Thomas J. Anderson & Associates, Inc.
MUNICIPAL PENSION SPECIALISTS

file

TJA

115 WESTTOWN RD., STE 101
WEST CHESTER, PA 19382
(610) 430-3385 FAX (610) 430-3387

March 31, 2016

Mr. Kevin Barron
Finance Director
ABINGTON TOWNSHIP
1176 Old York Road
Abington, PA 19001

Re: 2015 Financial Statements - Police & Non-Uniformed Pension Plans

Dear Kevin:

Enclosed please find the financial statements for the Police and Non-Uniformed Pension Plans as of December 31, 2015.

Upon review of these statements, if you have any questions, please do not hesitate to contact me.

Sincerely,

James P. Kennedy

JAMES P. KENNEDY
President

ABINGTON TOWNSHIP

NON-UNIFORMED PENSION PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2015

ABINGTON TOWNSHIP NON-UNIFORMED PENSION PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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Abington Township Non-Uniformed Pension Plan

The accompanying financial statements and notes were prepared for the Abington Township Non-Uniformed Pension Plan based upon information provided by the municipality, its financial institution(s), and actuary. The Statement of Fiduciary Net Position was prepared as of December 31, 2015. The Statement of Changes in Fiduciary Net Position was prepared for the year ended December 31, 2015. The financial statements and notes should not be considered an Audit, Review, or Compilation Report as defined by the American Institute of Certified Public Accountants.

James P. Kennedy, President

Thomas J. Anderson & Associates, Inc.

March 31, 2016

ABINGTON TOWNSHIP NON-UNIFORMED PENSION PLAN

Statement of Fiduciary Net Position
as of December 31, 2015

ASSETS	**2015**
Cash and short-term investments	1,031,723
Receivables:	
Accrued Income	44
Members' Contributions	4,666
Total Receivables	4,710
Investments, at fair value:	
Mutual Funds	49,216,181
TOTAL ASSETS	50,252,614

LIABILITIES	**2015**
Pending Cash	9,980

Net Position Restricted for Pensions	**50,242,634**

ABINGTON TOWNSHIP NON-UNIFORMED PENSION PLAN

Statement of Changes in Fiduciary Net Position
for the year ended December 31, 2015

ADDITIONS	**2015**
Contributions:	
Employer	429,358
Employee	472,704
Commonwealth	709,671
Total Contributions	1,611,733
Investment Income:	
Net appreciation (depreciation) in fair value of investments	(1,093,887)
Dividend Income	702,473
Total Investment Income	(391,414)
Less Investment Expenses	(33,602)
Net Investment Income	(425,016)
TOTAL ADDITIONS	1,186,716
DEDUCTIONS	**2015**
Pension Payments	1,965,037
Administrative Expenses	55,380
Refund of Members' Contributions	8,083
TOTAL DEDUCTIONS	2,028,500
Net Decrease in Net Position	**(841,783)**
Net Position Restricted for Pensions:	
Beginning of Year 2015	**51,084,417**
End of Year 2015	**50,242,634**

NOTE 1 – PLAN DESCRIPTION

Plan Administration

The Abington Township Non-Uniformed Pension Plan is a single-employer defined benefit pension plan covering the full-time non-uniformed employees. The Plan was established effective December 1, 1952 and was restated by Resolution No.14-032, effective January 1, 2014. The Plan is governed by the Board of Township Commissioners. The Board of Township Commissioners has delegated the authority to manage Plan assets to Aon Hewitt Investment Consulting, Inc.

Plan Membership

As of December 31, 2015, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	99
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	183
TOTAL	290

Benefits Provided

The following is a summary of the Plan benefit provisions:

- Eligibility Requirements:
  - Normal Retirement: Age 65 or age plus service equals 85.
  - Early Retirement: Age 55 with 10 years of credited service.
  - Vesting: 100% after 5 years of credited service.

- Retirement Benefit: 2% of final average earnings multiplied by years and months of credited service.

- Survivor Benefit: Before retirement - a refund of employee contributions plus interest. After retirement – based upon retirement benefit option selected.

- Disability Benefit Service & Non-Service Related: 5 or more years of service – continued accrual of benefits until Normal Retirement Date at which time benefits commence.

- Post Retirement Adjustments: For members who retire on or after January 1, 1991, each January 1st benefits are adjusted according to the consumer price index for all urban consumers not to exceed 4%. For retirements from 1/1//1991 to 1/1/98, the total cola shall not exceed 24%. For retirements on or after 1/1/1999 the total cola shall not exceed 50%.

