COMPLIANCE AUDIT

Warrington Township
Police Pension Plan

Bucks County, Pennsylvania

For the Period

January 1, 2011 to December 31, 2013

September 2014

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 Supervisors
Warrington Township
Bucks County
Warrington, PA 18976

We have conducted a compliance audit of the Warrington Township Police Pension Plan for the period January 1, 2011 to December 31, 2013. The audit was conducted pursuant to authority derived from Section 402(j) of Act 205 and in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if municipal officials took appropriate corrective action to address the findings contained in our prior audit report; and

2. To determine if the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objectives identified above. Our methodology addressed determinations about the following:

- Whether state aid was properly determined and deposited in accordance with Act 205 requirements.

- Whether employer contributions are determined and deposited in accordance with the plan's governing document and applicable laws and regulations.

- Whether employee contributions are required and, if so, are determined, deducted, and deposited into the pension plan and are in accordance with the plan provisions and applicable laws and regulations.

- Whether benefit payments, if any, represent payments to all (and only) those entitled to receive them and are properly determined in accordance with applicable laws and regulations.

- Whether obligations for plan benefits are accurately determined in accordance with plan provisions and based on complete and accurate participant data; and whether actuarial valuation reports are prepared and submitted to the Public Employee Retirement Commission (PERC) in accordance with state law and 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.

- Whether benefit payments have only been made to living recipients, based on the Social Security numbers found in the pension records for retirees and beneficiaries.

- Whether Deferred Retirement Option Plan (DROP) participants' benefit payments are properly determined in accordance with the provisions of the DROP and any other applicable laws and regulations.

Warrington Township contracted with an independent certified public accounting firm for annual audits of its basic financial statements which are available at the township's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

Township officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Warrington Township Police Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. In conducting our audit, we obtained an understanding of the township's internal controls as they relate to the township's compliance with those requirements and that we considered to be significant within the context of our audit objectives, and assessed whether those significant controls were properly designed and implemented. Additionally, we tested transactions, assessed official actions, performed analytical procedures, and interviewed selected officials to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objectives.

The results of our tests indicated that, in all significant respects, the Warrington Township Police Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, except as noted in the following findings further discussed later in this report:

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Inconsistent And Unauthorized Pension Benefits

Finding No. 2 – Noncompliance With Prior Audit Recommendation – Pension Benefit Not Authorized By Act 600

Finding No. 3 – Unauthorized Provision For A Killed In Service Benefit

Finding Nos. 1 and 2 contained in this audit report repeat conditions that were cited in our previous audit report that have not been corrected by township officials. We are concerned by the township's failure to correct these previously reported audit findings and strongly encourage timely implementation of the recommendations noted in this audit report.

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

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

Eugene A. DePasquale

August 7, 2014

Eugene A. DePasquale
Auditor General

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BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans. Section 402(j) of Act 205 specifically requires the Auditor General, as deemed necessary, to make an audit of every municipality which receives general municipal pension system state aid and of every municipal pension plan and fund in which general municipal pension system state aid is deposited.

Annual state aid allocations are provided from a 2 percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the Warrington Township Police Pension Plan is also governed by implementing regulations adopted by the Public Employee Retirement Commission published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes including, but not limited to, the following:

Act 600 - Police Pension Fund Act, Act of May 29, 1956 (P.L. 1804, No. 600), as amended, 53 P.S. § 761 et seq.

The Warrington Township Police Pension Plan is a single-employer defined benefit pension plan locally controlled by the provisions of Ordinance No. 2007-O-04, adopted pursuant to Act 600. The plan is also affected by the provisions of collective bargaining agreements between the township and its police officers. The plan was established January 1, 1973. Active members are required to contribute 5 percent of compensation to the plan. As of December 31, 2013, the plan had 27 active members, no terminated members eligible for vested benefits in the future, and 11 retirees receiving pension benefits from the plan.

BACKGROUND – (Continued)

As of December 31, 2013, selected plan benefit provisions are as follows:

Eligibility Requirements:

Normal Retirement	Age 50 and 25 years of service.
Early Retirement	After 20 years of service.
Vesting	A member is 100% vested after 12 years of service.

Retirement Benefit:

Benefit equals 50% of final 36 months average salary, plus a service increment of $100 per month for each year of service in excess of 25 years, up to a maximum of $500 per month.

