

BRISTOL TOWNSHIP  
NON-UNIFORMED PENSION PLAN  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010

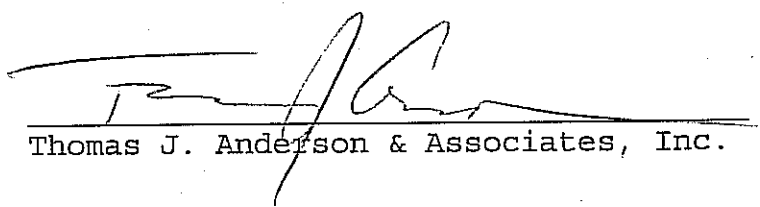
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Township of Bristol  
Council Members  
Bristol Township Non-Uniformed Pension Plan

The accompanying financial statement was prepared for the Bristol Township Non-Uniformed Pension Plan. The statement of plan net assets was prepared as of December 31, 2010. The statement of changes in plan net assets was prepared for the period January 1, 2010 to December 31, 2010.



Thomas J. Anderson & Associates, Inc.

February 2, 2011

BRISTOL TOWNSHIP NON-UNIFORMED PENSION PLAN

Statement of Plan Net Assets  
as of December 31, 2010

<u>ASSETS</u>	<u>2010</u>
Cash and short-term investments	80,089
Receivables:	
Accrued Income	2,804
Municipal Contribution	<u>36,598</u>
Total Receivables	39,402
Investments, at fair value:	
Mutual Funds	<u>3,083,956</u>
TOTAL ASSETS	3,203,447

LIABILITIES

Accrued Investment Expenses	1,219
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Net assets held in trust for pension benefits	3,202,227
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See the accompanying notes to the financial statements.

**BRISTOL TOWNSHIP NON-UNIFORMED PENSION PLAN**

Statement of Changes in Plan Net Assets  
for the year ended December 31, 2010

<u>ADDITIONS</u>	<u>2010</u>
Contributions:	
Employer	143,658
Employee	<u>150,809</u>
Total Contributions	294,467
Investment Income:	
Net appreciation (depreciation) in fair value of investments	246,632
Dividend Income	<u>102,700</u>
Total Investment Income	349,332
Less Investment Expenses	<u>7,074</u>
Net Investment Income	342,258
Other Income:	
Miscellaneous Receipts	39
<b>TOTAL ADDITIONS</b>	<b>636,765</b>
 <u>DEDUCTIONS</u>	
Refund of Members' Contributions	38,383
Return of Prior Year Excess Municipal	<u>26,286</u>
<b>TOTAL DEDUCTIONS</b>	<b>64,669</b>
 Net Increase	 572,096
Net Assets Held in Trust for Pension Benefits:	
Beginning of Year 2010	2,630,132
End of Year 2010	3,202,227

See the accompanying notes to the financial statements.

BRISTOL TOWNSHIP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements  
December 31, 2010

NOTE 1 DESCRIPTION OF PLAN

General

The Bristol Township Non-Uniformed Pension Plan is a single-employer defined contribution pension plan covering the Bristol Township full-time employees. The Plan is controlled by the provisions of Ordinance 90-38 as amended.

Benefits

The Plan provides that a member's nonforfeitable interest to his account plus earnings thereon computed as of the occurrence of some event in accordance with the following schedule based on years of service with the Employer:

Upon Completion of:

One (1) Year of Service	10%
Two (2) Years of Service	20%
Three (3) Years of Service	30%
Four (4) Years of Service	40%
Five (5) Years of Service	100%

Plan Membership

Membership of the plan consisted of the following at January 1, 2009, the date of the latest actuarial valuation:

Active employees .....	67
Retirees and beneficiaries currently receiving benefits .....	0
Terminated employees entitled to benefits but not yet receiving them .....	<u>6</u>
TOTAL	<u>73</u>

BRISTOL TOWNSHIP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements (Con't)  
December 31, 2010

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended by Act 189. 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. Short-term investments are reported at cost, which approximates 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 and may be funded with plan assets.