- Members Contributions:
  - Amount or Rate: 4%
  - Interest Rate Credited to Member Contributions: 5%

Contributions and Funding Policy

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for Pennsylvania municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions.

As a condition of participation, full-time employees are required to contribute 5% of compensation to the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. In accordance with Act 205, as amended, the Township was required to contribute to the Plan for the year 2015 as shown in the exhibit below:

Financial Requirement and Minimum Municipal Obligation Budget for 2015:

Total Annual Payroll	$11,615,720
Normal Cost as a Percentage of Payroll	12.86%
Total Normal Cost	$ 1,493,792
Estimated Administrative Expenses	$ 40,000
Amortization Contribution	$ 69,875
Estimated Members' Contributions	<$ 464,628>
Minimum Municipal Obligation	$ 1,139,029
<Less Actual State Aid Deposited into Plan>	<$ 709,671>
REQUIRED MUNICIPAL OBLIGATION	**$ 429,358**

Three Year Funding Trend

Year Ended December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	1,333,127	100%	0
2014	1,069,091	100%	0
2015	1,139,029	100%	0

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant Plan related costs. The above expenses are allowable pension Plan expenditures in accordance with Act 205 and may be funded with Plan assets.

Adoption of Accounting Standards

GASB Statement 40, Deposit and Investment Risk Disclosures, was effective for periods beginning after June 15, 2004. GASB Statement 67, Financial Reporting for Pension Plans, was effective for fiscal years beginning after June 15, 2013. The Plan has adopted GASB 40 in previous financial statements and GASB 67 beginning with the 2014 financial statements.

NOTE 3 – INVESTMENTS

The deposits and investments of the Plan are held separately from those of the Township and are under the control of the Plan's Board of Commissioners.

Investment Policy Summary

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The Plan's investment policy establishes the following target allocation across asset classes:

Asset Class	Target	Long Term Expected Real Rate of Return
Domestic Stocks Large Cap	30%	4.4%
Domestic Stocks Mid/Small Cap	11%	4.9%
International Stocks	19%	4.9%
Bonds	40%	1.2%
Total Net Blended Return		3.2%*

*- Excludes 2.1% inflation assumption.

Long Term Expected Rate of Return (Including Inflation)	5.3%

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2014 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2015 are listed in the table above.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a Plan's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Plan does have a formal investment policy that addresses concentration of credit risk. As of December 31, 2015, no investment in any one organization represented five percent (5%) or more of the Plan's fiduciary net position.

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -0.84 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits and Investments

The Plan's deposits and investments are governed by Title 20 of the Pennsylvania Consolidated Statutes, Chapter 73 Municipalities Investments, Section 7302.

Deposits

The Plan does not have a formal deposit policy that addresses custodial credit risk or foreign currency risk, however, the Plan held no deposits that were exposed to custodial credit risk or foreign currency risk as of December 31, 2015.

Investments

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan does not have a formal investment policy that addresses credit risk. The credit risk of a debt instrument as measured by a Nationally Recognized Statistical Rating Organization (NRSRO). (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows:

Investment Type	Fair Value	Quality
Bond Mutual Fund	$ 1,590,916	AAA
Bond Mutual Fund	$ 4,877,582	A
Bond Mutual Funds	$12,280,515	BBB
Money Market Fund	$ 1,031,723	Not Rated
TOTAL	**$19,780,736**	

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Plan does not have a formal investment policy that addresses custodial credit risk, however, the Plan held no investments that were exposed to custodial credit risk at December 31, 2015.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan does not have a formal investment policy that addresses foreign currency risk, however, the Plan held no investments that were exposed to foreign currency risk as of December 31, 2015.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment or a deposit Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Plan's formal investment policy states the average weighted duration of the fixed income portfolio should not exceed the duration of the Barclays Capital Aggregate Index by more than 1.5 years and should typically not be shorter than 2 years. As of December 31, 2015 the Plan's investment balance exposed to interest rate risk was as follows:

Investment Maturities (in Years)

Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
Bond Mutual Funds	$18,749,013	$1,698,003	$ 0	$17,051,010	$ 0
TOTAL	**$18,749,013**	**$1,698,003**	**$ 0**	**$17,051,010**	**$ 0**

NOTE 4 – PENSION LIABILITY

Net Pension Liability

The components of the net pension liability of the Plan as of December 31, 2015 were as follows:

