

LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:
Cindy Jorgenson
Joe Murray

INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee
of the Montana State Legislature:

Introduction

We have audited the Employer Contribution column for the fiscal year ended June 30, 2017, and the Employer Proportion based on Employer Contributions column as of June 30, 2017, on the accompanying schedule of Employer and Non-Employer Proportionate Share Allocations for the Montana Firefighters' Unified Retirement System. We have also audited the Net Pension Liability-Employer total as of June 30, 2017, Total Collective Deferred Outflows total, Total Collective Deferred Inflows total, and Proportionate Share of Plan Pension Expense total included in the accompanying schedule of Employer and Non-Employer Proportionate Share Allocations of the Montana Firefighters' Unified Retirement System as of and for the fiscal year ended June 30, 2017, for the purpose of employer financial reporting for fiscal year 2018. In addition, we have audited the related notes to the schedule.

Management's Responsibility for the Schedule

Management, the Public Employees' Retirement Board, and its staff, the Montana Public Employee Retirement Administration (MPERA), is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the Employer Contribution column for the fiscal year ended June 30, 2017, and the Employer Proportion based on Employer Contributions column as of June 30, 2017, and the specified total amounts included on the schedule of Employer and Non-Employer Proportionate Share Allocations as of and for the fiscal year ended June 30, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Employer Contribution and Employer Proportion based on Employer Contributions columns, and the specified total amounts on the schedule of Employer and Non-Employer Proportionate Share Allocations are free from material misstatement. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters; results are addressed through our separately issued financial audits of the Public Employees' Retirement Board.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures on the Employer Contribution and Employer Proportion based on Employer Contributions columns, and the specified total amounts on the schedule of Employer and Non-Employer Proportionate Share Allocations. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to MPERA's preparation and fair presentation of the Employer Contribution and Employer Proportion based on Employer Contributions columns, and specified total amounts on the schedule of Employer and Non-Employer Proportionate Share Allocations in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MPERA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by MPERA, as well as evaluating the overall

presentation of the Employer Contribution and Employer Proportion based on Employer Contributions columns, and the specified total amounts on the schedule of Employer and Non-Employer Proportionate Share Allocations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the Employer Contribution column (page 1), the Employer Proportion based on Employer Contributions column as of June 30, 2017 (page 2), and the specified total amounts summarized in the table below are presented fairly, in all material respects, in the schedule of Employer and Non-Employer Proportionate Share Allocations for the Montana Firefighters’ Unified Retirement System as of and for the fiscal year ended June 30, 2017, for the purpose of employer financial reporting for fiscal year 2018, in accordance with accounting principles generally accepted in the United States of America.

Specified Amounts from the Schedule of Employer and Non-Employer Proportionate Share Allocations for the Montana Firefighters’ Unified System Retirement as of the June 30, 2017 Measurement Date	Total Amount	Page Number
Net Pension Liability-Employer	\$113,034,549	2
Total Collective Deferred Outflows	\$14,934,187	3
Total Collective Deferred Inflows	\$854,835	4
Proportionate Share of Plan Pension Expense	\$17,032,333	5

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Public Employees’ Retirement Board as of and for the fiscal year ended June 30, 2017, and our report thereon, dated December 20, 2017, expressed an unmodified opinion on those financial statements. The Firefighters’ Unified Retirement System is one of several retirement systems that are included in the board’s financial statements referred to above.

The schedule of Employer and Non-Employer Proportionate Share Allocation for the Firefighters’ Unified Retirement System as of and for the fiscal year ended June 30, 2017, for the purpose of employer financial reporting for fiscal year 2018, includes partial prior-year comparative information. Such information does not include all information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the schedule of Employer and Non-Employer Proportionate Share Allocations for the Montana Firefighters’ Unified Retirement System for the fiscal year ended June 30, 2016, for the purpose of employer financial reporting for fiscal year 2017, from which such partial information was derived.

Restriction on Use

Our report is intended solely for the information and use of the Public Employees’ Retirement Board and its auditor, Montana Public Employees’ Retirement Administration management, Montana Firefighters’ Unified Retirement System employers and their auditors, the State of Montana as a Non-Employer Contributing Entity and its auditor, and the Montana Legislature. It is not intended to be, and should not be used by anyone other than those specified parties.

Respectfully submitted,

/s/ Cindy Jorgenson

Cindy Jorgenson, CPA
Deputy Legislative Auditor
Helena, MT

June 18, 2018

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Contributions for Fiscal Year Ending June 30, 2017

