

**REPORT ON
SPRINGFIELD TOWNSHIP
BUCKS COUNTY, PA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

SPRINGFIELD TOWNSHIP
Financial Statements - Modified Cash Basis
For the Year Ended December 31, 2015

TABLE OF CONTENTS

	<u>Page (s)</u>
Financial Section	
Independent Auditors' Report	1 - 3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - All Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds	7
Statement of Net Position - Proprietary Funds	8
Statement of Revenues Received, Expenditures Paid and Changes in Net Position - Proprietary Funds	9
Statement of Cash Flows - Proprietary Funds	10
Statement of Net Position - Fiduciary Funds	11
Statement of Changes in Net Position - Fiduciary Funds	12
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance - Budget and Actual - General Fund	13
Notes to Financial Statements	14 – 30
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	31 - 32

SPRINGFIELD TOWNSHIP

Financial Statements - Modified Cash Basis

For the Year Ended December 31, 2015

TABLE OF CONTENTS (CONTINUED)

	<u>Page (s)</u>
Required Supplemental Information	
Schedule of Funding Progress - Pension Funds	33
Schedule of Changes in Net Pension Liability, Related Ratios, and Investment Returns – Police Pension Fund	34
Schedule of Changes in Net Pension Liability, Related Ratios, and Investment Returns – Non-Uniformed Pension Fund	35
Other Supplemental Information	
Combining Balance Sheet - All Non-Major Governmental Funds	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - All Non-Major Governmental Funds	37
Combining Statement of Net Position – All Agency Funds.....	38
Combining Statement of Additions and Deductions – All Agency Funds.....	39
Combining Statement of Net Position – All Pension and Other Employee Benefit Trust Funds	40
Combining Statement of Changes in Net Position – All Pension and Other Employee Benefit Trust Funds.....	41
Individual Fund Statements and Schedules	
Springfield Township	
General Fund	42 - 45
Liquid Fuels Fund	46
Street Light Fund	46
Special Fees Fund	47
Open Space Fund.....	48
Knechts Bridge Fund	48
Developers Escrow Fund.....	49
ACT 537 Maintenance Escrow Fund.....	49
Pension Trust Funds (Police Pension Fund).....	50
Pension Trust Funds (Non-Uniformed Pension Fund).....	51

FINANCIAL SECTION



May 27, 2016

Board of Supervisors
Springfield Township
2320 Township Road
Quakertown, PA 18951

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Springfield Township, Bucks County, PA, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2(B), this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SPRINGFIELD TOWNSHIP

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Springfield Township, Bucks County, PA as of December 31, 2015, and the respective changes in financial position-modified cash basis, and, where applicable, cash flows and budgetary comparison of the General Fund for the year then ended in accordance with the basis of accounting as described in Note 2(B).

Basis of Accounting

We draw attention to Note 2(B) of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Springfield Township has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the basic financial statements.

Springfield Township has presented the Schedule of Funding Progress for the Pension Funds that accounting principles generally accepted in the United States of America has determined is required to be part of the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Springfield Township's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the basis of accounting described in the notes to the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

SPRINGFIELD TOWNSHIP

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards we have also issued our report dated May 27, 2016, on our consideration of Springfield Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Springfield Township, Bucks County, PA's internal control over financial reporting and compliance.

Respectfully submitted,

Hutchinson, Gillahan & Freeh, P.C.

May 27, 2016

BASIC FINANCIAL STATEMENTS

SPRINGFIELD TOWNSHIP
Statement of Net Position – Modified Cash Basis
As of December 31, 2015

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 683,119	\$ -	\$ 683,119
Investments	982,900	-	982,900
Internal Balances	-	-	-
Other Receivables	1,121	-	1,121
TOTAL CURRENT ASSETS	1,667,140	-	1,667,140
NON-CURRENT ASSETS:			
Restricted Cash and Cash Equivalents	-	-	-
TOTAL NON-CURRENT ASSETS	-	-	-
TOTAL ASSETS	\$ 1,667,140	\$ -	\$ 1,667,140
DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -
<u>LIABILITIES</u>			
CURRENT LIABILITIES:			
Internal Balances	\$ -	\$ -	\$ -
Other Payables	225	-	225
Other Current Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	225	-	225
TOTAL LIABILITIES	\$ 225	\$ -	\$ 225
DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -
<u>NET POSITION</u>			
Restricted for Capital Projects	1,115,794	-	1,115,794
Unrestricted	551,121	-	551,121
TOTAL NET POSITION	\$ 1,666,915	\$ -	\$ 1,666,915

(1) Internal balances represent the amount owed to or from the two types of activities within the Primary Government. Since internal balances do not represent assets or liabilities of the total Primary Government, their balances are eliminated in the "total" column (GASB Statement No. 34, para. 58).

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Activities – Modified Cash Basis
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 395,639	\$ 96,629	\$ 47,050	\$ -	\$ (251,960)	\$ -	\$ (251,960)
Public Safety	1,027,124	4,052	85,157	-	(937,915)	-	(937,915)
Public Works	821,953	-	4,000	237,866	(580,087)	-	(580,087)
Culture and Recreation	216,344	-	-	-	(216,344)	-	(216,344)
Community Development	61,497	5,190	-	-	(56,307)	-	(56,307)
Insurance	32,612	-	-	-	(32,612)	-	(32,612)
Debt Service	453,836	-	-	-	(453,836)	-	(453,836)
TOTAL GOVERNMENTAL ACTIVITIES	3,009,005	105,871	136,207	237,866	(2,529,061)	-	(2,529,061)
BUSINESS-TYPE ACTIVITIES:							
Zion Hill Sewer Project Fund	-	-	-	-	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 3,009,005	\$ 105,871	\$ 136,207	\$ 237,866	\$ (2,529,061)	\$ -	\$ (2,529,061)
GENERAL REVENUES:							
Property Taxes. Levied for General Purposes, Net					\$ 721,107	\$ -	\$ 721,107
Taxes Levied for Specific Purposes					1,338,382	-	1,338,382
Franchise Taxes					56,276	-	56,276
Public Service Taxes					1,998	-	1,998
Investment Earnings					8,830	1	8,831
Transfers					218	(218)	-
Miscellaneous Income					57,556	-	57,556
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					2,184,367	(217)	2,184,150
CHANGE IN NET POSITION					(344,694)	(217)	(344,911)
NET POSITION - BEGINNING					2,011,609	217	2,011,826
NET POSITION - ENDING					\$ 1,666,915	\$ -	\$ 1,666,915

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Balance Sheet – Modified Cash Basis
All Governmental Funds
As of December 31, 2015

	<u>GENERAL</u>	<u>LIQUID FUELS</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 379,221	\$ 46,203	\$ 252,794	\$ 4,901	\$ 683,119
Investments	119,900	-	863,000	-	982,900
Due from Other Funds	1,121	-	-	-	1,121
Other Receivables	-	-	-	-	-
TOTAL ASSETS	<u>\$ 500,242</u>	<u>\$ 46,203</u>	<u>\$ 1,115,794</u>	<u>\$ 4,901</u>	<u>\$ 1,667,140</u>
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES:					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Payables	225	-	-	-	225
TOTAL LIABILITIES	225	-	-	-	225
FUND BALANCES:					
- Nonspendable	-	-	-	-	-
- Restricted	-	46,203	-	4,795	50,998
- Committed	-	-	-	-	-
- Assigned	-	-	1,115,794	106	1,115,900
- Unassigned	500,017	-	-	-	500,017
TOTAL FUND BALANCES	<u>500,017</u>	<u>46,203</u>	<u>1,115,794</u>	<u>4,901</u>	<u>1,666,915</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 500,242</u>	<u>\$ 46,203</u>	<u>\$ 1,115,794</u>	<u>\$ 4,901</u>	<u>\$ 1,667,140</u>

Reconciliation to Statement of Net Assets:

Amounts recorded for governmental activities in the statement of net assets are the same as the amounts recorded in all governmental funds, since both financial statements are prepared on the modified cash basis of accounting.

