

# LEGISLATIVE AUDIT DIVISION

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



Deputy Legislative Auditors:  
Cindy Jorgenson  
Joe Murray

## INDEPENDENT AUDITOR'S REPORT

The Public Employees' Retirement Board:

### ***Introduction***

We have audited the Employer Contribution column for the fiscal year ended June 30, 2019, and the Employer Proportion based on Employer Contributions column as of June 30, 2019, on the accompanying Schedule of Employer and Non-Employer Proportionate Share Allocations for the Montana Municipal Police Officers' Retirement System—Cost Sharing Plan. We have also audited the Net Pension Liability-Employer total as of June 30, 2019, 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 Municipal Police Officers' Retirement System as of and for the fiscal year ended June 30, 2019, for the purpose of employer financial reporting for fiscal year 2020. 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, 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 responsibility includes the designing, implementing, and maintaining internal controls 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 specified columns and specified total amounts on the schedule as noted above. 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 specified columns and specified total amounts 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 specified columns and specified total amounts on the schedule as noted above, and disclosures. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the specified columns and specified total amounts on the schedule as noted above, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the board's preparation and fair presentation of the specified columns and specified total amounts on the schedule as noted above 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 the board's internal control, and 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 management, as well as the overall presentation of the specified columns and specified total amounts on the schedule as noted above.

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 (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 Municipal Police Officers' Retirement System–Cost Sharing Plan as of and for the fiscal year ended June 30, 2019, for the purpose of employer financial reporting for fiscal year 2020, in accordance with accounting principles generally accepted in the United States of America.

<b>Specified Amounts from the Schedule of Employer and Non-Employer Proportionate Share Allocations for the Montana Municipal Police Officers' Retirement System as of the June 30, 2019, Measurement Date</b>	<b>Total Amount</b>	<b>Page Number</b>
Net Pension Liability-Employer	\$199,044,181	2
Total Collective Deferred Outflows	\$25,368,075	3
Total Collective Deferred Inflows	\$1,264,480	4
Proportionate Share of Plan Pension Expense	\$31,298,436	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, 2019, and our report thereon, dated December 6, 2019, expressed an unmodified opinion on those financial statements. The Montana Municipal Police Officers' 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 Montana Municipal Police Officers' Retirement System–Cost Sharing Plan, as of and for the fiscal year ended June 30, 2019, for the purpose of employer financial reporting for fiscal year 2020, 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 Municipal Police Officers' Retirement System for the year ended June 30, 2018, for the purposes of employer financial reporting for fiscal year 2019, from which such partial information was derived.

***Restriction on Use***

Our report is intended solely for the information and use of the Montana Public Employees' Retirement Board and its auditor, Montana Public Employees' Retirement Administration management, Municipal Police Officers' Retirement System employers and their auditors, the State of Montana as a Non-Employer Contributing Entity and their auditors, 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/ Jeane Carstensen-Garrett*

Jeane Carstensen-Garrett, CPA, Audit Manager  
Financial-Compliance Audits  
Helena, MT

June 2, 2020

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

Contributions for Fiscal Year Ending June 30, 2019

	Member Rate	Employer Rate	State Rate	Employer Contribution	State Contribution
<b>Total</b>				\$ 7,853,234	\$ 15,990,599
<b>State as Special Funding Entity</b>					
<b>Employers</b>					
6532 CITY OF BAKER	9.00%	14.41%	29.37%	40,416	82,300
6533 CITY OF BELGRADE	9.00%	14.41%	29.37%	154,622	314,863
6508 CITY OF BILLINGS	9.00%	14.41%	29.37%	1,734,374	3,531,790
6509 CITY OF BOZEMAN	9.00%	14.41%	29.37%	684,296	1,393,465
6522 CITY OF COLUMBIA FALLS	9.00%	14.41%	29.37%	80,012	162,931
6534 CITY OF COLUMBUS	9.00%	14.41%	29.37%	36,108	73,528
6525 CITY OF CUT BANK	9.00%	14.41%	29.37%	49,915	101,644
6531 CITY OF DILLON	9.00%	14.41%	29.37%	64,111	130,553
6535 CITY OF EAST HELENA	9.00%	14.41%	29.37%	30,340	61,783
6540 CITY OF FORT BENTON	9.00%	14.41%	29.37%	23,024	46,885
6543 CITY OF GLASGOW	9.00%	14.41%	29.37%	59,271	120,697
6544 CITY OF GLENDIVE	9.00%	14.41%	29.37%	73,420	149,508
6545 CITY OF GREAT FALLS	9.00%	14.41%	29.37%	996,654	2,029,538
6548 CITY OF HAMILTON	9.00%	14.41%	29.37%	87,061	177,286
6550 CITY OF HAVRE	9.00%	14.41%	29.37%	130,465	265,673
6551 CITY OF HELENA	9.00%	14.41%	29.37%	527,763	1,074,709
6555 CITY OF KALISPELL	9.00%	14.41%	29.37%	361,987	737,131
6557 CITY OF LAUREL	9.00%	14.41%	29.37%	98,756	201,101
6559 CITY OF LEWISTOWN	9.00%	14.41%	29.37%	98,584	200,752
6560 CITY OF LIBBY	9.00%	14.41%	29.37%	33,133	67,472
6561 CITY OF LIVINGSTON	9.00%	14.41%	29.37%	103,484	210,729
6571 CITY OF MILES CITY	9.00%	14.41%	29.37%	106,208	216,276
6572 CITY OF MISSOULA	9.00%	14.41%	29.37%	1,237,111	2,517,866
6576 CITY OF PLAINS	9.00%	14.41%	29.37%	21,787	44,365
6578 CITY OF POLSON	9.00%	14.41%	29.37%	78,881	160,631
6603 CITY OF RED LODGE	9.00%	14.41%	29.37%	51,524	104,920
6574 CITY OF TROY	9.00%	14.41%	29.37%	16,783	34,175
6594 CITY OF WHITEFISH	9.00%	14.41%	29.37%	145,579	296,448
6596 CITY OF WOLF POINT	9.00%	14.41%	29.37%	49,720	101,248
6597 TOWN OF THOMPSON FALLS	9.00%	14.41%	29.37%	33,930	69,094
6408 TOWN OF WEST YELLOWSTONE	9.00%	14.41%	29.37%	46,186	94,051
6458 ANACONDA-DEER LODGE COUNTY	9.00%	14.41%	29.37%	156,643	318,981
6510 BUTTE SILVER BOW	9.00%	14.41%	29.37%	441,086	898,203
6599 CITY OF SCOBAY	9.00%	14.41%	29.37%	-	-
CITY OF POPLAR	9.00%	14.41%	29.37%	-	-

