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Fairview Township Non-Uniformed Employees'
Pension Plan
Actuarial Valuation
as of January 1, 2009

(Revised)

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
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Fairview Township Non-Uniformed Employees' Pension Plan
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Comments and Certification

The purpose of the valuation report is to determine the actuarial status of the Plan and to serve as the basis for satisfying the reporting requirements under Act 205.

The Summary of Principal Plan Benefit Provisions page provides a summary of the basic plan benefit provisions in effect as of January 1, 2009. A service increment benefit has been added to the Plan equal to \$100 per month for each completed year of benefit service in excess of 25 years, up to a maximum of \$300 additional per month. Also, a deferred retirement option program has been added to the Plan such that an active member who has attained age 60 and completed 25 years of vesting service may elect to participate in the deferred retirement option program for a period of not less than 3 months nor more than 24 months. His monthly pension shall be calculated as of his date of participation in the deferred retirement option program and shall be accumulated with 5.0% interest per annum and distributed in a lump sum at retirement.

The Actuarial Assumptions and Methods page is a summary of actuarial assumptions and methods used in determining the actuarial status of the Plan. Effective with this actuarial valuation, the actuarial value of assets has been changed from market value to a 5-year smoothed value, with a maximum of 130% of market value.

Section 1 of the report provides a summary of plan assets and summary of plan membership.

The market value of the fund as of December 31, 2008, is \$3,099,816. This includes Voluntary Employee Contribution Accounts totaling \$9,571.07. The net dollar-weighted rates of investment return during 2007 and 2008 were 5.73% and -25.80%, respectively.

As of January 1, 2009, there are 29 active members with total annual payroll of \$1,326,930. There are also 7 retired members currently receiving benefits under the Plan totaling \$127,489 annually, 1 disabled member currently receiving benefits under the Plan totaling \$21,213 annually, 2 spouse beneficiaries of deceased members currently receiving benefits under the Plan totaling \$28,831 annually and 7 vested former members entitled to deferred benefits under the Plan totaling \$13,636 annually.

Section 2 of the report provides the Act 205 funding calculations.

Page 1 of Section 2 shows the calculation of the actuarial value of assets. As of December 31, 2008, the actuarial value of assets is \$4,017,318. This is equal to 130% of the market value of assets.

As of January 1, 2009, there is an unfunded actuarial accrued liability under the Plan of \$998,654. The normal cost of the Plan, which is the cost of benefits being accrued during the current year, is \$214,789, which is 16.2% of annual payroll.

Page 4 of Section 2 shows the analysis of the change in the unfunded actuarial accrued liability from January 1, 2007, to January 1, 2009. There was an actuarial loss during the period of \$1,297,824. The unfunded actuarial accrued liability also increased by \$143,050 due to the change in the plan benefit provisions and decreased by \$927,073 due to the change in actuarial assumptions.

Fairview Township Non-Uniformed Employees' Pension Plan
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Page 5 of Section 2 illustrates the minimum municipal obligation for the Plan. The financial requirement of the Plan is \$376,232. This includes the normal cost, \$214,789, assumed annual administrative expenses, \$31,038, and amortization of the unfunded actuarial accrued liability, \$130,405. The financial requirement is reduced by expected member contributions to the Plan during 2009, \$26,539. This results in a minimum municipal obligation of \$349,693. If the Township allocates \$92,573 of general municipal pension system State aid received during 2009 to the Plan, there is a net minimum municipal obligation of \$257,120. This calculation of the minimum municipal obligation is for illustrative purposes only since the calculation of the minimum municipal obligation for purposes of determining the Township's required contribution to the Plan is prepared through the budgeting process by September 30 each year for the upcoming calendar year.

Page 6 of Section 2 indicates the actuarial present value of accumulated plan benefits. As of January 1, 2009, the total actuarial present value of accumulated plan benefits is \$3,974,793. This compares to net assets available for benefits of \$3,099,816.

Section 3 of the report provides supplemental information for reporting under Governmental Accounting Standards Board Statements No. 25 and 27.

Section 4 of the report provides information on the plan participants.