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis
All Governmental Funds
For the Year Ended December 31, 2015

	<u>GENERAL</u>	<u>LIQUID FUELS</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>					
Taxes	\$ 1,671,608	\$ -	\$ 381,827	\$ 6,054	\$ 2,059,489
Licenses and Permits	56,726	-	-	-	56,726
Fines and Forfeits	13,624	-	-	-	13,624
Intergovernmental	124,050	232,491	-	-	356,541
Charges for Services	72,590	-	-	4,000	76,590
Investment Earnings	2,203	50	6,550	27	8,830
Rent and Royalties	-	-	-	-	-
Miscellaneous	35,638	-	-	-	35,638
Loan Proceeds	-	-	-	-	-
TOTAL REVENUES	<u>1,976,439</u>	<u>232,541</u>	<u>388,377</u>	<u>10,081</u>	<u>2,607,438</u>
<u>EXPENDITURES</u>					
CURRENT:					
General Government	261,322	-	91,419	-	352,741
Public Safety	1,027,124	-	-	-	1,027,124
Public Works	512,330	282,524	-	7,079	801,933
Culture and Recreation	-	-	216,344	-	216,344
Community Development	12,121	-	49,376	-	61,497
Insurance	32,612	-	-	-	32,612
DEBT SERVICE:					
Principal	16,528	118,646	210,000	-	345,174
Interest	1,687	5,838	101,137	-	108,662
TOTAL EXPENDITURES	<u>1,863,724</u>	<u>407,008</u>	<u>668,276</u>	<u>7,079</u>	<u>2,946,087</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>112,715</u>	<u>(174,467)</u>	<u>(279,899)</u>	<u>3,002</u>	<u>(338,649)</u>
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	7,279	3,559	-	-	10,838
Interfund Transfers Out	(3,559)	-	-	(7,061)	(10,620)
Refund of Prior Year Expenditures	55,405	-	1,250	-	56,655
Refund of Prior Year Receipts	(42,898)	-	-	(20,020)	(62,918)
TOTAL OTHER FINANCING SOURCES	<u>16,227</u>	<u>3,559</u>	<u>1,250</u>	<u>(27,081)</u>	<u>(6,045)</u>
NET CHANGE IN FUND BALANCES	128,942	(170,908)	(278,649)	(24,079)	(344,694)
FUND BALANCES - BEGINNING	371,075	217,111	1,394,443	28,980	2,011,609
FUND BALANCES - ENDING	<u>\$ 500,017</u>	<u>\$ 46,203</u>	<u>\$ 1,115,794</u>	<u>\$ 4,901</u>	<u>\$ 1,666,915</u>

Reconciliation to Statement of Activities:

Amounts recorded for governmental activities in the statement of activities are the same as the amounts recorded in the statement of revenues, expenditures, and changes in fund balances of all governmental funds, since both statements are prepared on the modified cash basis of accounting.

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Net Position – Modified Cash Basis
Proprietary Funds
As of December 31, 2015

	ZION HILL SEWER PROJECT FUND
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ -
Construction Payments Receivable	-
EDU's Receivable	-
Due from Other Funds	-
TOTAL CURRENT ASSETS	-

TOTAL ASSETS	\$ -
 DEFERRED OUTFLOWS OF RESOURCES	\$ -
 <u>LIABILITIES</u>	
CURRENT LIABILITIES:	
Other Payables	\$ -
Due to Other Funds	-
TOTAL CURRENT LIABILITIES	-

TOTAL LIABILITIES	\$ -
 DEFERRED INFLOW OF RESOURCES	\$ -
 <u>NET POSITION</u>	
Unrestricted	-
TOTAL NET POSITION	\$ -

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Revenues Received, Expenses Paid and Changes in Net Position –
Modified Cash Basis - Proprietary Fund
For the Year Ended December 31, 2015

	ZION HILL SEWER PROJECT FUND
<u>OPERATING REVENUE</u>	
Charges for Services	\$ -
Other Income	-
TOTAL OPERATING REVENUE	-

<u>OPERATING EXPENSES</u>	
Costs of Furnishing Utility	-
Legal & Engineering	-
Insurance	-
TOTAL OPERATING EXPENSES	-

OPERATING INCOME	-

<u>NON-OPERATING REVENUE (EXPENSE)</u>	
Interest Earned	1
Transfer to General Fund	(218)
Debt Service - Principal Payments	-
Debt Service - Interest Payments	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	(217)

CHANGES IN NET POSITION	(217)
NET POSITION - BEGINNING	217

NET POSITION - ENDING	\$ -

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Cash Flows – Modified Cash Basis
Proprietary Funds
As of December 31, 2015

	<u>ZION HILL SEWER PROJECT FUND</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received from Users	\$ -
Cash Received from Other Operating Revenue	-
Cash Payments to Suppliers for Goods and Services	(6)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(6)</u>

<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Interfund Loan Proceeds	(218)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(218)</u>

<u>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</u>	
Debt Service Payments	-
NET CASH USED FOR CAPITAL FINANCING ACTIVITIES	<u>-</u>

<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Construction Loan Payments Owed Zion Hill Sewer Project Fund	-
Earnings on Investments	1
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(223)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>223</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

	<u>ZION HILL SEWER PROJECT FUND</u>
OPERATING INCOME	\$ -

ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
CHANGE IN ASSETS AND LIABILITIES:	
(Increase) Decrease in Construction Payments Receivable	-
(Increase) Decrease in EDU's Receivable	(6)
TOTAL ADJUSTMENTS	<u>(6)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (6)</u>

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Net Position – Modified Cash Basis
Fiduciary Funds
As of December 31, 2015

	PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 218,132	\$ 479,601
Investments	1,600,725	-
Due from General Fund	-	-
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	1,818,857	479,601
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
TOTAL ASSETS	<u>\$ 1,818,857</u>	<u>\$ 479,601</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES</u>		
Due to Developers	\$ -	\$ 395,847
Due to Donors	-	-
Due to Escrow Holders	-	82,633
Due to General Fund	-	1,121
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	-	479,601
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 479,601</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
<u>NET POSITION</u>		
Restricted for Employee Benefits	1,818,857	-
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 1,818,857</u>	<u>\$ -</u>

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance – Budget and Actual –
Modified Cash Basis
General Fund
For the Year Ended December 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH	BUDGET TO	ACTUAL
	ORIGINAL	FINAL	(BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)	MODIFIED CASH DIFFERENCE	AMOUNTS MODIFIED CASH BASIS
RESOURCES (INFLOW):						
Taxes	\$ 1,544,600	\$ 1,544,600	\$ 1,671,608	\$ 127,008	\$ -	\$ 1,671,608
Licenses and Permits	53,100	53,100	56,726	3,626	-	56,726
Fines and Forfeits	13,600	13,600	13,624	24	-	13,624
Intergovernmental	115,100	115,100	124,050	8,950	-	124,050
Charges for Services	86,500	86,500	72,590	(13,910)	-	72,590
Miscellaneous	4,200	4,200	35,638	31,438	-	35,638
Interest Received	250	250	2,203	1,953	-	2,203
Rent and Royalties	750	750	-	(750)	-	-
Sale of Fixed Assets	2,500	2,500	-	(2,500)	-	-
Refund of Prior Year Expenditures	42,500	42,500	55,405	12,905	-	55,405
Transfer from Other Funds	-	-	7,279	7,279	-	7,279
TOTAL RESOURCES	<u>1,863,100</u>	<u>1,863,100</u>	<u>2,039,123</u>	<u>176,023</u>	<u>-</u>	<u>2,039,123</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):						
General Government:						
Legislative (Governing) Body	6,613	6,613	4,296	2,317	-	4,296
Management/Financial Administration	178,490	178,490	196,919	(18,429)	-	196,919
Tax Collection	16,563	16,563	25,296	(8,733)	-	25,296
Legal	15,000	15,000	8,430	6,570	-	8,430
Engineering	5,500	5,500	1,274	4,226	-	1,274
Buildings and Plant	27,620	27,620	25,107	2,513	-	25,107
Public Safety:						
Police	540,886	540,886	566,113	(25,227)	-	566,113
Fire	218,017	218,017	212,258	5,759	-	212,258
Ambulance/Rescue	81,000	81,000	81,750	(750)	-	81,750
Inspections	166,984	166,984	166,278	706	-	166,278
Other	2,000	2,000	725	1,275	-	725
Public Works:						
Public Works Administration	426,680	426,680	406,945	19,735	-	406,945
Winter Maintenance - Snow Removal	-	-	33,012	(33,012)	-	33,012
Traffic Control Devices	5,000	5,000	4,157	843	-	4,157
Repairs of Tools and Machinery	4,000	4,000	3,955	45	-	3,955
Maintenance and Repairs of Roads and Bridges	43,000	43,000	64,261	(21,261)	-	64,261
Community Development						
Other	2,150	2,150	12,121	(9,971)	-	12,121
Non-Departmental:						
Debt Service	18,197	18,197	18,215	(18)	-	18,215
Insurance	35,200	35,200	32,612	2,588	-	32,612
Refund of Prior Year Receipts	-	-	42,898	(42,898)	-	42,898
Transfer to Other Funds	-	-	3,559	(3,559)	-	3,559
TOTAL CHARGES TO APPROPRIATIONS	<u>1,792,900</u>	<u>1,792,900</u>	<u>1,910,181</u>	<u>(117,281)</u>	<u>-</u>	<u>1,910,181</u>
Excess of Inflows Over Outflows	70,200	70,200	128,942	58,742	-	128,942
FUND BALANCE - JANUARY 1, 2015	<u>(70,200)</u>	<u>(70,200)</u>	<u>371,075</u>	<u>441,275</u>	<u>-</u>	<u>371,075</u>
FUND BALANCE - DECEMBER 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,017</u>	<u>\$ 500,017</u>	<u>\$ -</u>	<u>\$ 500,017</u>

