

**REPORT ON  
SPRINGFIELD TOWNSHIP  
BUCKS COUNTY, PA  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**SPRINGFIELD TOWNSHIP**  
**Financial Statements - Modified Cash Basis**  
**For the Year Ended December 31, 2016**

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**SPRINGFIELD TOWNSHIP**

**Financial Statements - Modified Cash Basis**

**For the Year Ended December 31, 2016**

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**FINANCIAL SECTION**

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May 27, 2017

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, 2016, 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, 2016, 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. 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.

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. 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, 2017, 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, 2017

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## **BASIC FINANCIAL STATEMENTS**

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**SPRINGFIELD TOWNSHIP**  
**Statement of Net Position – Modified Cash Basis**  
**As of December 31, 2016**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 647,655	\$ -	\$ 647,655
Investments	923,000	-	923,000
Internal Balances	-	-	-
Other Receivables	1,710	-	1,710
<b>TOTAL CURRENT ASSETS</b>	<u>1,572,365</u>	<u>-</u>	<u>1,572,365</u>
<b>NON-CURRENT ASSETS:</b>			
Restricted Cash and Cash Equivalents	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,572,365</u>	<u>\$ -</u>	<u>\$ 1,572,365</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Internal Balances	\$ -	\$ -	\$ -
Other Payables	5,304	-	5,304
Other Current Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>5,304</u>	<u>-</u>	<u>5,304</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,304</u>	<u>\$ -</u>	<u>\$ 5,304</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Restricted for Capital Projects	877,810	-	877,810
Unrestricted	689,251	-	689,251
<b>TOTAL NET POSITION</b>	<u>\$ 1,567,061</u>	<u>\$ -</u>	<u>\$ 1,567,061</u>

(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, 2016**

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
<b>GOVERNMENTAL ACTIVITIES:</b>							
General Government	\$ 322,788	\$ 93,691	\$ 52,496	\$ -	\$ (176,601)	\$ -	\$ (176,601)
Public Safety	1,129,137	4,567	67,963	-	(1,056,607)	-	(1,056,607)
Public Works	915,034	179	137,708	282,971	(494,176)	-	(494,176)
Culture and Recreation	3,705	-	-	-	(3,705)	-	(3,705)
Community Development	382,967	4,383	-	-	(378,584)	-	(378,584)
Insurance	35,803	-	-	-	(35,803)	-	(35,803)
Debt Service	392,848	-	-	-	(392,848)	-	(392,848)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>3,182,282</b>	<b>102,820</b>	<b>258,167</b>	<b>282,971</b>	<b>(2,538,324)</b>	<b>-</b>	<b>(2,538,324)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
None	-	-	-	-	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,182,282</b>	<b>\$ 102,820</b>	<b>\$ 258,167</b>	<b>\$ 282,971</b>	<b>\$ (2,538,324)</b>	<b>\$ -</b>	<b>\$ (2,538,324)</b>
<b>GENERAL REVENUES:</b>							
Property Taxes. Levied for General Purposes, Net					\$ 969,253	\$ -	\$ 969,253
Taxes Levied for Specific Purposes					1,351,036	-	1,351,036
Franchise Taxes					56,998	-	56,998
Public Service Taxes					2,372	-	2,372
Investment Earnings					14,625	-	14,625
Transfers					-	-	-
Miscellaneous Income					44,186	-	44,186
<b>TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS</b>					<b>2,438,470</b>	<b>-</b>	<b>2,438,470</b>
<b>CHANGE IN NET POSITION</b>					<b>(99,854)</b>	<b>-</b>	<b>(99,854)</b>
<b>NET POSITION - BEGINNING</b>					<b>1,666,915</b>	<b>-</b>	<b>1,666,915</b>
<b>NET POSITION - ENDING</b>					<b>\$ 1,567,061</b>	<b>\$ -</b>	<b>\$ 1,567,061</b>

