

# COMPLIANCE AUDIT

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## Southwest Regional Police Pension Plan Fayette County, Pennsylvania For the Period January 1, 2016 to December 31, 2019

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August 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE  
AUDITOR GENERAL**

Southwest Regional Police Board  
Southwest Regional Police Department  
Fayette County  
Belle Vernon, PA 15012

We have conducted a compliance audit of the Southwest Regional Police Pension Plan for the period January 1, 2016 to December 31, 2019. We also evaluated compliance with some requirements subsequent to that period when possible. The audit was conducted pursuant to authority derived from the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984, as amended, 53 P.S. § 895.402(j)), which requires the Auditor General, as deemed necessary, to audit every municipality which receives general municipal pension system state aid and every municipal pension plan and fund in which general municipal pension system state aid is deposited. The audit was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if municipal officials took appropriate corrective action to address the findings contained in our prior report; and
2. 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 objectives identified above. To determine if regional officials took appropriate corrective action to address the findings contained in our prior report, we inquired of plan officials and evaluated supporting documentation provided by officials evidencing that the suggested corrective action has been appropriately taken. To determine whether the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- We determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the period under audit.
- We determined whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the regional police board's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation.
- We determined that there were no employee contributions required by the plan's governing document and applicable laws and regulations for the years covered by our audit period.
- We determined whether retirement benefits calculated for the plan member who retired during the current audit period represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws and regulations by recalculating the amount of the monthly pension benefits due to the retired individual and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to the recipient. We also determined whether retirement benefits calculated for the plan member who elected to vest such benefits during the current audit period represent benefits payable to all (and only) those entitled to receive them and were properly determined in accordance with the plan's governing document, applicable laws and regulations by recalculating the amount of the pension benefits due to the retired individual and comparing these amounts to supporting documentation evidencing amounts determined.
- We determined whether the January 1, 2017 and January 1, 2019 actuarial valuation reports were prepared and submitted by March 31, 2018 and 2020, respectively, in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.
- We determined whether the terms of the plan's two unallocated insurance contracts, including ownership and any restrictions, were in compliance with plan provisions, investment policies, and state regulations by comparing the terms of the contracts with the plan's provisions, investment policies, and state regulations.

Southwest Regional Police Board officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Southwest Regional Police Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. As previously described, we tested transactions, interviewed selected officials, and performed procedures to the extent necessary to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objectives.

The results of our procedures indicated that, in all significant respects, the Southwest Regional Police Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, except as noted in the following findings further discussed later in this report:

- Finding No. 1 – Noncompliance With Prior Recommendation – Pension Benefits Not In Compliance With Act 600 Provisions
- Finding No. 2 – Noncompliance With Prior Recommendation – Unauthorized Provision For A Killed In Service Benefit
- Finding No. 3 – Failure To Properly Determine And Fully Pay The Minimum Municipal Obligation Of The Plan
- Finding No. 4 – Incorrect Data On Certification Form AG 385 Resulting In An Underpayment Of State Aid

Finding Nos. 1 and 2 contained in this audit report repeat conditions that were cited in our previous report that have not been corrected by regional officials. We are concerned by the regional police board's failure to correct those previously reported findings and strongly encourage timely implementation of the recommendations noted in this audit report.

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information or conclude on it and, accordingly, express no form of assurance on it.

The contents of this report were discussed with officials of the Southwest Regional Police Board and, where appropriate, their responses have been included in the report. We would like to thank board officials for the cooperation extended to us during the conduct of the audit.

July 10, 2020



EUGENE A. DEPASQUALE  
Auditor General

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## **BACKGROUND**

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 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.

Annual state aid allocations are provided from a 2 percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) 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 Southwest Regional Police Pension Plan is also governed by implementing regulations published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes including, but not limited to, the following:

Act 600 - Police Pension Fund Act, Act of May 29, 1956 (P.L. 1804, No. 600), as amended, 53 P.S. § 767 et seq.

The Southwest Regional Police Pension Plan is a single-employer defined benefit pension plan locally controlled by the provisions of Resolution No. 1 of 1999, as amended, adopted pursuant to Act 600. The plan was established October 14, 1948. Active members are not required to contribute to the plan. As of December 31, 2019, the plan had 2 active members, 1 terminated member eligible for vested benefits in the future, and 2 retirees receiving pension benefits from the plan.