The Accompanying Notes are an integral part of these financial statements.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Note 1 - Description of the Township and Reporting Entity

Springfield Township, Bucks County, Pennsylvania (The Township) was incorporated in 1743, under the provisions of the Laws of the Commonwealth of Pennsylvania. The Township operates under a council-manager form of government and provides the following services as authorized by its charter: public safety (police), streets, culture-recreation, public improvements, planning and zoning and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the Township are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Springfield Township is a municipal corporation governed by an elected council. As required by generally accepted accounting principles, these financial statements are to present Springfield Township (the primary government) and organizations for which the primary government is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the Township in that the Township approved the budget, the issuance of debt, or the levying of taxes. Springfield Township does not have any component units.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The Township's basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Township at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities and for one business-type activity of the Township. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the Township.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Fund Financial Statements During the year, the Township segregates transactions related to certain government functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Basis of Accounting

Springfield Township prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles, generally accepted in the United States of America. Under the modified cash basis of accounting, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred, with the exception of certain receivables and liabilities. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's **major** governmental funds:

General Fund

The General Fund is the general operating fund of the Township. Substantially all tax revenues, Federal and State aid (except aid restricted for use in Special Revenue Funds) and other operating revenues are accounted for in the General Fund. This Fund also accounts for expenditures and transfers as appropriated in the budget which provides for the Township's day-to-day operations.

Special Revenue Fund

The Township has one major special revenue fund consisting of the State Liquid Fuels Fund. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds

The capital project funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds. The Township has one (1) capital project fund, consisting of the Open Space Fund as of December 31, 2015.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Proprietary Funds Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as enterprise funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The Township's major enterprise fund is:

Zion Hill Sewer Project Fund This fund accounts for the financial transactions related to providing waste water services to the residents of the Township. During the current year, due to the fact that the only activity in this fund related to non-operating revenues and expenses, management determined that the fund was no longer necessary and it was closed.

The Township applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989 to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements.

Fiduciary Funds Fiduciary funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. The Township has two (2) pension trust funds, consisting of the Police Pension Fund and the Non-Uniformed Pension Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township has three (3) agency funds, consisting of the Developers Escrow Fund, the ACT 537 Maintenance Escrow Fund and the Knechts Bridge Fund.

D. Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Township Code and Township procedures, the Township Manager submits to the Board of Supervisors, with whom the legal level of budgetary control resides, a proposed budget for the fiscal year commencing the following January 1. The budget must be advertised and available for public inspection before adoption. The budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year. Departments for budgetary purposes are general government, public safety, public works, culture and recreation, insurance and miscellaneous.
2. Public hearings are conducted to obtain taxpayer comment.
3. By December 31, the budget is approved by motion of the Board. Expenditures for the budget may not legally exceed appropriations and prior year fund balance reserves. This is done as a level of budgetary control.
4. All modifications, transfers and amendments must be approved by the Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The legally adopted budget of the Township is for the General Fund.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

7. The budget is adopted on the modified cash basis of accounting discussed above. (The basis of accounting for budget purposes is the same as for financial statement reporting purposes.)
8. The Board may authorize supplemental appropriations during the year. The Township Board must approve all over expenditures of appropriations or transfers of appropriated amounts.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Since these financial statements are prepared on the modified cash basis, no estimates have been used.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Proprietary Fund type considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

G. Investments

In accordance with Governmental Accounting Standards investments are stated at fair value, except:

- a) Non-participating interest earning investment contracts are recorded at amortized cost;
- b) Money market investments and participating interest earning investment contracts that mature within one year of acquisition are recorded at amortized cost; and,
- c) Investments held in 2a7-like pools (Pennsylvania Local Government Investment Trust, and the Pennsylvania Treasurer's Invest Program) are recorded at the pool's share price.

H. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

I. Real Estate Taxes

The total taxable assessed real estate valuation for the year ended 2015 is \$82,773,650 at a rate of 9 mills. Real estate taxes are levied on March 1 and are payable by June 30.

Real estate taxes paid by April 30 are subject to a 2% discount and after June 30 are subject to a 10% penalty. Delinquent real estate taxes are generally lienied by January 1 of the following year.

J. Fund Balance Classifications

The Governmental Accounting Standards Board has established accounting and financial reporting standards for all governments that report governmental funds. The statement established criteria for classifying fund balances into the following specifically defined classifications:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

- **Restricted** fund balance includes amounts that are restricted externally by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. The Township's highest level of decision making is the Board of Supervisors.
- **Assigned** fund balance comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Note 3 - Stewardship, Compliance and Accountability

A. Compliance with Finance Related Legal and Contractual Provisions

The Township has no material violations of finance related legal and contractual provisions.

B. Deficit Fund Balance or Net Position of Individual Funds

No individual fund contains a deficit fund balance or net position at December 31, 2015.

C. Excess of Actual Expenditures over Budget Appropriations in Individual Funds

The General Fund, which has a legally adopted budget, had an excess of actual expenditures over budget appropriations in the amount of \$117,281.

D. Budgetary Compliance

The Township has a legally adopted budget for the General Fund. The Township does not make budget transfers between expenditure/expense accounts.

Note 4 - Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2015, \$233,728 of the Township's bank balance of \$1,476,140 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		-
Uninsured and collateral held by the pledging bank's trust department not in the Township's name		233,728
TOTAL	\$	<u>233,728</u>

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Reconciliation to Financial Statements

Uninsured Amount Above	\$ 233,728
Plus: Insured Amount	1,242,412
Deposits in Transit	21,925
Less: Outstanding Checks	<u>(137,717)</u>
Carrying Amount - Bank Balances	1,360,348
Plus: Petty Cash	134
Deposits in Pooled Investments Considered Cash Equivalents	789,129
Deposits in Money Market Mutual Funds Considered Cash Equivalents	214,141
Less: Certificates of Deposits considered Investments	<u>(982,900)</u>
Total Cash Per Financial Statements	<u>\$ 1,380,852</u>

Restricted Cash

1. The cash balance includes \$396,968 held as developer's escrow funds. These funds are held by the Township to guarantee the completion of various construction projects by the developers.
2. The cash balance includes \$82,633 held as ACT 537 Maintenance Escrow Accounts. These funds are held by the Township to guarantee payment for inspections, engineering, lot sewage or consulting fees or any costs to repair the system incurred by the Township in case of default by the owner of the lot.

Note 5 - Investments

The permitted investments for Pennsylvania Township primary government funds are defined in the Township Code as:

1. United States Treasury Bills;
2. Short-Term obligations of the United States Government or its agencies or instrumentalities.
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the F.D.I.C.; and,
4. Obligations of the United States of America or any of its agencies or instrumentalities, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision of the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities.

Pension trust funds are not subject to the above limitations.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

As of December 31, 2015, the Township had the following investments:

<u>Investment</u>	<u>Fair Value</u>
<u>Primary Government</u>	
Certificates of Deposit	\$ 982,900
<u>Pension Trust Funds</u>	
PA Local Government Investment Trust	789,129
Morgan Stanley AA Money Trust	210,178
Fidelity Reserves	3,963
Common Stocks	936,489
ETFs and CEFs	494,832
Mutual Funds	<u>169,404</u>
TOTAL	<u>\$ 3,586,895</u>

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the market value of an investment. The Township 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.

Credit Risk

This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's policy is to only invest in fixed income securities with an A rating or better.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township's policy is not to invest pension plan funds in any single equity security or debt obligation that exceeds 5% of total pension plan investments expressed at cost value. As of December 31, 2015, the Township has two pension fund investments (Vanguard Short-Term Bond Fund and Metropolitan West Total Return Bond Fund) that exceed this threshold.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township had no investments subject to custodial credit risk.