	<u>Member Rate</u>	<u>Employer Rate</u>	<u>State Rate</u>	<u>Employer Contribution</u>	<u>State Contribution</u>
Total				\$ 6,896,067	\$ 14,571,183
State as Special Funding Entity					
Employer					
6508 FG0305 CITY OF BILLINGS	10.69%	14.36%	32.61%	1,370,789	3,112,913
6509 FG0306 CITY OF BOZEMAN	10.69%	14.36%	32.61%	504,303	1,145,218
6522 FG0314 CITY OF COLUMBIA FALLS	10.69%	14.36%	32.61%	9,238	20,978
6544 FG0333 CITY OF GLENDIVE	10.69%	14.36%	32.61%	34,600	78,573
6545 FG0334 CITY OF GREAT FALLS	10.69%	14.36%	32.61%	687,315	1,560,816
6550 FG0339 CITY OF HAVRE	10.69%	14.36%	32.61%	111,871	254,047
6551 FG0340 CITY OF HELENA	10.69%	14.36%	32.61%	352,156	799,709
6555 FG0343 CITY OF KALISPELL	10.69%	14.36%	32.61%	314,224	713,568
6559 FG0347 CITY OF LEWISTOWN	10.69%	14.36%	32.61%	46,133	104,763
6561 FG0349 CITY OF LIVINGSTON	10.69%	14.36%	32.61%	128,034	290,751
6571 FG0353 CITY OF MILES CITY	10.69%	14.36%	32.61%	90,041	204,473
6572 FG0354 CITY OF MISSOULA	10.69%	14.36%	32.61%	1,065,632	2,419,935
6594 FG0376 CITY OF WHITEFISH	10.69%	14.36%	32.61%	158,477	359,884
6458 FG0301 ANACONDA-DEER LODGE COUNTY	10.69%	14.36%	32.61%	82,953	188,378
6510 FG0307 BUTTE SILVER BOW	10.69%	14.36%	32.61%	348,241	790,816
8654 BIG MOUNTAIN FIRE DISTRICT	10.69%	14.36%	32.61%	35,761	81,210
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	10.69%	14.36%	32.61%	147,968	336,019
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	10.69%	14.36%	32.61%	39,256	89,145
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	10.69%	14.36%	32.61%	49,445	112,284
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	10.69%	14.36%	32.61%	176,391	400,564
6417 FG9082 HEBGEN BASIN RURAL FD	10.69%	14.36%	32.61%	73,865	167,740
6425 FG9090 HYALITE RFD	10.69%	14.36%	32.61%	26,506	60,193
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	10.69%	14.36%	32.61%	110,924	251,898
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	10.69%	14.36%	32.61%	406,158	922,340
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	10.69%	14.36%	32.61%	39,042	88,661
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	10.69%	14.36%	32.61%	7,180	16,306
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	10.69%	14.36%	32.61%	479,563	-
FG0385 TOWN OF RED LODGE	10.69%	14.36%	32.61%	-	-

**Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan**

w/a Special Funding Situation

for the year ending June 30

	Net Pension Liability as of June 30, 2017				Net Pension Liability as of June 30, 2016			
	Net Pension Liability - Employer	Employer Proportion based on Employer Contributions	Net Pension Liability - State	State Proportion based on State Contributions	Net Pension Liability - Employer	Employer Proportion based on Employer Contributions	Net Pension Liability - State	State Proportion based on State Contributions
Total	\$ 113,034,549	100.000000%	\$ 76,723,713	67.876338%	\$ 114,213,392	100.000000%	\$ 77,447,577	67.809541%
State as Special Funding Entity	\$ 76,723,713	67.876338%			\$ 77,447,577	67.809541%		
Employer								
6508 FG0305 CITY OF BILLINGS	7,217,811	6.385491%	16,390,864	14.500756%	7,366,593	6.449851%	16,690,380	14.613330%
6509 FG0306 CITY OF BOZEMAN	2,655,380	2.349176%	6,030,078	5.334721%	2,707,390	2.370466%	6,134,093	5.370730%
6522 FG0314 CITY OF COLUMBIA FALLS	48,641	0.043032%	110,459	0.097722%	50,782	0.044462%	115,056	0.100738%
6544 FG0333 CITY OF GLENDIVE	182,184	0.161176%	413,720	0.366012%	230,225	0.201574%	521,616	0.456703%
6545 FG0334 CITY OF GREAT FALLS	3,619,015	3.201690%	8,218,387	7.270686%	3,669,169	3.212556%	8,313,182	7.278640%
6550 FG0339 CITY OF HAVRE	589,050	0.521124%	1,337,670	1.183417%	611,735	0.535607%	1,385,998	1.213517%
6551 FG0340 CITY OF HELENA	1,854,259	1.640436%	4,210,822	3.725252%	1,988,576	1.741105%	4,505,486	3.944797%
6555 FG0343 CITY OF KALISPELL	1,654,528	1.463736%	3,757,250	3.323983%	1,594,992	1.396502%	3,613,749	3.164033%
6559 FG0347 CITY OF LEWISTOWN	242,909	0.214898%	551,622	0.488012%	340,910	0.298486%	772,396	0.676274%
6561 FG0349 CITY OF LIVINGSTON	674,153	0.596414%	1,530,932	1.354393%	701,961	0.614605%	1,590,422	1.392501%
6571 FG0353 CITY OF MILES CITY	474,106	0.419435%	1,076,641	0.952489%	495,410	0.433759%	1,122,444	0.982760%
6572 FG0354 CITY OF MISSOULA	5,611,024	4.963991%	12,742,024	11.272681%	5,736,896	5.022962%	12,997,998	11.380450%
6594 FG0376 CITY OF WHITEFISH	834,451	0.738226%	1,894,948	1.676433%	910,727	0.797391%	2,063,421	1.806637%
6458 FG0301 ANACONDA-DEER LODGE COUNTY	436,785	0.386417%	991,895	0.877515%	449,295	0.393382%	1,017,961	0.891280%
6510 FG0307 BUTTE SILVER BOW	1,833,640	1.622194%	4,163,996	3.683826%	1,931,203	1.690873%	4,375,498	3.830985%
8654 BIG MOUNTAIN FIRE DISTRICT	188,298	0.166585%	427,608	0.378298%	-	0.000000%	-	0.000000%
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	779,118	0.689274%	1,769,290	1.565265%	718,115	0.628749%	1,627,023	1.424547%
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	206,698	0.182862%	469,385	0.415258%	209,353	0.183300%	474,327	0.415299%
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	260,349	0.230327%	591,227	0.523050%	235,027	0.205779%	532,497	0.466230%
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	928,776	0.821675%	2,109,148	1.865932%	897,329	0.785660%	2,033,064	1.780058%
6417 FG9082 HEBGEN BASIN RURAL FD	388,932	0.344083%	883,226	0.781377%	413,113	0.361703%	935,983	0.819504%
6425 FG9090 HYALITE RFD	139,567	0.123473%	316,941	0.280393%	143,015	0.125217%	324,027	0.283703%
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	584,066	0.516714%	1,326,352	1.173404%	598,446	0.523972%	1,355,891	1.187156%
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	2,138,599	1.891987%	4,856,529	4.296500%	1,958,831	1.715062%	4,438,093	3.885791%
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	205,575	0.181869%	466,840	0.413006%	195,160	0.170873%	442,171	0.387144%
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	37,808	0.033448%	85,859	0.075958%	28,600	0.025041%	64,800	0.056736%
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	2,525,112	2.233929%	-	0.000000%	2,582,962	2.261523%	-	0.000000%
FG0385 TOWN OF RED LODGE	-	0.000000%	-	0.000000%	-	0.000000%	-	0.000000%