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, 2016**

	<u>GENERAL</u>	<u>LIQUID FUELS</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 449,024	\$ 60,234	\$ 134,810	\$ 3,587	\$ 647,655
Investments	180,000	-	743,000	-	923,000
Due from Other Funds	1,710	-	-	-	1,710
Other Receivables	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 630,734</u></b>	<b><u>\$ 60,234</u></b>	<b><u>\$ 877,810</u></b>	<b><u>\$ 3,587</u></b>	<b><u>\$ 1,572,365</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES:</b>					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Payables	5,304	-	-	-	5,304
<b>TOTAL LIABILITIES</b>	<b>5,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,304</b>
<b>FUND BALANCES:</b>					
- Nonspendable	-	-	-	-	-
- Restricted	-	60,234	-	3,481	63,715
- Committed	-	-	-	-	-
- Assigned	-	-	877,810	106	877,916
- Unassigned	625,430	-	-	-	625,430
<b>TOTAL FUND BALANCES</b>	<b><u>625,430</u></b>	<b><u>60,234</u></b>	<b><u>877,810</u></b>	<b><u>3,587</u></b>	<b><u>1,567,061</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 630,734</u></b>	<b><u>\$ 60,234</u></b>	<b><u>\$ 877,810</u></b>	<b><u>\$ 3,587</u></b>	<b><u>\$ 1,572,365</u></b>

**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, 2016**

	<u>GENERAL</u>	<u>LIQUID FUELS</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>					
Taxes	\$ 1,926,310	\$ -	\$ 387,979	\$ 6,728	\$ 2,321,017
Licenses and Permits	57,998	-	-	-	57,998
Fines and Forfeits	17,765	-	-	-	17,765
Intergovernmental	145,610	271,587	111,323	-	528,520
Charges for Services	81,663	-	-	-	81,663
Investment Earnings	5,692	648	8,017	17	14,374
Rent and Royalties	250	-	-	-	250
Miscellaneous	19,920	-	-	-	19,920
Loan Proceeds	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,255,208</u>	<u>272,235</u>	<u>507,319</u>	<u>6,745</u>	<u>3,041,507</u>
<b>EXPENDITURES</b>					
<b>CURRENT:</b>					
General Government	266,578	-	55,670	-	322,248
Public Safety	1,129,137	-	-	-	1,129,137
Public Works	711,465	195,510	-	8,059	915,034
Culture and Recreation	-	-	3,705	-	3,705
Community Development	8,977	-	373,990	-	382,967
Insurance	35,803	-	-	-	35,803
<b>DEBT SERVICE:</b>					
Principal	16,172	59,039	215,000	-	290,211
Interest	2,044	3,655	96,938	-	102,637
<b>TOTAL EXPENDITURES</b>	<u>2,170,176</u>	<u>258,204</u>	<u>745,303</u>	<u>8,059</u>	<u>3,181,742</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>85,032</u>	<u>14,031</u>	<u>(237,984)</u>	<u>(1,314)</u>	<u>(140,235)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	-	-	-	-	-
Interfund Transfers Out	-	-	-	-	-
Refund of Prior Year Expenditures	40,921	-	-	-	40,921
Refund of Prior Year Receipts	(540)	-	-	-	(540)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>40,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,381</u>
<b>NET CHANGE IN FUND BALANCES</b>	125,413	14,031	(237,984)	(1,314)	(99,854)
<b>FUND BALANCES - BEGINNING</b>	<u>500,017</u>	<u>46,203</u>	<u>1,115,794</u>	<u>4,901</u>	<u>1,666,915</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 625,430</u>	<u>\$ 60,234</u>	<u>\$ 877,810</u>	<u>\$ 3,587</u>	<u>\$ 1,567,061</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**  
**Fiduciary Funds**  
**As of December 31, 2016**

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	<b>PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>	<b>AGENCY FUNDS</b>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 388,371	\$ 552,690
Investments	1,411,762	-
Due from General Fund	-	-
<b>TOTAL CURRENT ASSETS</b>	1,800,133	552,690
<b>TOTAL ASSETS</b>	<b>\$ 1,800,133</b>	<b>\$ 552,690</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -
<b><u>LIABILITIES</u></b>		
Due to Developers	\$ -	\$ 466,940
Due to Escrow Holders	-	84,040
Due to General Fund	-	1,710
<b>TOTAL CURRENT LIABILITIES</b>	-	552,690
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 552,690</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-
<b><u>NET POSITION</u></b>		
Restricted for Employee Benefits	1,800,133	-
<b>TOTAL NET POSITION</b>	<b>\$ 1,800,133</b>	<b>\$ -</b>

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

**SPRINGFIELD TOWNSHIP**  
**Statement of Changes in Net Position – Modified Cash Basis**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2016**

