

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 Wednesday, May 4, 2022, 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, 2021. Mr. Elmore advised that effective June 1, 2022, BKD is merging with DHG and will become FORVIS. While there will be a new name, Mr. Elmore noted the team will not change. 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:

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 \$2.814 billion in 2020 and increased to \$3.267 billion for 2021. Mr. Elmore stated that the Net Increase in Fiduciary Net Position increased from \$339.9 million in 2020 to \$452.7 million in 2021. Net Investment Income was \$326 million in 2020 compared to \$467 million in 2021 and the System's total additions were \$500 million in 2020 versus \$632.7 million in 2021. Mr. Elmore advised the Plan's Fiduciary Net Position as a Percentage of Total Pension Liability was 84.67% in 2021 versus 77.68% in 2020, which is a strong percentage.

Chairman Neal 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 2021 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 9:48 a.m.

Respectfully submitted,

Approved 06/09/2022

Lesley Weaver
Recording Secretary to the Committee