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Deferred Outflows of Resources as of June 30, 2017

	Difference Between Expected and Actual Experience	Net Difference Between Projected Actual Investment and Actual Investment Earnings of Pension Plan Investments	Change of Assumptions	Total Collective Deferred Outflows	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	To be filled in by Employer Employer Contributions Subsequent to the Measurement Date
Total	\$ 744,690	\$ 93,203	\$ 14,096,294	\$ 14,934,187	\$ 1,065,903	
State as Special Funding Entity	\$ 505,468	\$ 63,263	\$ 9,568,048	\$ 10,136,779	\$ 5,010	
Employer						
6508 FG0305 CITY OF BILLINGS	47,552	5,951	900,118	953,621	-	#
6509 FG0306 CITY OF BOZEMAN	17,494	2,190	331,147	350,830	-	#
6522 FG0314 CITY OF COLUMBIA FALLS	320	40	6,066	6,426	-	#
6544 FG0333 CITY OF GLENDIVE	1,200	150	22,720	24,070	-	#
6545 FG0334 CITY OF GREAT FALLS	23,843	2,984	451,320	478,146	-	#
6550 FG0339 CITY OF HAVRE	3,881	486	73,459	77,826	-	#
6551 FG0340 CITY OF HELENA	12,216	1,529	231,241	244,986	-	#
6555 FG0343 CITY OF KALISPELL	10,900	1,364	206,333	218,597	36,802	#
6559 FG0347 CITY OF LEWISTOWN	1,600	200	30,293	32,093	-	#
6561 FG0349 CITY OF LIVINGSTON	4,441	556	84,072	89,070	-	#
6571 FG0353 CITY OF MILES CITY	3,123	391	59,125	62,639	-	#
6572 FG0354 CITY OF MISSOULA	36,966	4,627	699,739	741,332	-	#
6594 FG0376 CITY OF WHITEFISH	5,497	688	104,063	110,248	-	#
6458 FG0301 ANACONDA-DEER LODGE COUNTY	2,878	360	54,470	57,708	43	#
6510 FG0307 BUTTE SILVER BOW	12,080	1,512	228,669	242,262	-	#
8654 BIG MOUNTAIN FIRE DISTRICT	1,241	155	23,482	24,878	128,626	#
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	5,133	642	97,162	102,938	114,794	#
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	1,362	170	25,777	27,309	9,299	#
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	1,715	215	32,468	34,397	27,908	#
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	6,119	766	115,826	122,710	124,696	#
6417 FG9082 HEBGEN BASIN RURAL FD	2,562	321	48,503	51,386	-	#
6425 FG9090 HYALITE RFD	919	115	17,405	18,440	11,840	#
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	3,848	482	72,838	77,167	-	#
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	14,089	1,763	266,700	282,553	279,724	#
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	1,354	170	25,637	27,161	102,845	#
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	249	31	4,715	4,995	25,384	#
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	16,636	2,082	314,901	333,619	198,931	#
FG0385 TOWN OF RED LODGE	-	-	-	-	-	#

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Deferred Inflows of Resources as of June 30, 2017