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

	Net Pension Liability as of June 30, 2019				Net Pension Liability as of June 30, 2018			
	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
<b>Total</b>	\$ 199,044,181	100.000000%	\$ 133,486,747	67.063878%	\$ 171,257,614	100.000000%	\$ 114,956,170	67.124706%
<b>State as Special Funding Entity</b>	\$ 133,486,747	67.063878%			\$ 114,956,170	67.124706%		
<b>Employers</b>								
6532 CITY OF BAKER	337,384	0.169502%	687,028	0.345164%	309,592	0.180775%	632,866	0.369540%
6533 CITY OF BELGRADE	1,290,754	0.648476%	2,628,424	1.320523%	969,484	0.566097%	1,981,817	1.157214%
6508 CITY OF BILLINGS	14,478,256	7.273890%	29,482,773	14.812175%	12,572,529	7.341296%	25,694,029	15.003146%
6509 CITY OF BOZEMAN	5,712,381	2.869906%	11,632,402	5.844131%	5,022,189	2.932535%	10,266,345	5.994679%
6522 CITY OF COLUMBIA FALLS	667,923	0.335565%	1,360,122	0.683327%	508,613	0.296987%	1,039,704	0.607100%
6534 CITY OF COLUMBUS	301,424	0.151436%	613,803	0.308375%	153,203	0.089457%	313,175	0.182868%
6525 CITY OF CUT BANK	416,679	0.209340%	848,505	0.426290%	379,195	0.221418%	775,143	0.452618%
6531 CITY OF DILLON	535,191	0.268880%	1,089,835	0.547534%	364,639	0.212918%	745,395	0.435248%
6535 CITY OF EAST HELENA	253,273	0.127244%	515,752	0.259114%	223,170	0.130313%	456,207	0.266386%
6540 CITY OF FORT BENTON	192,200	0.096561%	391,385	0.196632%	47,951	0.028000%	98,022	0.057237%
6543 CITY OF GLASGOW	494,788	0.248582%	1,007,559	0.506199%	498,285	0.290956%	1,018,588	0.594770%
6544 CITY OF GLENDIVE	612,895	0.307919%	1,248,068	0.627031%	551,794	0.322201%	1,127,976	0.658643%
6545 CITY OF GREAT FALLS	8,319,898	4.179925%	16,942,236	8.511796%	7,066,267	4.126104%	14,444,839	8.434568%
6548 CITY OF HAMILTON	726,768	0.365129%	1,479,952	0.743529%	689,170	0.402417%	1,408,800	0.822621%
6550 CITY OF HAVRE	1,089,101	0.547165%	2,217,792	1.114221%	931,638	0.543998%	1,904,447	1.112036%
6551 CITY OF HELENA	4,405,672	2.213414%	8,971,489	4.507285%	3,804,931	2.221759%	7,775,004	4.539947%
6555 CITY OF KALISPELL	3,021,804	1.518158%	6,153,443	3.091496%	2,717,519	1.586802%	5,555,145	3.243736%
6557 CITY OF LAUREL	824,395	0.414177%	1,678,757	0.843409%	751,028	0.438537%	1,535,247	0.896455%
6559 CITY OF LEWISTOWN	822,964	0.413458%	1,675,840	0.841944%	686,651	0.400946%	1,403,649	0.819613%
6560 CITY OF LIBBY	276,593	0.138960%	563,241	0.282973%	245,308	0.143239%	501,456	0.292808%
6561 CITY OF LIVINGSTON	863,865	0.434007%	1,759,125	0.883786%	761,289	0.444528%	1,556,226	0.908705%
6571 CITY OF MILES CITY	886,605	0.445431%	1,805,437	0.907053%	802,716	0.468718%	1,640,909	0.958153%
6572 CITY OF MISSOULA	10,327,190	5.188391%	21,018,712	10.559822%	8,811,056	5.144914%	17,886,226	10.444047%
6576 CITY OF PLAINS	181,871	0.091372%	370,355	0.186067%	161,182	0.094117%	329,488	0.192393%
6578 CITY OF POLSON	658,487	0.330824%	1,340,920	0.673680%	574,814	0.335643%	1,175,034	0.686121%
6603 CITY OF RED LODGE	430,111	0.216088%	875,855	0.440030%	316,983	0.185091%	647,976	0.378363%
6574 CITY OF TROY	140,100	0.070386%	285,291	0.143330%	116,739	0.068166%	238,635	0.139343%
6594 CITY OF WHITEFISH	1,215,267	0.610551%	2,474,698	1.243291%	1,059,341	0.618566%	2,165,490	1.264463%
6596 CITY OF WOLF POINT	415,058	0.208525%	845,200	0.424630%	343,201	0.200400%	701,568	0.409656%
6597 TOWN OF THOMPSON FALLS	283,243	0.142302%	576,782	0.289776%	193,395	0.112926%	395,336	0.230843%
6408 TOWN OF WEST YELLOWSTONE	385,555	0.193703%	785,124	0.394447%	323,454	0.188870%	661,207	0.386089%
6458 ANACONDA-DEER LODGE COUNTY	1,307,630	0.656955%	2,662,802	1.337794%	1,126,931	0.658033%	2,303,675	1.345152%
6510 BUTTE SILVER BOW	3,682,110	1.849896%	7,498,042	3.767024%	3,187,318	1.861125%	6,515,485	3.804494%
6599 CITY OF SCOBAY	-	0.000000%	-	0.000000%	29,870	0.017442%	61,060	0.035654%
CITY OF POPLAR	-	0.000000%	-	0.000000%	-	0.000000%	-	0.000000%

