82,529,778	99,062,323	109,251,033	119,694,754	129,726,694	141,040,951
Survivors	6,200,657	6,588,171	7,044,115	7,542,039	8,480,895	10,929,848	11,329,951	12,122,715	12,610,284	13,878,466
Death in service benefits	1,097,643	1,138,211	1,126,015	1,164,223	1,297,111	1,447,940	1,526,748	1,721,579	1,906,797	1,946,582
Disability benefits:										
Retirees - duty	9,924,865	10,391,624	11,603,555	12,463,445	13,367,050	14,280,745	14,935,013	15,550,118	16,076,872	16,605,567
Retirees - non-duty	2,911,913	3,131,886	3,417,245	3,808,973	4,094,343	4,132,130	4,426,602	4,776,774	5,001,951	5,169,482
Survivors	634,652	853,962	995,993	1,035,582	1,174,363	1,460,161	1,496,920	1,581,479	1,620,187	1,639,650
Total benefits	68,569,258	77,303,738	87,312,036	97,253,418	110,943,540	131,313,147	142,966,267	155,447,419	166,942,785	180,280,698
*Refunds:	1,499,210	1,425,245	1,628,853	1,860,721	1,448,044	2,084,959	2,126,021	1,924,308	2,551,713	
Separation Contribution Refunds										3,079,871
Death Refunds										131,827
Service Financing Plan Refunds										10,944

\*breakdown of refunds by type begins in 2022 and will continue through future years

## LOPFI Expenses by Type Last Ten Calendar Years

Year	Cost-Sharing		Agent		Cost-Sharing		Agent		Cost-Sharing		Agent	
	Benefits Paid		Member Contribution Refunds		Administrative Expenses		DROP Distributions		Total Expenses			
* 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	\$49,161,185	\$39,814,081	\$1,860,721	\$0	\$2,665,399	\$440,689	\$7,278,465	\$4,010,892	\$60,965,770	\$44,265,662		
2017	\$58,197,299	\$40,460,908	\$1,448,044	\$0	\$2,955,186	\$335,705	\$4,852,315	\$3,207,286	\$67,452,844	\$44,003,899		
2018	\$66,987,006	\$44,944,398	\$2,084,793	\$166	\$3,553,631	\$453,271	\$5,060,088	\$2,569,893	\$77,685,518	\$47,967,728		
2019	\$78,706,242	\$56,183,578	\$2,126,021	\$0	\$3,041,397	\$395,836	\$6,225,114	\$3,317,650	\$90,098,774	\$59,897,064		
2020	\$87,020,993	\$56,535,652	\$1,924,308	\$0	\$3,492,486	\$442,922	\$8,711,015	\$1,903,890	\$101,148,802	\$58,882,464		
2021	\$100,084,357	\$57,179,591	\$2,551,713	\$0	\$3,465,297	\$411,101	\$15,046,409	\$1,202,683	\$121,147,776	\$58,793,375		
2022	\$112,994,425	\$58,104,784	\$3,222,494	\$148	\$2,824,142	\$320,352	\$9,048,534	\$1,283,531	\$128,089,594	\$59,708,815		

## LOPFI Revenues by Source Last Ten Calendar Years

Year	Cost-Sharing		Agent		Cost-Sharing		Agent		Cost-Sharing		Agent	
	Member Contributions		Employer Contributions		Local Plan Merger / Military Purchase		Investment Income (Loss)		Total Income (Loss)			
* 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	\$21,816,086	\$431,697	\$75,298,216	\$23,234,239	\$38,872	\$9,762,098	\$88,592,090	\$10,218,822	\$185,745,264	\$43,646,856		
2017	\$23,429,576	\$22,376	\$77,416,248	\$26,696,204	\$54,467	\$34,214,500	\$227,217,628	\$26,185,181	\$328,117,919	\$87,118,261		
2018	\$24,456,628	\$1,339	\$83,861,098	\$29,425,997	\$87,756	\$53,496,780	(\$53,604,321)	(\$6,837,312)	\$54,801,161	\$76,086,804		
2019	\$25,157,606	\$19,622	\$88,524,836	\$35,680,713	\$180,761	\$4,262,675	\$345,816,336	\$45,011,713	\$459,679,539	\$84,974,723		
2020	\$26,577,992	\$16,845	\$93,919,327	\$39,364,703	\$98,204	\$13,984,737	\$290,227,585	\$35,812,915	\$410,823,108	\$89,179,200		
2021	\$25,896,170	\$12,988	\$97,841,951	\$38,337,174	\$66,481	\$3,534,704	\$417,518,996	\$49,531,889	\$541,323,598	\$91,416,755		
2022	\$27,469,832	\$15,259	\$102,227,296	\$39,148,323	\$49,566	\$2,708,933	(\$429,851,795)	(\$48,754,925)	(\$300,105,101)	(\$6,882,410)		