	Difference Between Expected and Actual Experience	Net Difference Between Projected Actual Investment and Actual Investment Earnings of Pension Plan Investments	Change of Assumptions	Total Collective Deferred Inflows	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions
Total	\$ 854,835	\$ -	\$ -	\$ 854,835	\$ 1,065,903
State as Special Funding Entity	\$ 580,231	\$ -	\$ -	\$ 580,231	\$ -
Employer					
6508 FG0305 CITY OF BILLINGS	54,585	-	-	54,585	176,129
6509 FG0306 CITY OF BOZEMAN	20,082	-	-	20,082	54,482
6522 FG0314 CITY OF COLUMBIA FALLS	368	-	-	368	1,780
6544 FG0333 CITY OF GLENDIVE	1,378	-	-	1,378	43,976
6545 FG0334 CITY OF GREAT FALLS	27,369	-	-	27,369	89,355
6550 FG0339 CITY OF HAVRE	4,455	-	-	4,455	42,239
6551 FG0340 CITY OF HELENA	14,023	-	-	14,023	110,191
6555 FG0343 CITY OF KALISPELL	12,513	-	-	12,513	-
6559 FG0347 CITY OF LEWISTOWN	1,837	-	-	1,837	91,521
6561 FG0349 CITY OF LIVINGSTON	5,098	-	-	5,098	27,773
6571 FG0353 CITY OF MILES CITY	3,585	-	-	3,585	29,992
6572 FG0354 CITY OF MISSOULA	42,434	-	-	42,434	95,868
6594 FG0376 CITY OF WHITEFISH	6,311	-	-	6,311	73,962
6458 FG0301 ANACONDA-DEER LODGE COUNTY	3,303	-	-	3,303	-
6510 FG0307 BUTTE SILVER BOW	13,867	-	-	13,867	116,911
8654 BIG MOUNTAIN FIRE DISTRICT	1,424	-	-	1,424	-
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	5,892	-	-	5,892	-
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	1,563	-	-	1,563	-
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	1,969	-	-	1,969	-
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	7,024	-	-	7,024	-
6417 FG9082 HEBGEN BASIN RURAL FD	2,941	-	-	2,941	7,799
6425 FG9090 HYALITE RFD	1,055	-	-	1,055	-
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	4,417	-	-	4,417	13,420
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	16,173	-	-	16,173	-
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	1,555	-	-	1,555	-
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	286	-	-	286	-
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	19,096	-	-	19,096	-
FG0385 TOWN OF RED LODGE	-	-	-	-	90,505

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Pension Expense as of June 30, 2017

	Proportionate Share of Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense (Including Support Revenue)	Support Revenue Provided by State
Total	\$ 17,032,333	\$ (0)	\$ 31,593,080	\$ 14,530,578
State as Special Funding Entity	\$ 11,560,924	\$ (33,128)	\$ 11,527,797	
Employer				
6508 FG0305 CITY OF BILLINGS	1,087,598	(38,026)	4,162,485	3,112,913
6509 FG0306 CITY OF BOZEMAN	400,119	(12,058)	1,533,280	1,145,218
6522 FG0314 CITY OF COLUMBIA FALLS	7,329	(387)	27,921	20,978
6544 FG0333 CITY OF GLENDIVE	27,452	(9,681)	96,344	78,573
6545 FG0334 CITY OF GREAT FALLS	545,322	(29,854)	2,076,285	1,560,816
6550 FG0339 CITY OF HAVRE	88,760	(10,696)	332,111	254,047
6551 FG0340 CITY OF HELENA	279,405	(21,591)	1,057,523	799,709
6555 FG0343 CITY OF KALISPELL	249,308	5,845	968,721	713,568
6559 FG0347 CITY OF LEWISTOWN	36,602	(20,139)	121,226	104,763
6561 FG0349 CITY OF LIVINGSTON	101,583	(7,277)	385,057	290,751
6571 FG0353 CITY OF MILES CITY	71,440	(8,531)	267,382	204,473
6572 FG0354 CITY OF MISSOULA	845,483	(20,353)	3,245,065	2,419,935
6594 FG0376 CITY OF WHITEFISH	125,737	(17,037)	468,584	359,884
6458 FG0301 ANACONDA-DEER LODGE COUNTY	65,816	1,227	255,421	188,378
6510 FG0307 BUTTE SILVER BOW	276,298	(27,022)	1,040,092	790,816
8654 BIG MOUNTAIN FIRE DISTRICT	28,373	25,725	94,704	40,605
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	117,400	28,236	481,655	336,019
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	31,146	2,014	122,304	89,145
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	39,230	6,205	157,719	112,284
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	139,950	34,264	574,778	400,564
6417 FG9082 HEBGEN BASIN RURAL FD	58,605	(911)	225,435	167,740
6425 FG9090 HYALITE RFD	21,030	4,501	85,723	60,193
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	88,009	(3,980)	335,926	251,898
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	322,250	66,876	1,311,466	922,340
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	30,977	32,322	151,959	88,661
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	5,697	5,983	27,986	16,306
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	380,490	77,642	458,133	-
FG0385 TOWN OF RED LODGE	-	(30,168)	(30,168)	-

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Recognition of
Deferred Outflows and Deferred Inflows as of June 30, 2017