Actuarial Certification

To the best of my knowledge this report is complete and accurate, based upon the data furnished to us. The data with respect to receipts and disbursements and assets of the Plan was furnished by BNY Mellon, N.A. The data with respect to participants and beneficiaries was furnished by Fairview Township. The data has been reviewed and has been determined to be reasonable.

The information as contained in this report is a projection of liabilities based upon stated assumptions and is not an exact statement of the Plan's ultimate benefits and liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as at the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, an analysis of the potential range of such future measurements was not performed.

I certify that all costs, liabilities, rates of interest, and other factors under the Plan in Section 2 of the report have been determined on the basis of actuarial assumptions and methods, each of which is reasonable (taking into account the experience of the Plan and reasonable expectations) or which, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption and method were reasonable, and which, in combination, offer my best estimate of anticipated experience under the Plan.

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An approximation technique for the valuation of the disability benefit has been utilized due to the unavailability of any generally accepted disability table based upon municipal pension experience. The approximation technique for the valuation of the disability benefit is a loading factor of 5.0% added to basic pension costs. This same approximation technique has been used in prior actuarial valuations of the Plan. It is my best estimate that the use of the approximation technique will cause little or no distortion in the valuation results.

I am a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and an Enrolled Actuary under ERISA, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

1/26/2010
Date

David H. Killick
David H. Killick, F.S.A.
Consulting Actuary
Enrolled Actuary No. 08-03880

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

Eligibility

A full-time non-uniformed employee of the Township joins the Plan on his date of employment.

Normal Retirement

A Class 2 employee is eligible for normal retirement after attainment of age 65, or after attainment of age 60 and completion of 25 years of vesting service, if earlier. A Class 1 employee is eligible for normal retirement after attainment of age 60 or completion of 25 years of vesting service, if earlier.

The normal retirement pension is payable monthly during the member's lifetime, with payments guaranteed for the first 120 months.

The amount of monthly pension is equal to 2.0% of average monthly compensation multiplied by the number of years of benefit service completed by the member at retirement, up to a maximum of 25 years. For members hired prior to January 1, 2001, the amount of monthly pension is equal to 1.5% of average monthly compensation multiplied by the number of years of benefit service completed by the member at retirement, if greater. Also, a service increment is provided equal to \$100 per month for each completed year of benefit service in excess of 25 years, up to a maximum of \$300 additional per month.

Average monthly compensation is based upon the final plan year preceding retirement.

Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the benefit accrued to the late retirement date.

Early Retirement

A member is eligible for early retirement after attainment of age 55. The monthly early retirement pension is equal to the benefit accrued to the date of early retirement, reduced 1/2 of 1% for each month early.

Disability Retirement

If an active member becomes totally and permanently disabled and qualifies for Social Security disability payments, he is eligible for a disability pension. The monthly disability pension is equal to the benefit accrued to the date of disability.

Deferred Retirement Option Program

An active member who has attained age 60 and completed 25 years of vesting service may elect to participate in the deferred retirement option program for a period of not less than three months nor more than 24 months. His monthly pension shall be calculated as of his date of participation in the

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

deferred retirement option program and shall be accumulated with 5.0% interest per annum and distributed in a lump sum at retirement.

Postretirement Cost-of-Living Increase

An annual cost-of-living increase equal to the percentage increase in the "Wage Earner Index" in the Consumer Price Index during the preceding calendar year, up to a maximum of 3.0%, is made to retirees and beneficiaries, with a maximum total cost-of-living increase of 30%.

Death Benefits

The death benefit for an active member is a refund of his contributions with interest.

Vesting

A member's benefits are always 100% vested. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination. The member may elect a lump sum cash settlement in lieu of a deferred pension.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is determined by the normal retirement benefit formula, but based upon compensation and years of benefit service to the date of determination.

Contributions

Members contribute 2.0% of compensation.

Member contributions are credited with 5.0% annual interest.

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Actuarial Assumptions and Methods

Interest

7.00%

Salary

6.00% Annual Increase

Withdrawal

Table D-1: Rates of withdrawal at selected ages:

| <u>Age</u> | <u>Rate</u> | <u>Age</u> | <u>Rate</u> | <u>Age</u> | <u>Rate</u> |
|------------|-------------|------------|-------------|------------|-------------|
| 20 | 5.5000% | 35 | 2.5000% | 50 | 0.0000% |
| 25 | 5.0000% | 40 | 1.0000% | 55 | 0.0000% |
| 30 | 4.0000% | 45 | 0.5000% | 60 | 0.0000% |

Mortality

UP1984 Table with 5 year postretirement age setback for females

Disability

Loading of 5.00% added to basic pension costs.

