

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 8, 2025, with the meeting originating from the LOPFI office at 620 W. 3rd Street, Suite 200, Little Rock, Arkansas.

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

Member Excused: Tim Hill, Retired Police Employee 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 9:30 a.m. and recognized a quorum and notification of news media.

Chairman Neal recognized Kyle Elmore, Forvis Mazars, auditor for the Board, who presented the independent auditor's report for year ended December 31, 2024. Mr. Elmore was pleased with the audit results and the cooperation received from staff. Mr. Elmore indicated that Forvis Mazars 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 \$3.194 billion in 2023 and increased to \$3.667 billion for 2024. Net Investment Income was \$429.5 million in 2023 compared to \$480 million in 2024 and the System's total additions were \$626.5 million in 2023 versus \$691.6 million in 2024. The net investment income stayed strong as a result of the portfolio producing a return of 15.13% in 2024. Mr. Elmore advised the Plan's Fiduciary Net Position as a Percentage of Total Pension Liability was 73.43% in 2023 versus 78.86% in 2024.

Mr. Cy Sturdivant, Principal with Forvis Mazars, 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. Ms. Sines commented that all recommendations for improvements have already been implemented. The Committee will recommend to accept and approve both audits to the LOPFI Board of Trustees at the June 2025 Board meeting.

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 10:01 a.m.

Respectfully submitted,

Approved 6/12/2025

Lesley Weaver
Recording Secretary to the Committee