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Future Year</u> <u>Deferrals</u>
Total	\$ 1,141,999	\$ 5,989,229	\$ 3,899,373	\$ 80,555	\$ 2,968,196
State as Special Funding Entity	\$ 775,147	\$ 4,065,269	\$ 2,646,752	\$ 54,678	\$ 2,014,703
Employer					
6508 FG0305 CITY OF BILLINGS	72,922	382,442	248,994	5,144	189,534
6509 FG0306 CITY OF BOZEMAN	26,828	140,698	91,603	1,892	69,728
6522 FG0314 CITY OF COLUMBIA FALLS	491	2,577	1,678	35	1,277
6544 FG0333 CITY OF GLENDIVE	1,841	9,653	6,285	130	4,784
6545 FG0334 CITY OF GREAT FALLS	36,563	191,757	124,846	2,579	95,032
6550 FG0339 CITY OF HAVRE	5,951	31,211	20,321	420	15,468
6551 FG0340 CITY OF HELENA	18,734	98,249	63,967	1,321	48,691
6555 FG0343 CITY OF KALISPELL	16,716	87,667	57,077	1,179	43,447
6559 FG0347 CITY OF LEWISTOWN	2,454	12,871	8,380	173	6,379
6561 FG0349 CITY OF LIVINGSTON	6,811	35,721	23,256	480	17,703
6571 FG0353 CITY OF MILES CITY	4,790	25,121	16,355	338	12,450
6572 FG0354 CITY OF MISSOULA	56,689	297,305	193,565	3,999	147,341
6594 FG0376 CITY OF WHITEFISH	8,431	44,214	28,786	595	21,912
6458 FG0301 ANACONDA-DEER LODGE COUNTY	4,413	23,143	15,068	311	11,470
6510 FG0307 BUTTE SILVER BOW	18,525	97,157	63,255	1,307	48,150
8654 BIG MOUNTAIN FIRE DISTRICT	1,902	9,977	6,496	134	4,945
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	7,872	41,282	26,877	555	20,459
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	2,088	10,952	7,130	147	5,428
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	2,630	13,795	8,981	186	6,837
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	9,384	49,212	32,040	662	24,389
6417 FG9082 HEBGEN BASIN RURAL FD	3,929	20,608	13,417	277	10,213
6425 FG9090 HYALITE RFD	1,410	7,395	4,815	99	3,665
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	5,901	30,947	20,149	416	15,337
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	21,606	113,315	73,776	1,524	56,158
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	2,077	10,893	7,092	147	5,398
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	382	2,003	1,304	27	993
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	25,511	133,795	87,109	1,800	66,307
FG0385 TOWN OF RED LODGE	-	-	-	-	-

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Sensitivity of Employer's Proportionate Share
of the Net Pension Liability as of June 30, 2017

	1% Decrease <u>6.65%</u>	Discount Rate <u>7.65%</u>	1% Increase <u>8.65%</u>
Total	\$ 187,834,975	\$ 113,034,549	\$ 52,599,729
State as Special Funding Entity	\$ 127,495,503	\$ 76,723,713	\$ 35,702,770
Employer			
6508 FG0305 CITY OF BILLINGS	11,994,186	7,217,811	3,358,751
6509 FG0306 CITY OF BOZEMAN	4,412,573	2,655,380	1,235,660
6522 FG0314 CITY OF COLUMBIA FALLS	80,829	48,641	22,635
6544 FG0333 CITY OF GLENDIVE	302,744	182,184	84,778
6545 FG0334 CITY OF GREAT FALLS	6,013,893	3,619,015	1,684,080
6550 FG0339 CITY OF HAVRE	978,854	589,050	274,110
6551 FG0340 CITY OF HELENA	3,081,312	1,854,259	862,865
6555 FG0343 CITY OF KALISPELL	2,749,409	1,654,528	769,921
6559 FG0347 CITY OF LEWISTOWN	403,653	242,909	113,036
6561 FG0349 CITY OF LIVINGSTON	1,120,273	674,153	313,712
6571 FG0353 CITY OF MILES CITY	787,845	474,106	220,622
6572 FG0354 CITY OF MISSOULA	9,324,111	5,611,024	2,611,046
6594 FG0376 CITY OF WHITEFISH	1,386,647	834,451	388,305
6458 FG0301 ANACONDA-DEER LODGE COUNTY	725,826	436,785	203,254
6510 FG0307 BUTTE SILVER BOW	3,047,048	1,833,640	853,270
8654 BIG MOUNTAIN FIRE DISTRICT	312,904	188,298	87,623
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	1,294,698	779,118	362,556
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	343,479	206,698	96,185
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	432,634	260,349	121,151
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	1,543,392	928,776	432,199
6417 FG9082 HEBGEN BASIN RURAL FD	646,308	388,932	180,987
6425 FG9090 HYALITE RFD	231,925	139,567	64,946
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	970,571	584,066	271,790
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	3,553,814	2,138,599	995,180
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	341,614	205,575	95,663
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	62,828	37,808	17,594
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	4,196,100	2,525,112	1,175,041
FG0385 TOWN OF RED LODGE	-	-	-

**Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30**

**Schedule of Employer's Proportionate Share
of the Net Pension Liability as of June 30, 2017**

	Net Pension Liability Employer	Net Pension Liability State	Total	Employer's Covered Payroll	Employer's Proportionate Share as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
Total	\$ 36,310,836	\$ 76,723,713	\$ 113,034,549	\$ 45,581,509	79.66%	77.77%
State as Special Funding Entity						
Employer						
6508 FG0305 CITY OF BILLINGS	7,217,811	16,390,864	23,608,675	9,545,878	75.61%	77.77%
6509 FG0306 CITY OF BOZEMAN	2,655,380	6,030,078	8,685,458	3,511,860	75.61%	77.77%
6522 FG0314 CITY OF COLUMBIA FALLS	48,641	110,459	159,100	64,330	75.61%	77.77%
6544 FG0333 CITY OF GLENDIVE	182,184	413,720	595,904	236,220	77.12%	77.77%
6545 FG0334 CITY OF GREAT FALLS	3,619,015	8,218,387	11,837,402	4,786,308	75.61%	77.77%
6550 FG0339 CITY OF HAVRE	589,050	1,337,670	1,926,721	779,046	75.61%	77.77%
6551 FG0340 CITY OF HELENA	1,854,259	4,210,822	6,065,081	2,449,938	75.69%	77.77%
6555 FG0343 CITY OF KALISPELL	1,654,528	3,757,250	5,411,778	2,188,185	75.61%	77.77%
6559 FG0347 CITY OF LEWISTOWN	242,909	551,622	794,531	321,259	75.61%	77.77%
6561 FG0349 CITY OF LIVINGSTON	674,153	1,530,932	2,205,085	897,400	75.12%	77.77%
6571 FG0353 CITY OF MILES CITY	474,106	1,076,641	1,550,748	627,026	75.61%	77.77%
6572 FG0354 CITY OF MISSOULA	5,611,024	12,742,024	18,353,049	7,420,820	75.61%	77.77%
6594 FG0376 CITY OF WHITEFISH	834,451	1,894,948	2,729,399	1,103,598	75.61%	77.77%
6458 FG0301 ANACONDA-DEER LODGE COUNTY	436,785	991,895	1,428,679	577,670	75.61%	77.77%
6510 FG0307 BUTTE SILVER BOW	1,833,640	4,163,996	5,997,636	2,425,069	75.61%	77.77%
8654 BIG MOUNTAIN FIRE DISTRICT	188,298	427,608	615,906	124,517	151.22%	77.77%
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	779,118	1,769,290	2,548,408	1,032,324	75.47%	77.77%
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	206,698	469,385	676,083	273,570	75.56%	77.77%
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	260,349	591,227	851,576	344,324	75.61%	77.77%
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	928,776	2,109,148	3,037,924	1,228,346	75.61%	77.77%
6417 FG9082 HEBGEN BASIN RURAL FD	388,932	883,226	1,272,159	514,382	75.61%	77.77%
6425 FG9090 HYALITE RFD	139,567	316,941	456,508	184,583	75.61%	77.77%
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	584,066	1,326,352	1,910,418	772,455	75.61%	77.77%
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	2,138,599	4,856,529	6,995,129	2,828,394	75.61%	77.77%
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	205,575	466,840	672,415	271,882	75.61%	77.77%
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	37,808	85,859	123,667	50,003	75.61%	77.77%
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	2,525,112	-	2,525,112	1,022,124	247.05%	77.77%
FG0385 TOWN OF RED LODGE	-	-	-	-	0.00%	77.77%

Employer and Non-Employer Proportionate Share Allocations
Montana Firefighters' Unified Retirement System
- Cost Sharing Plan
w/a Special Funding Situation
for the year ending June 30

