

### **Quarterly Report of Contributions Form**

- Enclosed is the Quarterly Report of Contributions Form (PMRB-21) for the First Quarter of 2018. Please complete, date, sign, and return this form to our office **by April 30**.
- First quarter contributions to be credited to a member's account are **due by March 31**. Interest will be charged on first quarter contributions received after March 31.
- A Revenue Transmittal Form (PMRB-20) must be completed and included with all checks submitted to PMRS. This form is available under the "Forms" section of our website ([www.pMrs.state.pa.us](http://www.pMrs.state.pa.us)) and can be completed online but will need to be printed, signed and mailed with the checks.

### **2016 GASB 68 Reports**

- The 2016 GASB 68 Reports have been completed and posted to our website.
- These reports are available under the "Municipalities/GASB 68 Reports" section of our website and can be found by selecting your municipality from the dropdown box.
- The 2016 GASB 68 Report based on a measurement date of December 31, 2016 should be used for your **2017** Financial Audit and **2017** Pennsylvania Department of Community and Economic Development Municipal Annual Audit and Financial Report (DCED Report).
  - The measurement date for the Net Pension Liability (NPL) will always be one year less than the year of your audit and DCED report (see paragraph 20 of GASB 68).
  - A **DCED Report Mapping Tool** has been posted to the "*Municipalities/GASB 68 Reports*" section of the PMRS website to assist you in completing the DCED Report based upon the financial information included in your GASB 68 Report.

### **Information Important to Your Auditor**

Many of the records and calculations necessary for your auditor to issue an opinion on the net pension liability and related disclosures are maintained only by PMRS.

- PMRS engaged its external auditor, Clifton Larson Allen, to issue an **SSAE 16 (SOC 1 Type 2) Report** on controls over census data maintained by the plan and the allocation of additions and deductions to municipality accounts.
  - Clifton Larson Allen issued a clean audit opinion on the SSAE 16 report for the 10-month period of May 1, 2016 through February 28, 2017.
  - Clifton Larson Allen will be issuing a report for the 13-month period of March 1, 2017 through March 31, 2018 which will be posted to the PMRS website in **April 2018**.
- Clifton Larson Allen will also be issuing an opinion on the **system-wide Statement of Changes in Fiduciary Net Position by Participating Plan**.
  - The 2016 Statement of Changes in Fiduciary Net Position by Participating Plan will be posted to the PMRS website in **April 2018**.
- The **system-wide Actuarial Valuation, Comprehensive Annual Financial Report (CAFR), Statement of Changes in Fiduciary Net Position by Participating Plan, and SSAE 16 (SOC 1 Type 2) Report** can be found under the "*Publications*" section of the PMRS website.

- A **Market Value of Asset Reconciliation** is included in the 2016 GASB 68 Reports to assist you and your auditors in reconciling to the Year-End Financial Activity Reports.
  - Please note that the Year-End Financial Activity Reports only include the member and municipal account assets while the GASB 68 reporting package is more comprehensive and includes all assets and liabilities of the plan.
- An **Assets, Liabilities, and Funded Ratios graph** has been added to the 2016 GASB 68 Reports providing the Total Pension Liability (TPL), Market Value of Assets (MVA), Actuarial Value of Assets (AVA), and the Funding Ratio of the MVA and AVA.
  - Please note that the MVA is the Plan Net Fiduciary Position for GASB 68 purposes and the AVA is the asset value used for determining the Actuarially Determined Contributions (i.e. Minimum Municipal Obligation).

### **2017 Act 205 Actuarial Valuation Report**

- Beginning with the 2017 Act 205 Actuarial Valuation Reports, the MVA or the Plan Fiduciary Net Position used for GASB 68 purposes was used for Act 205 Actuarial Valuation reporting purposes.
  - For defined benefit plans, please note that the “Net Assets at Beginning of Year (Market Value)” as of the previous year (2016) will not agree with the “Net Asset at End of Year (Market Value)” on the 2015 Act 205 Actuarial Valuation Report because the MVA and AVA were previously reported as one and the same.
  - The AVA equals the sum of the Member Reserve, the Municipal Reserve, the DROP Reserve (if applicable), and the Retiree Liability, based on the legislative structure of PMRS and the administrative rules adopted by the PMRS Board in conjunction with Pennsylvania Municipal Retirement Law.
  - Please see the Assets, Liabilities, and Funded Ratios graph for a comparison of the MVA and AVA in the 2016 GASB 68 Report.
- The 2017 Act 205 Actuarial Valuation Reports have been completed and provided for your review, approval, and filing with the Municipal Pension Reporting Program (MPRP) within the Pennsylvania Department of the Auditor General.
- The filing deadline for the 2017 Actuarial Valuation Report is **March 30, 2018**.

### **2017 Year-End Financial Activity Reports and Annual Member Statements**

- PMRS will continue to use the “**first come, first served**” policy for preparing and distributing these reports and statements.
- The placement of your plan can be found by checking the municipal ranking under the “Municipalities/Year-End Financial Activity Reports” section of our website.
- The 2017 Year-End Financial Activity Reports will be distributed via email and the Annual Membership Statements will be distributed via mail as in the prior year.

For additional information or assistance, please visit the PMRS website or contact the PMRS Investment and Financial Management Division at (800) 622-7968.