## SOUTHWEST REGIONAL POLICE PENSION PLAN STATUS OF PRIOR FINDINGS

### Noncompliance With Prior Recommendations

The Southwest Regional Police Board has not complied with the prior recommendations concerning the following as further discussed in the Findings and Recommendations section of this report:

- Pension Benefits Not In Compliance With Act 600 Provisions; and
- Unauthorized Provision For A Killed In Service Benefit

SOUTHWEST REGIONAL POLICE PENSION PLAN  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – Noncompliance With Prior Recommendation – Pension Benefits Not In Compliance With Act 600 Provisions**

Condition: In 2003, Belle Vernon Borough and Newell Borough entered into an agreement to create the Southwest Regional Police Department. Regional police pension plans are subject to the provisions of Act 600. However, as disclosed in the prior four audit reports, the pension plan's governing document contains benefit provisions that are not in compliance with Act 600, as illustrated below:

<u>Benefit Provision</u>	<u>Governing Document</u>	<u>Act 600 (as amended)</u>
Member contribution rate	Not stated	Members shall pay into the fund, monthly, an amount equal to not less than 5% nor more than 8% of monthly compensation, if not covered by Social Security. The governing body of the department may, <u>on an annual basis</u> , by ordinance or resolution, reduce or eliminate payments into the fund by members. [Emphasis added]
Pre-vesting death benefit	None provided	The surviving spouse of a member of the police force who dies before his pension has vested or if no spouse survives or if he or she survives and subsequently dies, the child or children under the age of eighteen years, or, if attending college, under or attaining the age of twenty-three years, of the member of the police force shall be entitled to receive repayment of all money which the member invested in the pension fund plus interest or other increases in value of the member's investment in the pension fund, unless the member has designated another beneficiary for this purpose.



# SOUTHWEST REGIONAL POLICE PENSION PLAN FINDINGS AND RECOMMENDATIONS

## **Finding No. 1 – (Continued)**

<u>Benefit Provision</u>	<u>Governing Document</u>	<u>Act 600 (as amended)</u>
Refund of members' contributions to terminating members ineligible for pension benefits	A Former Participant may elect a refund of his Voluntary and Mandatory contributions with interest. If a Former Participant elects a refund of his Mandatory contributions, he shall thereafter not be entitled to any other benefits from the plan. However, the plan does not specify the rate at which interest will be paid on refunded contributions.	Any member of a police force of a borough, town, township or regional police department, who for any reason whatsoever, shall be ineligible to receive a pension after having contributed any charges to a police pension fund established pursuant to the provisions of this act, or to a police pension fund existing on the effective date of this act supplanted by a police pension fund established pursuant to the provisions of this act, shall be entitled to a refund of all such moneys paid by him into such funds plus all interest earned by such moneys while in the police pension fund.... If such discontinuance is due to death, such moneys shall be paid to his designated beneficiary or, in the absence thereof, to his estate.

Criteria: A governing document which contains clearly defined and updated benefit provisions is a prerequisite for the consistent, sound administration of retirement benefits. In addition, the police pension plan's benefit structure should be in compliance with Act 600, as amended,

Cause: A turnover of plan officials has contributed to the failure to ensure compliance with the prior audit recommendation.

Effect: Maintaining a benefit structure which is not in compliance with Act 600 could result in plan members or their beneficiaries receiving incorrect benefit amounts or being denied benefits to which they are statutorily entitled.

Recommendation: We again recommend that plan officials, after consulting with their solicitor, take whatever action is necessary to bring the police pension plan's benefit structure into compliance with Act 600, as amended, at their earliest opportunity to do so.

SOUTHWEST REGIONAL POLICE PENSION PLAN  
FINDINGS AND RECOMMENDATIONS

**Finding No. 1 – (Continued)**

Management Response: Plan officials provided the following response:

Due to prior plan officials being dismissed and retiring, the Board of Directors of SWRPD, holds responsibility to adopt a resolution regarding Finding #1 disclosed in the previous audit of 2016 to make the pension fund in compliance. SWRPD did not initiate corrections/additions to make the pension fund compliant with Act 600 provisions. SWRPD as a whole: Chief Administrative Officer, Members of the Board and the Solicitor will immediately do so. We will adopt proper corrections, additions and resolutions to maintain compliancy.

