

**ABINGTON TOWNSHIP**  
**NON-UNIFORMED DEFINED CONTRIBUTION**  
**PENSION PLAN**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

Date Prepared: April 2, 2024

The accompanying financial statements and notes were prepared 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, 2023. The Statement of Changes in Fiduciary Net Position was prepared for the year ended December 31, 2023. 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*

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**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN**

**Statement of Fiduciary Net Position  
as of December 31, 2023**

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<b><u>ASSETS</u></b>	<b><u>2023</u></b>
Investments, at fair value:	
Mutual Funds	<u>2,185,241</u>
Receivables:	
Employer Contributions	10,329
Employee Contributions	<u>10,329</u>
Total Receivables	20,658
TOTAL ASSETS	2,205,899
<b>Net Position Restricted for Pensions</b>	<b>2,205,899</b>

**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN**

**Statement of Changes in Fiduciary Net Position  
for the year ended December 31, 2023**

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<b><u>ADDITIONS</u></b>	<b><u>2023</u></b>
Contributions:	
Employer	251,249
Employee	251,249
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Total Contributions	502,497
Investment Income:	
Net appreciation (depreciation) in fair value of investments	272,746
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Total Investment Income	272,746
Less Investment Expenses	(13,645)
	<hr/>
Net Investment Income	259,101
 TOTAL ADDITIONS	 761,598
 <b><u>DEDUCTIONS</u></b>	
Refund of Employee Contributions	13,317
Lump Sum Distribution	23,551
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<b>Net Increase in Net Position</b>	<b>724,730</b>
Net Position Restricted for Pensions:	
Beginning of Year 2023	<b>1,481,169</b>
 <b>End of Year 2023</b>	 <b>2,205,899</b>

**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN  
NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

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**NOTE 1 – PLAN DESCRIPTION**

**Plan Administration**

The Abington Township Non-Uniformed Pension Plan is a single-employer defined contribution pension plan. The Plan was established by Resolution No. 15-038 effective January 1, 2016. The Plan is governed by Board of Township Commissioners which may amend plan provisions, and which is responsible for the management of Plan assets. The Board of Township Commissioners has delegated the authority to manage Plan assets to CBIZ-InR Advisory Services, LLC.

**Plan Membership**

As of December 31, 2023, membership consisted of 78 active members.

**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.

**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN  
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**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 – DEPOSITS AND INVESTMENTS**

**Deposits and Investments**

The deposits and investments of the Plan are held separately from those of the Township and 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, 2023.

**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:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Quality</u></b>
Bond Mutual Funds	\$ 82,017	AAA
Bond Mutual Funds	\$599,331	AA
Bond Mutual Funds	\$ 81,643	BB
<b>TOTAL</b>	<b><u>\$762,991</u></b>	

**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN  
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**December 31, 2023**

**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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2023 the Plan's investment balance exposed to interest rate risk was as follows:

	<b><u>Investment Maturities (in Years)</u></b>			
<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Less Than 1</u></b>	<b><u>1 - 5</u></b>	<b><u>6 - 10</u></b>
Bond Mutual Funds	\$762,991	\$0	\$287,884	\$475,107
<b>TOTAL</b>	<b><u>\$762,991</u></b>	<b><u>\$0</u></b>	<b><u>\$287,884</u></b>	<b><u>\$475,107</u></b>

**Custodial Credit Risk, Concentration of Credit Risk, Foreign Currency Risk**

The Plan held no investments that were exposed to custodial credit risk, concentration of credit risk, or foreign currency risk as of December 31, 2023.

**NOTE 4 - CONTRIBUTION REQUIREMENTS**

**Act 205**

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for 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.

**ABINGTON TOWNSHIP NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN  
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**December 31, 2023**

**Funding Policy**

The Township will contribute into the Plan, for each eligible Participant, an amount equal to 5% of their covered compensation. Participants are required to contribute 5% of their covered compensation to the Plan. In addition to the Township contribution made to Participant's account, their account will be credited annually with the pro rata share of the investment earnings or losses of the Plan and any investment related expenses. Participants who terminate for reasons other than death, disability, or retirement would not share in the allocations of contributions, earnings, or losses for the Plan year. The Township, if eligible, may allocate State Aid received from the Commonwealth of Pennsylvania to the Plan. Forfeitures due to non-vested terminations are to be used to reduce the Township's contributions to the Plan. To the extent that these fundings are not adequate to cover the Township's obligation to the Plan, the Township would then be required to contribute.

**Financial Requirement and Minimum Municipal Obligation Budget for 2023:**

Actual Contribution Cost .....	<u>\$251,249</u>
Minimum Municipal Obligation .....	\$251,249
<Less Actual State Aid Deposited into Plan> .....	<u>&lt;\$ 0&gt;</u>
<b>REQUIRED MUNICIPAL OBLIGATION</b>	<b><u>\$251,249</u></b>

**NOTE 5 - RECONCILIATION OF MEMBERS' CONTRIBUTIONS**

Members' Contributions Deposited for 2023	\$251,249
<Less Members' Contributions Deducted from Members' Salaries>	<u>&lt;\$251,249&gt;</u>
<b>Irreconcilable</b>	<b><u>\$ 0</u></b>