Retirement

It is assumed that all members retire upon the attainment of age 65 or enter the Deferred Retirement Option Program (DROP) upon the attainment of age 60 and completion of 25 years of vesting service, if earlier. It is also assumed that, for members who enter the DROP, participation in the DROP continues for 24 months.

Preretirement Death Benefit

Liabilities computed on the assumption that all participants will have spouses of the same age at the date of eligibility for the benefit.

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
Actuarial Assumptions and Methods

Expenses

Provision for administrative expenses added to normal cost.

Inflation

Moderate inflation based on long term historical average rates is a component of the actuarial assumptions used herein. Provision is not made for advance funding of sharply higher rates of inflation experienced in some years. The effects of such higher rates are reflected in the funding after their occurrence.

Cost-of-Living Increase

3.00% per year

Actuarial Value of Assets

Each year the investment gain (excess of actual investment income including realized and unrealized appreciation over expected investment income) or loss is recognized over a five-year period. In no event is the actuarial value of assets allowed to be greater than 130% or less than 70% of market value.

Actuarial Cost Method

Entry Age Normal

Changes in Actuarial Assumptions and Methods

| | | |
|---------------------------|---------------------------------|---------------------------------------|
| Actuarial Value of Assets | <u>Prior</u> Market Value | <u>Current</u> 5-Year Smoothing |
|---------------------------|---------------------------------|---------------------------------------|

Fairview Township Non-Uniformed Employees'
Pension Plan
Actuarial Valuation
as of January 1, 2009

Section 1

Summary of Plan Assets and Summary of Plan Membership

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Receipts and Disbursements - January 1, 2007 to December 31, 2007

| | | |
|---|-----------------|-----------------|
| Market Value at 1/1/2007 | | \$ 3,825,170.08 |
| Receipts | | |
| Employer Contributions Received | \$ 195,015.71 | |
| Employee Contributions | | |
| Received | \$ 25,141.56 | |
| Receivable at 1/1/2007 | (1,078.89) | |
| Receivable at 12/31/2007 | 1,205.24 | |
| Total Employee Contributions | 25,267.91 | |
| State Contributions Received | | 78,547.29 |
| Investment Income | | |
| Interest Received | \$ 464.21 | |
| Dividends Received | 208.92 | |
| Accrued Income at 1/1/2007 | 0.00 | |
| Accrued Income at 12/31/2007 | 0.00 | |
| Total Investment Income | 673.13 | |
| Change in Market Value | | |
| Realized Gain/Loss | \$ 83,162.75 | |
| Unrealized Gain/Loss | 138,378.04 | |
| Net Change in Market Value | 221,540.79 | |
| Total Receipts | | 521,044.83 |
| Disbursements | | |
| Monthly Benefit Payments | \$ (127,198.92) | |
| Lump Sum Benefit Payment | (29,494.00) | |
| Administrative Expenses | (31,191.50) | |
| Total Disbursements | | (187,884.42) |
| Market Value at 12/31/2007 | | \$ 4,158,330.49 |
| Approximate Net Dollar-Weighted Rate of Investment Return | | 5.73% |

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Receipts and Disbursements - January 1, 2008 to December 31, 2008

| | | |
|---|-----------------|-----------------|
| Market Value at 1/1/2008 | | \$ 4,158,330.49 |
| Receipts | | |
| Employer Contributions Received | \$ 176,875.88 | |
| Employee Contributions | | |
| Received | \$ 27,237.87 | |
| Receivable at 1/1/2008 | (1,205.24) | |
| Receivable at 12/31/2008 | 0.00 | |
| Total Employee Contributions | 26,032.63 | |
| State Contributions Received | | 92,573.12 |
| Investment Income | | |
| Interest Received | \$ 424.41 | |
| Dividends Received | 17.94 | |
| Accrued Income at 1/1/2008 | 0.00 | |
| Accrued Income at 12/31/2008 | 0.00 | |
| Total Investment Income | 442.35 | |
| Change in Market Value | | |
| Realized Gain/Loss | \$ (2,609.07) | |
| Unrealized Gain/Loss | (1,072,679.12) | |
| Net Change in Market Value | (1,075,288.19) | |
| Total Receipts | | (779,364.21) |
| Disbursements | | |
| Monthly Benefit Payments | \$ (162,659.03) | |
| Refund of Employee Contributions | (16,610.56) | |
| Lump Sum DROP Account Payments | (68,997.17) | |
| Administrative Expenses | (30,883.93) | |
| Total Disbursements | | (279,150.69) |
| Market Value at 12/31/2008 | | \$ 3,099,815.59 |
| Approximate Net Dollar-Weighted Rate of Investment Return | | (25.80%) |