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		<b>TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>
<b>ADDITIONS:</b>		
Contributions - Employer	\$	113,727
Contributions - Employee		15,714
State Aid		52,496
<b>INVESTMENT EARNINGS:</b>		
Interest and Dividends		35,768
Change in Fair Market Value of Investments		68,147
<b>TOTAL ADDITIONS</b>		<u>285,852</u>
<b>DEDUCTIONS:</b>		
Administrative Charges	\$	5,550
Trustee Fees		21,821
Accounting Fees		2,224
Processing Fees		1,924
Drop Plan Rollover to IRA		188,996
Employee Benefits		84,061
<b>TOTAL DEDUCTIONS</b>		<u>304,576</u>
<b>CHANGE IN NET POSITION</b>	\$	(18,724)
<b>NET POSITION - BEGINNING OF YEAR</b>		<u>1,818,857</u>
<b>NET POSITION - END OF YEAR</b>	\$	<u><u>1,800,133</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, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH	BUDGET TO	ACTUAL
	ORIGINAL	FINAL	(BUDGETARY BASIS)	FINAL BUDGET POSITIVE (NEGATIVE)	MODIFIED CASH DIFFERENCE	AMOUNTS MODIFIED CASH BASIS
<b>RESOURCES (INFLOW):</b>						
Taxes	\$ 1,816,570	\$ 1,816,570	\$ 1,926,310	\$ 109,740	\$ -	\$ 1,926,310
Licenses and Permits	58,355	58,355	57,998	(357)	-	57,998
Fines and Forfeits	13,600	13,600	17,765	4,165	-	17,765
Intergovernmental	107,925	107,925	145,610	37,685	-	145,610
Charges for Services	66,657	66,657	81,663	15,006	-	81,663
Miscellaneous	8,625	8,625	19,920	11,295	-	19,920
Interest Received	1,025	1,025	5,692	4,667	-	5,692
Rent and Royalties	-	-	250	250	-	250
Sale of Fixed Assets	5,700	5,700	-	(5,700)	-	-
Refund of Prior Year Expenditures	24,500	24,500	40,921	16,421	-	40,921
Transfer from Other Funds	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>2,102,957</b>	<b>2,102,957</b>	<b>2,296,129</b>	<b>193,172</b>	<b>-</b>	<b>2,296,129</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>						
<b>General Government:</b>						
Legislative (Governing) Body	6,713	6,713	4,249	2,464	-	4,249
Management/Financial Administration	190,741	190,741	194,442	(3,701)	-	194,442
Tax Collection	22,744	22,744	21,286	1,458	-	21,286
Legal	15,000	15,000	13,206	1,794	-	13,206
Engineering	5,500	5,500	5,982	(482)	-	5,982
Buildings and Plant	32,144	32,144	27,413	4,731	-	27,413
<b>Public Safety:</b>						
Police	650,859	650,859	692,937	(42,078)	-	692,937
Fire	223,438	223,438	220,308	3,130	-	220,308
Ambulance/Rescue	81,750	81,750	81,750	-	-	81,750
Inspections	168,638	168,638	133,343	35,295	-	133,343
Other	1,959	1,959	799	1,160	-	799
<b>Public Works:</b>						
Public Works Administration	454,650	454,650	420,279	34,371	-	420,279
Winter Maintenance - Snow Removal	15,000	15,000	10,115	4,885	-	10,115
Traffic Control Devices	5,500	5,500	5,167	333	-	5,167
Repairs of Tools and Machinery	4,800	4,800	3,826	974	-	3,826
Maintenance and Repairs of Roads and Bridges	279,409	279,409	272,078	7,331	-	272,078
<b>Recreation &amp; Community Development</b>						
Other	7,275	7,275	8,977	(1,702)	-	8,977
<b>Non-Departmental:</b>						
Debt Service	18,216	18,216	18,216	-	-	18,216
Insurance	34,285	34,285	35,803	(1,518)	-	35,803
Refund of Prior Year Receipts	-	-	540	(540)	-	540
Transfer to Other Funds	-	-	-	-	-	-
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<b>2,218,621</b>	<b>2,218,621</b>	<b>2,170,716</b>	<b>47,905</b>	<b>-</b>	<b>2,170,716</b>
Excess of Inflows Over Outflows	(115,664)	(115,664)	125,413	241,077	-	125,413
<b>FUND BALANCE - JANUARY 1, 2016</b>	<b>115,664</b>	<b>115,664</b>	<b>500,017</b>	<b>384,353</b>	<b>-</b>	<b>500,017</b>
<b>FUND BALANCE - DECEMBER 31, 2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 625,430</b>	<b>\$ 625,430</b>	<b>\$ -</b>	<b>\$ 625,430</b>

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

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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**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. The Township does not have any business-type activities. 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, 2016**

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**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, 2016.