Adoption of Accounting Standards

The Governmental Accounting Standards Board issued Statement Number 40 (GASB 40) Deposit and Investment Risk Disclosures. GASB 40, which amends GASB 3 is intended to update the custodial credit risk disclosure requirements of GASB 3 and to establish more comprehensive disclosure requirements for other common risks associated with the deposits and investments of local government units. Generally, GASB 40 establishes and modifies the disclosure requirements related to specific deposit and investment risks, including custodial credit risk, interest rate risk and foreign currency risk. The requirements of GASB 40 are effective for financial statements prepared as of December 31, 2010.

BRISTOL TOWNSHP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements (Con't)  
December 31, 2010

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

Deposits & Investments

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the pension plan will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Plan does not have a formal deposit policy that addresses custodial credit risk, however, the Plan held no deposits that were exposed to custodial credit risk as of December 31, 2010.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. The Plan does not have a formal deposit policy that addresses foreign currency risk, however, the Plan held no deposits that were exposed to foreign currency risk as of December 31, 2010.

Investments

Interest Rate Risk

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, 2010 the Plan's investment balance exposed to interest rate risk was as follows:

BRISTOL TOWNSHP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements (Con't)  
December 31, 2010

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

Deposits & Investments (Con't)

Investments (Con't)

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Bond Mutual Funds	\$977,969	\$ -	\$201,797	\$776,172	\$ -
<b>TOTAL</b>	<u>\$977,969</u>	<u>\$ -</u>	<u>\$201,797</u>	<u>\$776,172</u>	<u>\$ -</u>

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 NRSRO (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality</u>
Bond Mutual Funds	\$ 297,617	AA
Bond Mutual Funds	606,651	A
Bond Mutual Funds	73,701	B
Money Market Funds	<u>80,089</u>	Not Rated
<b>TOTAL</b>	<u>\$1,058,058</u>	

U.S. government obligations are not considered to have credit risk and do not require disclosure of credit quality.



BRISTOL TOWNSHP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements (Con't)  
December 31, 2010

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

Deposits & Investments (Con't)

Investments (Con't)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the pension 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, 2010.

Investments in external investment pools or in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed to custodial credit risk because they are held by the buyer-lender. The term securities as used in this paragraph includes securities underlying repurchase agreements and investment securities.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a pension 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 not have a formal investment policy that addresses concentration of credit risk, however, as of December 31, 2010, no investment in any one organization represented five percent (5%) or more of net assets available for benefits.

BRISTOL TOWNSHP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements (Con't)  
December 31, 2010

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

Deposits & Investments (Con't)

Investments (Con't)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a investment. 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, 2010.

NOTE 3 CONTRIBUTION REQUIREMENTS

Funding Policy

As a condition of participation, full-time members shall be permitted to contribute up to 10.0% of their compensation to the Plan. Each year the Township will contribute into the Plan for each eligible member an amount equal to 1.0% above the employee's contribution up to a maximum of 5.0%. In addition to the Township contribution made to member's account, their account will be credited annually with the pro rata share of the investment earnings or losses of the Plan. Furthermore, the Township can allocate State Aid received from the Commonwealth of Pennsylvania to this Plan. To the extent that these fundings are not adequate, the Township would then be required to contribute.

Financial Requirement and Minimum Municipal Obligation  
Budget for 2010

Municipal Contribution Cost	\$138,921
Investment Expenses	\$ 7,074
Members Contributions due for Workers Compensation Recipients	\$ 0

BRISTOL TOWNSHP NON-UNIFORMED PENSION PLAN

Notes to the Financial Statements (Con't)  
December 31, 2010

NOTE 3 CONTRIBUTION REQUIREMENTS

Financial Requirement and Minimum Municipal Obligation  
Budget for 2010 (Con't)

Total Municipal Obligation	\$145,995
<Less Forfeiture Reallocation>	<\$ 5,758>
<Less State Aid>	< <u>\$ 0</u> >
<b>REQUIRED MUNICIPAL OBLIGATION</b>	<b><u>\$140,237</u></b>

NOTE 4 RECONCILIATION OF MEMBERS' CONTRIBUTIONS

Members' Contributions Deposited for 2010	\$150,609
<Less Members' Contributions Deducted from Members' Salaries>	< <u>\$150,609</u> >
<b>Irreconcilable</b>	<b><u>\$ 0</u></b>