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Assets, Liabilities and Reserves

Assets

| | | |
|--|----|-----------------|
| Cash | \$ | 16.91 |
| Money Markets | | 27,976.06 |
| Mutual Funds | | |
| EB Intermediate Bond Fund | \$ | 626,459.56 |
| EB Active Core Bond Fund | | 584,339.35 |
| EB Daily Valued Index Plus Fund | | 230,240.14 |
| EB NCML EAFE Plus Fund | | 321,179.51 |
| EB Small Cap Stock Fund | | 92,704.37 |
| EB FPA Core Large Cap Stock Fund | | 610,882.58 |
| EB DV ENH Mid-Cap Core Fund | | 155,971.45 |
| TBC Large Cap Core Fund | | 228,425.14 |
| TBC Small Mid-Cap Growth Fund | | 108,877.98 |
| TBC Small Mid-Cap Value Fund | | 110,760.33 |
| Total | | 3,069,840.41 |
| Total Assets in Fund | | \$ 3,097,833.38 |
| Employee Contributions Receivable | | 0.00 |
| Receivable from Police Pension Plan | | 99.50 |
| Benefits Receivable | | 2,705.43 |
| Accrued Income | | 0.00 |
| Total Assets | | \$ 3,100,638.31 |
| Liabilities | | |
| Benefits Payable | \$ | (822.72) |
| Total Liabilities | | (822.72) |
| Net Assets | | \$ 3,099,815.59 |
| Reserves | | |
| Market Value of Assets | \$ | 3,099,815.59 |
| Voluntary Employee Contribution Accounts | | (9,571.07) |
| Reserves for Benefits | | \$ 3,090,244.52 |

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Plan Membership

| Active Members | <u>Number of Members</u> | <u>Annual Payroll</u> |
|---|------------------------------|---------------------------|
| Active Members as of 1/1/2007 | 28 | |
| New Members During the Period | 5 | |
| Returned to Active | 0 | |
| Members No Longer Active: | | |
| Retired with Disability Benefit | 0 | |
| Retired with Service Retirement Benefit | (1) | |
| Elected DROP Benefit | (1) | |
| Separated with Deferred Benefit | (2) | |
| Separated with Refund of Contributions | 0 | |
| Separated with Neither Deferred Benefit nor Refund of Contributions | 0 | |
| Deceased | 0 | |
| Total | <u>(4)</u> | |
| Active Members as of 1/1/2009 | <u>29</u> | <u>\$ 1,326,930</u> |
| Vested Former Members | <u>Number of Members</u> | <u>Annual Benefit</u> |
| Vested Former Members as of 1/1/2007 | 6 | |
| Separated with Deferred Benefit | 2 | |
| Beneficiary of Deceased Participant | 0 | |
| Returned to Active | 0 | |
| Retired with Service Retirement Benefit | 0 | |
| Deceased or Paid in Full | <u>(1)</u> | |
| Vested Former Members as of 1/1/2009 | <u>7</u> | <u>\$ 13,636</u> |
| DROP Members | | |
| DROP Members as of 1/1/2007 | 0 | |
| Elected DROP Benefit | 1 | |
| Retired from DROP Benefit | (1) | |
| Deceased | <u>0</u> | |
| DROP Members as of 1/1/2009 | <u>0</u> | <u>\$ 0</u> |
| Retired Members | | |
| Retired Members as of 1/1/2007 | 6 | |
| Retired with Service Retirement Benefit | 1 | |
| Retired from DROP Benefit | 1 | |
| Deceased or Paid in Full | <u>(1)</u> | |
| Retired Members as of 1/1/2009 | <u>7</u> | <u>\$ 127,489</u> |