Auditor's Conclusion: We are concerned by the regional police board's failure to correct this previously reported finding and strongly encourage timely implementation of the recommendation noted in this audit report.

**Finding No. 2 – Noncompliance With Prior Recommendation - Unauthorized Provision For A Killed In Service Benefit**

Condition: The Southwest Regional Police Department maintains a police pension plan governed by the provisions of Act 600, as amended. Prior to the adoption of Act 51 of 2009, Act 600 contained a mandatory killed in service benefit provision; however, Act 51 specifically repealed the section of Act 600 that referenced the mandatory killed in service benefit, as disclosed in our prior report. During the current audit period, it has been determined that the pension plan's governing document continues to provide for a killed in service benefit that is no longer authorized by Act 600.

Resolution No. 2 of 2005 states, in part:

*Pre-Retirement Death Benefits for Active Participants:* For surviving spouse or minor children of police officer killed in the line of duty, a benefit equal to 100% of salary is per Act 30.

Criteria: Section 1(a) of Act 51 of 2009 states, in part:

In the event a law enforcement officer, ambulance service or rescue squad member, firefighter, certified hazardous material response team member or National Guard member dies as a result of the performance of his duties, such political subdivision, Commonwealth agency or, in the case of National Guard members, the Adjutant General, or, in the case of a member of a Commonwealth law enforcement agency, the authorized survivor or the agency head, within 90 days from the date of death, shall submit certification of such death to the Commonwealth.

SOUTHWEST REGIONAL POLICE PENSION PLAN  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2 – (Continued)**

In addition, Section 1(d) of Act 51 of 2009 states, in part:

. . . the Commonwealth shall, from moneys payable out of the General Fund, pay to the surviving spouse or, if there is no surviving spouse, to the minor children of the paid firefighter, ambulance service or rescue squad member or law enforcement officer who died as a result of the performance of his duty the sum of \$100,000, adjusted in accordance with subsection (f) of this section, and an amount equal to the monthly salary, adjusted in accordance with subsection (f) of this section, of the deceased paid firefighter, ambulance service or rescue squad member or law enforcement officer, less any workers' compensation or pension or retirement benefits paid to such survivors, and shall continue such monthly payments until there is no eligible beneficiary to receive them. For the purpose of this subsection, the term "eligible beneficiary" means the surviving spouse or the child or children under the age of eighteen years or, if attending college, under the age of twenty-three years, of the firefighter, ambulance service or rescue squad member or law enforcement officer who died as a result of the performance of his duty. When no spouse or minor children survive, a single sum of \$100,000, adjusted in accordance with subsection (f) of this section, shall be paid to the parent or parents of such firefighter, ambulance service member, rescue squad member or law enforcement officer. [Emphasis added]

Furthermore, Section 2 of Act 51 of 2009 states:

Repeals are as follows:

- (1) The General Assembly declares that the repeals under paragraph (2) are necessary to effectuate the amendment of section 1 of the act.
- (2) The following parts of acts are repealed:
  - (i) Section 5(e)(2) of the act of May 29, 1956 (1955 P.L.1804, No. 600), referred to as the Municipal Police Pension Law.
  - (ii) Section 202(b)(3)(vi) and (4)(vi) of the act of December 18, 1984 (P.L.1005, No. 205), known as the Municipal Pension Plan Funding Standard and Recovery Act.

Therefore, since Act 51 specifically repealed the killed in service provision of Act 600 and the funding provisions for the killed in service benefit that were contained in Act 205, the provision of a killed in service benefit is no longer authorized.

## SOUTHWEST REGIONAL POLICE PENSION PLAN FINDINGS AND RECOMMENDATIONS

### **Finding No. 2 – (Continued)**

Cause: A turnover of plan officials has contributed to the failure to ensure compliance with the prior audit recommendation.

Effect: Since Section 1 of Act 51 provides that the Commonwealth is obligated to pay the killed in service benefit less any pension or retirement benefits paid to eligible survivors, the continued provision of a killed in service benefit could result in the pension plan being obligated to pay a benefit that is no longer authorized by Act 600 and would have been paid entirely by the Commonwealth absent such provision.

Recommendation: We again recommend that plan officials review the killed in service benefit with their solicitor in conjunction with Act 51 of 2009 and eliminate this unauthorized benefit provision at the earliest opportunity to do so.

