

CITY OF JONESBORO, ARKANSAS
POLICEMEN'S RELIEF AND PENSION FUND
ACCOUNTANTS' COMPILATION REPORT
AND FINANCIAL STATEMENTS

December 31, 2009

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FREEMAN & COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANTS

3712 E. Highland Drive, Jonesboro, Arkansas 72401 Phone: 870-932-4514

To the Honorable Mayor and
Members of the City Council
City of Jonesboro, Arkansas

We have compiled the statement of plan reserve assets-cash basis of the City of Jonesboro, Arkansas, Policemen's Relief and Pension Fund as of December 31, 2009, and the related statement of revenues and expenditures-cash basis, statements of book value and market value balance, for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information in the other required information, unrealized gain worksheet, schedule of active members, D.R.O.P. listing, and benefit recipients.

Our compilation was limited to presenting, in the form prescribed by the Arkansas Pension Review Board and Act 700 of 1979 as amended, information that is the representation of management. We have not audited or reviewed the financial statements and schedules referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the related supplementary information are presented in accordance with the requirements of the Arkansas Pension Review Board and Act 700 of 1979 as amended, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

FREEMAN & COMPANY, INC.

Freeman & Company, Inc

March 26, 2010

ARKANSAS FIRE & POLICE PENSION REVIEW BOARD
620 W. 3rd, SUITE 200
LITTLE ROCK, ARKANSAS 72201

Jonesboro
Policemen's Pension ans Relief Fund

STATEMENT OF REVENUES AND EXPENDITURES
for the year ending December 31, 2009

I. Revenues		
A. Employee Contributions:		\$ <u>2,199</u>
B. Employer Contributions:		
1. from State Insurance Tax (local plan share only)	\$ _____	
2. from Local Millage Tax	<u>467,014</u>	
3. 6% match or \$12 per volunteer	<u>2,199</u>	
4. 10% city fines & forfeitures	<u>130,424</u>	
5. Sale of Confiscated Goods	_____	
6. Total Employer Contributions (1 + 2 + 3 + 4 + 5)		\$ <u>599,637</u>
C. Investment Income (Gross Book Value ONLY Totals)		
1. Interest and Dividends	\$ <u>346,448</u>	
2. Gain or (Loss) on sales	<u>(724,346)</u>	
3. Other (specify) _____	_____	
4. Total Gross Investment Income (1 + 2 + 3)		\$ <u>(377,898)</u>
D. Other Revenue		
1. Guarantee Fund	\$ _____	
2. Police Supplement (ACT 1452 of 1999)	<u>23,400</u>	
3. Future Supplement (ACT 1373 of 2003)	<u>29,913</u>	
4. Other (specify) <u>LOPFI Subsidy</u>	<u>272,940</u>	
5. Total Other Revenue (1 + 2 + 3 + 4)		\$ <u>326,253</u>
E. Total Revenues (A + B6 + C4 + D5)		\$ <u>550,191</u>

II. EXPENDITURES

A. Refunds of Employee Contributions		\$ _____
B. Benefits Paid		
1. Regular Monthly Benefits	\$ <u>951,710</u>	
2. Police Supplement (ACT 1452 of 1999)	\$ <u>23,400</u>	
3. Future Supplement (ACT 1373 of 2003) (should equal I.D.4)	\$ <u>29,913</u>	
4. DROP Balances Paid Out	\$ _____	
5. Previous Year Benefits Paid in Current Year (e.g. Act 1370 of 2003)	\$ _____	
6. Total Benefits Paid (1 + 2 + 3 + 4 + 5)		\$ <u>1,005,023</u>
C. Administrative Expenses (Accounting and legal fees)		\$ <u>1,800</u>
D. Investment Expenses		
1. Investment Manager Fees	\$ _____	
2. Brokerage Fees	\$ _____	
3. Custodial Fees	\$ <u>44,622</u>	
4. Other Investment Fees (specify) _____	\$ _____	
5. Total Investment Expenses (1 + 2 + 3 + 4)		\$ <u>44,622</u>
E. Other (specify) <u>Fiduciary Liability Insurance</u>		\$ <u>4,232</u>
F. Total Expenditures (A + B6 + C + D5 + E)		\$ <u>1,055,677</u>

