

**TRI-COMMUNITY SOUTH EMS NONUNIFORMED PENSION PLAN**

**ALLEGHENY COUNTY**

**COMPLIANCE AUDIT REPORT**

**FOR THE PERIOD**

**JANUARY 1, 2008, TO DECEMBER 31, 2010**





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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. 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 Tri-Community South EMS 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 Tri-Community South EMS Nonuniformed Pension Plan is a single-employer defined contribution pension plan locally controlled by the provisions of Resolution No. 1-87, which adopts a joinder agreement with ICMA effective January 1, 1987. The plan is also affected by the provisions of collective bargaining agreements between the administrative committee and its employees. Active members are not required to contribute to the plan. The administrative committee is required to contribute 5 percent of each member's gross income per year.





Administrative Committee  
Tri-Community South EMS  
Allegheny County  
Upper St. Clair, PA 15241

We have conducted a compliance audit of the Tri-Community South EMS Nonuniformed Pension Plan for the period January 1, 2008, to December 31, 2010. The audit was conducted pursuant to authority derived from Section 402(j) of Act 205 and in accordance with *Government Auditing Standards* applicable to performance audits issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if plan officials took appropriate corrective action to address the findings contained in our prior audit 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. Tri-Community South EMS contracted with an independent certified public accounting firm for audits of its basic financial statements for the years ended December 31, 2008 and 2009, which are available at the administrative committee's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

The administrative committee is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Tri-Community South EMS Nonuniformed Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. In conducting our audit, we obtained an understanding of the administrative committee's internal controls as they relate to the administrative committee's compliance with those requirements and that we considered to be significant within the context of our audit objectives, and assessed whether those significant controls were properly designed and implemented. Additionally, we tested transactions, assessed official actions, performed analytical procedures and interviewed selected officials to the extent necessary to satisfy the audit objectives.

The results of our tests indicated that, in all significant respects, the Tri-Community South EMS Nonuniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

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

The contents of this report were discussed with officials of Tri-Community South EMS and, where appropriate, their responses have been included in the report.

July 19, 2011

JACK WAGNER  
Auditor General

TRI-COMMUNITY SOUTH EMS NONUNIFORMED PENSION PLAN  
STATUS OF PRIOR FINDINGS

Compliance With Prior Audit Recommendations

Tri-Community South EMS has complied with the prior audit recommendations concerning the following:

- Receipt Of State Aid In Excess Of Entitlement

Tri-Community South EMS reimbursed \$6,630 to the Commonwealth for the overpayment of state aid received in 2005; and

- Incorrect Data On Certification Form AG 385 Resulting In An Overpayment Of State Aid

Tri-Community South EMS reimbursed \$2,929 to the Commonwealth for the overpayment of state aid received in 2008.

TRI-COMMUNITY SOUTH EMS NONUNIFORMED PENSION PLAN  
SUPPLEMENTARY INFORMATION  
(UNAUDITED)

SCHEDULE OF STATE AID  
AND EMPLOYER CONTRIBUTIONS

Year Ended December 31	State Aid Deposited	Employer Contributions
2005	\$ 52,510	None
2006	56,226	\$ 4,906
2007	60,821	63
2008	59,202	6,214
2009	63,781	1,851
2010	65,129	706

TRI-COMMUNITY SOUTH EMS NONUNIFORMED PENSION PLAN  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania

Tri-Community South EMS Nonuniformed Pension Plan  
Allegheny County  
1820 McLaughlin Run Road  
Upper St. Clair, PA 15241

Ms. Nora Helfrich	Director, Tri-Community South EMS
Mr. Matthew R. Serakowski	Manager, Upper St. Clair Township
Mr. August G. Stache, Jr.	Finance Director, Upper St. Clair Township

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](http://www.auditorgen.state.pa.us).