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

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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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 currently does not have any Enterprise Funds.

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 two (2) agency funds, consisting of the Developers Escrow Fund and the ACT 537 Maintenance Escrow 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.
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.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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**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 which equates to amortized cost.

**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 2016 is \$82,701,360 at a rate of 12 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.
- **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.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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- **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, 2016.

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

No individual fund, which has a legally adopted budget, had an excess of expenditures over appropriations at December 31, 2016.

**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, 2016, \$261,094 of the Township's bank balance of \$1,444,700 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		261,094
<b>TOTAL</b>	<b>\$</b>	<b><u>261,094</u></b>

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

***Reconciliation to Financial Statements***

Uninsured Amount Above	\$ 261,094
Plus: Insured Amount	1,183,606
Deposits in Transit	4,434
Less: Outstanding Checks	<u>(39,394)</u>
Carrying Amount - Bank Balances	1,409,740
Plus: Petty Cash	110
Deposits in Pooled Investments Considered Cash Equivalents	714,200
Deposits in Money Market Mutual Funds Considered Cash Equivalents	387,666
Less: Certificates of Deposits considered Investments	<u>(923,000)</u>
<b>Total Cash Per Financial Statements</b>	<b><u>\$ 1,588,716</u></b>

***Restricted Cash***

1. The cash balance includes \$468,650 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 \$84,040 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 amended by Act 10 of 2016 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.
5. Obligations, participations or other instruments of any Federal Agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
6. Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government sponsored enterprise.
7. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or State-chartered bank, a Federal or State savings and loan association or a State-licensed branch of a foreign bank. For obligations

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.

8. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
9. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the paper is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
10. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and, if all of the following conditions are met:
  - The investments of the company are the authorized investments listed above.
  - The investment company is managed in accordance with 17 CFR 270.2a-7 (related to money market funds).
  - The investment company is rated in the highest category by a nationally recognized rating agency.
11. Savings or demand deposits placed in accordance with the following conditions:
  - The money is initially deposited and invested through a federally insured institution having a place of business in this Commonwealth, which is selected by the public corporation or municipal authority.
  - The selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation, or the account of the public corporation or municipal authority.
  - The full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation.
  - On the same date that the money is redeposited pursuant to above, the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the public corporation or municipal authority.

Pension trust funds are not subject to the above limitations.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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As of December 31, 2016, the Township had the following investments:

<u>Investment</u>	<u>Fair Value</u>
<b><u>Primary Government</u></b>	
Certificates of Deposit	\$ 923,000
PA Local Government Investment Trust	714,200
<b><u>Pension Trust Funds</u></b>	
Morgan Stanley AA Money Trust	387,666
Common Stocks	838,418
ETFs and CEFs	419,696
Mutual Funds	153,648
<b>TOTAL</b>	<b><u>\$ 3,436,628</u></b>

**Fair Value Reporting**

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. All of the Township's investments are valued based on Level 1 inputs.

**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, 2016, the Township has two pension fund investments (Vanguard Short-Term Fund and Metropolitan West Total Return Bond Fund) each totaling 5.97% and 7.97% of the trust and agency fund investments.

Of the Township's investments, 26.86% are invested in certificates of deposit at Bank of the Ozarks, CFG Community Bank, Ind & Comm Bank of China, and One West Bank. Of the General Fund Investments, 31.51% are invested in a certificate of deposit at Bank of the Ozarks. Of the Capital Projects Fund Investments, 84.64% are invested in certificates of deposit at CFG Community Bank, Ind & Comm Bank of China, and One West Bank, with amounts varying from \$247,000 to \$248,000 or 28.14% to 28.25% of investments.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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:

EFTs and CEFs	\$	76,824
Common Stocks		376,483
<b>TOTAL</b>		<b><u>453,307</u></b>

Reconciliation to Financial Statements

Total Investments Above	\$	3,436,628
Less: Deposits in Investment Pools Considered Cash Equivalents		(714,200)
Deposits in Money Market Mutual Funds Considered Cash Equivalents		<u>(387,666)</u>
<b>Total Investments per Financial Statements</b>		<b><u>\$ 2,334,762</u></b>

**Note 6 – Short-Term Debt**

*Interfund Receivables and Payables*

The following interfund receivables and payables existed on December 31, 2016:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 1,710	\$ -
Agency (Developers Escrow) Fund	-	1,710
<b>TOTAL</b>	<b><u>\$ 1,710</u></b>	<b><u>\$ 1,710</u></b>

*Interfund Transfers*

The Township did not make any interfund transfers during the fiscal year ended December 31, 2016.