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

		<b>Deferred Outflows of Resources as of June 30, 2019</b>						
		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	Total Deferred Outflows of Resources	To be filled in by Employer Employer Contributions Subsequent to the Measurement Date
<b>Total</b>	\$	17,665,413	\$ 3,699,740	\$ 4,002,922	\$ 25,368,075	\$ 965,399	\$ 26,333,474	
<b>State as Special Funding Entity</b>	\$	11,847,111	\$ 2,481,189	\$ 2,684,515	\$ 17,012,815	\$ 209,229	\$ 17,222,044	
<b>Employers</b>								
6532	CITY OF BAKER	29,943	6,271	6,785	42,999	-	42,999	#
6533	CITY OF BELGRADE	114,556	23,992	25,958	164,506	142,787	307,293	#
6508	CITY OF BILLINGS	1,284,963	269,115	291,168	1,845,246	188,768	2,034,014	#
6509	CITY OF BOZEMAN	506,981	106,179	114,880	728,040	-	728,040	#
6522	CITY OF COLUMBIA FALLS	59,279	12,415	13,432	85,126	32,982	118,108	#
6534	CITY OF COLUMBUS	26,752	5,603	6,062	38,416	86,109	124,525	#
6525	CITY OF CUT BANK	36,981	7,745	8,380	53,106	-	53,106	#
6531	CITY OF DILLON	47,499	9,948	10,763	68,210	52,406	120,616	#
6535	CITY OF EAST HELENA	22,478	4,708	5,093	32,279	-	32,279	#
6540	CITY OF FORT BENTON	17,058	3,573	3,865	24,496	108,527	133,023	#
6543	CITY OF GLASGOW	43,913	9,197	9,951	63,060	-	63,060	#
6544	CITY OF GLENDIVE	54,395	11,392	12,326	78,113	7,985	86,099	#
6545	CITY OF GREAT FALLS	738,401	154,646	167,319	1,060,367	-	1,060,367	#
6548	CITY OF HAMILTON	64,502	13,509	14,616	92,626	-	92,626	#
6550	CITY OF HAVRE	96,659	20,244	21,903	138,805	-	138,805	#
6551	CITY OF HELENA	391,009	81,891	88,601	561,501	-	561,501	#
6555	CITY OF KALISPELL	268,189	56,168	60,771	385,127	-	385,127	#
6557	CITY OF LAUREL	73,166	15,323	16,579	105,069	-	105,069	#
6559	CITY OF LEWISTOWN	73,039	15,297	16,550	104,886	11,682	116,568	#
6560	CITY OF LIBBY	24,548	5,141	5,562	35,252	-	35,252	#
6561	CITY OF LIVINGSTON	76,669	16,057	17,373	110,099	11,487	121,586	#
6571	CITY OF MILES CITY	78,687	16,480	17,830	112,997	-	112,997	#
6572	CITY OF MISSOULA	916,551	191,957	207,687	1,316,195	-	1,316,195	#
6576	CITY OF PLAINS	16,141	3,381	3,658	23,179	-	23,179	#
6578	CITY OF POLSON	58,441	12,240	13,243	83,924	-	83,924	#
6603	CITY OF RED LODGE	38,173	7,995	8,650	54,817	-	54,817	#
6574	CITY OF TROY	12,434	2,604	2,818	17,856	321	18,177	#
6594	CITY OF WHITEFISH	107,856	22,589	24,440	154,885	-	154,885	#
6596	CITY OF WOLF POINT	36,837	7,715	8,347	52,899	1,450	54,348	#
6597	TOWN OF THOMPSON FALLS	25,138	5,265	5,696	36,099	66,446	102,545	#
6408	TOWN OF WEST YELLOWSTONE	34,219	7,167	7,754	49,139	22,787	71,926	#
6458	ANACONDA-DEER LODGE COUNTY	116,054	24,306	26,297	166,657	22,434	189,091	#
6510	BUTTE SILVER BOW	326,792	68,441	74,050	469,283	-	469,283	#
6599	CITY OF SCOBAY	-	-	-	-	-	-	#
	CITY OF POPLAR	-	-	-	-	-	-	#

