

**BRISTOL TOWNSHIP NONUNIFORMED PENSION PLAN**

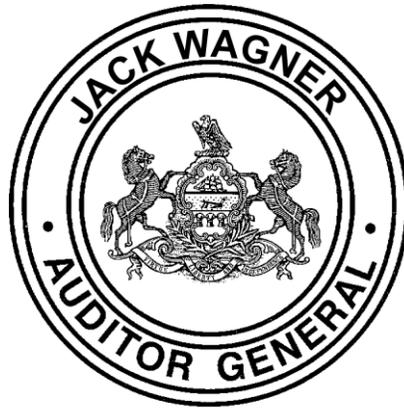
**BUCKS COUNTY**

**COMPLIANCE AUDIT REPORT**

**FOR THE PERIOD**

**JANUARY 1, 2009, TO DECEMBER 31, 2010**





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## BACKGROUND

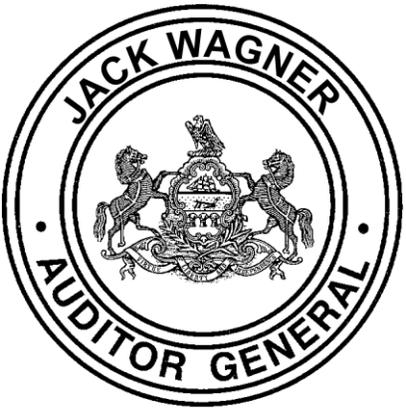
On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state 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.

Pension plan aid is provided from a 2 percent foreign casualty insurance premium tax, a portion of the foreign 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 Bristol Township Nonuniformed 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.

The Bristol Township Nonuniformed Pension Plan is a single-employer defined contribution pension plan locally controlled by the provisions of Resolution No. 90-38, as amended. The township is required to contribute, on behalf of each member who was a member on the last day of the plan year, an amount equal to the fixed percentage of his compensation and/or Worker's Compensation benefits received for such plan year, as established by council, which is currently up to 5 percent. The member is required to contribute in order to receive a township contribution. The township matches up to 1 percent above employee's contribution to a maximum of 5 percent. In addition, the township contributes on behalf of each member who is receiving Worker's Compensation benefits, an amount equal to the percentage that the member was contributing at the time Worker's Compensation benefits were granted, not to exceed 5 percent. Active members are permitted to contribute up to an amount equal to 10 percent of his/her total salary.

Effective January 1, 2011, the township has elected to participate in the Pennsylvania Municipal Retirement System (PMRS) by enacting Ordinance No. 2011-02 and a separately executed plan agreement with PMRS. In addition, the township has elected to merge its sewer pension plan and the existing nonuniformed pension plan into one pension plan for all of its nonuniformed employees administered through PMRS. As of March 31, 2011, all of the assets were merged together into one nonuniformed cash balance pension plan with PMRS.



The Honorable Mayor and Township Council  
Bristol Township  
Bucks County  
Bristol, PA 19007

We have conducted a compliance audit of the Bristol Township Nonuniformed Pension Plan for the period January 1, 2009, to December 31, 2010. The audit was conducted pursuant to authority derived from Section 402(j) of Act 205 and in accordance with *Government Auditing Standards* applicable to performance audits issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objective.

The objective of the audit was 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 this objective.

Township officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Bristol Township Nonuniformed 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 objective, 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 the extent necessary to satisfy the audit objective.

The results of our tests indicated that, in all significant respects, the Bristol Township Nonuniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

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

The contents of this report were discussed with officials of Bristol Township and, where appropriate, their responses have been included in the report.

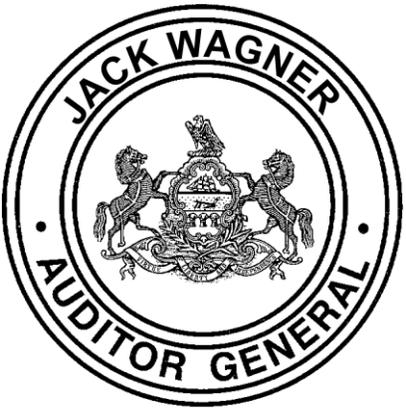
August 5, 2011

JACK WAGNER  
Auditor General

BRISTOL TOWNSHIP NONUNIFORMED PENSION PLAN  
SUPPLEMENTARY INFORMATION  
(UNAUDITED)

SCHEDULE OF STATE AID  
AND EMPLOYER CONTRIBUTIONS

Year Ended December 31	State Aid Deposited	Employer Contributions
2005	None	\$ 72,626
2006	None	83,256
2007	None	133,194
2008	\$ 115,486	43,655
2009	139,140	None
2010	None	143,658



BRISTOL TOWNSHIP NONUNIFORMED PENSION PLAN  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania

Bristol Township Nonuniformed Pension Plan  
Bucks County  
2501 Bath Road  
Bristol, PA 19007

The Honorable John Monahan	Mayor
Mr. Rick Pluta	Township Council President
Mr. Jeff Bartlett	Managing Director
Ms. Gail Gordon	Finance Director

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, Room 318 Finance Building, Harrisburg, PA 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).