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Summary of Plan Membership

| Disabled Members | Number of Members | Annual Benefit |
|---|------------------------------|---------------------------|
| Disabled Members as of 1/1/2007 | 1 | |
| Retired with Disability Benefit | 0 | |
| Retired from DROP Benefit | 0 | |
| Deceased | 0 | |
| | <u>1</u> | |
| Disabled Members as of 1/1/2009 | <u>1</u> | <u>\$ 21,213</u> |
| Spouse Beneficiaries of Deceased Members | | |
| Spouse Beneficiaries of Deceased Members as of 1/1/2007 | 2 | |
| Additional Spouse Beneficiaries of Deceased Members | 0 | |
| Deceased | 0 | |
| | <u>2</u> | |
| Spouse Beneficiaries of Deceased Members as of 1/1/2009 | <u>2</u> | <u>\$ 28,831</u> |

Fairview Township Non-Uniformed Employees'
Pension Plan
Actuarial Valuation
as of January 1, 2009

Section 2

Act 205 Funding Calculations

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Actuarial Value of Assets

| | 2005 | 2006 | 2007 | 2008 |
|--|-----------------|-----------------|-----------------|--|
| Market Value at 1/1 | \$ 3,074,482.55 | \$ 3,337,769.95 | \$ 3,816,488.84 | \$ 4,149,215.19 |
| Contributions | 283,007.44 | 293,789.91 | 298,830.91 | 295,481.63 |
| Benefit Payments and Expenses | (168,460.56) | (153,134.91) | (187,884.42) | (279,150.69) |
| Expected Investment Income ¹ | 219,222.92 | 238,566.82 | 271,037.35 | 291,016.65 |
| Expected Value at 12/31 | \$ 3,408,252.35 | \$ 3,716,991.77 | \$ 4,198,472.68 | \$ 4,456,562.78 |
| Market Value at 12/31 | 3,337,769.95 | 3,816,488.84 | 4,149,215.19 | 3,090,244.52 |
| Gain/(Loss): (Market Value less Expected Value) | \$ (70,482.40) | \$ 99,497.07 | \$ (49,257.49) | \$ (1,366,318.26) |
| Percentage of Gain/(Loss) to be recognized in the future | 20% | 40% | 60% | 80% |
| Gain/(Loss) to be recognized in the future | \$ (14,096.48) | \$ 39,798.83 | \$ (29,554.49) | \$ (1,093,054.61) |
| Market Value at 12/31/2008 | | | | \$ 3,090,244.52 |
| Total (Gain)/Loss for 2005-2008 to be recognized in the future | | | | <u>1,096,906.75</u> |
| Actuarial Value of Assets at 12/31/2008 | | | | <u><u>\$ 4,017,317.88</u></u> ² |

¹ 7.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 130% nor be less than 70% of the Market Value.

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Unfunded Actuarial Accrued Liability and Normal Cost

Unfunded Actuarial Accrued Liability

Actuarial Present Value of Future Benefits

| | | |
|---|----|---------------------|
| Active Members Retirement Pension Benefits | \$ | 5,398,876 |
| Active Members Vested Withdrawal Benefits | | 39,204 |
| Active Members Disability Benefits | | 269,945 |
| Active Members Refund of Member Contributions | | 37,754 ¹ |
| Vested Former Members Benefits | | 49,036 |
| Retired Members Benefits | | 1,343,564 |
| Disabled Members Benefits | | 298,648 |
| Surviving Spouses Benefits | | <u>227,070</u> |

| | | |
|-------|----|-----------|
| Total | \$ | 7,664,097 |
|-------|----|-----------|

| | | |
|--|--|--------------------|
| Actuarial Present Value of Future Normal Costs | | <u>(2,648,125)</u> |
|--|--|--------------------|

| | | |
|-----------------------------|----|-----------|
| Actuarial Accrued Liability | \$ | 5,015,972 |
|-----------------------------|----|-----------|

| | | |
|---------------------------|--|--------------------|
| Actuarial Value of Assets | | <u>(4,017,318)</u> |
|---------------------------|--|--------------------|

| | | |
|--------------------------------------|----|-----------------------|
| Unfunded Actuarial Accrued Liability | \$ | <u><u>998,654</u></u> |
|--------------------------------------|----|-----------------------|