Total Pension Liability (TPL)	$57,871,782
Plan Fiduciary Net Position	$50,242,634
Net Pension Liability (NPL)	$ 7,629,148
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.82%

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liabilities as of December 31, 2014 and December 31, 2015 were determined as part of actuarial valuations at January 1, 2013 and January 1, 2015 respectively. Update procedures were used to roll forward January 1, 2013 liabilities to the plan's fiscal plan year ending December 31, 2014. Update procedures were also used to roll forward January 1, 2015 liabilities to the plan's fiscal plan year ending December 31, 2015. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

December 31, 2014 Liabilities

Actuarial Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	2 years

Asset Valuation Method	Asset Smoothing
Assumptions:	
Inflation	2.10%
Salary Increases	4.50%
Investment Rate of Return	7.50% (Net of pension plan investment expense including inflation)
Retirement Age	See page 4

Mortality rates were based on the RP-2000 IRS PPA @ 2013 Non-Annuitant/Annuitant Tables for Males and Females Mortality Table.

December 31, 2015 Liabilities

Actuarial Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	N/A
Asset Valuation Method	Asset Smoothing
Assumptions:	
Inflation	2.10%
Salary Increases	4.50%
Investment Rate of Return	7.50% (Net of pension plan investment expense including inflation)
Retirement Age	See page 4

Mortality rates were based on the RP-2000 IRS PPA @ 2015 Non-Annuitant/Annuitant Tables for Males and Females Mortality Table.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used the determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability.

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	$14,533,486	$7,629,148	$1,728,772

NOTE 5 – RECONCILIATION OF MEMBERS' CONTRIBUTIONS

Members' Contributions Deposited for 2015		$472,704
<Less Members' Contributions Deducted from Members' Salaries>		<$472,704>
	Irreconcilable	$ 0

NOTE 6 – RECONCILIATION OF PENSION PAYMENTS

Pensions Paid from Plan for 2015		$1,965,037
<Less Pensioner Register>		<$1,965,037>
	Irreconcilable	$ 0

Township of Abington Employees' Pension Plan GASB 67 Reporting for December 31, 2015
Schedule of Changes in Plan's Net Pension Liability and Related Ratios
Last 10 Fiscal Years*

		2013		2014		2015
Total Pension Liability						
Service Cost	$	1,414,484	$	1,520,570	$	1,486,390
Interest	$	3,731,552	$	3,982,641	$	4,243,508
Changes of Benefit Terms	$	-	$	-	$	-
Differences Between Expected and Actual Experience	$	-	$	-	$	(1,566,705)
Changes in Assumptions	$	-	$	-	$	-
Benefit Payments, Including refund of EE contributions	$	(1,843,486)	$	(1,965,034)	$	(1,973,120)
Net Change in Total Pension Liability	$	3,302,550	$	3,538,178	$	1,769,773
Total Pension Liability - BOY	$	49,281,281	$	52,583,831	$	56,102,009
Total Pension Liability - EOY	$	52,583,831	$	56,102,009	$	57,871,782
Plan Fiduciary Net Position						
Contributions - Employer	$	637,828	$	375,881	$	429,358
Contributions - State Aid	$	665,301	$	603,210	$	709,871
Contributions - Member	$	427,384	$	402,059	$	472,704
Net Investment Income	$	7,164,110	$	1,810,620	$	(425,016)
Benefit Payments, Including refund of EE contributions	$	(1,843,485)	$	(1,965,034)	$	(1,973,120)
Administrative Expenses	$	(39,830)	$	(23,938)	$	(55,580)
Net Change in Plan Fiduciary Net Position	$	7,051,305	$	1,352,998	$	(841,783)
Plan Net Position - Beginning	$	42,680,114	$	49,731,419	$	51,084,417
Plan Net Position - Ending	$	49,731,419	$	51,084,417	$	50,242,634
Plan's Net Pension Liability	$	2,832,413	$	5,017,592	$	7,629,148
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		94.61%		91.08%		86.82%
Covered Employee Payroll	$	10,996,227	$	11,491,057	$	12,070,121
Plan's Net Pension Liability as Percentage of Covered Employee Payroll		25.76%		43.67%		63.21%

* This schedule will be presented on a prospective basis

ABINGTON TOWNSHIP NON-UNIFORMED PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years*

	2014	2015
Actuarially determined contribution	$ 1,069,091	$ 1,139,029
Contributions made	$ 1,069,091	$ 1,139,029
Contribution deficiency (excess)	$ 0	$ 0
Covered-employee payroll	$10,826,360	$11,615,720
Contributions as a percentage of covered-employee payroll	9.87%	9.81%

* This schedule will be presented on a prospective basis.

