

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 6, 2021, with the meeting originating from the LOPFI office at 620 W. 3rd, 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
Denise Collins, Chief Financial Officer
Jen Sines, Accountant II
Lesley Weaver, Recording Secretary to the Committee

Chairman Neal called the meeting to order at 9:30 a.m. and recognized a quorum and notification of news media.

Chairman Neal recognized Kyle Elmore, BKD CPAs & Advisors, auditor for the Board, who presented the independent auditor's report for year ended December 31, 2020. Mr. Elmore noted the audit was performed in accordance with Government Auditing Standards. LOPFI is not required to use the Government Auditing Standards; however, after discussion with Mr. Clark, it was agreed upon that it would be a best practice to perform the audit with those standards. Mr. Elmore was pleased with the audit results and the cooperation received from staff. Mr. Elmore indicated that BKD issued an un-modified opinion of the System's financial statements, which is a clean opinion. Mr. Elmore reviewed the audit report:

Statement of Fiduciary Net Position: 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 \$2.474 billion in 2019 and increased to \$2.814 billion for 2020.

Statement of Changes in Fiduciary Net Position: Mr. Elmore stated that the Net Increase in Net Position Restricted for Pensions decreased from \$394.6 million in 2019 to \$339.9 million in 2020. Net Investment Income was \$390.8 million in 2019 compared to \$326 million in 2020. The System's total additions were \$544.6 million in 2019 versus \$500 million in 2020. Mr. Elmore advised the Plan's fiduciary net position as a percentage of total pension liability was 77.68% in 2020 versus 73.03% in 2019, which is a strong percentage.

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 and his team 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.

Mr. Baxter made a motion, seconded by Mr. Hill, to accept the 2020 LOPFI audit and recommend this action to the LOPFI Board of Trustees at their June meeting. The motion passed unanimously.

With no other business to discuss, the Committee adjourned at 9:52 a.m.

Respectfully submitted,

Approved 06/10/2021

Lesley Weaver
Recording Secretary to the Committee