Management's Response: Plan officials agreed with the finding without exception.

Auditor's Conclusion: We are concerned by the regional police board's failure to correct this previously reported finding and strongly encourage timely implementation of the recommendation noted in this audit report.

### **Finding No. 3 – Failure To Properly Determine And Fully Pay The Minimum Municipal Obligation Of The Plan**

Condition: Plan officials did not properly determine and fully pay the minimum municipal obligations (MMOs) of the police pension plan for the years 2017 and 2018, as required by Act 205. The 2017 MMO prepared by regional officials was determined using figures that were unable to be verified to an actuarial valuation report that was prepared, submitted to, and approved by the former Public Employee Retirement Commission (PERC) or the Municipal Pension Reporting Program (MPRP, formerly PERC). The 2018 MMO, which was required to be prepared by September 30, 2017 but was not prepared until March 15, 2018, was prepared utilizing data that was anticipated to be included in the actuarial valuation report as of January 1, 2017, although that report had not yet been filed with MPRP. The original 2017 and 2018 MMOs disclosed that no amount was due to fund the plan for each year. However, based upon estimates prepared by this department, the revised MMO calculations resulted in \$9,926 due for the year 2017 and \$1,875 due for the year 2018, totaling \$11,801.

SOUTHWEST REGIONAL POLICE PENSION PLAN  
FINDINGS AND RECOMMENDATIONS

**Finding No. 3 – (Continued)**

Criteria: With regard to the MMO, Section 302(c) of Act 205 states, in part:

Annually, the chief administrative officer of the pension plan shall determine the minimum obligation of the municipality with respect to the pension plan for the following plan year.

With regard to the 2018 MMO which was prepared late and utilized data from an actuarial valuation report that had yet to be filed with MPRP, the Pennsylvania Code, Title 16, Section 204.1(e) states:

If a municipality fails to adopt a minimum municipal obligation, the minimum municipal obligation shall be calculated using the actual payroll and member contributions for the applicable year and actuarial data extracted from the certified actuarial valuation prepared immediately before the year for which the minimum municipal obligation is to be calculated. The minimum municipal obligation calculated under this subsection shall be used to determine compliance with the actuarial funding standard.

Section 302(d) of Act 205 states, in part:

The minimum obligation of the municipality shall be payable to the pension plan from the revenue of the municipality.

Furthermore, Section 302(e) of Act 205 states:

Any amount of the minimum obligation of the municipality which remains unpaid as of December 31 of the year in which the minimum obligation is due shall be added to the minimum obligation of the municipality for the following year, with interest from January 1 of the year in which the minimum obligation was first due until the date the payment is paid at a rate equal to the interest assumption used for the actuarial valuation report or the discount rate applicable to treasury bills issued by the Department of Treasury of the United States with a six-month maturity as of the last business day in December of the plan year in which the obligation was due, whichever is greater, expressed as a monthly rate and compounded monthly.

SOUTHWEST REGIONAL POLICE PENSION PLAN  
FINDINGS AND RECOMMENDATIONS

**Finding No. 3 – (Continued)**

Cause: The failure to ensure the data used in the 2017 and 2018 MMO determinations was consistent with the data contained in the actuarial valuation report that was certified by PERC or MPRP is attributable to a turnover in plan officials.

Effect: The proper determination of the plan's MMOs ensures plan officials can properly allocate the necessary resources to the pension plan for the upcoming year. The failure to fully pay the MMOs could result in the plan not having adequate resources to meet current and future benefit obligations to its members.

Due to the regional police board's failure to fully pay the 2017 and 2018 MMOs by the December 31, 2017 and 2018, deadlines, regional officials must add the 2017 and 2018 MMO balances to the current year's MMO and include interest, as required by Act 205.

Recommendation: We recommend that the regional police board pay the MMOs due to the police pension plan for the years 2017 and 2018, with interest, in accordance with Section 302(e) of Act 205. A copy of the interest calculation must be maintained by the board for examination during our next audit of the plan.

Furthermore, we recommend that, in the future, plan officials establish adequate internal control procedures to ensure the MMO is determined in accordance with Act 205 provisions and applicable regulations.

Management's Response: Plan officials agreed with the finding without exception.

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.