Survivor Benefit:

Before Retirement Eligibility	Refund of member contributions plus interest.
After Retirement Eligibility	A monthly benefit equal to 50% of the pension the member was receiving or was entitled to receive on the day of the member's death.

Service Related Disability Benefit:

Benefit is 50% of the member's salary at the time the disability was incurred.

WARRINGTON TOWNSHIP POLICE PENSION PLAN
STATUS OF PRIOR FINDINGS

Status Of Prior Audit Recommendation

· Improper Cost Of Living Adjustment

The audit report for the period January 1, 2009 to December 31, 2010, contained a finding that the township granted a cost-of-living adjustment (COLA) to two surviving spouses for the year 2010. During the current audit period, there were no additional COLAs granted to the two surviving spouses. However, excess benefits are still being paid to the two surviving spouses. Since the township received state aid based on unit value during the current audit period, it did not receive state aid attributable to the excess benefits provided. The Department will continue to monitor the impact of the excess benefits being paid to the surviving spouses on the township's future state aid allocations.

Noncompliance With Prior Audit Recommendations

Warrington Township has not complied with the prior audit recommendations concerning the following as further discussed in the Findings and Recommendations section of this report:

· Inconsistent and Unauthorized Pension Benefits

The township continues to pay excess benefits to a police officer who retired December 31, 2005. Through the date of this audit report, the retiree is receiving excess benefits of $1,435 per month, which have totaled approximately $150,639 from his date of retirement through the date of this report. These benefits are being paid pursuant to provisions contained in the plan's governing document and the collective bargaining agreement between the township and its police officers which provided this police officer a normal retirement benefit at age 55 with 20 years of service. However, Act 600 requires at least 25 years of service in order to be eligible for a normal retirement benefit. Since the township received its state aid allocations for the years 2006 through 2013 based on unit value, the township did not receive excess state aid attributable to the excess benefits provided. The Department will continue to monitor the effect of the excess benefits being paid to this retired police officer during future audits of the plan.

Additional inconsistent and unauthorized benefit provisions are disclosed in Finding No. 1 contained in this report.

· Pension Benefit Not Authorized By Act 600

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Inconsistent And Unauthorized Pension Benefits

Condition: As disclosed in the prior audit report, the pension plan's governing document and the collective bargaining agreement (CBA) between the township and its police officers contain benefit provisions that are not consistent and are not authorized by Act 600. Since the prior audit, the township adopted a collective bargaining agreement for the period January 1, 2012 to December 31, 2015, in which there were no changes regarding the benefit provisions. The inconsistent and unauthorized provisions are as follows:

Benefit Provision	Ordinance No. 2007-O-04	Collective Bargaining Agreement	Act 600
Vested benefit determination	The member's normal retirement benefit multiplied by the ratio of (a) over (b), where: (a) Equals the years of service completed by the member as of his termination of employment, and (b) Equals the years of service the member would have completed if he had continued in employment until his Normal Retirement Date. However, a police officer hired at age 48 who terminates employment with 12 years of service at age 60 will be eligible for 12/20th of a full pension beginning at age 60.	Contains a provision that a police officer hired at age 25 who terminates employment with 12 years of service at age 37 will be eligible for 12/25th of a full pension beginning at age 50. Also, that a police officer hired at age 48 who terminates employment with 12 years of service at age 60 will be eligible for 12/20th of a full pension beginning at age 60.	Upon reaching the date which would have been his superannuation retirement date if he had continued to be employed as a full-time police officer he shall be paid a partial super-annuation retirement allowance determined by applying the percentage his years of service bears to the years of service which he would have rendered had he continued to work until his superannuation retirement date to the gross pension, using however the monthly average salary during the appropriate period prior to his termination of employment.

Finding No. 1 – (Continued)

Benefit Provision	Ordinance No. 2007-O-04	Collective Bargaining Agreement	Act 600
Survivor's benefit - vested member	The spouse of any police officer who dies prior to Normal Retirement will receive an immediate benefit equal to 50% of the accrued benefit the police officer would have been receiving had he been retired at the time of death. Such benefit is payable until the spouse's death or if the spouse dies, the benefit is split among children under age 18 or if attending college, under or attaining the age of 23.	Upon the death of an active police employee, whether prior to or after retirement, the surviving spouse will receive a monthly pension benefit beginning on the first day of the month on which the police employee's death occurred…	Benefit payments commence on what would have been the officer's normal retirement date.
Service-related disability	Any police officer who, through a service related disease or injury becomes permanently disabled from performing the duties of a police officer shall be paid fifty percent (50%) of the police officer's salary at the time the disability incurred. This benefit is not to be offset by any Social Security Act benefits received by the police officer for the same injuries.	The active police employee who is eligible for disability retirement benefits shall be paid an amount which represents a fifty percent (50%) portion of his or her actual monthly earnings paid over a period of his last thirty six (36) months immediately preceding retirement or the onset of the disability, with no offset for Social Security disability payments.	A benefit in conformity with a uniform scale and fixed by the plan's governing document, but at least 50% of the member's salary at the time of disability, provided that if the member receives Social Security benefits for the same injury, his disability benefit is reduced by the amount of the Social Security benefit.