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

		Deferred Inflows of Resources as of June 30, 2019					
		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 Deferred Inflows of Resources
<b>Total</b>		\$ 1,264,480	\$ -	\$ -	\$ 1,264,480	\$ 965,399	\$ 2,229,879
<b>State as Special Funding Entity</b>		\$ 848,009	\$ -	\$ -	\$ 848,009	\$ -	\$ 848,009
<b>Employers</b>							
6532	CITY OF BAKER	2,143	-	-	2,143	16,002	18,146
6533	CITY OF BELGRADE	8,200	-	-	8,200	-	8,200
6508	CITY OF BILLINGS	91,977	-	-	91,977	-	91,977
6509	CITY OF BOZEMAN	36,289	-	-	36,289	189,933	226,223
6522	CITY OF COLUMBIA FALLS	4,243	-	-	4,243	-	4,243
6534	CITY OF COLUMBUS	1,915	-	-	1,915	-	1,915
6525	CITY OF CUT BANK	2,647	-	-	2,647	6,165	8,812
6531	CITY OF DILLON	3,400	-	-	3,400	-	3,400
6535	CITY OF EAST HELENA	1,609	-	-	1,609	29,605	31,214
6540	CITY OF FORT BENTON	1,221	-	-	1,221	-	1,221
6543	CITY OF GLASGOW	3,143	-	-	3,143	75,319	78,462
6544	CITY OF GLENDIVE	3,894	-	-	3,894	-	3,894
6545	CITY OF GREAT FALLS	52,854	-	-	52,854	11,964	64,818
6548	CITY OF HAMILTON	4,617	-	-	4,617	43,316	47,933
6550	CITY OF HAVRE	6,919	-	-	6,919	34,001	40,920
6551	CITY OF HELENA	27,988	-	-	27,988	36,870	64,858
6555	CITY OF KALISPELL	19,197	-	-	19,197	100,236	119,433
6557	CITY OF LAUREL	5,237	-	-	5,237	38,628	43,865
6559	CITY OF LEWISTOWN	5,228	-	-	5,228	-	5,228
6560	CITY OF LIBBY	1,757	-	-	1,757	11,892	13,649
6561	CITY OF LIVINGSTON	5,488	-	-	5,488	-	5,488
6571	CITY OF MILES CITY	5,632	-	-	5,632	39,135	44,767
6572	CITY OF MISSOULA	65,606	-	-	65,606	106,570	172,176
6576	CITY OF PLAINS	1,155	-	-	1,155	4,399	5,555
6578	CITY OF POLSON	4,183	-	-	4,183	27,437	31,621
6603	CITY OF RED LODGE	2,732	-	-	2,732	30,052	32,785
6574	CITY OF TROY	890	-	-	890	-	890
6594	CITY OF WHITEFISH	7,720	-	-	7,720	36,289	44,010
6596	CITY OF WOLF POINT	2,637	-	-	2,637	-	2,637
6597	TOWN OF THOMPSON FALLS	1,799	-	-	1,799	-	1,799
6408	TOWN OF WEST YELLOWSTONE	2,449	-	-	2,449	-	2,449
6458	ANACONDA-DEER LODGE COUNTY	8,307	-	-	8,307	-	8,307
6510	BUTTE SILVER BOW	23,392	-	-	23,392	107,044	130,436
6599	CITY OF SCOBEY	-	-	-	-	20,541	20,541
	CITY OF POPLAR	-	-	-	-	-	-