## LOPFI Changes in Net Position Last Ten Calendar Years

Year	Cost-Sharing		Agent	
	Change in Plan Net Position			
* 2013		\$309,202,232.00		
* 2014		\$142,115,720.00		
* 2015		\$36,586,612.93		
2016	\$	124,779,494	\$	(618,806)
2017	\$	260,665,075	\$	43,114,362
2018	\$	(22,884,357)	\$	28,119,076
2019	\$	369,580,765	\$	25,077,659
2020	\$	309,674,306	\$	30,296,736
2021	\$	420,175,821	\$	32,623,380
2022	\$	(428,194,695)	\$	(66,591,225)

For years 1997 and forward, Investment Income (Loss) includes Net Increase (Decrease) in Fair Value of Investments, Interest, Dividends, and other investment income.  
\* Reports not split between Cost-Sharing/Agent until 2016.

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

Year	Cost-Sharing Normal Age & Service	Agent	Cost-Sharing Age & Service - Survivor	Agent	Cost-Sharing Disability	Agent	Cost-Sharing Disability - Survivor	Agent	Cost-Sharing Total Benefit Payments	Agent
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	\$33,535,002	\$28,409,081	\$1,959,931	\$7,922,539	\$13,430,583	\$2,615,097	\$235,668	\$867,365	\$49,161,185	\$39,814,081
2017	\$41,269,047	\$28,825,534	\$2,148,746	\$8,202,119	\$14,512,314	\$2,561,586	\$267,192	\$871,668	\$58,197,299	\$40,460,908
2018	\$48,875,482	\$31,736,972	\$2,417,244	\$9,499,124	\$15,392,328	\$2,669,673	\$301,952	\$1,038,629	\$66,987,006	\$44,944,398
2019	\$59,484,165	\$40,018,851	\$2,592,847	\$12,015,811	\$16,284,424	\$2,872,609	\$344,806	\$1,276,307	\$78,706,242	\$56,183,578
2020	\$66,619,038	\$39,782,366	\$2,968,193	\$12,603,142	\$17,074,264	\$2,863,172	\$359,499	\$1,286,971	\$87,020,993	\$56,535,652
2021	\$78,384,475	\$39,541,667	\$3,407,750	\$13,320,057	\$17,898,460	\$2,948,758	\$393,672	\$1,369,110	\$100,084,357	\$57,179,591
2022	\$89,935,177	\$39,917,050	\$4,080,370	\$13,927,677	\$18,528,029	\$2,937,371	\$445,845	\$1,327,691	\$112,989,421	\$58,109,789

**LOPFI**  
Refunds by Type

Year	Cost-Sharing Separation Contribution Refunds	Agent	Cost-Sharing Death Refunds	Agent	Cost-Sharing Service Financing Refunds	Agent	Cost-Sharing Total Refund Payments	Agent
2022	\$3,079,871	\$0	\$131,679	\$148	\$10,944	\$0	\$3,222,494	\$148

