

LIMITED PROCEDURES ENGAGEMENT

Springfield Township Non-Uniformed Defined Contribution Pension Plan Delaware County, Pennsylvania For the Period January 1, 2014 to December 31, 2015

May 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Board of Township Commissioners
Springfield Township
Delaware County
Springfield, PA 19064

We conducted a Limited Procedures Engagement (LPE) of the Springfield Township Non-Uniformed Defined Contribution Pension Plan for the period January 1, 2014 to December 31, 2015 to determine its compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. We also evaluated compliance with some requirements subsequent to that period when possible. The LPE was conducted pursuant to authority derived from Section 402(j) of the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 *et seq.*) but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. 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. We believe that the evidence obtained provides a reasonable basis to support our LPE results.

Our LPE was limited to determining the following:

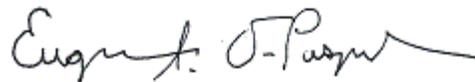
- × Whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the engagement period.
- × Whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the municipality's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation. Employer contributions that were deposited into the pension plan for the years ended December 31, 2010 to December 31, 2015, are presented on the Summary of Deposited State Aid and Employer Contributions.

- × Whether the January 1, 2013 and January 1, 2015 actuarial valuation reports were prepared and submitted to the Public Employee Retirement Commission (PERC) by March 31, 2014 and 2016, respectively, in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.

Based on the results of our procedures performed during our LPE, nothing came to our attention indicating that the Springfield Township Non-Uniformed Defined Contribution Pension Plan was not being administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our determination to perform a LPE for this engagement period does not preclude the Department from conducting an audit in accordance with *Government Auditing Standards* of the pension plan in subsequent periods. The township should continue to maintain documentation related to this pension plan.

The contents of this letter were discussed with officials of Springfield Township and, where appropriate, their responses have been included in this letter. We would like to thank township officials for the cooperation extended to us during the conduct of this LPE.



EUGENE A. DEPASQUALE
Auditor General

May 5, 2016

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SPRINGFIELD TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION
PENSION PLAN
SUMMARY OF DEPOSITED STATE AID AND EMPLOYER CONTRIBUTIONS

Year Ended December 31	State Aid	Employer Contributions
2010	None	\$ 888
2011	None	3,891
2012	None	6,597
2013	None	16,377
2014	None	19,096
2015	None	24,216

Note: In 2013, the township met the plan's \$18,674 funding requirement through the deposit of \$2,297 in terminated employee forfeitures and \$16,377 in employer contributions. In 2015, the township met the plan's \$27,986 funding requirement through the deposit of \$3,770 in terminated employee forfeitures and \$24,216 in employer contributions.

SPRINGFIELD TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION
PENSION PLAN
DISTRIBUTION LIST

This letter was initially distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

Mr. Jeff Rudolph
President, Board of Township Commissioners

Mr. Edward P. Kelly
Township Commissioner

Ms. Gina Sage
Township Commissioner

Mr. Paul Wechsler
Township Commissioner

Mr. Daniel Lanciano
Township Commissioner

Dr. Lee J. Janiczek
Township Commissioner

Mr. Bob Layden
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Mr. J. Lee Fulton
Township Manager

Ms. Susan Warner
Assistant Township Manager

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