Finding No. 1 – (Continued)

In addition, the plan's governing document and the CBA contain inconsistent service increment provisions; however, both provisions are within the constraints of Act 600, as noted below:

Benefit Provision	Ordinance No. 2007-O-04	Collective Bargaining Agreement	Act 600
Service increment	A police employee who has 25 years of service will for each completed year of service worked in excess of 25 years rendered after December 30, 1986, receive a length of service increment of $25 per month for each year of service in excess of 25 years up to a maximum additional monthly benefit of $100, which sum of money will be paid in addition to the other monthly pension or retirement allowance.	A service increment of $100 per month for each completed year of service in excess of 25 years, up to a maximum service increment of $500 per month for members who have completed 30 or more years of service.	Service increments capped at $100 per month for each completed year of service in excess of 25 years up to a maximum of $500 per month after 5 completed years of service in excess of 25 years.

Criteria: The pension plan's governing document and the CBA should contain consistent benefit provisions that are in compliance with Act 600.

Cause: Plan officials failed to establish adequate internal control procedures to ensure compliance with the prior audit recommendation.

Effect: During the prior audit period, pursuant to the plan's governing document and the CBA, the township granted an excess pension benefit to the surviving spouse of a police officer who died on November 6, 2009, with 19 years of credited service. The surviving spouse was granted an immediate benefit of $1,326 per month; however, the pension benefit should not have commenced until July of 2015, which would have been the deceased member's normal retirement date. Consequently, the surviving spouse has received excess benefits totaling approximately $76,908 through the date of this audit report.

Finding No. 1 - (Continued)

Providing unauthorized pension benefits increases the plan's pension costs and reduces the amount of funds available for investment purposes or for the payment of authorized benefits or administrative expenses. Since the township received state aid based on unit value during the current audit period, it did not receive allocations attributable to the excess pension benefits provided. However, the increased costs to the pension plan as a result of the excess pension benefits could result in the receipt of excess state aid in the future and increase the municipal contributions necessary to fund the plan in accordance with Act 205 funding standards.

Recommendation: We again recommend that the township take appropriate action to ensure the plan's governing document and the collective bargaining agreement contain consistent benefit provisions that are in compliance with Act 600 at its earliest opportunity to do so. To the extent that the township is not in compliance with Act 600 and/or is contractually obligated to pay benefits to existing retirees in excess of those authorized by Act 600, the excess benefits must be reflected in the Act 205 actuarial valuation reports for the plan and funded in accordance with Act 205 funding standards. Furthermore, such benefits will be deemed ineligible for funding with state pension aid. In such case, the plan's actuary may have to determine the impact, if any, of the unauthorized benefits on the township's future state aid allocations and submit this information to the Department.

Management's Response: Municipal official stated that they have been unable to amend the provisions in the current CBA which continues through December 31, 2015.

Auditor's Conclusion: We are concerned by the township's failure to comply with the prior audit finding and strongly encourage timely implementation of the finding recommendation.

Finding No. 2 – Noncompliance With Prior Audit Recommendation - Pension Benefit Not Authorized By Act 600

Condition: As disclosed in the prior audit report, the police pension plan's governing document grants a benefit that is not authorized by Act 600. Section 705A of Ordinance No. 2007-O-04 states, in part:

> A police officer who shall have attained his Normal Retirement Date shall upon application, be entitled to a monthly pension computed by averaging the officer's final thirty-six (36) months of compensation. The monthly amount of such pension shall equal fifty percent (50%) of the thirty-six (36) months of compensation as averaged.