**Finding No. 4 – Incorrect Data On Certification Form AG 385 Resulting In An Underpayment Of State Aid**

Condition: The board certified 2 ineligible police officers, failed to certify 1 eligible police officer, and understated payroll by a net total of \$58,696 on the Certification Form AG 385 filed in 2017, including the understatement of payroll for an officer who received Heart and Lung benefits for part of the year. Further, the board failed to certify the eligible police officer who received Heart and Lung benefits and understated payroll by \$59,008 on the Certification Form AG 385 filed in 2018. The data contained on these certification forms is based on prior calendar year information.

## SOUTHWEST REGIONAL POLICE PENSION PLAN FINDINGS AND RECOMMENDATIONS

### **Finding No. 4 – (Continued)**

Criteria: Pursuant to Act 205, at Section 402(e)(2), an employee who has been employed on a full-time basis for at least six consecutive months and has been participating in a pension plan during the certification year is eligible for certification. Additionally, the instructions accompanying Certification Form AG 385 prescribe the following criteria for certification purposes:

Each police officer MUST meet each of these conditions anytime between January 1st and December 31st of the *prior calendar year*:

- a. Be an active, full-time police officer employed by the municipality.
- b. Be employed for any six (6) consecutive months during the *prior calendar year*.
- c. Work not less than 35 hours per week.
  - a. Disability Benefits – You may report police officers receiving temporary service-related disability benefits.
- d. Be a member of a police pension plan and meet all of its requirements.

Payroll for police pension plan:

Use W-2 tax form earnings pertaining to only full-time employee for the prior calendar year. Include any Heart and Lung benefits as part of the employee W-2 wages.

Cause: A turnover in plan officials contributed to the certification errors. In addition, the regional police board lacked adequate internal control procedures, such as having another individual review the data certified to ensure compliance with the instructions that accompanied Certification Form AG 385 prior to submission.

Effect: The data submitted on these certification forms is used, in part, to calculate the state aid due to the regional police department for distribution to its pension plan. Based on the data originally certified, the regional police department did not receive state aid in 2017 or 2018 because the certified payroll was too low to counter the plan's actuarial funding adjustment that is part of the calculation. However, based on the correct information with higher payroll figures, the regional police department was entitled to an allocation of \$9,049 in 2017 and \$3,835 in 2018.

Although the additional state aid will be allocated to the regional police department, the 2017 and 2018 state aid allocations were not available to be deposited timely and therefore were not available to pay operating expenses or for investment.

SOUTHWEST REGIONAL POLICE PENSION PLAN  
FINDINGS AND RECOMMENDATIONS

**Finding – (Continued)**

Recommendation: We recommend that in the future, plan officials establish adequate internal control procedures, such as having at least two people review the data certified, to ensure compliance with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data.

Management's Response: Plan officials agreed with the finding without exception.

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.



SOUTHWEST REGIONAL POLICE PENSION PLAN  
SUPPLEMENTARY INFORMATION  
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Historical trend information about the plan is presented herewith as supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially. The historical information, beginning as of January 1, 2015, is as follows:

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)
01-01-15	\$ 615,567	\$ 407,839	\$ (207,728)	150.9%
01-01-17	663,522	389,865	(273,657)	170.2%
01-01-19	678,063	474,711	(203,352)	142.8%

SOUTHWEST REGIONAL POLICE PENSION PLAN  
SUPPLEMENTARY INFORMATION  
(UNAUDITED)

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability (Column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

SOUTHWEST REGIONAL POLICE PENSION PLAN  
SUPPLEMENTARY INFORMATION  
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER  
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2014	None	N/A
2015	None	N/A
2016	\$ 20,056	101.7%
2017	None	N/A
2018	None	N/A
2019	None	N/A

SOUTHWEST REGIONAL POLICE PENSION PLAN  
SUPPLEMENTARY INFORMATION  
NOTES TO SUPPLEMENTARY SCHEDULES  
(UNAUDITED)

The information presented in the supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

Actuarial valuation date	January 1, 2019
Actuarial cost method	Entry age normal
Amortization method	N/A
Remaining amortization period	None
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	5.0%
Projected salary increases	5.0%

SOUTHWEST REGIONAL POLICE PENSION PLAN  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania

**Mr. Joseph Minniti**  
President, Southwest Regional Police Board

**Mr. Keith Williams**  
Chief of Police

**Ms. Laurie Lazzar-Charnack**  
Administrative Director

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