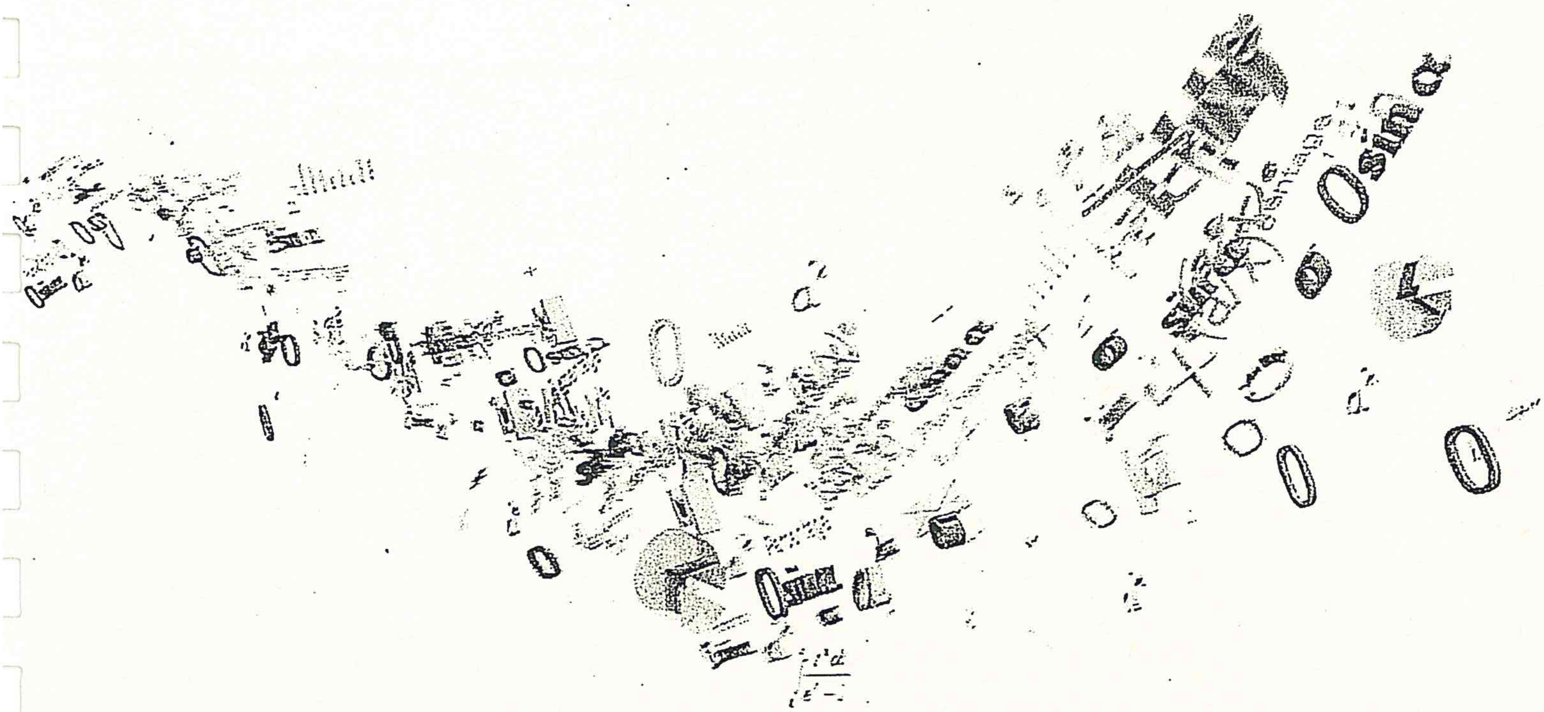
ABINGTON TOWNSHIP NON-UNIFORMED PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years*

	2014	2015
Annual money-weighted rate of return, net of investment expense	3.41%	-0.84%

* This schedule will be presented on a prospective basis.

Aon Hewitt
Retirement and Investment Consulting

Proprietary and Confidential



Township of Abington Employees' Pension Plan

Actuarial Valuation Report for the Fiscal Year Ending December 31, 2015 – Accounting under GASB 68

Risk. Reinsurance. Human Resources.