Schedule of Employer Contributions as of June 30, 2017

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as % Covered Payroll
Total	\$ 21,408,764	\$ 21,408,764	\$ -	\$ 45,581,509	46.97%
State as Special Funding Entity	\$ 14,530,578	\$ 14,530,578	\$ -	\$ 45,581,509	31.88%
Employer					
6508 FG0305 CITY OF BILLINGS	1,370,789	1,370,789	-	9,545,878	14.36%
6509 FG0306 CITY OF BOZEMAN	504,303	504,303	-	3,511,860	14.36%
6522 FG0314 CITY OF COLUMBIA FALLS	9,238	9,238	-	64,330	14.36%
6544 FG0333 CITY OF GLENDIVE	34,600	34,600	-	236,220	14.65%
6545 FG0334 CITY OF GREAT FALLS	687,315	687,315	-	4,786,308	14.36%
6550 FG0339 CITY OF HAVRE	111,871	111,871	-	779,046	14.36%
6551 FG0340 CITY OF HELENA	352,156	352,156	-	2,449,938	14.37%
6555 FG0343 CITY OF KALISPELL	314,224	314,224	-	2,188,185	14.36%
6559 FG0347 CITY OF LEWISTOWN	46,133	46,133	-	321,259	14.36%
6561 FG0349 CITY OF LIVINGSTON	128,034	128,034	-	897,400	14.27%
6571 FG0353 CITY OF MILES CITY	90,041	90,041	-	627,026	14.36%
6572 FG0354 CITY OF MISSOULA	1,065,632	1,065,632	-	7,420,820	14.36%
6594 FG0376 CITY OF WHITEFISH	158,477	158,477	-	1,103,598	14.36%
6458 FG0301 ANACONDA-DEER LODGE COUNTY	82,953	82,953	-	577,670	14.36%
6510 FG0307 BUTTE SILVER BOW	348,241	348,241	-	2,425,069	14.36%
8654 BIG MOUNTAIN FIRE DISTRICT	17,881	17,881	-	124,516.78	14.36%
6719 FG0569 CENTRAL VALLEY FIRE DISTRICT	147,968	147,968	-	1,032,324	14.33%
6428 FG9093 COLUMBUS RURAL FIRE DISTRICT #3	39,256	39,256	-	273,570	14.35%
6414 FG9079 FRENCHTOWN RURAL FIRE DISTRICT	49,445	49,445	-	344,324	14.36%
6347 FG9012 GALLATIN CANYON CONSOL RR FIRE DIST	176,391	176,391	-	1,228,346	14.36%
6417 FG9082 HEBGEN BASIN RURAL FD	73,865	73,865	-	514,382	14.36%
6425 FG9090 HYALITE RFD	26,506	26,506	-	184,583	14.36%
6730 FG0579 LOCKWOOD RURAL FIRE DIST 8	110,924	110,924	-	772,455	14.36%
6661 FG0515 MISSOULA RURAL FIRE DISTRICT	406,158	406,158	-	2,828,394	14.36%
7688 FG9110 RED LODGE RURAL FIRE DISTRICT 7	39,042	39,042	-	271,882	14.36%
7694 FG9200 SEELEY LAKE RURAL FIRE DISTRICT	7,180	7,180	-	50,003	14.36%
6850 FG6701 DEPARTMENT OF MILITARY AFFAIRS	479,563	479,563	-	1,022,124	46.92%
FG0385 TOWN OF RED LODGE	-	-	-	-	0.00%

Public Employees' Retirement Board (PERB)

A Component Unit of the State of Montana

Firefighters' Unified Retirement System (FURS)

Notes to the Employer and Non-Employer Proportionate Share Allocations

June 30, 2018

The Schedule of Employer Proportionate Share Allocations provides the required information under GASB Statement 68 for the FURS Multiple-Employer, Cost Sharing Plan (the Plan). The individual participating employers should use this information along with fiscal year 2018 contribution data to prepare financial reports in accordance with GASB Statement 68.

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end. The schedules provided with this report are for employers who are using a June 30, 2017 measurement date for their 2018 reporting.

As allowed by GASB Statement 68, the basis for the total pension liability as of June 30, 2017, was determined by taking the results of the June 30, 2016 actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

Employer and Non-Employer Proportionate Share Allocations schedule

Under the direction and oversight of the Public Employees' Retirement Board (PERB), Cavanaugh Macdonald Consulting LLC prepared the schedule and calculated the total pension liability; however, responsibility for the schedule remains with the Montana Public Employee Retirement Administration (MPERA) management, staff of the PERB. The Employer Proportionate Share Allocations schedule was extracted from the GASB 68 Report, with totals for all employer-contributing entities at the top of each page.

The financial statements of the PERB *Comprehensive Annual Financial Report* (CAFR) and the GASB 68 Report disclose the Plan's fiduciary net position. Both reports are available on the MPERA website.

Assumptions

The calculations in the GASB 68 Report used the same facts and assumptions found in the FY2017 FURS Actuary Valuation report. The Summary of Results for the pension plan which includes financial statement information and membership information; Actuarial Procedures and Methods; and Summary of Benefit Provisions are contained in the report.

Special Funding

The Plan had contributions that qualify as special funding from the State of Montana. These contributions should be included in the employers reporting.

The Department of Military Affairs, as a State of Montana employer, had special funding contributions from the State of Montana similar to all other employers in the Plan. A technical inquiry was sent to GASB regarding the treatment of those contributions; specifically, when the State, as the non-contributing entity, contributes on behalf of a state agency. The response received from GASB was that technically, the State and the Department of Military Affairs are both the same entity. Therefore, the non-employer contributing entity contributions should be treated as employer contributions. For this reason, the non-employer contributions from the State were treated as the Department of Military Affairs' employer contributions for the GASB Statement 68 reporting.

As of the measurement date, the Plan had one new employer, one name change and one employer with no contributions. Big Mountain Fire District began contributing January 2017, so these contributions were grossed up to 12 months per the GASB standards; see question 129 of the GASB 68 Implementation Guide. Therefore, the measure of required contributions for each employer's proportion uses the same period. Hyalite RFD was previously reported as Sourdough Rural Fire and the Town of Red Lodge had no contributions. Because the Town of Red Lodge did not have contributions, their portion of the pension liability has been reduced and redistributed between all other employers.

Employer and Non-Employer Proportionate Share Allocations - Contributions

The schedule, on page 1, provides information on the measurement date (FY2017) regarding the contribution percentages and contribution amounts for individual employers and the State of Montana as the non-employer contributing entity. The treatment for the Department of Military Affairs *Special Funding* was described in the section above.

State law defines contributions to the Plan as a percentage of salary and is consistent for all employers. The Plan's actuarial assumptions reflect the current demographics of all employers, along with the employer's expected long-term contribution effort to the Plan in relation to other employers.