## 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	696	597	3	2	43	25	26	339	116	110	131
501-1,000	386	302	1	4	37	6	36	167	69	88	62
1,001-1,500	272	209	3	7	25	10	18	130	36	64	42
1,501-2,000	236	178	5	16	16	18	3	111	38	53	34
2,001-2,500	238	153	-	49	17	17	2	114	32	56	36
2,501-3,000	219	134	-	64	8	13	-	119	29	44	27
3,001-3,500	179	116	-	40	10	13	-	86	26	45	22
3,501-4,000	175	112	-	37	7	19	-	119	18	30	8
Over \$4,000	400	314	1	37	8	40	-	227	34	99	40
<b>Total</b>	<b>2,801</b>	<b>2,115</b>	<b>13</b>	<b>256</b>	<b>171</b>	<b>161</b>	<b>85</b>	<b>1,412</b>	<b>398</b>	<b>589</b>	<b>402</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	141	99	-	-	15	12	15	79	12	33	17
501-1,000	168	128	1	1	10	3	25	94	17	42	15
1,001-1,500	148	118	-	3	10	11	6	81	20	28	19
1,501-2,000	200	141	1	7	14	32	5	115	26	41	18
2,001-2,500	194	133	-	19	12	27	3	89	33	45	27
2,501-3,000	178	111	1	26	7	31	2	112	15	38	13
3,001-3,500	157	95	-	31	4	27	-	87	22	34	14
3,501-4,000	161	102	-	30	6	23	-	97	19	30	15
Over \$4,000	350	279	-	24	5	42	-	172	32	90	56
<b>Total</b>	<b>1,697</b>	<b>1,206</b>	<b>3</b>	<b>141</b>	<b>83</b>	<b>208</b>	<b>56</b>	<b>926</b>	<b>196</b>	<b>381</b>	<b>194</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*
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- Opt. B - 50% survivor annuity*
- Opt. C - annuity for 10 years certain and life thereafter*

*Continued on next page*

## Volunteer Police (Excluding Local Plan)

(Continued)

Monthly Benefit	No. of Retirants	Type of Retirement*					Life	Option Selected#		
		1	2	3	4	5		Opt. A	Opt. B	Opt. C
\$1-50	231	210	-	-	18	3	100	39	43	49
51-75	35	35	-	-	-	-	12	8	1	14
76-100	9	8	-	-	-	1	5	-	1	3
101-125	6	6	-	-	-	-	4	1	1	-
126-150	9	9	-	-	-	-	5	1	1	2
151-175	4	4	-	-	-	-	1	-	2	1
176-200	4	4	-	-	-	-	1	2	-	1
201-225	3	3	-	-	-	-	2	1	-	-
Over \$225	2	2	-	-	-	-	2	-	-	-
<b>Total</b>	<b>303</b>	<b>281</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>4</b>	<b>132</b>	<b>52</b>	<b>49</b>	<b>70</b>

\* *Type of Retirement*

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

# *Option Selected at Retirement*

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- Opt. A - 75% survivor annuity*
- Opt. B - 50% survivor annuity*
- Opt. C - annuity for 10 years certain and life thereafter*

*Continued on next page*

## Volunteer Fire (Excluding Local Plan)

Monthly Benefit	No. of Retirants	Type of Retirement*					Option Selected#			
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C
\$1-50	1,090	875	-	1	87	127	480	157	285	168
51-75	491	439	1	-	18	33	217	76	74	124
76-100	388	349	1	-	15	23	160	64	51	113
101-125	315	301	3	-	7	4	129	69	35	82
126-150	366	349	3	-	13	1	137	95	40	94
151-175	371	360	6	2	3	-	130	84	37	120
176-200	260	259	1	-	-	-	102	76	15	67
201-225	247	247	-	-	-	-	109	40	18	80
Over \$225	222	222	-	-	-	-	99	21	19	83
<b>Total</b>	<b>3,750</b>	<b>3,401</b>	<b>15</b>	<b>3</b>	<b>143</b>	<b>188</b>	<b>1,563</b>	<b>682</b>	<b>574</b>	<b>931</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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## Schedule of Retirements by Type of Benefit and Department