III. STATEMENT OF BOOK VALUE BALANCE

A. Addition (Reduction) in Pension Fund Assets for the Year (Total Revenues I.E. minus Total Expenditures II.F.)	\$ <u>(505,486)</u>
B. Beginning of the Year (12/31/2008) Book Value Balance (This must match total book value reserve assets from 12/31/2008 report)	\$ <u>10,727,183</u>
C. End of the Year (12/31/2009) Book Value Balance (A + B) *	\$ <u><u>10,221,697</u></u>

* Note: If End of the Year Balance III.C. does not match Total Reserve Assets V.L. (Book Value) or if III.B. does not match Total Reserve Assets (Book Value) at 12/31/2008, please attach a note of explanation.

A report that is not balanced or properly noted is an incomplete report, and will be rejected. If the report is rejected, your plan would be ineligible to receive state turnback funds.

IV. STATEMENT OF MARKET VALUE BALANCE

A. Beginning of the Year Market Value Balance	\$ <u>9,853,752</u>
B. Additions(Reductions) for the Year (same as III. A. above)	\$ <u>(505,486)</u>
C. Change in Unrealized Appreciation (See Unrealized Gain Worksheet on page 4)	\$ <u>998,094</u>
D. End of the Year Market Value Balance (A + B + C) **	\$ <u><u>10,346,360</u></u>

** Note: If End of the Year Balance IV.D. does not match Total Reserve Assets V.L. (Market Value) or if IV. A. does not match Total Reserve Assets (Market Value) at 12/31/2008, please attach a note of explanation.

A report that is not balanced or properly noted is an incomplete report, and will be rejected. If the report is rejected, your plan would be ineligible to receive state turnback funds.

STATEMENT OF PLAN RESERVE ASSETS
for the year ending December 31, 2009

V. RESERVE ASSETS

	Book Value (Cost)	Market Value
A. Cash and Bank checking account (non-interest earning)	\$ <u>7,303</u>	\$ <u>7,303</u>
B. Bank Deposits (interest Earning)	\$ <u>1,531,519</u>	\$ <u>1,531,519</u>
C. Savings and loan deposits (interest earning)	\$ _____	\$ _____
D. Other cash equivalents (maturing in one year or less)	\$ _____	\$ _____
E. U.S. Government securities	\$ <u>1,601,803</u>	\$ <u>1,693,059</u>
F. Non-U.S. Government securities	\$ _____	\$ _____
G. Mortgages	\$ _____	\$ _____
H. Corporate Bonds	\$ <u>1,587,873</u>	\$ <u>1,491,947</u>
I. Corporate common stock and convertibles (Includes mutual funds)	\$ <u>5,493,199</u>	\$ <u>5,622,532</u>
J. Other (specify) _____	\$ _____	\$ _____
K. Payables (specify) _____	\$ _____	\$ _____
L. Total Reserve Assets (A thru K)	\$ <u><u>10,221,697</u></u>	\$ <u><u>10,346,360</u></u>

Note: In Item V.L. above, the left column (Book Value) must equal item III.C. and the right column (Market Value) must equal item IV.D.

VI. RESERVE ACCOUNTS

A. Employee Reserves at December 31 (Total, Cumulative Active Employee Contributions Only)	\$ <u>719,522</u>	\$ <u>719,522</u>
B. Accumulated DROP Balances at December 31	\$ _____	\$ _____
C. Employer Reserves at December 31 (Total, Cumulative State Insurance Tax, Millage, Interest & Dividends, Retired Employee Contributions, Other)	\$ <u>9,502,175</u>	\$ <u>9,626,838</u>
D. Total Reserve Balances (A + B + C) (VI.D. Must equal V.L.)	\$ <u><u>10,221,697</u></u>	\$ <u><u>10,346,360</u></u>

SUPPLEMENTARY INFORMATION

OTHER REQUIRED INFORMATION

DROP Funds Only:

What rate of return was certified by the Pension Review Board for 2008?
 (2009 Certified DROP Rate) _____ 5.0 %

What rate of return did the Pension Fund award to DROP accounts for 2008?
 (2009 Certified DROP Rate) _____ %

Did the pension fund receive a full one (1) mill during the reporting year?
PLEASE VERIFY WITH YOUR COUNTY CLERK BEFORE RESPONDING.