Normal Cost

| | | |
|-------------|----|-----------------------|
| Normal Cost | \$ | <u><u>214,789</u></u> |
|-------------|----|-----------------------|

| | | |
|---|--|---------------------|
| Normal Cost as a Percentage of Annual Payroll | | <u><u>16.2%</u></u> |
|---|--|---------------------|

¹ Accumulated Member Contributions Without Interest as of 1/1/2009 = \$198,849
 Accumulated Member Contributions With Interest as of 1/1/2009 = \$284,514

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Amortization of Unfunded Actuarial Accrued Liability

| Initial Date | Initial Amount | Outstanding Balance | Amortization Amount | Remaining Amortization | Nature |
|-----------------|---------------------|---------------------|---------------------|------------------------|-------------------|
| January 1, 2001 | \$ 220,276 | \$ 146,993 | \$ 21,086 | 9 Years | Active Amendment |
| January 1, 2003 | 427,757 | 305,990 | 43,893 | 9 Years | Active Amendment |
| January 1, 2003 | 66,086 | 31,867 | 8,794 | 4 Years | Retired Amendment |
| January 1, 2003 | 359,939 | 257,478 | 36,934 | 9 Years | Actuarial Loss |
| January 1, 2005 | (65,822) | (54,193) | (6,754) | 11 Years | Actuarial Gain |
| January 1, 2007 | (221,529) | (203,282) | (22,731) | 13 Years | Actuarial Gain |
| January 1, 2009 | 143,050 | 143,050 | 13,693 | 17 Years | Active Amendment |
| January 1, 2009 | (927,073) | (927,073) | (88,744) | 17 Years | Assumption Chg. |
| January 1, 2009 | 1,297,824 | 1,297,824 | 124,234 | 17 Years | Actuarial Loss |
| Total | \$ 1,300,508 | \$ 998,654 | \$ 130,405 | | |

Projected plan year in which the unfunded accrued liability is fully amortized is 2019.

Aggregation of Changes in Unfunded Actuarial Accrued Liability

| Date of Aggregation | Aggregated Target Date | Outstanding Balance | Amortization Amount | Remaining Amortization |
|---------------------|------------------------|---------------------|---------------------|------------------------|
| January 1, 2009 | 2019 | \$ 998,654 | \$ 130,405 | 11 Years |

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Analysis of the Change in the Unfunded Actuarial Accrued Liability

| | | |
|--|-----------------|-----------------------|
| Unfunded Actuarial Accrued Liability at 1/1/2007 | \$ | 580,621 |
| Additions | | |
| Normal Costs | \$ 396,177 | |
| Administrative Expenses | 62,076 | |
| Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses | <u>130,702</u> | |
| Total | | 588,955 |
| Contributions | | |
| Employer Contributions | \$ (371,892) | |
| Employee Contributions | (51,301) | |
| State Contributions | (171,120) | |
| Interest on Contributions | <u>(60,399)</u> | |
| Total | | (654,712) |
| Adjustment for Funding Deviation | | (30,011) |
| Modification in the Benefit Plan | | 143,050 |
| Change in Actuarial Assumptions | | (927,073) |
| Actuarial Loss | | |
| Investment Loss | \$ 1,436,972 | |
| Experience Gain | (169,159) | |
| Funding Deviation | <u>30,011</u> | |
| Total | | <u>1,297,824</u> |
| Unfunded Actuarial Accrued Liability at 1/1/2009 | \$ | <u><u>998,654</u></u> |

Fairview Township Non-Uniformed Employees' Pension Plan
 Actuarial Valuation as of January 1, 2009
Illustration of Minimum Municipal Obligation

Financial Requirements

| | | |
|--|----|-----------------------|
| Normal Cost | \$ | 214,789 |
| Administrative Expenses | | 31,038 ¹ |
| Amortization of Unfunded Actuarial Accrued Liability | | <u>130,405</u> |
| Total | \$ | 376,232 |
| Expected Member Contributions | | <u>(26,539)</u> |
| Minimum Municipal Obligation | \$ | 349,693 |
| Estimated Allocation of General Municipal Pension System State Aid | | <u>(92,573)</u> |
| Net Minimum Municipal Obligation | \$ | <u><u>257,120</u></u> |