Empower Results®

March 23, 2016

Township of Abington
1176 Old York Road
Abington, PA 19001

This report contains the results of the actuarial valuation of the Township of Abington Employees' Pension Plan as of January 1, 2015. The valuation is based on data sent to us by the Township, the Plan as described in the official plan document, the assets of the Plan as reported by the Funding Agents, and the stated actuarial assumptions.

The purposes of the actuarial valuation are:

- To determine the financial condition of the Plan.
- To provide information to be used in the preparation of the required government forms.
- To provide information for use in satisfying the requirements of your auditors.
- To provide information needed for the completion of financial statement disclosures under GASB statement 68.

In our opinion, this report is complete and accurate, and the actuarial assumptions and methods, in the aggregate, are reasonably related to the experience of the Plan and represent our best estimate of future Plan experience as it should be considered for proper funding of your pension obligations. It is also our opinion that each of the actuarial assumptions and methods utilized in this valuation are reasonable (taking into account the experience of the plan and reasonable expectations) or, in the aggregate, result in total contribution equivalents that would be determined if each assumption and method were reasonable.

Aon Hewitt is pleased to submit this report of the Pension Plan to you, and will also be pleased to discuss any aspects of the report with you after you have had a chance to review it.

Respectfully submitted,

Thomas G. Vicente, FSA, EA
Partner

Enrollment #14-05034

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A. Comparative Summary of Principal Valuation Results

	Actuarial Valuation for Fiscal Year Ending			
	2015	**2013**	**Percent Change**	
1. **Participant Data**				
Active Participants	181	180	0.6	%
Retired Participants	97	95	2.1	%
Vested Terminated Participants	12	12	0.0	%
Total	290	287	1.0	%
Total Payroll	11,550,355	10,996,227	5.0	%
Average Pay	63,814	61,090	4.5	%
Average Age	49.3	50.0	(1.4)	%
Average Past Service	13.7	15.0	(8.7)	%

B. Financial Summary

Assets as of January 1, 2014		$ 49,731,419
Receipts		
State Aid	693,210	
Employer Contribution	375,881	
Employee Contribution	462,059	
Investment return	1,862,271	
Total Receipts		$ 3,393,421
Disbursements		
Refund of Contributions	99,443	
Benefit Payments	1,865,591	
Investment Expenses	51,451	
Administrative Expenses	23,938	
Total Disbursements		$ 2,040,423
Assets as of December 31, 2014		$ 51,084,417

Annual Rate of Return	Market Value	Assumed Rate
Rate	3.82%	7.50%

1. Asset information as reported by Thomas J. Anderson and Associates.

C. GASB 68 Schedules

Plan Reporting – Unfunded Liability and Normal Cost

The following table illustrates the assets and liabilities used for the development of the plan reporting information under GASB 68

		2015
1.	Fair Market Value of Plan Assets	$ 51,084,417
2.	Accrued Liability	
	a) Active	$ 32,761,657
	b) Inactive (not in pay status)	$ 1,004,633
	c) Inactive (in pay status)	$ 20,506,225
	d) Total	$ 54,272,515
3.	Unfunded Liability	$ 3,188,098
4.	Assets as a percent of liability	94.13%

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from Plan members will be made at the current contribution rate and that contributions from Abington will be made based on the current, actuarially determined funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

C. GASB 68 Schedules (cont.)

Plan Reporting – Expense

The following table illustrates the development of the plan expense under GASB 68

			2015
1.	Service Cost	$	1,520,570
2.	Interest Cost		
	a) Total Pension Liability at Measurement Date	$	52,563,831
	b) Normal Cost at Measurement Date	$	1,520,570
	c) Actual Benefit Payments	$	(1,965,034)
	d) Discount Rate		7.50%
	e) Interest Cost	$	3,982,641
3.	Expected Investment Return		
	a) Plan Fiduciary Net Position at Measurement Date	$	49,731,419
	b) Actual Contributions-State Aid	$	693,210
	c) Actual Contributions-Employer	$	375,881
	d) Actual contributions-Employee	$	462,059
	e) Actual Benefit Payments	$	(1,965,034)
	f) Administrative Expenses	$	(23,938)
	g) Discount Rate		7.50%
	h) Expected Return	$	3,686,693
4.	Pension Expense under GASB 68		
	a) Service Cost	$	1,520,570
	b) Interest Cost	$	3,982,641
	c) Expected Investment Return	$	(3,686,693)
	d) Employee Contributions	$	462,059
	e) Administrative Expenses	$	23,938
	f) Plan Changes	$	0
	g) Amortization of:		
	i) Liability (Gain)/Loss	$	(272,246)
	ii) Asset (Gain)/Loss	$	375,175
	iii) Assumption Changes	$	0
	h) Total Expense/(Income)	$	2,405,444