Yes _____ No X
 If no, what fraction of a mill was received? 1/2 .

UNREALIZED GAIN WORKSHEET

	12/31/2008		12/31/2009 (from item V.L.)
Market Value	_____ 9,853,752	Market Value	_____ 10,346,360
- Book Value	_____ 10,727,183	- Book Value	_____ 10,221,697
Gain(loss)	_____ (873,431)	Gain(loss)	_____ 124,663
		2009 Gain(loss)	_____ 124,663
		-2008 Gain (loss)	_____ (873,431)
Change in Unrealized Appreciation	_____ 998,094		
	(This amount goes in line IV. C.)		

ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD

Certification Statement of Board Chairman

Act 260 of 2009 deals with the disclosure of gifts or compensation received by a local board member from current or potential investment advisors or managers. Gifts include, but are not limited to, trips and meals. Each board member receiving gifts or compensation that in total exceeds one hundred dollars (\$100) must provide a written statement disclosing them and their value. One copy of these statements is retained on file by the local board and one copy is required to be filed with the Secretary of State. The chair of the local board must certify that all disclosures have been filed as required.

Act 851 of 2007 established minimum asset management standards for all local pension funds. These standards include the requirement to have a legally constituted board of trustees as stated in Arkansas Code sections 24-11-405 and 24-11-801, in general, this includes four members (not including widows) and three city officials. Act 851 also requires a board to meet at least two times per year. A plan can meet the asset management part of the requirements by hiring a professional investment advisor and adopting an investment policy. Please indicate below (item 2) if this is how your plan meets this requirement.

Act 2094 of 2005 established responsibilities for local plan boards pertaining to plan investments. This act limits the total amount of fees paid for all investment and custodial services to 3% of the first \$500,000 of assets, plus 2% of the next \$500,000 of assets, plus 1% of assets above \$1,000,000. Fees must be clearly stated on statements provided to the local board by their investment advisors.

As chairman of the local board of trustees, I certify that:

- 1. The financial gift or compensation statements for all board members have been properly collected and filed.
- 2. a. ___ This plan meets the investment management standard through a professional investment administrator and investment policy, a copy of which is included in this filing.
- b. X This plan has already filed a copy of the investment policy with the Board and it has not been amended in the last year.
- 3. We have a legally constituted board and have met at least 2 times this year on the dates listed below.

April 15, 2009 October 27, 2009 _____

Chair, Pension Board of Trustees

Date

CITY OF JONESBORO, ARKANSAS
POLICEMEN'S RELIEF AND PENSION FUND

DECEMBER 31, 2009

Certification Statement

The records of the City of Jonesboro Policemen's Relief and Pension Fund have been compiled by us, for the year ended December 31, 2009 and we have compiled the following financial statements required by Act 700 of 1979, as amended.

1. Statement of Revenues and Expenditures
2. Statement of Plan Reserve Assets

It is our opinion that the aforementioned financial statements conform to the requirements of Act 700 of 1979 as amended, and are a true accounting of the records, as of the above date.

Roger J. Walls
Name of CPA Completing Report

FREEMAN & COMPANY, INC.
Company

(870) 932-4514
Phone Number

Date

Jonesboro, AR 72401
City

Jonesboro
Police
Active Members as of 12/31/2009

Accumulated Contributions is the total amount contributed while an employee.

Name	Sex	Date of Birth	Date of Hire	Gross Annual Salary	12/31/2008	12/31/2009	City	Zip	Comments
					Contributions Accum.	Contributions Accum.			
MacDonald D	M	02/1952	10/1995	34132.32	14573.79	\$ 18,972.27	Jonesboro	72401	

\$ 18,972.27 Page Subtotal

See Accountants' Compilation Report.