Finding No. 2 – (Continued)

Section 701 of Ordinance No. 2007-O-04 further defines compensation as:

> A member's total monthly pay, including overtime pay, longevity increments, any pre-tax contributions made to the Plan pursuant to Code Sections 414 (h) or 125, and any other direct monetary compensation, but excluding reimbursement expenses or payments made in lieu of expenses, non-salary compensation (fringe benefits), or any other non-salary payments or allowances (including, but not limited to, uniform allowances).

Municipal officials included lump-sum payments for accumulated unused compensatory time and vacation time that was not earned during the pension computation period in the determination of the final average salary used to calculate monthly pension benefits for two police officers who retired under the township's Deferred Retirement Option Plan (DROP) during the prior audit period.

Criteria: Section 5(c) of Act 600 states, in part:

> Monthly pension or retirement benefits other than length of service increments shall be computed at one-half the monthly average salary of such member during not more than the last sixty nor less than the last thirty-six months of employment.

Although Act 600 does not define "salary," the Department has concluded, based on a line of court opinions, that the term does not encompass lump sum payments for leave or compensatory time that was not earned during the pension computation period.

Cause: Plan officials failed to establish adequate internal control procedures to ensure compliance with the prior audit recommendation.

Effect: The plan is paying pension benefits to the DROP accounts of two retirees in excess of those authorized by Act 600 and the plan's governing document. The retirees are receiving total excess benefits of $753 per month, which totaled approximately $49,123 from the dates of their respective retirements through the date of this audit report.

Finding No. 2 – (Continued)

Providing unauthorized pension benefits increases the plan's pension costs and reduces the amount of funds available for investment purposes or for the payment of authorized benefits or administrative expenses. Since the township received state aid based on unit value during the current audit period, it did not receive allocations attributable to the excess pension benefits provided. However, the increased costs to the pension plan as a result of the excess pension benefits could result in the receipt of excess state aid in the future and increase the municipal contributions necessary to fund the plan in accordance with Act 205 funding standards.

Recommendation: We again recommend that plan officials review the definition of compensation contained in the plan's governing document to ensure it complies with Act 600. To the extent that the township has already obligated itself to pay benefits in excess of those authorized by Act 600, any excess benefit payments made from the plan will be deemed ineligible for funding with state aid. Accordingly, the pension plan's actuary may be required to determine the impact, if any, of the excess benefit payments on the township's future state aid allocations and submit this information to the Department.

Management's Response: Municipal officials agreed with the finding without exception.

Auditor's Conclusion: We are concerned by the township's failure to comply with the prior audit finding and strongly encourage timely implementation of the finding recommendation.

Finding No. 3 – Unauthorized Provision For A Killed In Service Benefit

Condition: Warrington Township maintains a police pension plan governed by the provisions of Act 600, as amended. Prior to the adoption of Act 51 of 2009, Act 600 contained a mandatory killed in service benefit provision; however, Act 51 specifically repealed the section of Act 600 that referenced the mandatory killed in service benefit. During the prior audit period, a verbal observation was given to plan officials notifying them of the passage of Act 51. It was recommended that plan officials review the act's implications for the police pension plan and the collective bargaining agreement in effect for the period January 1, 2009 to December 31, 2011, with their municipal solicitor. During the current audit period, it has been determined that the pension plan's governing document, and the current collective bargaining agreement for the period January 1, 2012 to December 31, 2015, continue to provide for a killed in service benefit that is no longer authorized by Act 600.

Finding No. 3 – (Continued)

Section 707 of Ordinance No. 2007-O-04 states:

> In the event a police officer is killed in service and is survived by a spouse or dependent children who are under the age of 18, (or if "attending college", under or attaining the age of 23), the spouse or dependent children will be eligible for 100% of the police officer's salary at the time of death, per Act 600.

In addition, the township continues to fund a killed in service benefit due to its inclusion in the plan's January 1, 2013, actuarial valuation report.

Criteria: Section 1(a) of Act 51 of 2009 states, in part:

> In the event a law enforcement officer, ambulance service or rescue squad member, firefighter, certified hazardous material response team member or National Guard member dies as a result of the performance of his duties, such political subdivision, Commonwealth agency or, in the case of National Guard members, the Adjutant General, or, in the case of a member of a Commonwealth law enforcement agency, the authorized survivor or the agency head, within 90 days from the date of death, shall submit certification of such death to the Commonwealth.