C. GASB 68 Schedules (cont.)

Plan Reporting – Amortization of Deferred Inflows/Outflows – 2015 Fiscal Year

The following table illustrates the amortization bases included in the Deferred Inflows/Outflows as of the Measurement Date

Date Established	Type of Base	Period Original	Period Remaining	Balance Original	Balance Remaining	Annual Payment
1/1/2015	Liability (Gain)/Loss	6.72	6.72	$ (1,829,493)	$ (1,829,493)	$ (272,246)
1/1/2015	Asset (Gain)/Loss	5.00	5.00	$ 1,875,873	$ 1,875,873	$ 375,175
	Total Charges			$ 46,380	$ 46,380	$ 102,929

Deferred Inflows/Outflows

The following table illustrates the Deferred Inflows and Outflows under GASB 68

	Deferred Outflows	Deferred Inflows
1. Difference between actual and expected experience		
a)January 1, 2015-Experience	$ 0	$ (1,557,247)
2. Difference between expected and actual earnings on plan investments		
a) January 1, 2015	$ 1,500,698	$ 0
3. Contributions made after the Measurement Date	$ 0	
4. Total	$ 1,500,698	$ 1,557,247)

C. GASB 68 Schedules (cont.)

Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for the 2015 Fiscal Year:

	1% Decrease 6.5%	Current Rate 7.50%	1% Increase 8.50%
1. Total Pension Liability	$ 60,747,446	$ 54,272,515	$ 48,739,106
2. Plan Fiduciary Net Position	$ 51,084,417	$ 51,084,417	$ 51,084,417
3. Net Pension Liability	$ 9,663,029	$ 3,188,098	$ (2,345,311)

C. GASB 68 Schedules (cont.)

Changes in Net Pension Liability and Related Ratios

Fiscal Year Ending	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Pension Liability									
Service Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 1,520,570
Interest Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,982,641
Changes in Benefit Terms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Differences between expected and actual experience	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1,829,493)
Changes in assumptions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Benefit Payments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1,965,034)
Net Change in Total Pension Liability									
Total Pension Liability (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52,563,831
Total Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 52,563,831	$ 54,272,515
Plan Fiduciary Net Position									
Contributions-Employer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 1,069,091
Contributions-Employee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 462,059
Net Investment Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 1,810,820
Benefit Payments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ (1,965,034)
Administrative Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ (23,938)
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ -
Net Change in Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Plan Fiduciary Net Position (Beginning)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 49,731,419
Plan Fiduciary Net Position (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 49,731,419	$ 51,084,417
Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 2,832,412	$ 3,188,098

C. GASB 68 Schedules (cont.)

Schedule of Net Pension Liability

Fiscal Year Ending	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 54,272,515
Plan Fiduciary Net Position	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 51,084,417
Net Pension Liability (Ending)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 3,188,098
Net Position as a % of Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	94.13%
Covered Employee Payroll										$ 11,550,355
Net Pension Liability as a % of Payroll										27.60%

C. GASB 68 Schedules (cont.)

Actuarially Determined Contribution

Fiscal Year Ending	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially Determined Contribution										$ 1,069,091
Contributions made	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 1,069,091
Contribution Deficiency/(Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 0
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 11,550,355
Contributions as a percent of covered employee payroll										9.26%

D. Distribution of Inactive Participants by Age and Years of Retirement

Part I - Retired Members

Age	Number	Annual Pensions Payable
Under 30		
30 - 34		
35 - 39		
40 - 44		
45 - 49		
50 - 54		
55 - 59	2	$90,965
60 - 64	10	$242,568
65 - 69	28	$751,961
70 - 74	14	$261,639
75 - 79	17	$327,423
80 - 84	9	$117,004
Over 84	17	$155,938
Totals	97	$1,947,497

Part II - Members Terminated with Vesting

Age	Number	Annual Projected Pension
Under 25		
25 - 29		
30 - 34		
35 - 39	1	$5,108
40 - 44	2	$29,358
45 - 49	2	$18,448
50 - 54	3	$58,324
55 - 59	3	$29,443
60 - 64	1	$6,006
65 - 69		
Over 69		
Totals	12	$146,688