Jonesboro
Police
DROP Listing as of 12/31/2009

The DROP Balances below include interest through

Name	Sex	Date of Birth	Spouse's DOB	Date of DROP	DROP Balance	Address	City	Zip	Comments
NONE									

\$ _____ Page Subtotal

See Accountants' Compilation Report.

Jonesboro
Police
Retiree Listing as of 12/31/2009

Benefit Option:
1-Service Retirement, 2-Disability, 3-Survivor Benefit
4-Surviving Children, 5-QDRO Alt. Payee, 7-Age 60 Bonus

Name	Sex	Date of Birth	Date of Hire	Date of Retirement	Benefit Option	Regular Monthly	Spouse's DOB	Total Benefit Paid during	Comments	Address	City
Bailey D	M	08/1932		0/0	2	\$ 1,564.32	01/1937	\$ 20,138.84		2405 Circle Drive	Jonesboro
Barnett D	M	06/1948	11/1970	11/1990	1	1,600.49	06/1950	20,572.88		P.O. Box 213	Ravenden
Barnett K	F	11/1953	0/0	11/1990	5	519.75	0/0	6,237.00		2015 Emerald Cove	Jonesboro
Barnhill L	M	11/1950	07/1994	04/1999	2	1,862.84	10/1952	23,718.68		2107 Arrowhead Farm Road	Jonesboro
Bradley D	M	09/1939	04/1969	09/1989	1	2,477.68	01/1939	31,099.16		4211 Oak Hill Lane	Jonesboro
Burcham L	M	01/1949	01/1981	01/2006	1	2,296.21	11/1960	28,921.52		2301 Biltmore Cove	Jonesboro
Cook M	M	11/1929	01/1965	0/0	1	2,135.56	10/1939	26,993.72		5224 Hammock Lake Drive	Jacksonville, FL 32226
Dowdy L	F	09/1942	04/1966	0/0	3	1,921.74	0/0	24,427.88		4906 Dowdy Drive	Jonesboro
Eidson J	M	05/1945	06/1977	08/2001	1	2,353.38	07/1963	29,607.56		210 Burchwood Bay Road	Hot Springs
Emison D	M	04/1946	07/1973	08/1989	2	2,344.93	11/1950	29,506.16		2812 Tower Park Drive	Jonesboro
Etter G	M	08/1949	05/1971	01/1997	1	1,974.20	12/1951	25,057.40		3410 Etter Hill Road	Jonesboro
Grigsby R	M	03/1959	09/1981	06/2005	1	3,371.40	09/1959	45,245.20		P.O. Box 6092	Jonesboro
Hanks J	M	10/1946	12/1977	06/2001	1	1,676.63	0/0	21,486.56		P.O. Box 2546	Jonesboro
Hanks P	F	10/1946	0/0	06/2001	5	500.00	0/0	6,000.00		105 Margie	Brookland

\$ 339,012.56 Page Subtotal

See Accountants' Compilation Report.

Jonesboro
Police
Retiree Listing as of 12/31/2009

Benefit Option:
1-Service Retirement, 2-Disability, 3-Survivor Benefit
4-Surviving Children, 5-QDRO Alt. Payee, 7-Age 60 Bonus

