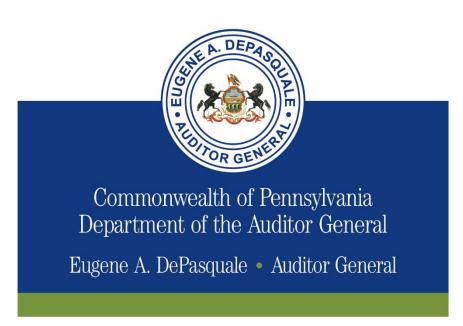
LIMITED PROCEDURES ENGAGEMENT

Earl Township Employees' Defined Contribution Pension Plan

Berks County, Pennsylvania
For the Period
January 1, 2016 to December 31, 2019

May 2020







Commonwealth of Pennsylvania
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EUGENE A. DEPASQUALE AUDITOR GENERAL

Board of Township Supervisors Earl Township Berks County Boyertown, PA 19512

We conducted a Limited Procedures Engagement (LPE) of the Earl Township Employees' Defined Contribution Pension Plan for the period January 1, 2016 to December 31, 2019 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 municipal officials took appropriate corrective action to address the finding contained in our prior LPE Report, by inquiring of plan officials and evaluating supporting documentation provided by officials evidencing that the suggested corrective action has been appropriately taken.
- 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. State aid allocations that were deposited into the pension plan for the years ended December 31, 2014 to December 31, 2019, are presented on the Summary of Deposited State Aid and Employer Contributions.

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, 2014 to December 31, 2019, are presented on the Summary of Deposited State Aid and Employer Contributions.

· Whether retirement benefits calculated for all three of the plan members who terminated employment or retired and elected a lump-sum form of pension benefit during the current engagement period represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws and regulations by comparing the distributed amounts to supporting documentation evidencing amounts determined and actually paid to the recipients.

• Whether the January 1, 2017 and January 1, 2019 actuarial valuation reports were prepared and submitted by March 31, 2018 and 2020, respectively, in accordance with Act 205 and whether selected information provided on these reports are 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 Earl Township Employees' 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 report were discussed with officials of Earl Township and, where appropriate, their responses have been included in this report. We would like to thank township officials for the cooperation extended to us during the conduct of this LPE.

April 28, 2020

EUGENE A. DEPASQUALE

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Auditor General

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EARL TOWNSHIP EMPLOYEES' DEFINED CONTRIBUTION PENSION PLAN STATUS OF PRIOR FINDING

Compliance With Prior Recommendation

Earl Township has complied with the prior recommendation concerning the following:

· Failure To Fund Member's Account

During the current engagement period, the township deposited the contribution due, with interest, into the member's account.

EARL TOWNSHIP EMPLOYEES' DEFINED CONTRIBUTION PENSION PLAN SUMMARY OF DEPOSITED STATE AID AND EMPLOYER CONTRIBUTIONS

Year Ended December 31	State Aid	Employer Contributions
2014	None	\$ 4,286
2015	None	12,897
2016	\$ 12,390	2,582
2017	None	18,471
2018	8,471	7,722
2019	20,482	606

EARL TOWNSHIP EMPLOYEES' DEFINED CONTRIBUTION PENSION PLAN REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Tom W. Wolf

Governor Commonwealth of Pennsylvania

Mr. William G. Moyer Chairman, Board of Township Supervisors

Mr. Michael R. Marburger Vice Chairman, Board of Township Supervisors

> Mr. Robert J. Caso Township Supervisor

Ms. Janet Yerger Assistant Secretary

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.