In addition, Section 1(d) of Act 51 of 2009 states, in part:

> . . . the Commonwealth shall, from moneys payable out of the General Fund, pay to the surviving spouse or, if there is no surviving spouse, to the minor children of the paid firefighter, ambulance service or rescue squad member or law enforcement officer who died as a result of the performance of his duty the sum of $100,000, adjusted in accordance with subsection (f) of this section, and an amount equal to the monthly salary, adjusted in accordance with subsection (f) of this section, of the deceased paid firefighter, ambulance service or rescue squad member or law enforcement officer, <u>less any workers' compensation or pension or retirement benefits paid to such survivors</u>, and shall continue such monthly payments until there is no eligible beneficiary to receive them. For the purpose of this subsection, the term "eligible beneficiary" means the surviving spouse or the child or children under the age of eighteen years or, if attending college, under the age of twenty-three years, of the firefighter, ambulance service or rescue squad member or law enforcement officer who died as a result of the performance of his duty. When no spouse or minor children survive, a single sum of $100,000, adjusted in accordance with subsection (f) of this section, shall be paid to the parent or parents of such firefighter, ambulance service member, rescue squad member or law enforcement officer. (Emphasis added)

Finding No. 3 – (Continued)

Furthermore, Section 2 of Act 51 of 2009 states:

> Repeals are as follows:
> (1) The General Assembly declares that the repeals under paragraph (2) are necessary to effectuate the amendment of section 1 of the act.
> (2) The following parts of acts are repealed:
> (i) Section 5(e)(2) of the act of May 29, 1956 (1955 P.L.1804, No. 600), referred to as the Municipal Police Pension Law.
> (ii) Section 202(b)(3)(vi) and (4)(vi) of the act of December 18, 1984 (P.L.1005, No. 205), known as the Municipal Pension Plan Funding Standard and Recovery Act.

Therefore, since Act 51 specifically repealed the killed in service provision of Act 600 and the funding provisions for the killed in service benefit that were contained in Act 205, the provision of a killed in service benefit is no longer authorized.

Cause: Plan officials were unsuccessful in removing the killed in service benefit through the collective bargaining process.

Effect: Since Section 1 of Act 51 provides that the Commonwealth is obligated to pay the killed in service benefit less any pension or retirement benefits paid to eligible survivors, the continued provision of a killed in service benefit could result in the pension plan being obligated to pay a benefit that is no longer authorized by Act 600, and would have been paid entirely by the Commonwealth absent such provision.

Recommendation: We recommend that the municipality review the plan's killed in service benefit with its solicitor in conjunction with Act 51 of 2009, and eliminate this unauthorized benefit provision at its earliest opportunity to do so.

Management's Response: Municipal officials stated that they would attempt to eliminate the benefit when the subsequent collective bargaining agreement is negotiated.

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.

WARRINGTON TOWNSHIP POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Historical trend information about the plan is presented herewith as supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially. The historical information, beginning as of January 1, 2009, is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded (Assets in Excess of) Actuarial Accrued Liability as a % of Payroll [(b-a)/(c)]
01-01-09	$ 5,278,637	$ 9,077,091	$ 3,798,454	58.2%	$ 2,334,586	162.7%
01-01-11	8,178,813	10,856,399	2,677,586	75.3%	2,365,436	113.2%
01-01-13	9,911,096	12,755,926	2,844,830	77.7%	2,490,551	114.2%

WARRINGTON TOWNSHIP POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability (Column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in unfunded (assets in excess of) actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded (assets in excess of) actuarial accrued liability as a percentage of annual covered payroll (Column 6) approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, where there is an unfunded actuarial accrued liability, the smaller this percentage, the stronger the plan. When assets are in excess of the actuarial accrued liability, the higher the bracketed percentage, the stronger the plan.

WARRINGTON TOWNSHIP POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2008	$ 399,469	100.0%
2009	416,796	100.0%
2010	501,212	100.0%
2011	515,900	100.0%
2012	548,479	100.0%
2013	638,854	100.0%

WARRINGTON TOWNSHIP POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
NOTES TO SUPPLEMENTARY SCHEDULES
(UNAUDITED)

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

Actuarial valuation date	January 1, 2013
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	8 years
Asset valuation method	Fair market value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Cost-of-living adjustments	3.0%

WARRINGTON TOWNSHIP POLICE PENSION PLAN
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania

Warrington Township Police Pension Plan
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Warrington, PA 18976

Mr. Gerald B. Anderson	Chairman, Board of Township Supervisors
Mr. Timothy J. Tieperman	Township Manager
Mr. Barry P. Luber	Finance Director

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