¹ Total Administrative Expenses for Plan Year 1/1/2007 to 12/31/2007 - \$ 31,192
 Total Administrative Expenses for Plan Year 1/1/2008 to 12/31/2008 - \$ 30,884

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
Actuarial Present Value of Accumulated Plan Benefits

| | | |
|--|------------------|---------------------|
| Vested Benefits | | |
| Retired Members | \$ 1,869,282 | |
| Other Members | <u>2,105,511</u> | |
| Total Vested Benefits | | \$ 3,974,793 |
| Nonvested Benefits | | <u>0</u> |
| Total Actuarial Present Value of Accumulated Plan Benefits | | <u>\$ 3,974,793</u> |
| Net Assets Available for Benefits as of 1/1/2009 | | <u>\$ 3,099,816</u> |

Fairview Township Non-Uniformed Employees'
Pension Plan
Actuarial Valuation
as of January 1, 2009

Section 3

Supplemental Information for GASB Reporting

Fairview Township Non-Uniformed Employees' Pension Plan
Actuarial Valuation as of January 1, 2009
Supplemental Information for GASB Statement Nos. 25 & 27 Reporting

Schedule of Funding Progress

| Valuation Date | Actuarial Value of Assets (a) | Entry Age Actuarial Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((b-a)/c) |
|----------------|-------------------------------|---|---------------------------|--------------------|---------------------|--|
| 1/1/1999 | \$ 1,854,980 | \$ 1,745,404 | \$ (109,576) | 106.3% | \$ 772,909 | (14.2%) |
| 1/1/2000 | 2,087,599 | 1,890,218 | (197,381) | 110.4% | 818,915 | (24.1%) |
| 1/1/2001 | 2,107,756 | 2,328,032 | 220,276 | 90.5% | 923,403 | 23.9% |
| 1/1/2002 | 2,097,122 | 2,561,823 | 464,701 | 81.9% | 940,489 | 49.4% |
| 1/1/2003 | 2,163,506 | 3,222,779 | 1,059,273 | 67.1% | 984,785 | 107.6% |
| 1/1/2004 | 2,664,939 | 3,738,386 | 1,073,447 | 71.3% | 1,152,851 | 93.1% |
| 1/1/2005 | 3,074,483 | 3,976,217 | 901,734 | 77.3% | 1,159,617 | 77.8% |
| 1/1/2006 | 3,337,770 | 4,104,830 | 767,060 | 81.3% | 1,122,344 | 68.3% |
| 1/1/2007 | 3,816,489 | 4,397,110 | 580,621 | 86.8% | 1,221,124 | 47.5% |
| 1/1/2008 | 4,149,215 | 4,852,207 | 702,992 | 85.5% | 1,229,917 | 57.2% |
| 1/1/2009 | 4,017,318 | 5,015,972 | 998,654 | 80.1% | 1,326,930 | 75.3% |

Schedule of Contributions from the Employer and Other Contributing Entities

| Year | Annual Required Contribution | Contributions From Employer | Percentage Contributed |
|------|------------------------------|-----------------------------|------------------------|
| 1999 | \$ 81,720 | \$ 81,720 | 100.0% |
| 2000 | 75,038 | 75,038 | 100.0% |
| 2001 | 87,723 | 87,723 | 100.0% |
| 2002 | 91,406 | 136,114 | 100.0%+ |
| 2003 | 147,094 | 147,094 | 100.0% |
| 2004 | 156,018 | 160,125 | 100.0%+ |
| 2005 | 258,128 | 258,128 | 100.0% |
| 2006 | 269,313 | 269,313 | 100.0% |
| 2007 | 273,563 | 273,563 | 100.0% |
| 2008 | 269,449 | 269,449 | 100.0% |

The above information was determined as part of the actuarial valuations at the dates listed. Additional information as of the current actuarial valuation:

Amortization Method: Level Dollar Closed
Remaining Amortization Period: 11 Years

Other Actuarial Assumptions and Methods stated previously in report.

¹ Includes general municipal pension system State aid