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

<b>Pension Expense as of June 30, 2019</b>					
	Proportionate Share of Plan 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	
<b>Total</b>	\$ 31,298,436	\$ -	\$ 47,289,034	\$ 15,990,599	
<b>State as Special Funding Entity</b>	\$ 20,989,945	\$ 46,578	\$ 21,036,523		
<b>Employers</b>					
6532	CITY OF BAKER	53,051	(7,157)	128,195	82,300
6533	CITY OF BELGRADE	202,963	56,629	574,455	314,863
6508	CITY OF BILLINGS	2,276,614	97,144	5,905,548	3,531,790
6509	CITY OF BOZEMAN	898,236	(43,859)	2,247,841	1,393,465
6522	CITY OF COLUMBIA FALLS	105,027	16,743	284,700	162,931
6534	CITY OF COLUMBUS	47,397	64,650	185,575	73,528
6525	CITY OF CUT BANK	65,520	(583)	166,581	101,644
6531	CITY OF DILLON	84,155	11,828	226,537	130,553
6535	CITY OF EAST HELENA	39,826	(12,173)	89,435	61,783
6540	CITY OF FORT BENTON	30,222	39,909	117,016	46,885
6543	CITY OF GLASGOW	77,802	(45,552)	152,947	120,697
6544	CITY OF GLENDIVE	96,374	4,249	250,131	149,508
6545	CITY OF GREAT FALLS	1,308,251	(10,080)	3,327,710	2,029,538
6548	CITY OF HAMILTON	114,280	(18,578)	272,988	177,286
6550	CITY OF HAVRE	171,254	(9,910)	427,018	265,673
6551	CITY OF HELENA	692,764	(56,388)	1,711,085	1,074,709
6555	CITY OF KALISPELL	475,160	(2,166)	1,210,125	737,131
6557	CITY OF LAUREL	129,631	8,708	339,440	201,101
6559	CITY OF LEWISTOWN	129,406	(1,080)	329,078	200,752
6560	CITY OF LIBBY	43,492	(7,614)	103,350	67,472
6561	CITY OF LIVINGSTON	135,837	(1,440)	345,126	210,729
6571	CITY OF MILES CITY	139,413	(29,946)	325,743	216,276
6572	CITY OF MISSOULA	1,623,885	(63,850)	4,077,901	2,517,866
6576	CITY OF PLAINS	28,598	(3,265)	69,699	44,365
6578	CITY OF POLSON	103,543	23,057	287,231	160,631
6603	CITY OF RED LODGE	67,632	(8,977)	163,575	104,920
6574	CITY OF TROY	22,030	(2,493)	53,713	34,175
6594	CITY OF WHITEFISH	191,093	(5,198)	482,343	296,448
6596	CITY OF WOLF POINT	65,265	2,510	169,023	101,248
6597	TOWN OF THOMPSON FALLS	44,538	25,726	139,358	69,094
6408	TOWN OF WEST YELLOWSTONE	60,626	23,657	178,335	94,051
6458	ANACONDA-DEER LODGE COUNTY	205,617	6,552	531,150	318,981
6510	BUTTE SILVER BOW	578,988	(75,731)	1,401,460	898,203
6599	CITY OF SCOBEY	-	(75)	(75)	-
	CITY OF POPLAR	-	(21,827)	(21,827)	-