### LOPFI Paid Police

Retirement Effective Dates January 1, 2013 to December 31, 2022			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/20 - 12/31/20	Average Monthly Benefit	\$ 540	\$ 1,099	\$ 1,787	\$ 2,384	\$ 3,086	\$ 4,214	\$ 4,172	
	Final Average Pay*	\$ 41,869	\$ 42,902	\$ 50,108	\$ 54,204	\$ 58,931	\$ 72,097	\$ 70,084	
	Number of Active Retirees	696	395	419	277	312	319	26	
* Final Average Pay for 316 members was not provided. # Includes 210 members whose service was not provided.									
01/01/21 - 12/31/21	Average Monthly Benefit	\$ 551	\$ 1,116	\$ 1,834	\$ 2,463	\$ 3,200	\$ 4,327	\$ 4,319	
	Final Average Pay*	\$ 42,757	\$ 43,280	\$ 50,897	\$ 55,062	\$ 60,139	\$ 72,392	\$ 69,392	
	Number of Active Retirees	788	412	438	295	335	343	26	
* Final Average Pay for 341 members was not provided. # Includes 239 members whose service was not provided.									
01/01/22 - 12/31/22	Average Monthly Benefit	\$ 578	\$ 1,134	\$ 1,862	\$ 2,578	\$ 3,312	\$ 4,456	\$ 4,583	
	Final Average Pay*	\$ 43,093	\$ 43,911	\$ 50,937	\$ 56,503	\$ 62,068	\$ 73,105	\$ 72,964	
	Number of Active Retirees	826	443	455	314	364	372	27	
* Final Average Pay for 357 members was not provided. # Includes 246 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, 2013 to December 31, 2022			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/20 - 12/31/20	Average Monthly Benefit	\$ 897	\$ 1,587	\$ 1,832	\$ 2,593	\$ 2,991	\$ 3,887	\$ 4,128	
	Final Average Pay*	\$ 50,227	\$ 52,339	\$ 56,374	\$ 61,683	\$ 58,264	\$ 67,490	\$ 74,626	
	Number of Active Retirees	231	144	265	193	206	348	37	
* Final Average Pay for 217 members was not provided. # Includes 121 members whose service was not provided.									
01/01/21 - 12/31/21	Average Monthly Benefit	\$ 904	\$ 1,608	\$ 1,885	\$ 2,621	\$ 3,161	\$ 4,013	\$ 4,680	
	Final Average Pay*	\$ 51,012	\$ 54,118	\$ 57,096	\$ 61,672	\$ 60,277	\$ 68,029	\$ 77,110	
	Number of Active Retirees	259	156	286	213	237	375	42	
* Final Average Pay for 239 members was not provided. # Includes 138 members whose service was not provided.									
01/01/22 - 12/31/22	Average Monthly Benefit	\$ 995	\$ 1,606	\$ 1,928	\$ 2,704	\$ 3,255	\$ 4,121	\$ 5,100	
	Final Average Pay*	\$ 50,933	\$ 54,858	\$ 57,384	\$ 62,518	\$ 61,734	\$ 68,991	\$ 80,301	
	Number of Active Retirees	282	171	297	232	262	407	46	
* Final Average Pay for 259 members was not provided. # Includes 149 members whose service was not provided.									

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## Schedule of Retirements by Type of Benefit and Department

(Continued)

