

Minutes  
Local Police and Fire Retirement System (LOPFI)  
Audit Committee Meeting

The Audit Committee of the Local Police and Fire Retirement System met by video conference on Thursday, May 2, 2024, with the meeting originating from the LOPFI office at 620 W. 3<sup>rd</sup> Street, Suite 200, Little Rock, Arkansas.

Members Present: John Neal, Retired Fire Employee Trustee, Chairman  
Tim Hill, Retired Police Employee Trustee  
Mayor Gary Baxter, Employer Trustee

Staff Present: David Clark, Executive Director  
Laura Nixon, Assistant Director  
Jen Sines, Chief Financial Officer  
Lesley Weaver, Recording Secretary to the Committee

Chairman Neal called the meeting to order at 9:32 a.m. and recognized a quorum and notification of news media.

Chairman Neal recognized Kyle Elmore, FORVIS, auditor for the Board, who presented the independent auditor's report for year ended December 31, 2023. Mr. Elmore was pleased with the audit results and the cooperation received from staff. Mr. Elmore indicated that FORVIS issued an un-modified opinion of the System's financial statements, which is a clean opinion. Mr. Elmore reviewed the audit report:

Mr. Elmore advised that this is a year-end snapshot of the assets and liabilities (the overall financial condition of the System). The Net Position Restricted for Pensions was \$2.772 billion in 2022 and increased to \$3.194 billion for 2023. Net Investment Income was -\$478.6 million in 2022 compared to \$429.5 million in 2023 and the System's total additions were -\$306.9 million in 2022 versus \$626.5 million in 2023. The net investment income increased as a result of the portfolio producing a return of 15.90%, while 2022 had a return of -14.90%. Mr. Elmore advised the Plan's Fiduciary Net Position as a Percentage of Total Pension Liability was 69.07% in 2022 versus 73.43% in 2023.

Mr. Cy Sturdivant, Director of IT Risk and Compliance with FORVIS, gave an overview of the IT Assessment Report. Mr. Sturdivant advised the IT Assessment review is in place to evaluate LOPFI's internal and external controls over information technology systems. Cybersecurity testing and internal and external penetration testing was completed and there were no critical risks to report. Mr. Hill made a motion, seconded by Mr. Baxter, to accept the 2023 Financial Audit and IT Assessment Report. The motion passed unanimously.

Chairman Neal and Mr. Baxter commended staff for their efforts toward achieving a clean audit. Mr. Clark stated staff appreciates the recognition and the positive working relationship with Mr. Elmore, Mr. Sturdivant, and their teams on the audit and other items that arise throughout the year. Completing the audit work was certainly the result of the collective efforts of all.

With no other business to discuss, the Committee adjourned at 9:57 a.m.

Respectfully submitted,

Approved 06/06/2024

Lesley Weaver  
Recording Secretary to the Committee