Employer and Non-Employer Proportionate Share Allocations  
Montana Municipal Police Officers' 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, 2019					
		2020	2021	2022	2023	2024	Future Year Deferrals
<b>Total</b>		\$10,938,788	4,418,451	6,882,259	\$1,864,097	\$0	\$ -
<b>State as Special Funding Entity</b>		7,579,274	2,954,584	4,590,040	1,250,136	-	-
<b>Employers</b>							
6532	CITY OF BAKER	12,326	2,423	6,945	3,160	-	-
6533	CITY OF BELGRADE	121,354	86,528	79,123	12,088	-	-
6508	CITY OF BILLINGS	921,369	412,692	472,384	135,592	-	-
6509	CITY OF BOZEMAN	222,634	54,395	171,291	53,498	-	-
6522	CITY OF COLUMBIA FALLS	49,845	18,517	39,248	6,255	-	-
6534	CITY OF COLUMBUS	45,850	37,564	36,373	2,823	-	-
6525	CITY OF CUT BANK	21,440	9,601	9,350	3,902	-	-
6531	CITY OF DILLON	40,284	29,983	41,937	5,012	-	-
6535	CITY OF EAST HELENA	(1,693)	(7,086)	7,473	2,372	-	-
6540	CITY OF FORT BENTON	50,472	44,176	35,353	1,800	-	-
6543	CITY OF GLASGOW	(6,153)	(13,248)	(635)	4,634	-	-
6544	CITY OF GLENDIVE	37,454	23,799	15,212	5,740	-	-
6545	CITY OF GREAT FALLS	435,116	172,305	310,209	77,918	-	-
6548	CITY OF HAMILTON	32,254	(3,884)	9,516	6,806	-	-
6550	CITY OF HAVRE	31,334	17,369	38,984	10,200	-	-
6551	CITY OF HELENA	183,793	122,751	148,839	41,260	-	-
6555	CITY OF KALISPELL	145,409	16,244	75,741	28,300	-	-
6557	CITY OF LAUREL	28,103	7,075	18,305	7,721	-	-
6559	CITY OF LEWISTOWN	41,906	28,032	33,694	7,707	-	-
6560	CITY OF LIBBY	9,081	2,160	7,772	2,590	-	-
6561	CITY OF LIVINGSTON	56,207	26,337	25,464	8,090	-	-
6571	CITY OF MILES CITY	26,000	13,022	20,905	8,303	-	-
6572	CITY OF MISSOULA	466,900	205,119	375,283	96,717	-	-
6576	CITY OF PLAINS	8,758	2,024	5,139	1,703	-	-
6578	CITY OF POLSON	25,550	(164)	20,751	6,167	-	-
6603	CITY OF RED LODGE	(227)	(9,619)	27,851	4,028	-	-
6574	CITY OF TROY	4,848	5,353	5,774	1,312	-	-
6594	CITY OF WHITEFISH	37,395	23,436	38,664	11,381	-	-
6596	CITY OF WOLF POINT	23,701	6,370	17,753	3,887	-	-
6597	TOWN OF THOMPSON FALLS	38,919	37,080	22,093	2,653	-	-
6408	TOWN OF WEST YELLOWSTONE	35,632	14,878	15,355	3,611	-	-
6458	ANACONDA-DEER LODGE COUNTY	76,426	47,349	44,762	12,246	-	-
6510	BUTTE SILVER BOW	137,302	44,449	122,613	34,484	-	-
6599	CITY OF SCOBAY	(75)	(13,163)	(7,303)	-	-	-
	CITY OF POPLAR	-	-	-	-	-	-



**Employer and Non-Employer Proportionate Share Allocations**  
**Montana Municipal Police Officers' 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, 2019**

	1% Decrease 6.65%	Discount Rate 7.65%	1% Increase 8.65%
<b>Total</b>	\$292,628,329	\$199,044,181	\$124,130,751
<b>State as Special Funding Entity</b>	\$ 196,247,906	\$ 133,486,747	\$ 83,246,896
<b>Employers</b>			
6532 CITY OF BAKER	496,010	337,384	210,404
6533 CITY OF BELGRADE	1,897,624	1,290,754	804,958
6508 CITY OF BILLINGS	21,285,464	14,478,256	9,029,135
6509 CITY OF BOZEMAN	8,398,159	5,712,381	3,562,436
6522 CITY OF COLUMBIA FALLS	981,958	667,923	416,539
6534 CITY OF COLUMBUS	443,144	301,424	187,978
6525 CITY OF CUT BANK	612,589	416,679	259,856
6531 CITY OF DILLON	786,820	535,191	333,763
6535 CITY OF EAST HELENA	372,353	253,273	157,949
6540 CITY OF FORT BENTON	282,566	192,200	119,862
6543 CITY OF GLASGOW	727,421	494,788	308,567
6544 CITY OF GLENDIVE	901,059	612,895	382,222
6545 CITY OF GREAT FALLS	12,231,645	8,319,898	5,188,573
6548 CITY OF HAMILTON	1,068,470	726,768	453,237
6550 CITY OF HAVRE	1,601,161	1,089,101	679,200
6551 CITY OF HELENA	6,477,077	4,405,672	2,747,528
6555 CITY OF KALISPELL	4,442,559	3,021,804	1,884,500
6557 CITY OF LAUREL	1,211,999	824,395	514,121
6559 CITY OF LEWISTOWN	1,209,894	822,964	513,228
6560 CITY OF LIBBY	406,638	276,593	172,493
6561 CITY OF LIVINGSTON	1,270,027	863,865	538,736
6571 CITY OF MILES CITY	1,303,458	886,605	552,917
6572 CITY OF MISSOULA	15,182,702	10,327,190	6,440,389
6576 CITY OF PLAINS	267,381	181,871	113,421
6578 CITY OF POLSON	968,086	658,487	410,655
6603 CITY OF RED LODGE	632,336	430,111	268,232
6574 CITY OF TROY	205,971	140,100	87,371
6594 CITY OF WHITEFISH	1,786,646	1,215,267	757,882
6596 CITY OF WOLF POINT	610,205	415,058	258,844
6597 TOWN OF THOMPSON FALLS	416,415	283,243	176,640
6408 TOWN OF WEST YELLOWSTONE	566,831	385,555	240,446
6458 ANACONDA-DEER LODGE COUNTY	1,922,436	1,307,630	815,483
6510 BUTTE SILVER BOW	5,413,320	3,682,110	2,296,290
6599 CITY OF SCOBAY	-	-	-
CITY OF POPLAR	-	-	-

**Employer and Non-Employer Proportionate Share Allocations**  
**Montana Municipal Police Officers' 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, 2019**