### LOPFI

#### Volunteer Police

Retirement Effective Dates January 1, 2013 to December 31, 2022			Service at Retirement							
			0-4	5-9	10-14	15-19	20-24	25-29	30+	
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.							
01/01/20	-	12/31/20	Average Monthly Benefit	\$ 14	\$ 48	\$ 82	\$ 129	\$ 165	\$ 204	\$ 138
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	164	45	13	8	4	3	1
			# Includes 19 members whose service was not provided.							
01/01/21	-	12/31/21	Average Monthly Benefit	\$ 14	\$ 49	\$ 84	\$ 130	\$ 163	\$ 206	\$ 162
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	193	50	16	10	5	4	2
			# Includes 21 members whose service was not provided.							
01/01/22	-	12/31/22	Average Monthly Benefit	\$ 15	\$ 50	\$ 84	\$ 133	\$ 167	\$ 205	\$ 197
			Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Number of Active Retirees	208	56	16	10	5	5	3
			# Includes 22 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, 2013 to December 31, 2022			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.								
01/01/20 - 12/31/20	Average Monthly Benefit	\$ 34	\$ 51	\$ 85	\$ 121	\$ 149	\$ 190	\$ 225	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	828	536	404	304	553	384	207	
	# Includes 349 members whose service was not provided.								
01/01/21 - 12/31/21	Average Monthly Benefit	\$ 34	\$ 52	\$ 87	\$ 123	\$ 152	\$ 194	\$ 231	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	929	585	447	319	586	421	215	
	# Includes 368 members whose service was not provided.								
01/01/22 - 12/31/22	Average Monthly Benefit	\$ 34	\$ 54	\$ 89	\$ 126	\$ 157	\$ 199	\$ 238	
	Final Average Pay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Number of Active Retirees	1,027	624	480	357	603	426	233	
	# Includes 385 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, 2013 to December 31, 2022			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/20 - 12/31/20	Average Monthly Benefit	\$ 2,079	\$ 1,905	\$ 1,777	\$ 2,151	\$ 2,188	\$ 2,439	\$ 2,305	
	Final Average Pay	\$ 56,417	\$ 17,949	\$ 27,104	\$ 37,006	\$ 42,233	\$ 40,632	\$ 48,706	
	Number of Active Retirees	610	4	6	19	99	82	51	
* Final Average Pay for 728 members was not provided. # Includes 610 members whose service was not provided.									
01/01/21 - 12/31/21	Average Monthly Benefit	\$ 2,121	\$ 1,947	\$ 1,593	\$ 2,217	\$ 2,228	\$ 2,478	\$ 2,523	
	Final Average Pay	\$ 56,563	\$ 17,949	\$ 27,104	\$ 37,843	\$ 42,469	\$ 40,316	\$ 49,169	
	Number of Active Retirees	594	4	5	18	95	79	45	
* Final Average Pay for 701 members was not provided. # Includes 594 members whose service was not provided.									
01/01/22 - 12/31/22	Average Monthly Benefit	\$ 2,289	\$ 2,131	\$ 1,602	\$ 2,342	\$ 2,257	\$ 2,565	\$ 2,557	
	Final Average Pay	\$ 53,026	\$ 17,949	\$ 27,104	\$ 37,843	\$ 42,471	\$ 40,316	\$ 48,450	
	Number of Active Retirees	565	3	5	15	92	75	40	
* Final Average Pay for 660 members was not provided. # Includes 565 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, 2013 to December 31, 2022			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/20 - 12/31/20	Average Monthly Benefit	\$ 2,204	\$ 2,181	\$ 2,010	\$ 1,885	\$ 1,924	\$ 2,374	\$ 2,673	
	Final Average Pay	\$ 37,673	\$ 38,605	\$ 28,248	\$ 28,915	\$ 35,067	\$ 40,133	\$ 46,657	
	Number of Active Retirees	746	2	3	12	83	98	114	
* Final Average Pay for 820 members was not provided. # Includes 742 members whose service was not provided.									
01/01/21 - 12/31/21	Average Monthly Benefit	\$ 2,248	\$ 2,200	\$ 2,071	\$ 1,922	\$ 1,947	\$ 2,409	\$ 2,772	
	Final Average Pay	\$ 38,994	\$ 38,605	\$ 28,248	\$ 29,967	\$ 35,236	\$ 40,531	\$ 46,234	
	Number of Active Retirees	727	2	3	11	82	95	112	
* Final Average Pay for 802 members was not provided. # Includes 723 members whose service was not provided.									
01/01/22 - 12/31/22	Average Monthly Benefit	\$ 2,391	\$ 2,221	\$ 2,133	\$ 1,949	\$ 1,997	\$ 2,434	\$ 2,872	
	Final Average Pay	\$ 38,994	\$ 38,605	\$ 28,248	\$ 29,967	\$ 35,651	\$ 40,514	\$ 47,341	
	Number of Active Retirees	707	2	3	11	83	91	102	
* Final Average Pay for 777 members was not provided. # Includes 703 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, 2013 to December 31, 2022			Service at Retirement						
			0-4#	5-9	10-14	15-19	20-24	25-29	30+
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.									
01/01/20 - 12/31/20	Average Monthly Benefit		\$ 167	\$ 214	\$ 125	\$ 117	\$ 171	\$ 162	\$ 166
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		897	5	2	12	82	124	105
# Includes 895 members whose service was not provided.									
01/01/21 - 12/31/21	Average Monthly Benefit		\$ 176	\$ 217	\$ 125	\$ 118	\$ 176	\$ 163	\$ 169
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		923	5	2	11	78	121	98
# Includes 921 members whose service was not provided.									
01/01/22 - 12/31/22	Average Monthly Benefit		\$ 182	\$ 221	\$ 125	\$ 118	\$ 180	\$ 166	\$ 172
	Final Average Pay		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of Active Retirees		977	5	2	11	77	115	93
# Includes 975 members whose service was not provided.									