E. Distribution of Active Participants by Age and Service

		YEARS OF SERVICE									
AGE		0	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
Under 20	No. of Members										
	Payroll ($000)										
20 - 24	No. of Members	3	1								
	Payroll ($000)	145	42								
25 - 29	No. of Members		7	2							
	Payroll ($000)		448	128							
30 - 34	No. of Members		8	6	1						
	Payroll ($000)		489	340	70						
35 - 39	No. of Members	2	2	3	6						
	Payroll ($000)	89	136	171	393						
40 - 44	No. of Members	2	5	5	5	3					
	Payroll ($000)	86	252	281	317	186					
45 - 49	No. of Members		5	6	4	6	5	2			
	Payroll ($000)		257	351	263	396	356	143			
50 - 54	No. of Members		3	2	5	1	7	5	2		
	Payroll ($000)		174	100	308	51	491	350	124		
55 - 59	No. of Members		4	4	4	4	5	6	1	1	
	Payroll ($000)		276	234	214	239	384	438	59	78	
60 - 64	No. of Members		2	2	2	5	7	4		2	1
	Payroll ($000)		203	136	112	272	511	302		216	79
65 & Over	No. of Members		1	1	3	5		2			1
	Payroll ($000)		38	43	149	324		201			105
Total Members		7	38	31	30	24	24	19	3	3	2
Total Annual Payroll ($000)		320	2,315	1,784	1,826	1,468	1,742	1,434	183	294	184

F. Actuarial Methods and Assumptions

1. ***Cost Method - Entry Age Normal Actuarial Cost Method***

The Cost Method is called the Entry Age Normal Cost Method. The Normal Cost is calculated for each participant as the contribution required, as a level percentage of compensation over the participant's entire period of credited service, to provide his or her projected pension benefits. This contribution is assumed to be payable over a period commencing on the date on which the participant first met the funding eligibility conditions and ending on the assumed retirement date. That percentage, applied to the current year compensation, yields the current year Normal Cost for that participant. The total Normal Cost is the aggregate of the individual Normal Costs. The Plan Sponsor's Normal Cost is the total Normal Cost less that part of the total participant contributions due to be made during the year which is expected to be available at assumed retirement date.

The Plan Sponsor's Accrued Actuarial Liability, as of any date, is determined as the excess of the total present value of benefits for both active and nonactive lives, over the total present value of both future normal costs and future employee contributions. This is also equal to the accumulated total of past Normal Costs, assuming this cost method and these assumptions, for this group of participants.

Each year actuarial gains and losses occur since actuarial experience under the Plan will vary from the actuarial assumptions. All gains and losses will be determined each year and amortized from date of inception.

2. ***Actuarial Assumptions***

Unless otherwise specified, the same assumptions have been used for the determination of the Contribution Range and Accumulated Plan Benefits.

a. ***Mortality*** RP-2000 IRS PPA @ 2015 Non-Annuitant/ Annuitant Tables for Males and Females.

Expected Mortality Percentages in the Next Year

Age	*Males*	*Females*	*Age*	*Males*	*Females*
20	0.0194%	0.0118%	45	0.1018%	0.0693%
25	0.0278	0.0136	50	0.1240	0.1002
30	0.0382	0.0195	55	0.1704	0.1985
35	0.0665	0.0341	60	0.3007	0.3382
40	0.0848	0.0449	65	0.9840	0.9282

b. ***Interest*** 7.5% compounded annually.

F. Actuarial Methods and Assumptions (cont.)

2. ***Actuarial Assumptions (cont.)***

c. ***Retirement***

Age	Probability of Retiring
57	15%
58-63	10
64	20
65	45
66-68	33
69	100

d. ***Turnover***

A scale varying by age with illustrative annual percentages of termination as follows:

Age	*Percentage of Participants Expected to Terminate in the Next Year* *Males & Females*
25	*5.036%*
30	*4.717*
35	*4.238*
40	*3.614*
45	*2.710*
50	*0.908*
55	*0.117*

e. ***Salary Increase***

Determination of Contribution Range

Salaries are assumed to increase by an amount equal to 4.5% of the salary at the beginning of that year.

Age	*Final Salary as a Percentage of Current Salary*
25	*582%*
30	*467*
40	*301*
55	*155*
65	*100*

Accumulated Plan Benefits

Past salaries are discounted at the same rate as described above. Future salaries are assumed to remain at the same level as on the valuation date.