	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
<b>Total</b>	\$ 65,557,434	\$ 133,486,747	\$ 199,044,181	\$ 54,282,431		68.84%
<b>State as Special Funding Entity</b>						
<b>Employers</b>						
6532 CITY OF BAKER	337,384	687,028	1,024,412	279,357	120.77%	68.84%
6533 CITY OF BELGRADE	1,290,754	2,628,424	3,919,178	1,068,761	120.77%	68.84%
6508 CITY OF BILLINGS	14,478,256	29,482,773	43,961,028	11,988,192	120.77%	68.84%
6509 CITY OF BOZEMAN	5,712,381	11,632,402	17,344,784	4,729,931	120.77%	68.84%
6522 CITY OF COLUMBIA FALLS	667,923	1,360,122	2,028,044	553,048	120.77%	68.84%
6534 CITY OF COLUMBUS	301,424	613,803	915,227	249,582	120.77%	68.84%
6525 CITY OF CUT BANK	416,679	848,505	1,265,185	345,017	120.77%	68.84%
6531 CITY OF DILLON	535,191	1,089,835	1,625,026	443,146	120.77%	68.84%
6535 CITY OF EAST HELENA	253,273	515,752	769,024	209,713	120.77%	68.84%
6540 CITY OF FORT BENTON	192,200	391,385	583,585	159,144	120.77%	68.84%
6543 CITY OF GLASGOW	494,788	1,007,559	1,502,347	409,691	120.77%	68.84%
6544 CITY OF GLENDIVE	612,895	1,248,068	1,860,963	507,485	120.77%	68.84%
6545 CITY OF GREAT FALLS	8,319,898	16,942,236	25,262,133	6,888,996	120.77%	68.84%
6548 CITY OF HAMILTON	726,768	1,479,952	2,206,720	601,774	120.77%	68.84%
6550 CITY OF HAVRE	1,089,101	2,217,792	3,306,892	901,791	120.77%	68.84%
6551 CITY OF HELENA	4,405,672	8,971,489	13,377,161	3,647,960	120.77%	68.84%
6555 CITY OF KALISPELL	3,021,804	6,153,443	9,175,247	2,502,092	120.77%	68.84%
6557 CITY OF LAUREL	824,395	1,678,757	2,503,152	682,611	120.77%	68.84%
6559 CITY OF LEWISTOWN	822,964	1,675,840	2,498,804	681,426	120.77%	68.84%
6560 CITY OF LIBBY	276,593	563,241	839,833	229,023	120.77%	68.84%
6561 CITY OF LIVINGSTON	863,865	1,759,125	2,622,990	715,290	120.77%	68.84%
6571 CITY OF MILES CITY	886,605	1,805,437	2,692,042	734,121	120.77%	68.84%
6572 CITY OF MISSOULA	10,327,190	21,018,712	31,345,902	8,551,031	120.77%	68.84%
6576 CITY OF PLAINS	181,871	370,355	552,226	150,593	120.77%	68.84%
6578 CITY OF POLSON	658,487	1,340,920	1,999,407	545,240	120.77%	68.84%
6603 CITY OF RED LODGE	430,111	875,855	1,305,967	356,138	120.77%	68.84%
6574 CITY OF TROY	140,100	285,291	425,391	116,004	120.77%	68.84%
6594 CITY OF WHITEFISH	1,215,267	2,474,698	3,689,965	1,006,256	120.77%	68.84%
6596 CITY OF WOLF POINT	415,058	845,200	1,260,258	343,673	120.77%	68.84%
6597 TOWN OF THOMPSON FALLS	283,243	576,782	860,025	234,529	120.77%	68.84%
6408 TOWN OF WEST YELLOWSTONE	385,555	785,124	1,170,680	319,245	120.77%	68.84%
6458 ANACONDA-DEER LODGE COUNTY	1,307,630	2,662,802	3,970,432	1,082,740	120.77%	68.84%
6510 BUTTE SILVER BOW	3,682,110	7,498,042	11,180,152	3,048,831	120.77%	68.84%
6599 CITY OF SCOBAY	-	-	-	-	N/A	N/A
CITY OF POPLAR	-	-	-	-	N/A	N/A