Employer and Non-Employer Proportionate Share Allocations - Net Pension Liability

The schedule, on page 2, provides the proportionate share and the net pension liability for the employers and the State for fiscal years 2016 and 2017. The calculation of proportionate share used actual contributions made to the Plan during the measurement period (FY2017). The net pension liability component used the proportionate share allocation of the collective pension amounts for the employers and the State as a non-employer contributing entity.

The employer's proportionate share for a particular employer equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions. The State's proportionate share for a particular employer equals the ratio of the particular employer to the total State contributions paid.

Employer and Non-Employer Proportionate Share Allocations - Deferred Outflows and Deferred Inflows

Presented on pages 3-4 are the Deferred Outflows and Deferred Inflows by source. Since the amortization of certain expense items are over closed periods each year, the deferred portions of these items must be tracked annually. If they increased pension expense, they are labeled deferred outflows. If the amounts

reduced pension expense, they are labeled deferred inflows. The amortization of amounts are calculated on a level dollar basis, with no interest included in the deferred amounts. The Total Collective Deferred Outflows and Total Collective Deferred Inflows columns are for audit purposes as the audit provides assurance of the total collective deferrals, not the individual components of the deferred items. The total collective deferred amounts in the schedule are not inclusive of the changes in proportion and differences between employer contributions and proportionate share of contributions. The total collective deferred outflows are also not inclusive of the employer contributions subsequent to the measurement date. The number signs (#) displayed in the column indicates the employer must obtain and enter this information for their FY2018 reporting. Employers should report the changes in proportion and differences between employer contributions and proportionate share of contributions and the employer contributions subsequent to the measurement date, as applicable.

Employer and Non-Employer Proportionate Share Allocations - Pension Expense

Page 5 lists the amount of Pension Expense along with the Support Revenue provided by the State. Pension expense includes amounts for service cost (the annual normal cost under the entry age normal actuarial cost method), interest on the total pension liability, changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes, and amortization of investment gains/losses.

The unrecognized portion of each year's experience, assumption changes and investment gains/losses are used to develop deferred outflows and inflows, which must be included in the employer's financial statements. Employers report their proportion of the collective pension expense based on the individual changes. Pension expense amounts that are a result of the State as a non-employer contributing entity are included in the total for all employers and allocated to each employer as support revenue.

Gains, Losses and Assumption Changes

The experience gains or losses are the portion of current year change in total pension liability due to actual versus expected experience for the year. The portion recognized in the current year was determined by spreading the total change, including any assumption change impacts, over the average expected remaining service life of the entire Plan membership. The average expected remaining service life was estimated at six years. Investment gains and losses are recognized over five years.

For FY2018 reporting, there was a total actuarial experience loss. This total loss is a result of a loss in the financial experience and changes in actuarial assumptions and methods, along with a gain in the benefit changes. Detailed below are the benefit, contribution, assumption and method changes for FY2018 reporting.

The benefit changes were:

- Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.
- Working Retiree Limitations apply to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.
- Second Retirement Benefit applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired and who accrue at least 5 years of service credit before terminating service again.

- Effective July 1, 2017, lump sum payouts in all systems are limited to the member's accumulated contributions rather than the present value of the member's benefit.

There have been no contribution changes since the previous valuation.

Since the June 30, 2016 valuation, the PERB adopted the recommendations made in the experience study for the six-year period ending June 30, 2016.

The assumption changes outlined below, effective July 1, 2017, were used in the June 30, 2017 actuarial valuation.

- Lowered the interest rate from 7.75% to 7.65%.
- Lowered the inflation rate from 3.00% to 2.75%.
- Updated non-disabled mortality to the RP-2000 Combined Employee and Annuitant Mortality Table projected to 2020 using scale BB, males set back 1 year.
- Increased the rates of withdrawal.
- Lowered the merit component of the total salary increase.
- Lowered the wage base component of the total salary increase from 4.00% to 3.50%.
- Increased the administrative expense load from 0.19% to 0.23%.

The method changes outlined below, effective July 1, 2017, were used in the June 30, 2017 actuarial valuation:

- Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.
- To be consistent with the wage base growth change, the payroll growth assumption for amortization as a level percent of pay was reduced from 4.00% to 3.50%.

Employer Notes and Disclosures

As required by GASB Statement 68, the information on pages 6-9 of the Employer Proportionate Share Allocations schedule are for the employer's use in their notes and required supplementary information disclosures. The Recognition of Deferred Outflows and Deferred Inflows are on page 6; the Sensitivity of Employer's Proportionate Share of the Net Pension Liability on page 7 shows the sensitivity of the net pension liability to the discount rate. A small change in the discount rate can create a significant change in the net pension liability. Listed on page 8, the Schedule of Employer's Proportionate Share of the Net Pension Liability for 2017 includes the liability for the employer and the State, the Employer's Covered Payroll and the ratios of the Employer's Proportionate Share as a percent of Covered Payroll and the Plan Fiduciary Net Position as a percent of Total Pension Liability. Page 9, the Schedule of Employer Contributions includes the Contractually Required Contribution, the Contributions in Relation to the Contractually Required Contributions, and the Contribution Deficiency (Excess). The final columns present the Employer's Covered Payroll and the Contributions as a percent of Covered Payroll.