Name	Sex	Date of Birth	Date of Hire	Date of Retirement	Benefit Option	Regular Monthly	Spouse's DOB	Total Benefit Paid during	Comments	Address	City
Hanley	F	09/1927		0/0	3	\$ 1,568.62	0/0	\$ 20,190.44		1600 Hern Street	Jonesboro
Henderson	M	11/1926		0/0	2	1,245.00	02/1934	16,307.00		3009 Sun Avenue	Jonesboro
Irvin	M	07/1951	08/1976	08/2001	1	2,055.78	0/0	26,036.36		301 Greenmeadow Lane	Jonesboro
Jones	M	09/1950	10/1980	01/1995	2	2,061.56	0/0	26,105.72		1396 Cranfield Road, Cabin #2	Mountain Home, AR
Lindley	F	05/1931		0/0	3	1,435.38	0/0	18,591.56		6324 Pine Drive	Panama City Beach, FL
Marshall	F	07/1944	08/1981	09/2001	3	3,299.44	0/0	44,309.72		2605 Flat Rock	Jonesboro
Mashburn	M	10/1952	06/1975	06/1996	1	2,504.17	05/1954	31,417.04		6516 Rustic Lane	North Little Rock
McCann	M	09/1949	08/1973	12/1996	1	2,561.10	08/1947	32,100.20		1610 Beverly Drive	Jonesboro
McDaniel	F	10/1949	0/0	11/1999	5	271.62	0/0	3,259.44		P.O. Box 2351	Jonesboro
McDaniel	M	12/1942	01/1977	11/1999	1	2,252.99	0/0	28,402.88		1906 W. Matthews, Apt. E-3	Jonesboro
Meadows	F	09/1940	09/1966	0/0	3	1,974.09	0/0	27,507.90		3304 Lonoke Cove	Jonesboro
Medlock	M	07/1932		0/0	1	1,774.60	11/1936	22,662.20		P.O. Box 853	Pocahontas
Parnell	M	05/1949	08/1975	04/1989	2	1,945.64	0/0	24,714.68		2918 Bennett Drive	Jonesboro
Peronia	F	09/1933		0/0	3	1,764.86	0/0	22,545.32		5315 Harrisburg Road	Jonesboro

\$ 344,150.46 Page Subtotal

See Accountants' Compilation Report.

Jonesboro
Police
Retiree Listing as of 12/31/2009

Benefit Option:
1-Service Retirement, 2-Disability, 3-Survivor Benefit
4-Surviving Children, 5-QDRO Alt. Payee, 7-Age 60 Bonus

Name	Sex	Date of Birth	Date of Hire	Date of Retirement	Benefit Option	Regular Monthly	Spouse's DOB	Total Benefit Paid during	Comments	Address	City
Poley L	M	02/1943	03/1972	07/1988	2	\$ 1,814.20	0/0	\$ 24,069.50		P.O. Box 461	Jonesboro
Rainey E	M	11/1937	10/1979	10/1999	1	2,743.73	07/1939	34,291.76		106 Lavaca Lane	Georgetown, TX
Rice H	M	02/1930		0/0	2	1,245.00	04/1931	16,307.00		2003 Theodore Ave., Apt. B	Springdale
Rolly, Jr. T	M	11/1944	10/1969	11/1991	1	2,075.24	09/1943	26,269.88		P.O. Box 1095	Jonesboro
Sanford T	M	01/1940	03/1976	03/2001	1	2,007.87	05/1942	25,419.00		210 Walnut	Jonesboro
Smith R	M	11/1938	06/1966	06/1988	1	2,008.04	09/1942	25,463.48		3204 Rhonda Drive	Jonesboro
Thomas J	M	01/1952	12/1974	12/1998	1	2,251.02	05/1965	28,379.24		243 CR 705	Jonesboro
Vaughn J	F	10/1931		0/0	3	1,756.08	0/0	23,343.00		1406 Dupwe Drive	Jonesboro
Ward W	M	12/1942	06/1968	06/1988	1	1,968.04	05/1958	24,983.48		P.O. Box 2093	Forrest City
Watkins N	M	04/1945	06/1970	06/1990	1	1,975.48	11/1948	25,072.76		1224 Despain Cove	Jonesboro
Whitley A	M	11/1953	06/1975	07/1997	1	2,274.75	10/1954	28,664.00		1111 Craighead Forest Road	Jonesboro
Lassiter J	M	06/1954	12/1982	02/2003	1	2,412.98	06/1952	30,322.76		4721 Winged Foot Lane	Jonesboro
Deceased:											
Bradley I	F	02/1931		05/1997	3	1,245.96	0/0	5,183.84		14629 Pleasant Ridge Road	Rogers
Meadows W	M	10/1923		0/0	1	1,974.09	09/1940	4,090.62		3304 Lonoke Cove	Jonesboro

\$ 321,860.32 Page Subtotal

See Accountants' Compilation Report.