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

Schedule of Employer Contributions as of June 30, 2019

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as % Covered Payroll
<b>Total</b>	\$ 23,843,832	\$ 23,843,832	\$ -	\$ 54,282,431	43.93%
<b>State as Special Funding Entity</b>	\$ 15,990,599	\$ 15,990,599	\$ -		29.46%
<b>Employers</b>					
6532 CITY OF BAKER	40,416	40,416	-	279,357	14.47%
6533 CITY OF BELGRADE	154,622	154,622	-	1,068,761	14.47%
6508 CITY OF BILLINGS	1,734,374	1,734,374	-	11,988,192	14.47%
6509 CITY OF BOZEMAN	684,296	684,296	-	4,729,931	14.47%
6522 CITY OF COLUMBIA FALLS	80,012	80,012	-	553,048	14.47%
6534 CITY OF COLUMBUS	36,108	36,108	-	249,582	14.47%
6525 CITY OF CUT BANK	49,915	49,915	-	345,017	14.47%
6531 CITY OF DILLON	64,111	64,111	-	443,146	14.47%
6535 CITY OF EAST HELENA	30,340	30,340	-	209,713	14.47%
6540 CITY OF FORT BENTON	23,024	23,024	-	159,144	14.47%
6543 CITY OF GLASGOW	59,271	59,271	-	409,691	14.47%
6544 CITY OF GLENDIVE	73,420	73,420	-	507,485	14.47%
6545 CITY OF GREAT FALLS	996,654	996,654	-	6,888,996	14.47%
6548 CITY OF HAMILTON	87,061	87,061	-	601,774	14.47%
6550 CITY OF HAVRE	130,465	130,465	-	901,791	14.47%
6551 CITY OF HELENA	527,763	527,763	-	3,647,960	14.47%
6555 CITY OF KALISPELL	361,987	361,987	-	2,502,092	14.47%
6557 CITY OF LAUREL	98,756	98,756	-	682,611	14.47%
6559 CITY OF LEWISTOWN	98,584	98,584	-	681,426	14.47%
6560 CITY OF LIBBY	33,133	33,133	-	229,023	14.47%
6561 CITY OF LIVINGSTON	103,484	103,484	-	715,290	14.47%
6571 CITY OF MILES CITY	106,208	106,208	-	734,121	14.47%
6572 CITY OF MISSOULA	1,237,111	1,237,111	-	8,551,031	14.47%
6576 CITY OF PLAINS	21,787	21,787	-	150,593	14.47%
6578 CITY OF POLSON	78,881	78,881	-	545,240	14.47%
6603 CITY OF RED LODGE	51,524	51,524	-	356,138	14.47%
6574 CITY OF TROY	16,783	16,783	-	116,004	14.47%
6594 CITY OF WHITEFISH	145,579	145,579	-	1,006,256	14.47%
6596 CITY OF WOLF POINT	49,720	49,720	-	343,673	14.47%
6597 TOWN OF THOMPSON FALLS	33,930	33,930	-	234,529	14.47%
6408 TOWN OF WEST YELLOWSTONE	46,186	46,186	-	319,245	14.47%
6458 ANACONDA-DEER LODGE COUNTY	156,643	156,643	-	1,082,740	14.47%
6510 BUTTE SILVER BOW	441,086	441,086	-	3,048,831	14.47%
6599 CITY OF SCOBAY	-	-	-	-	N/A
CITY OF POPLAR	-	-	-	-	N/A

# Public Employees' Retirement Board (PERB)

A Component Unit of the State of Montana

## Municipal Police Officers' Retirement System (MPORS)

Notes to the Schedule of Employer and Non-Employer Proportionate Share Allocations

June 30, 2020

The Schedule of Employer Proportionate Share Allocations provides the required information under GASB Statement 68 for the MPORS Multiple-Employer, Cost Sharing Plan (the Plan). The individual participating employers should use this information along with fiscal year 2020 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, 2019 measurement date for their 2020 reporting.

As allowed by GASB Statement 68, the basis for the total pension liability as of June 30, 2019, was determined by taking the results of the June 30, 2018 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.

### Change in actuarial allocation calculations

The employer and state contributions on the covered payroll are adjusted by the actuary to align with the total employer and state contributions presented on the financial statements included in the PERB CAFR.

To be consistent with this year's calculation of the *State of Montana Proportionate Share Associated with Employer Percent of Collective NPL*, the June 30, 2018 percentage has been recalculated using the actual State percentage presented on the allocation calculation instead of the 100% displayed last year. This does not change the dollar amount of the Net Pension Liability as of 6/30/2018, just the percentage.

### 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 FY2018

MPORS 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. The Actuary Valuation report may be viewed on MPERA's website at: <http://mpera.mt.gov/ABOUT/ActuarialStudies>.

### Special Funding

The State of Montana, as the non-employer contributing entity, pays to the Plan, additional contributions that qualify as *special funding*. These contributions should be included in the employers reporting.

As of the measurement date the City of Scobey and City of Poplar did not have any contributions, so their portions of the pension liability have 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 (FY2019) regarding the contribution percentages and contribution amounts for individual employers and the State of Montana, as the non-employer contributing entity.

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 the 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 2018 and 2019. The calculation of proportionate share used actual contributions made to the Plan during the measurement period (FY2019). 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 FY2020 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 to recognize 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 four years. Investment gains and losses are recognized over five years.

For FY2020 reporting, there was a total actuarial experience loss. This total loss is a result of a loss in the financial experience. There have been no benefit, contribution, assumption or method changes since the previous valuation.

The assumptions and methods utilized in the June 30, 2018 valuation were developed in the six-year experience study for the period ending June 30, 2016.

### 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 2019 includes the liability for both the employers 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.