The Township's exposure to foreign currency risk is as follows:

Common Stocks	<u>\$ 247,974</u>
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SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Reconciliation to Financial Statements

Total Investments Above	\$ 3,586,895
Less: Deposits in Investment Pools Considered Cash Equivalents	(789,129)
Deposits in Money Market Mutual Funds Considered Cash Equivalents	(214,141)
Total Investments per Financial Statements	\$ 2,583,625

Note 6 – Short-Term Debt

Interfund Receivables and Payables

The following interfund receivables and payables existed on December 31, 2015:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 1,121	\$ -
Agency (Developers Escrow) Fund	-	1,121
TOTAL	\$ 1,121	\$ 1,121

Interfund Transfers

The following interfund transfers were made during the fiscal year ended December 31, 2015:

	<u>INTERFUND TRANSFERS IN</u>	<u>INTERFUND TRANSFERS OUT</u>
General Fund	\$ 7,279	\$ 3,559
Enterprise (Zion Hill Sewer Project) Fund	-	218
Special Revenue (Special Fees) Fund	-	7,061
Special Revenue (Liquid Fuels) Fund	3,559	-
TOTAL	\$ 10,838	\$ 10,838

Note 7 – Long-Term Debt Commitments

Long-term debt balances and activity for the year ended December 31, 2015, were:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>	<u>AMOUNTS DUE WITHIN ONE YEAR</u>
<u>GOVERNMENTAL ACTIVITIES</u>					
<i>General Obligation Debt:</i>					
<i>Bonds and Notes Payable:</i>					
General Obligation Bonds - Series of 2012	\$ 4,610,000	\$ -	\$ 210,000	\$ 4,400,000	\$ 215,000
General Obligation Note - Series of 2008	88,843	-	9,896	78,947	10,096
Radio Equipment Loan - County of Bucks	-	43,763	6,632	37,131	6,076
Pennsylvania Infrastructure Bank Loan	281,790	-	118,646	163,144	59,039
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,980,633	\$ 43,763	\$ 345,174	\$ 4,679,222	\$ 290,211

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Payments on bonds and notes are made by the General Fund, the Open Space Fund, and the State Liquid Fuels Funds.

Total interest paid during the year:

	PAID
GOVERNMENTAL ACTIVITIES:	
General Obligation Debt	\$ 108,662
TOTAL INTEREST PAID BY GOVERNMENTAL ACTIVITIES	\$ 108,662

The total interest cost incurred and charged to expenses in 2015 was \$108,662.

General Obligation Bonds – Series of 2012

On November 27, 2012, the Township issued \$4,620,000 of General Obligation Bonds – Series of 2012. The purpose of this issue was to provide funds to: (1) refund the Township’s General Obligation bonds, Series of 2007, outstanding in the aggregate principal amount of \$4,480,000; and (2) pay the costs of issuing the bonds. In accordance with the Local Government Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from December 1, 2013 to December 1, 2032. Interest rates range from 2.00% to 2.75%.

Fiscal Year	Principal	Interest
2016	\$ 215,000	\$ 96,938
2017	225,000	92,638
2018	225,000	88,138
2019	235,000	83,638
2020	235,000	78,938
2021-2025	1,260,000	322,088
2026-2030	1,400,000	184,848
2031-2032	605,000	24,872
TOTAL	\$ 4,400,000	\$ 972,098

General Obligation Note – Series of 2008

On January 22, 2008, the Board of Supervisors approved the issuance of a General Obligation Note in the amount of \$150,000 to provide funds for various purposes including the acquisition of a 2007 American LaFrance Aerial Truck by the Springtown Fire Company. The note will be payable in monthly installments of \$965.26 over 15 years commencing on March 1, 2008, at an interest rate of 2%.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

The outstanding debt service requirements at December 31, 2015 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2016	\$ 10,096	\$ 1,487
2017	10,300	1,283
2018	10,508	1,075
2019	10,720	863
2020	10,936	647
2021 - 2023	26,387	642
TOTAL	\$ 78,947	\$ 5,997

Pennsylvania Infrastructure Bank Loan

On April 28, 2014, the Township entered into a loan agreement with the Pennsylvania Infrastructure Bank. The purpose of this loan is (1) to crack seal and oil up to nine miles of Township roads and (2) to purchase a new loader. The effective interest rate is 1.625% for five (5) years. The loan matures May 22, 2019. The current annual payment is \$62,694.05.

The future debt service obligations are:

FISCAL YEAR	PRINCIPAL	INTEREST
2016	\$ 59,039	\$ 3,655
2017	59,998	2,696
2018	44,107	1,721
2019	-	728
TOTAL	\$ 163,144	\$ 8,800

Radio Equipment Loan

On November 1, 2015, the Township entered into a loan agreement with the County of Bucks in the amount of \$43,763. The purpose of this Loan is to purchase radio equipment for the Police Department. The effective interest rate is 1.50% for seven (7) years. The Loan matures November 1, 2021. The current annual payment is \$6,632.48.

The future debt service obligations are:

FISCAL YEAR	PRINCIPAL	INTEREST
2016	\$ 6,076	\$ 557
2017	6,167	466
2018	6,259	374
2019	6,353	280
2020	6,448	185
2021	5,828	85
TOTAL	\$ 37,131	\$ 1,947

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Operating Leases

On January 18, 2012, the Township entered into a lease agreement with Rich Americas Corporation for the lease of a Ricoh copier. The term of the lease is 63 months with a monthly payment of \$97.00.

On March 20, 2012, the Township entered into a lease agreement with Lehigh Capital Access, Inc. for the lease of a Chevrolet Tahoe SSV with Police Uplift. The term of the lease is 60 months with a quarterly payment of \$2,271.58.

On January 2, 2013, the Township entered into a lease agreement with Kansas State Bank of Manhattan for the lease of a John Deere 524K 4WD Loader. The term of the lease is 60 months with a quarterly payment of \$6,711.14.

The future lease payments are as follows:

FISCAL YEAR	AMOUNT
2016	\$ 37,095
2017	29,116
2018	6,711
TOTAL	\$ 72,922

Note 8 – Retirement Plans

General Information

The Township maintains two pension plans, the Police Pension Plan and the Non-Uniformed Pension Plan, which cover substantially all full-time employees. The plans are single-employer defined benefit pension plans. All financial reporting for the plans is incorporated in these financial statements. No separate reports are issued. The authority under which the benefit provisions have been established, or may be amended, remains with the Supervisors of Springfield Township.

Non-Uniformed Pension Plan

Plan Description

The Springfield Township Non-Uniformed Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of resolution No. 2002-006. Act 205, the Municipal Pension Plan Funding Standard and Recovery Act, provides the authority for the Township to establish and amend the plan.

All full-time non-uniformed employees hired prior to March 1, 2014 are eligible to participate in the plan. The plan provides retirement benefits to plan members and their beneficiaries. Employees who retire at or after age 65 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.5% of average monthly compensation multiplied by the number of years of service on the normal retirement date. Average monthly compensation is the member's monthly compensation earned over the last 36 months of employment.

All non-uniformed employees hired on or after March 1, 2014 shall be members of the Springfield Township of Bucks County Defined Contribution Plan.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the plan are prepared using the cash basis of accounting. Employer contributions to the plan are recognized when received. Benefits and expenses are recognized when paid in accordance with the terms of the plan.

Method Used to Value Investment

Investments are reported at fair value. Securities reported on a national exchange are valued at the last reported sales price at the end of the year.

Funding Policy

Act 205 of the Commonwealth of Pennsylvania, requires that the annual contributions be based on the plan's annual minimum municipal obligation (MMO). The MMO is based on the plan's biennial actuarial valuations, which were performed as of January 1, 2015. In accordance with the plan's governing resolution, members are not required to contribute any of their compensation to the plan.

The Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of aid must be paid by the municipality in accordance with Act 205.

Plan Membership:

Plan membership of the plan consisted of the following at December 31, 2015:

Active Plan Members	6
Retirees and beneficiaries currently receiving benefits	4
Terminated plan members entitled to benefits but not yet receiving them	5
TOTAL	15

Annual Pension Cost and Net Pension Obligation

The Township's annual pension cost and net pension obligation for the year consist of:

Annual Pension Costs per MMO
Contributions made

Three-Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 55,352	100%	-
12/31/2014	58,068	100%	-
12/31/2015	51,617	100%	-

The annual contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at January 1, 2015 included (a) 6.5% rate of return, and (b) projected salary increases of 3.5% per year.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

The assumptions did not include post-retirement benefits. The actuarial value of the plan's assets was determined using market values as determined by the Trustee. The unfunded actuarial liability (UAAL) is being amortized on the level dollar method on a closed basis over 12 years. The remaining amortization period at December 31, 2015 is 8 years.

Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was 80.0% funded. The actuarial accrued liability for benefits was \$744,718 and the actuarial value of the assets was \$595,816, resulting in an unfunded actuarial accrued liability (UAAL) of \$148,902. The covered payroll (annual payroll of active employees covered by the plan) was \$301,497 and the ratio of the UAAL to the covered payroll was 49.4%.

As a result of the Plan being 80.0% funded, the Plan is considered to be minimally distressed. There are several remedies available for the Township to increase the funding level.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial valuation of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Plan

Plan Description

The Springfield Township Police Pension plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution 2004-005. Act 600, the Police Pension Act, is the authority for the Township to establish and amend the plan.

All full-time police employees are eligible to participate in the plan. The plan provides retirement benefits as well as death and disability benefits. Employees who retire at or after age 50 with 25 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50% of their final average monthly compensation. Average monthly compensation is the member's monthly compensation earned over the last 36 months of employment. A service increment equal to \$20 for each year of service in excess of 25 years, with a \$100 per month maximum is added to the monthly benefit. Benefits are 100% vested after 12 years of service. An early retirement benefit applies to members with 20 or more years of service.

