

**PINE-MARSHALL-BRADFORD WOODS JOINT POLICE FORCE
NONUNIFORMED PENSION PLAN**

ALLEGHENY COUNTY

COMPLIANCE AUDIT REPORT

FOR THE PERIOD

JANUARY 1, 2003, TO DECEMBER 31, 2004



**PINE-MARSHALL-BRADFORD WOODS JOINT POLICE FORCE
NONUNIFORMED PENSION PLAN**

ALLEGHENY COUNTY

COMPLIANCE AUDIT REPORT

FOR THE PERIOD

JANUARY 1, 2003, TO DECEMBER 31, 2004

CONTENTS

	<u>Page</u>
Letter from the Auditor General	1
Background	3
Objective, Scope and Methodology	4
Conclusions	5
Report Distribution List	7

Pine-Marshall-Bradford Woods Joint Police Board
Allegheny County
Wexford, PA 15090

We have conducted a compliance audit of the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan for the period January 1, 2003, to December 31, 2004. The audit was conducted pursuant to authority derived from Section 402(j) of Act 205 of 1984 and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

The objective of the audit was to determine if the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objective identified above. The Pine-Marshall-Bradford Woods Joint Police Board contracted with an independent certified public accounting firm for audits of its general purpose financial statements for the year ended December 31, 2003, and of its basic financial statements for the year ended December 31, 2004, which are available at the board's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

The Department of the Auditor General (Department) is mandated by state statute to calculate state aid provided to municipal pension funds and to audit municipal pension funds having received such aid. State aid is calculated by an administrative unit that is not involved in the audit process. The Department's Comptroller Office then pre-audits the calculation and submits requests to the Commonwealth's Treasury Department for the disbursement of state aid to the municipality. The Department has implemented procedures to ensure that Department audit personnel are not directly involved in the calculation and disbursement processes. The Department's mandatory responsibilities are being disclosed in accordance with *Government Auditing Standards*.

The results of our tests indicated that, in all significant respects, the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

The contents of this report were discussed with officials of Pine-Marshall-Bradford Woods Joint Police Board and, where appropriate, their responses have been included in the report.

March 2, 2006

JACK WAGNER
Auditor General

BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, 53 P.S. §895.101, et seq.). The act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans. Section 402(j) of Act 205 specifically requires the Auditor General, as deemed necessary, to make an audit of every municipality which receives general municipal pension system State aid and of every municipal pension plan and fund in which general municipal pension system State aid is deposited.

Pension plan aid is provided from a 2 percent foreign casualty insurance premium tax, a portion of the foreign fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan is also governed by implementing regulations adopted by the Public Employee Retirement Commission published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes.

The Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan is a single-employer defined contribution pension plan locally controlled by the provisions of Resolution No. 92-2, as amended.

PINE-MARSHALL-BRADFORD WOODS JOINT POLICE FORCE
NONUNIFORMED PENSION PLAN
AUDIT REPORT

OBJECTIVE, SCOPE AND METHODOLOGY

The objective of our audit was to determine if the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

The scope of the audit covered the period January 1, 2003, to December 31, 2004.

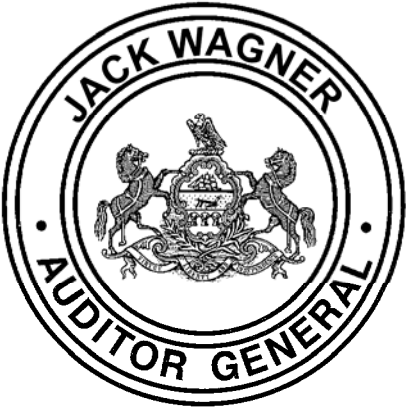
Police board officials are responsible for establishing and maintaining an internal control structure to provide reasonable assurance that the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. To assist us in planning and performing our audit, we obtained an understanding of the board's internal control structure as it relates to the board's compliance with those requirements. Additionally, we tested transactions, assessed official actions, performed analytical procedures and interviewed selected officials to the extent necessary to satisfy the audit objective.

PINE-MARSHALL-BRADFORD WOODS JOINT POLICE FORCE
NONUNIFORMED PENSION PLAN
AUDIT REPORT

CONCLUSIONS

The objective of our audit was to determine if the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. Our audit conclusions are presented below.

Our tests indicated that, in all significant respects, the Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.



PINE-MARSHALL-BRADFORD WOODS JOINT POLICE FORCE
NONUNIFORMED PENSION PLAN
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania

Pine-Marshall-Bradford Woods Joint Police Force Nonuniformed Pension Plan
Allegheny County
230 Pearce Mill Road
Wexford, PA 15090

Mr. C. Scott Anderson	Chairman, Joint Police Board
Chief T. Robert Amann	Secretary
Ms. Cheryl N. Fischer	Treasurer

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, Room 318 Finance Building, Harrisburg, PA 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.