## LOPFI Top Ten Participating Employers

Largest Ten Paid LOPFI Employers	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
	No.	% of Covered Employees																		
Fayetteville Fire	125	1.8%	116	1.7%	117	1.7%	121	1.8%	122	1.8%	118	1.8%	121	1.8%	107	1.7%	108	1.7%	107	1.7%
Fayetteville Police	131	1.9%	130	1.9%	131	1.9%	130	1.9%	133	2.0%	129	1.9%	124	1.9%	122	1.9%	120	1.9%	120	1.9%
Fort Smith Fire	164	2.4%	161	2.4%	167	2.4%	161	2.3%	168	2.5%	164	2.5%	165	2.5%	156	2.4%	161	2.5%	156	2.5%
Fort Smith Police	167	2.4%	144	2.1%	153	2.2%	155	2.2%	134	2.0%	134	2.0%	149	2.3%	163	2.5%	164	2.6%	162	2.6%
Little Rock Fire	433	6.3%	401	5.9%	410	5.9%	411	6.0%	393	5.8%	406	6.1%	412	6.3%	403	6.3%	391	6.2%	395	6.3%
Little Rock Police	509	7.4%	531	7.8%	557	8.1%	571	8.3%	571	8.5%	565	8.5%	516	7.9%	517	8.0%	541	8.6%	539	8.6%
North Little Rock Fire	153	2.2%	159	2.3%	159	2.3%	155	2.2%	158	2.3%	157	2.4%	161	2.5%	141	2.2%	140	2.2%	139	2.2%
North Little Rock Police	169	2.5%	173	2.5%	185	2.7%	176	2.6%	182	2.7%	184	2.8%	174	2.7%	175	2.7%	185	2.9%	188	3.0%
Springdale Fire	144	2.1%	136	2.0%	132	1.9%	124	1.8%	120	1.8%	119	1.8%	115	1.8%	115	1.8%	113	1.8%	109	1.7%
Springdale Police	142	2.1%	144	2.1%	149	2.2%	146	2.1%	143	2.1%	145	2.2%	139	2.1%	140	2.2%	130	2.1%	123	2.0%

Largest Ten Volunteer LOPFI Employers	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
	No.	% of Covered Employees																		
Barton-Lexa Fire Department, Inc.	42	0.6%	44	0.6%	45	0.6%	50	0.7%	46	0.6%	45	0.6%	48	0.6%	48	0.7%	51	0.7%	49	0.7%
BDR FD#1	46	0.6%	48	0.7%	50	0.7%	51	0.7%	51	0.7%	53	0.7%	54	0.7%	48	0.7%	44	0.6%	38	0.5%
Butterfield Volunteer Fire	33	0.5%	25	0.3%	28	0.4%	31	0.4%	28	0.4%	25	0.3%	25	0.3%	30	0.4%	31	0.4%	223	3.1%
Conway Co. Volunteer Fire	144	2.0%	153	2.1%	142	1.9%	147	2.0%	164	2.2%	183	2.5%	187	2.5%	199	2.7%	223	3.0%	24	0.3%
Fairfield Bay Volunteer Fire	45	0.6%	31	0.4%	30	0.4%	27	0.4%	29	0.4%	28	0.4%	29	0.4%	28	0.4%	26	0.4%	26	0.4%
Marion Volunteer Fire	36	0.5%	33	0.5%	34	0.5%	33	0.4%	29	0.4%	25	0.3%	25	0.3%	37	0.5%	39	0.5%	28	0.4%
Northeast Benton Co. Volunteer	38	0.5%	41	0.6%	43	0.6%	49	0.7%	38	0.5%	33	0.4%	32	0.4%	25	0.3%	29	0.4%	36	0.5%
Pangburn Volunteer Fire	34	0.5%	30	0.4%	29	0.4%	27	0.4%	23	0.3%	21	0.3%	19	0.3%	22	0.3%	22	0.3%	27	0.4%
Warren Volunteer Fire	32	0.4%	30	0.4%	31	0.4%	28	0.4%	31	0.4%	36	0.5%	31	0.4%	32	0.4%	31	0.4%	17	0.2%
West Pulaski Volunteer Fire	52	0.7%	45	0.6%	42	0.6%	47	0.6%	54	0.7%	42	0.6%	34	0.5%	36	0.5%	47	0.6%	45	0.6%

## **CONTACT US**

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### **LOPFI Staff**

David B. Clark – Executive Director

Laura Nixon – Assistant Director

Jen Sines – Chief Financial Officer

Lesley Weaver – Accountant II

Jennifer Graves – Membership Services

Haley Garrett – Membership Services

Tracie Owings – Membership Services

Esther Matthaei – Membership Services

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!