**Note 7 – Long-Term Debt Commitments**

Long-term debt balances and activity for the year ended December 31, 2016, were:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>	<u>AMOUNTS DUE WITHIN ONE YEAR</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
<b><i>General Obligation Debt:</i></b>					
<i>Bonds and Notes Payable:</i>					
General Obligation Bonds - Series of 2012	\$ 4,400,000	\$ -	\$ 215,000	\$ 4,185,000	\$ 225,000
General Obligation Note - Series of 2008	78,947	-	10,096	68,851	10,300
Radio Equipment Loan - County of Bucks	37,131	-	6,076	31,055	6,167
Pennsylvania Infrastructure Bank Loan	<u>163,144</u>	-	<u>59,039</u>	<u>104,105</u>	<u>59,998</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 4,679,222</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 290,211</u></b>	<b><u>\$ 4,389,011</u></b>	<b><u>\$ 301,465</u></b>



**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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

Total interest paid during the year:

	<b>PAID</b>
<b>GOVERNMENTAL ACTIVITIES:</b>	
General Obligation Debt	\$ 102,637
<b>TOTAL INTEREST PAID BY GOVERNMENTAL ACTIVITIES</b>	<b>\$ 102,637</b>

The total interest cost incurred and charged to expenses in 2016 was \$102,637.

***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
2017	\$ 225,000	\$ 92,638
2018	225,000	88,138
2019	235,000	83,638
2020	235,000	78,938
2021	240,000	74,238
2022-2026	1,290,000	296,888
2027-2031	1,430,000	152,298
2032	305,000	8,384
<b>TOTAL</b>	<b>\$ 4,185,000</b>	<b>\$ 875,160</b>

***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, 2016**

The outstanding debt service requirements at December 31, 2016 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2017	\$ 10,300	\$ 1,283
2018	10,508	1,075
2019	10,720	863
2020	10,936	647
2021	11,157	426
2022 - 2023	15,230	216
<b>TOTAL</b>	<b>\$ 68,851</b>	<b>\$ 4,510</b>

**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
2017	\$ 59,998	\$ 2,696
2018	44,107	1,721
2019	-	728
<b>TOTAL</b>	<b>\$ 104,105</b>	<b>\$ 5,145</b>

**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
2017	\$ 6,167	\$ 466
2018	6,259	374
2019	6,353	280
2020	6,448	185
2021	5,828	85
<b>TOTAL</b>	<b>\$ 31,055</b>	<b>\$ 1,390</b>

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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**Operating Leases**

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:

<b>FISCAL YEAR</b>	<b>AMOUNT</b>
2017	\$ 22,405
2018	6,711
<b>TOTAL</b>	<b>\$ 29,116</b>

**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, 2016**

**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 January 1, 2015:

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

*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	\$ 69,031
Contributions made	\$ 69,031

***Three-Year Trend Information***

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 58,068	100%	-
12/31/2015	\$ 51,617	100%	-
12/31/2016	\$ 69,031	100%	-

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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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.

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, 2016**

**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 January 1, 2015:

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

*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	\$ 94,967
Contributions made	\$ 94,967

***Three-Year Trend Information***

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 44,839	100%	-
12/31/2015	\$ 45,204	100%	-
12/31/2016	\$ 94,967	100%	-

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2016**

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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. The Township may unilaterally terminate this provision without penalty or impact bargaining if, in the judgment of the Board of Supervisors, it's in the best interest of the Township to do so.

- 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, 2016**

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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, 2016, one officer had taken advantage of the DROP Plan. During the 2016 year, the participating officer rolled over his Drop Plan into an IRA resulting in a zero balance at December 31, 2016.