In the event of the death of a member after the normal retirement date, the surviving spouse (or the surviving minor children in the absence of a surviving unmarried spouse) shall receive 50% of the monthly benefit the deceased member had been receiving. In the event of the death of a member prior to normal retirement date, the surviving spouse (or the surviving minor children in the absence of a spouse) shall receive 100% of the salary if killed in service.

Disability benefits are 50% of the member's average monthly compensation reduced by the amount of social security disability benefits received for the same injury. Disability benefits shall cease upon normal retirement, death or recovery.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the plan are prepared using the cash basis of accounting. Employer contributions to the plan are recognized when paid. Benefits and expenses are recognized when paid in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities reported on a national exchange are valued at the last reported sales price at the end of the year.

Funding Policy

Act 205, of the Commonwealth of Pennsylvania, requires that the annual contributions be based on the plan's annual minimum municipal obligation (MMO). The MMO is based on the plan's biennial actuarial valuations, which were performed as of January 1, 2015. In accordance with the plan's governing resolution, members are required to contribute 5 percent of their compensation to the plan.

The Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of aid must be paid by the municipality in accordance with Act 205.

Plan Membership

Plan membership of the plan consisted of the following at December 31, 2015:

Active Plan Members	3
Retirees and beneficiaries currently receiving benefits	3
Terminated plan members entitled to benefits but not yet receiving them	1
TOTAL	7

Annual Pension Cost and Net Pension Obligation

The Township's annual pension cost and net pension obligation for the year consist of:

Annual Pension Costs per MMO
Contributions made

Three-Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 37,921	100%	-
12/31/2014	44,839	100%	-
12/31/2015	45,204	100%	-

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

The annual contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at January 1, 2015 included (a) 6.5% rate of return, and (b) projected salary increases of 3.50% per year. The assumptions did not include post-retirement benefits. The actuarial value of the plan's assets was determined using market values as determined by the Trustee. The unfunded actuarial liability (UAAL) is being amortized on the level dollar method on a closed basis over 15 years. The remaining amortization period at December 31, 2015 is 14 years.

Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was 73.8% funded. The actuarial accrued liability for benefits was \$1,694,847 and the actuarial value of the assets was \$1,251,410, resulting in an unfunded actuarial accrued liability (UAAL) of \$443,437. The covered payroll (annual payroll of active employees covered by the plan) was \$226,188 and the ratio of the UAAL to the covered payroll was 196.1%.

As a result of the Plan being 73.8% funded, the Plan is considered to be minimally distressed. There are several remedies available for the Township to increase the funding level.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial valuation of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Deferred Retirement Option Plan

On October 23, 2007, the Township approved a Deferred Retirement Option (DROP) Plan for the Township's police officers as required under the current collective bargaining agreement with the police officers.

Any police officer who is a full-time Springfield Township police officer covered by the Springfield Township Pension Plan and has fulfilled the age and service requirements for retirement as set forth in the collective bargaining agreement shall be eligible to participate in DROP at his or her option in conformance with the Ordinance and after providing at least thirty (30) days written notice to Springfield Township.

- A. *Entry into DROP* – Election to participate by an eligible police officer shall be made on any date within the length of the Collective Bargaining Agreement Terms and following the date on which the police officer fulfills the minimum age and service requirements for normal retirement under the Pension Plan. Once a police officer commences participation in DROP, he or she may not choose to end participation in DROP and resume contributions to the Pension Plan.
- B. *Request to Enter and Enrollment Forms* – Election to participate shall be made by completing the required request and enrollment forms, which shall show the entry date into DROP and the deferred retirement date for the term chosen by the police officer. The deferred retirement date shall not exceed sixty (60) months from the date of enrollment and entry into DROP.
- C. *The Length of DROP* – The DROP term shall be for a period of no more than sixty (60) months from the date of entry. Termination of participation in DROP shall take place:
 - 1. At the end of sixty (60) month period or at any other time (earlier than sixty (60) months) the police officer chooses to end his or her participation, or;

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

2. If the participant is terminated from employment for reasons set forth under applicable Pennsylvania law.
- D. Retirement Status and Pension Contribution* – Once enrolled in DROP, the DROP participant shall be retired under the Pension Plan for the purpose of calculating pension benefits, but not for the purpose of employment with the Springfield Township Police Department. Once a police officer enters DROP, he or she shall no longer be required to make contributions to the Pension Plan, nor shall he or she be eligible for any further pension benefits other than the pension benefit determined in paragraph (E), “Retirement Rate.”
- E. Retirement Rate* – Payments to DROP will be made at the participant’s normal retirement monthly benefit amount, determined by the Collective Bargaining Agreement at the date the police officer enters DROP. Payments shall be sent to the DROP participant’s account with the Investment Manager.
- F. Administration* – DROP accounts shall be administered by Investment Manager(s) who shall be selected and agreed upon, by both the Township and the Union. DROP participant shall be responsible for all administrative costs and risks associated with his or her account with the Investment Manager. If more than one Investment Manager is available for Administration of DROP participant’s account, the participant shall be responsible to designate which Investment Manager is to receive monthly benefit amounts. Springfield Township shall not be responsible for the performance of an officer’s funds while invested in DROP.
- G. Disability Issues* – If, while a Police Officer is enrolled in DROP, he or she is injured while on duty, to the extent that he or she is permanently disabled from performing police work for Springfield Township, the Police Officer shall be retired. Participation in DROP shall terminate and distribution of accumulated pension benefits shall be disbursed to Retiree in accordance with IRS regulation as well as applicable State and Federal laws. Retiree shall not be eligible for disability pension benefits, since his/her pension benefits have been finalized as per paragraph D and E above.
- H. Survivorship Options* – If a DROP participant dies during his or her participation period, all funds in that participant’s account shall be disbursed to the participant’s beneficiary or beneficiaries listed in the DROP contract. Upon death of a DROP participant, either during or following his or her DROP terms, the death and survivor benefits will be payable by the Pension Plan in accordance with the Collective Bargaining Agreement with the stipulation that the monthly pension benefit upon which survivorship calculations are determined shall be that amount determined by “Retirement Rate” in paragraph E above.

As of December 31, 2015, one officer had taken advantage of the DROP Plan. As a result, \$3,412.75 per month is being paid from the Police Pension Fund to the participant’s DROP Plan account.

Note 9 – Litigation

In accordance with the solicitor’s legal letter to the auditors, there is no pending litigation that would materially affect the Township’s financial position.

SPRINGFIELD TOWNSHIP
Notes To Financial Statements
Year Ended December 31, 2015

Note 10 – Risk Management

The Township is subject to risk of loss from employee risks, property damage, personal injury, auto accidents, etc. The Township lowers these risks through the purchase of commercial insurance. The Township's workers' compensation policy is a retrospectively rated policy. The final premium is based on actual payroll for the policy year and is determined by the insurance company. Any settlements received by the Township or its employees did not exceed insurance coverage in the last three years.

Note 11 – Fund Balances

Detailed information about aggregated fund balances;

Assigned Fund Balances

Capital Projects Fund	\$ 1,115,794
Special Fees Fund	106
TOTAL	<u>\$ 1,115,900</u>

Restricted Fund Balances

The restricted fund balance represents contributions that are externally restricted for specific purposes;

State Liquid Fuels Fund	\$ 46,203
Street Light Fund	4,795
TOTAL	<u>\$ 50,998</u>

Note 12 – Subsequent Events

The subsequent events have been evaluated through May 27, 2016, which is the date the financial statements were available to be issued.



Board of Supervisors
Springfield Township
2320 Township Road
Quakertown, PA 18951

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Springfield Township, Bucks County, PA, as of and for the year ended December 31, 2015, which collectively comprise Springfield Township's basic financial statements, and have issued our report thereon dated May 27, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Springfield Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Springfield Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Springfield Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

BOARD OF SUPERVISORS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Springfield Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Hutchinson, Gillahan & Freeh, P.C.