F. Actuarial Methods and Assumptions (cont.)

2. ***Actuarial Assumptions (cont.)***

   f. ***Valuation Assets*** Actuarial Value of Assets.

   g. ***Cost of Living Increases*** Future cost of living increases were assumed to be 3% per year with an aggregate maximum of 24%. (50% for participants retiring on or after January 1, 2001).

G. Summary of the Principal Plan Provisions

NOTE: *Any ambiguities or questionable provisions in this summary should be resolved by reference to the official Plan Document. This summary is not intended to be a source document, but merely an instrument of convenience for the administration of the Plan.*

1. ***Effective Date***

   December 1, 1952, most recently amended as of January 1, 2001.

2. ***Eligibility***

   Any Employee may become a Participant on the first day of the month coincident with or next following commencement of employment, provided he agrees to make the necessary contributions. A Participant may cease contributing and receive contributions with interest, or a deferred vested benefit. After 24 months he can again contribute as a new Participant.

3. ***Contributions***

   Participants contribute 4.0% of annual salary.

4. ***Credited Service***

   For Employees who became Participants on January 1, 1971 or when first eligible to join the Plan, Credited Service is the total period, in years and months, of continuous service as a Participant. For all other Participants, Credited Service is the total period, in years and months, of continuous service as a Participant.

5. ***Final Average Compensation***

   One thirty-sixth of the Participant's aggregate earnings from employment by the Township during the 36 month period as an Employee which yields the highest average.

6. ***Retirement Dates***

   a. ***Normal Retirement***

      The first day of the month coincident with or next following the earlier of age 65 or when combination of age and service equal 85.

   b. ***Early Retirement***

      The first day of the month coincident with or next following the Participant's 55th birthday and completion of 10 years of Credited Service.

   c. ***Deferred Retirement***

      The first day of the month coincident with or next following the Participant's actual retirement day after Normal Retirement Date.

   d. ***Disability***

      The first day of the month coincident with or next following date the Participant suffers a Total Disability, provided the Participant has completed 5 years of Credited Service.

7. ***Accrued Benefit***

   A Participant's Accrued Benefit is equal to 2% of Final Average Earnings multiplied by years and months of Credited Service.

G. Summary of the Principal Plan Provisions (cont.)

8. ***Benefit Formula***

a. ***Normal Retirement***	A Participant's benefit at Normal Retirement Date is equal to the Accrued Benefit at Normal Retirement Date.
b. ***Early Retirement***	A Participant's benefit at Early Retirement Date is equal to the Accrued Benefit as of Early Retirement Date, reduced by 1/4% for each month that Early Retirement Date precedes Normal Retirement Date.
c. ***Deferred Retirement***	A Participant's benefit at Deferred Retirement Date is equal to the Accrued Benefit as of Deferred Retirement Date.
d. ***Disability***	A Participant's benefit commences at Normal Retirement Date. Benefits continue to accrue to later of Normal Retirement Date or the date on which benefits payable from the Long Term Disability Insurance cease.
e. ***Cost of Living Increase***	Annual cost of living increases will be applied each January 1st, and shall be equal to the lesser of the percentage increase in the Consumer Price Index occurring over the preceding calendar year, or 4%. It is applicable to all employees who retire on or after January 1, 1991. The total Cost of Living Increase may not exceed 24%. (For employees who retire on or after January 1, 2001, the total cost of living increase may not exceed 50%.)

9. ***Benefits Upon Termination of Employment - Vesting***	A Participant is 100% vested in his own contributions with interest. The Accrued Benefit attributable to Township contributions shall be 100% vested after completion of 5 years of Credited Service.

10. ***Death Benefits***

a. ***Before Retirement***	Beneficiary shall receive the Employee's contributions with 3% interest prior to January 1, 1982, and 5% interest after January 1, 1982. Should a participant continue working after attaining normal retirement age, the participant can designate an optional form of benefit to provide a spousal benefit in the event of the participant's death prior to actual retirement.
b. ***After Retirement***	Death Benefits for participants who die after retiring, if any, will be based on the optional form of benefit elected at retirement.

G. Summary of the Principal Plan Provisions (cont.)

11. ***Normal Form of Benefits***

The normal form of benefits is a life annuity with guaranteed return of employee contributions with interest.

12. ***Optional Benefit Forms***

Straight life annuity, 5 years certain and continuous, 10 years certain and continuous, 50%, 66 2/3%, 75% and 100% Joint and Survivor are all available. A Social Security adjustment option is also available which provides the Participant with level payments before and after commencement of Social Security Benefits.