May 27, 2016

REQUIRED SUPPLEMENTAL INFORMATION

SPRINGFIELD TOWNSHIP
Pension Funds
Required Supplemental Information
December 31, 2015

SCHEDULE OF FUNDING PROGRESS

<u>ACTUARIAL VALUATION DATE</u>	<u>ACTUARIAL VALUATION OF ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY ENTRY AGE PENSION</u>	<u>UNFUNDED (ASSETS IN EXCESS OF) AAL</u>	<u>FUNDED RATIO</u>	<u>COVERED PAYROLL</u>	<u>UNFUNDED (ASSETS IN EXCESS OF) AAL AS A % OF COVERED PAYROLL</u>
<u>NON-UNIFORMED PENSION PLAN</u>						
1-1-2007	\$ 206,628	\$ 259,606	\$ 52,978	79.6%	\$ 240,754	22.0%
1-1-2009	181,096	322,695	141,599	56.1%	355,850	39.8%
1-1-2011	331,809	400,852	69,043	82.8%	333,041	20.7%
1-1-2013	439,344	503,773	64,429	87.3%	374,805	17.2%
1-1-2015	595,816	744,718	148,902	80.0%	301,497	49.4%
<u>POLICE PENSION FUND</u>						
1-1-2007	\$ 993,622	\$ 952,410	\$ (41,212)	104.3%	\$ 175,082	-23.5%
1-1-2009	707,065	1,055,664	348,599	267.0%	153,428	207.2%
1-1-2011	950,160	1,096,494	146,334	86.7%	270,232	54.2%
1-1-2013	1,051,968	1,214,339	162,371	86.7%	208,510	77.9%
1-1-2015	1,251,410	1,694,847	443,437	73.8%	226,188	196.1%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>YEAR ENDED DECEMBER 31,</u>	<u>NON-UNIFORMED PENSION PLAN</u>			<u>POLICE PENSION PLAN</u>		
	<u>REQUIRED ANNUAL CONTRIBUTION</u>	<u>CONTRIBUTED FROM EMPLOYER</u>	<u>PERCENTAGE CONTRIBUTED</u>	<u>REQUIRED ANNUAL CONTRIBUTION</u>	<u>CONTRIBUTED FROM EMPLOYER</u>	<u>PERCENTAGE CONTRIBUTED</u>
2006	\$ 25,964	\$ 25,964	100.0%	\$ 21,312	\$ 21,312	100.0%
2007	31,281	31,281	100.0%	21,562	21,562	100.0%
2008	39,642	39,642	100.0%	20,682	20,682	100.0%
2009	49,570	49,570	100.0%	21,729	21,729	100.0%
2010	50,803	50,803	100.0%	41,415	41,415	100.0%
2011	52,470	52,470	100.0%	41,890	41,890	100.0%
2012	50,045	50,045	100.0%	34,277	34,277	100.0%
2013	55,352	55,352	100.0%	37,921	37,921	100.0%
2014	58,068	58,068	100.0%	44,839	44,839	100.0%
2015	51,617	51,617	100.0%	45,204	45,204	100.0%

SPRINGFIELD TOWNSHIP
Schedule of Changes in Net Position Liability, Related Ratios,
And Investment Returns – Police Pension Fund
Required Supplemental Information
December 31, 2015

	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 34,179	\$ 18,635
Interest on Total Pension Liability	492,120	145,001
Benefit Payments	<u>(45,791)</u>	<u>(45,791)</u>
Net Change in Total Pension Liability	480,508	117,845
Total Pension Liability, Beginning	1,214,339	1,096,494
Total Pension Liability, Ending (a)	<u><u>\$ 1,694,847</u></u>	<u><u>\$ 1,214,339</u></u>
FIDUCIARY NET POSITION		
State Aid	21,967	21,935
Employer Contributions	23,237	22,904
Member Contributions	12,716	11,310
Investment Income Net of Investment Expenses	(27,251)	76,102
Administration Costs	(20,850)	(20,427)
Benefit payments	<u>(45,791)</u>	<u>(45,791)</u>
Net Change in Fiduciary Net Position	(35,972)	66,033
Fiduciary Net Position, Beginning	1,251,410	1,185,377
Fiduciary Net Position, Ending (b)	<u><u>\$ 1,215,438</u></u>	<u><u>\$ 1,251,410</u></u>
Net pension Liability [(a) - (b)]	<u><u>\$ 479,409</u></u>	<u><u>\$ (37,071)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.71%	103.05%
Covered Payroll	226,188	208,510
Net Pension Liability as a Percentage of Covered Payroll	211.95%	17.78%
Annual Money Weighted Return, Net of Investment Expenses	4.78%	3.68%

Note on Cumulative Information:

In accordance with GASB Statement No. 67, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available. The actuarial reports are issued on a biannual basis.

SPRINGFIELD TOWNSHIP
Schedule of Changes in Net Position Liability, Related Ratios,
And Investment Returns – Non-Uniformed Pension Fund
Required Supplemental Information
December 31, 2015

	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 34,179	\$ 35,133
Interest on Total Pension Liability	224,561	85,583
Benefit Payments	<u>(17,795)</u>	<u>(17,795)</u>
Net Change in Total Pension Liability	240,945	102,921
Total Pension Liability, Beginning	503,773	400,852
Total Pension Liability, Ending (a)	<u><u>\$ 744,718</u></u>	<u><u>\$ 503,773</u></u>
FIDUCIARY NET POSITION		
State Aid	25,082	28,409
Employer Contributions	26,535	29,659
Member Contributions	-	-
Investment Income Net of Investment Expenses	(13,529)	36,233
Administration Costs	(12,690)	(13,288)
Benefit payments	<u>(17,795)</u>	<u>(20,955)</u>
Net Change in Fiduciary Net Position	7,603	60,058
Fiduciary Net Position, Beginning	595,816	535,758
Fiduciary Net Position, Ending (b)	<u><u>\$ 603,419</u></u>	<u><u>\$ 595,816</u></u>
Net pension Liability [(a) - (b)]	<u><u>\$ 141,299</u></u>	<u><u>\$ (92,043)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.03%	147.56%
Covered Payroll	301,497	374,805
Net Pension Liability as a Percentage of Covered Payroll	46.87%	-24.56%
Annual Money Weighted Return, Net of Investment Expenses	4.78%	3.68%

Note on Cumulative Information:

In accordance with GASB Statement No. 67, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available. The actuarial reports are issued on a biannual basis.

OTHER SUPPLEMENTAL INFORMATION

SPRINGFIELD TOWNSHIP
Combining Balance Sheet – Modified Cash Basis
All Non-Major Governmental Funds
For the Year Ended December 31, 2015

	STREET LIGHT FUND	SPECIAL FEES FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,795	\$ 106	\$ 4,901
TOTAL ASSETS	\$ 4,795	\$ 106	\$ 4,901
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Other Payables	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
 FUND BALANCES:			
Restricted	\$ 4,795	\$ -	\$ 4,795
Assigned	-	106	106
TOTAL FUND BALANCES	4,795	106	4,901
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,795	\$ 106	\$ 4,901

SPRINGFIELD TOWNSHIP
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis
All Non-Major Governmental Funds
For the Year Ended December 31, 2015

	STREET LIGHT FUND	SPECIAL FEES FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Taxes	\$ 6,054	\$ -	\$ 6,054
Intergovernmental	-	-	-
Charges for Services	-	4,000	4,000
Investment Earnings	15	12	27
Miscellaneous	-	-	-
Loan Proceeds	-	-	-
TOTAL REVENUES	6,069	4,012	10,081
<u>EXPENDITURES</u>			
General Government	-	-	-
Public Works	7,079	-	7,079
Culture and Recreation	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	7,079	-	7,079
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,010)	4,012	3,002
<u>OTHER FINANCING SOURCES (USES)</u>			
Applicant Refunds	-	(20,020)	(20,020)
Transfers Out	-	(7,061)	(7,061)
TOTAL OTHER FINANCING SOURCES	-	(27,081)	(27,081)
NET CHANGE IN FUND BALANCES	(1,010)	(23,069)	(24,079)
FUND BALANCES - BEGINNING	5,805	23,175	28,980
FUND BALANCES - ENDING	\$ 4,795	\$ 106	\$ 4,901

SPRINGFIELD TOWNSHIP
Combining Statements of Net Position – Modified Cash Basis
All Agency Funds
As of December 31, 2015

	DEVELOPERS ESCROW FUND	ACT 537 MAINTENANCE ESCROW FUND	KNECHTS BRIDGE FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 396,968	\$ 82,633	\$ -	\$ 479,601
Investments	-	-	-	-
Due from Other Funds	-	-	-	-
TOTAL CURRENT ASSETS	396,968	82,633	-	479,601
TOTAL ASSETS	<u>\$ 396,968</u>	<u>\$ 82,633</u>	<u>\$ -</u>	<u>\$ 479,601</u>
DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -
<u>LIABILITIES</u>				
Due to Developers	\$ 395,847	\$ -	\$ -	\$ 395,847
Due to Donors	-	-	-	-
Due to General Fund	1,121	-	-	1,121
Due to Escrow Holders	-	82,633	-	82,633
TOTAL CURRENT LIABILITIES	396,968	82,633	-	479,601
TOTAL LIABILITIES	<u>\$ 396,968</u>	<u>\$ 82,633</u>	<u>\$ -</u>	<u>\$ 479,601</u>
DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -
<u>NET POSITIONS</u>				
TOTAL NET POSITIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPRINGFIELD TOWNSHIP
Combining Statement of Additions and Deductions – Modified Cash Basis
All Agency Funds
For the Year Ended December 31, 2015

	DEVELOPERS ESCROW FUND	ACT 537 MAINTENANCE ESCROW FUND	KNECHTS BRIDGE FUND	TOTAL AGENCY FUNDS
ADDITIONS RECEIVED:				
Receipts from Developers	\$ 98,497	\$ -	\$ -	\$ 98,497
Receipts from Escrow Holders	-	-	-	-
Receipts from General Fund	-	-	-	-
Interest Earnings	1	211	-	212
TOTAL ADDITIONS	<u>98,498</u>	<u>211</u>	<u>-</u>	<u>98,709</u>
	-----	-----	-----	-----
DEDUCTIONS PAID:				
Developer Disbursements	171,713	-	-	171,713
Bridge Disbursements	-	-	278	278
Escrow Disbursements	-	2,449	-	2,449
TOTAL DEDUCTIONS PAID	<u>171,713</u>	<u>2,449</u>	<u>278</u>	<u>174,440</u>
NET INCREASE (DECREASE)	(73,215)	(2,238)	(278)	(75,731)
DUE TO DEVELOPERS/ESCROW HOLDERS AND DONOR RESTRICTIONS - BEGINNING OF YEAR	<u>469,062</u>	<u>84,871</u>	<u>278</u>	<u>554,211</u>
DUE TO DEVELOPERS/ESCROW HOLDERS AND DONOR RESTRICTIONS - END OF YEAR	<u>\$ 395,847</u>	<u>\$ 82,633</u>	<u>\$ -</u>	<u>\$ 478,480</u>

SPRINGFIELD TOWNSHIP
Combining Statements of Net Positions – Modified Cash Basis
All Pension and Other Employee Benefit Trust Funds
As of December 31, 2015

	POLICE PENSION FUND	NON-UNIFORMED PENSION FUND	TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 145,765	\$ 72,367	\$ 218,132
Investments	1,069,673	531,052	1,600,725
TOTAL CURRENT ASSETS	1,215,438	603,419	1,818,857
	-----	-----	-----
TOTAL ASSETS	<u>\$ 1,215,438</u>	<u>\$ 603,419</u>	<u>\$ 1,818,857</u>
DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -
<u>LIABILITIES</u>			
Due to General Fund	\$ -	\$ -	\$ -
TOTAL CURRENT LIABILITIES	-	-	-
	-----	-----	-----
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -
<u>NET POSITIONS</u>			
Restricted for Employee Benefits	1,215,438	603,419	1,818,857
TOTAL NET POSITIONS	<u>\$ 1,215,438</u>	<u>\$ 603,419</u>	<u>\$ 1,818,857</u>

SPRINGFIELD TOWNSHIP
Combining Statement of Additions and Deductions – Modified Cash Basis
All Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2015

	POLICE PENSION FUND	NON-UNIFORMED PENSION FUND	TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
ADDITIONS RECEIVED:			
Contributions - Employer	\$ 23,237	\$ 26,535	\$ 49,772
Contributions - Employee	12,716	-	12,716
State Aid	21,967	25,082	47,049
Interest and Dividends	24,616	12,221	36,837
Change in Fair Value of Investments	(51,867)	(25,750)	(77,617)
TOTAL ADDITIONS	<u>30,669</u>	<u>38,088</u>	<u>68,757</u>
	-----	-----	-----
DEDUCTIONS PAID:			
Administrative Charges	2,600	3,050	5,650
Trustee Fees	15,853	7,871	23,724
Accounting Fees	1,150	1,150	2,300
Processing Fees	1,247	619	1,866
Employee Benefits	45,791	17,795	63,586
TOTAL DEDUCTIONS PAID	<u>66,641</u>	<u>30,485</u>	<u>97,126</u>
CHANGE IN NET POSITION	(35,972)	7,603	(28,369)
NET POSITION - BEGINNING OF YEAR	<u>1,251,410</u>	<u>595,816</u>	<u>1,847,226</u>
NET POSITION - END OF YEAR	<u>\$ 1,215,438</u>	<u>\$ 603,419</u>	<u>\$ 1,818,857</u>

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SPRINGFIELD TOWNSHIP
General Fund
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

REVENUES RECEIVED

TAXES:

Real Estate Taxes - Current	\$	709,454	
Real Estate Transfer Tax		135,442	
Earned Income Tax		769,139	
Delinquent Real Estate Taxes		11,653	
Act 319 Rollback Taxes		777	
Local Services Tax		<u>45,143</u>	\$ 1,671,608

FINES AND FORFEITS:

Fines			13,624
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LICENSES AND PERMITS:

Franchise Fee Cable		56,276	
Permits/Reports		<u>450</u>	56,726

INTERGOVERNMENTAL:

Public Utility Realty Tax		1,998	
Pension State Aid		47,050	
Beverage Licenses		600	
Allotment - Fireman's Relief		53,275	
Recycling Grant Revenue		16,352	
Local Grants		<u>4,775</u>	124,050

CHARGES FOR SERVICES:

General Government		5,609	
Public Safety		59,629	
Road Department Fees		198	
Culture and Recreation Fees		5,238	
Other Charges for Sanitation Services		<u>1,916</u>	72,590

INVESTMENT EARNINGS:

Interest Income			2,203
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MISCELLANEOUS:

Contributions and Donations from Private Sectors		29,184	
Miscellaneous		<u>6,454</u>	<u>35,638</u>

TOTAL REVENUE RECEIVED **\$ 1,976,439**

SPRINGFIELD TOWNSHIP
General Fund (Cont'd)
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

EXPENDITURES PAID

GENERAL GOVERNMENT

LEGISLATIVE (GOVERNING) BODY:

Supervisor Salaries and Benefits	\$	3,767
Dues/Seminars		529

MANAGEMENT/FINANCIAL ADMINISTRATION:

Manager Salary	57,530
Secretary/Treasurer Salary	51,068
Auditor Wages	6,800
Employee Benefits	32,424
Pension Plan	14,530
Supplies	1,335
Printing	1,173
Minor Equipment	1,182
Travel	743
Bonding Insurance	625
Dues/Seminars	1,672
Advertising	1,679
IT Networking	1,295
Computer Software/Hardware	4,433
Payroll Services	1,866
Postage	1,508
Telephone	4,141
Machinery and Equipment	7,666
Miscellaneous	5,249

TAX COLLECTION:

Tax Collector Commissions	10,546
Real Estate Transfer Tax Commission	2,709
Earned Income Tax Collection	10,557
Local Services Tax Collection Commission	1,125
Tax Collector Supplies	109
Real Estate Tax Relief	250

LEGAL:

Solicitor Services	8,430
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ENGINEERING:

Engineering Services	1,274
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BUILDINGS AND PLANT:

Maintenance	14,506
Supplies	1,315
Heating Oil	4,132
Electricity	5,154

TOTAL GENERAL GOVERNMENT	\$	261,322
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SPRINGFIELD TOWNSHIP
General Fund (Cont'd)
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

PUBLIC SAFETY

POLICE:

Salary of Policemen	\$	323,914
Employee Benefits		130,555
Pension Costs (Police & Clerical)		45,204
Uniforms		5,292
Training		4,548
Legal		3,276
Computer Software/Hardware		7,854
Dues/Seminars		2,562
Supplies		2,310
Telephone		3,740
Vehicle Maintenance and Repairs		21,026
Minor Equipment		6,204
Major Equipment		9,112
Miscellaneous		516

FIRE:

Fire Marshall		1,000
Contribution to Fire Co.		142,855
Fireman's Relief		53,275
Workers Compensation		15,128

AMBULANCE/RESCUE:

Emergency Services Contribution		81,750
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INSPECTIONS:

Zoning and Administration Salaries		36,590
Salary of Clerical		34,648
Employee Benefits		19,136
Pension Costs		7,479
Ordinance Revision		3,501
Legal and Engineering		52,197
Contracted Services		525
Printing		330
Uniforms		344
Miscellaneous		4,732
Computer Software/Repair		6,499
Vehicle Repair and Fuel		297

OTHER PUBLIC SAFETY:

Emergency Management		725
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TOTAL PUBLIC SAFETY \$ 1,027,124

SPRINGFIELD TOWNSHIP
General Fund (Cont'd)
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

PUBLIC WORKS

PUBLIC WORKS ADMINISTRATION:

Salaries - Highways and Streets	\$	216,306
Overtime		13,161
Employee Benefits		93,697
Pension Costs		37,222
Communications		1,524
Vehicle Maintenance		39,388
Winter Maintenance		33,012
Uniforms		1,559
Minor Equipment		866
Miscellaneous		3,222

TRAFFIC CONTROL DEVICES:

Street Signs and Markings	4,157
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REPAIRS OF TOOLS AND MACHINERY:

Maintenance	3,955
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MAINTENANCE AND REPAIRS OF ROADS AND BRIDGES:

Contracted Services	29,895
Supplies and Road Materials	28,591
Road Grants	5,775

TOTAL PUBLIC WORKS \$ 512,330

COMMUNITY DEVELOPMENT:

OTHER:

Open Space	2,011
Silent Auction	1,221
Community Day	8,889

TOTAL COMMUNITY DEVELOPMENT 12,121

DEBT SERVICE

Debt Principal	16,528
Debt Interest	1,687

TOTAL DEBT SERVICE 18,215

MUNICIPAL INSURANCE

32,612

TOTAL EXPENDITURES PAID \$ 1,863,724

(DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID 112,715

OTHER FINANCING SOURCES RECEIVED AND

OTHER FINANCING USES PAID

Refund of Prior Year Expenditures	55,405
Refund of Prior Year Receipts	(42,898)
Interfund Transfers In	7,279
Interfund Transfers (Out)	(3,559)
	16,227

NET CHANGE IN FUND BALANCES \$ 128,942

FUND BALANCE - JANUARY 1, 2015 371,075

FUND BALANCE - DECEMBER 31, 2015 \$ 500,017

SPRINGFIELD TOWNSHIP
Liquid Fuels Fund
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

FUND BALANCE - JANUARY 1, 2015	\$	217,111
 <u>REVENUES RECEIVED</u>		
INTERGOVERNMENTAL:		
Liquid Fuels Tax	\$	230,371
Turnback Mileage		2,120
INVESTMENT EARNINGS:		
Interest Earnings		50
OTHER:		
Transfer from General Fund		3,559
Refund of Prior Year Expenditures		-
		236,100
 TOTAL FUNDS AVAILABLE		 453,211
 <u>EXPENDITURES PAID</u>		
PUBLIC WORKS:		
Street Signs and Markings		92
Tools and Machinery Maintenance		12,088
Major Equipment Lease		26,845
Major Equipment Purchase		23,794
Cleaning Streets		5,850
Winter Maintenance Services		39,386
Highway Maintenance and Repairs		174,469
DEBT SERVICE:		
Principal		118,646
Interest		5,838
		407,008
 FUND BALANCE - DECEMBER 31, 2015	 \$	 46,203

Street Light Fund
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance
Modified Cash Basis
For the Year Ended December 31, 2015

FUND BALANCE - JANUARY 1, 2015	\$	5,805
 <u>REVENUES RECEIVED</u>		
TAXES:		
Real Estate Taxes	\$	6,054
INVESTMENT EARNINGS:		
Interest Earnings		15
OTHER FINANCING SOURCES:		
Transfer from General Fund		-
		6,069
 TOTAL FUNDS AVAILABLE		 11,874
 <u>EXPENDITURES PAID</u>		
PUBLIC WORKS:		
Electricity		7,079
 FUND BALANCE - DECEMBER 31, 2015	 \$	 4,795

SPRINGFIELD TOWNSHIP
Special Fees Fund
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

FUND BALANCE - JANUARY 1, 2015	\$	23,175
 <u>REVENUES AND OTHER FINANCING SOURCES RECEIVED</u>		
INVESTMENT EARNINGS:		
Interest Earnings	\$	12
CHARGES FOR SERVICES:		
Subdivision Fees/Contributions		4,000
OTHER:		
Miscellaneous	-	<u>4,012</u>
TOTAL FUNDS AVAILABLE		27,187
 <u>EXPENDITURES AND OTHER FINANCING USES PAID</u>		
OTHER:		
Applicant Refunds	\$	20,020
Transfer to General Fund		<u>7,061</u>
FUND BALANCE - DECEMBER 31, 2015	\$	<u>106</u>

SPRINGFIELD TOWNSHIP
Open Space Fund
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –
Modified Cash Basis
For the Year Ended December 31, 2015

FUND BALANCE - JANUARY 1, 2015	\$	1,394,443
 <u>REVENUES AND OTHER FINANCING SOURCES RECEIVED</u>		
TAXES:		
Earned Income Taxes	\$	381,827
INVESTMENT EARNINGS:		
Interest Earnings		6,550
OTHER FINANCING SOURCES:		
Refund of Prior Year Expenditures		1,250
		389,627
 TOTAL FUNDS AVAILABLE		 1,784,070
 <u>EXPENDITURES AND OTHER FINANCING USES PAID</u>		
GENERAL GOVERNMENT:		
Tax Collection	\$	5,242
Solicitor/Legal Services		15,796
Engineering & Other Professional Services		68,394
CULTURE AND RECREATION:		
Act 115 Peppermint Road Park		216,344
COMMUNITY DEVELOPMENT:		
Conservation of Natural Resources		49,376
OTHER:		
Miscellaneous		1,987
OTHER FINANCING USES:		
Debt Principal		210,000
Debt Interest		101,137
		668,276
 FUND BALANCE - DECEMBER 31, 2015	 \$	 1,115,794

Knecht's Bridge Fund
Statement of Additions and Deductions – Modified Cash Basis
For The Year Ended December 31, 2015

DONATION RESTRICTION BALANCE - JANUARY 1, 2015	\$	278
 ADDITIONS RECEIVED:		
Transfer from General Fund		-
 DEDUCTIONS PAID:		
Utilities	\$	272
Repairs and Maintenance		6
		278
 TOTAL DEDUCTIONS PAID		 278
 NET INCREASE		 (278)
 DONATION RESTRICTION BALANCE - DECEMBER 31, 2015	 \$	 -

**SPRINGFIELD TOWNSHIP
Developers Escrow Fund
Statement of Additions and Deductions
Modified Cash Basis
For the Year Ended December 31, 2015**

DUE TO DEVELOPERS - JANUARY 1, 2015	\$	469,062
 ADDITIONS RECEIVED:		
Receipts from Developers	\$ 98,497	
Interest Earnings	<u>1</u>	
TOTAL ADDITIONS	<u>98,498</u>	

 DEDUCTIONS PAID:		
Developer Disbursements	<u>171,713</u>	
TOTAL DEDUCTIONS PAID	<u>171,713</u>	

 NET INCREASE		<u>(73,215)</u>
 DUE TO DEVELOPERS - DECEMBER 31, 2015	 \$	 <u><u>395,847</u></u>

**ACT 537 Maintenance Escrow Fund
Statement of Additions and Deductions – Modified Cash Basis
For The Year Ended December 31, 2015**

DUE TO ESCROW HOLDERS - JANUARY 1, 2015	\$	84,871
 ADDITIONS RECEIVED:		
Receipts from Escrow Holders	\$ -	
Interest Earnings	<u>211</u>	
TOTAL ADDITIONS	<u>211</u>	

 DEDUCTIONS PAID:		
Escrow Disbursements	<u>2,449</u>	
TOTAL DEDUCTIONS PAID	<u>2,449</u>	

 NET INCREASE		<u>(2,238)</u>
 DUE TO ESCROW HOLDERS - DECEMBER 31, 2015	 \$	 <u><u>82,633</u></u>

SPRINGFIELD TOWNSHIP
Pension Trust Funds
Police Pension Fund
Statement of Additions and Deductions - Modified Cash Basis
For the Year Ended December 31, 2015

NET POSITION - BEGINNING OF YEAR		\$ 1,251,410
 ADDITIONS:		
Contributions - Employer	23,237	
Contributions - Employee	12,716	
State Aid	21,967	
 INVESTMENT EARNINGS:		
Interest and Dividends	24,616	
Change in Fair Market Value of Investments	(51,867)	
TOTAL ADDITIONS	30,669	
 DEDUCTIONS:		
Administrative Charges	2,600	
Trustee Fees	15,853	
Accounting Fees	1,150	
Processing Fees	1,247	
Employee Benefits	45,791	
TOTAL DEDUCTIONS	66,641	
 CHANGE IN NET POSITION		 (35,972)
 NET POSITION - END OF YEAR		 \$ 1,215,438

SPRINGFIELD TOWNSHIP
Pension Trust Funds
Non-Uniformed Pension Fund
Statement of Additions and Deductions - Modified Cash Basis
For the Year Ended December 31, 2015

NET POSITION - BEGINNING OF YEAR		\$	595,816
 ADDITIONS:			
Contributions - Employer	\$	26,535	
State Aid		25,082	
 INVESTMENT EARNINGS:			
Interest and Dividends		12,221	
Change in Fair Market Value of Investments		<u>(25,750)</u>	
TOTAL ADDITIONS		<u>38,088</u>	
 DEDUCTIONS:			
Administrative Charges		3,050	
Trustee Fees		7,871	
Accounting Fees		1,150	
Processing Fees		619	
Employee Benefits		<u>17,795</u>	
TOTAL DEDUCTIONS		<u>30,485</u>	
 CHANGE IN NET POSITION			 <u>7,603</u>
 NET POSITION - END OF YEAR		 \$	 <u>603,419</u>