**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, 2016**

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**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:

Restricted Fund Balances

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

State Liquid Fuels Fund	\$ 60,234
Street Light Fund	3,481
<b>TOTAL</b>	<b><u>\$ 63,715</u></b>

Assigned Fund Balances

Capital Projects Fund	\$ 877,810
Special Fees Fund	106
<b>TOTAL</b>	<b><u>\$ 877,916</u></b>

**Note 12 – Subsequent Events**

The subsequent events have been evaluated through May 27, 2017, 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, 2016, which collectively comprise Springfield Township's basic financial statements, and have issued our report thereon dated May 27, 2017. 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, 2017

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**REQUIRED SUPPLEMENTAL INFORMATION**

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**SPRINGFIELD TOWNSHIP  
Pension Funds  
Required Supplemental Information  
December 31, 2016**

**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>
<b><u>NON-UNIFORMED PENSION PLAN</u></b>						
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%
<b><u>POLICE PENSION FUND</u></b>						
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>
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%
2016	69,031	69,031	100.0%	94,967	94,967	100.0%

**SPRINGFIELD TOWNSHIP**  
**Schedule of Changes in Net Pension Liability, Related Ratios,**  
**And Investment Returns – Police Pension Fund**  
**Required Supplemental Information**  
**December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 34,179	\$ 34,179	\$ 18,635
Interest on Total Pension Liability	492,120	492,120	145,001
Benefit Payments	(45,791)	(45,791)	(45,791)
<b>Net Change in Total Pension Liability</b>	<u>480,508</u>	<u>480,508</u>	<u>117,845</u>
Total Pension Liability, Beginning	1,214,339	1,214,339	1,096,494
Total Pension Liability, Ending (a)	<u><b>\$ 1,694,847</b></u>	<u><b>\$ 1,694,847</b></u>	<u><b>\$ 1,214,339</b></u>
<b>FIDUCIARY NET POSITION</b>			
State Aid	30,448	21,967	21,935
Employer Contributions	65,784	23,237	22,904
Member Contributions	15,714	12,716	11,310
Investment Income Net of Investment Expenses	64,550	(27,251)	76,102
Administration Costs	(18,462)	(20,850)	(20,427)
Benefit payments	(66,267)	(45,791)	(45,791)
Drop Plan Rollover to IRA	(188,996)	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>(97,229)</u>	<u>(35,972)</u>	<u>66,033</u>
Fiduciary Net Position, Beginning	1,215,438	1,251,410	1,185,377
Fiduciary Net Position, Ending (b)	<u><b>\$ 1,118,209</b></u>	<u><b>\$ 1,215,438</b></u>	<u><b>\$ 1,251,410</b></u>
Net pension Liability [(a) - (b)]	<u><b>\$ 576,638</b></u>	<u><b>\$ 479,409</b></u>	<u><b>\$ (37,071)</b></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.98%	71.71%	103.05%
Covered Payroll	226,188	226,188	208,510
Net Pension Liability as a Percentage of Covered Payroll	254.94%	211.95%	17.78%
Annual Money Weighted Return, Net of Investment Expenses	5.90%	4.78%	3.68%

**SPRINGFIELD TOWNSHIP**  
**Schedule of Changes in Net Pension Liability, Related Ratios,**  
**And Investment Returns – Non-Uniformed Pension Fund**  
**Required Supplemental Information**  
**December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 34,179	\$ 34,179	\$ 35,133
Interest on Total Pension Liability	224,561	224,561	85,583
Benefit Payments	(17,795)	(17,795)	(17,795)
<b>Net Change in Total Pension Liability</b>	<u>240,945</u>	<u>240,945</u>	<u>102,921</u>
Total Pension Liability, Beginning	503,773	503,773	400,852
Total Pension Liability, Ending (a)	<u><b>\$ 744,718</b></u>	<u><b>\$ 744,718</b></u>	<u><b>\$ 503,773</b></u>
<b>FIDUCIARY NET POSITION</b>			
State Aid	22,048	25,082	28,409
Employer Contributions	47,943	26,535	29,659
Member Contributions	-	-	-
Investment Income Net of Investment Expenses	39,365	(13,529)	36,233
Administration Costs	(13,056)	(12,690)	(13,288)
Benefit payments	(17,795)	(17,795)	(20,955)
<b>Net Change in Fiduciary Net Position</b>	<u>78,505</u>	<u>7,603</u>	<u>60,058</u>
Fiduciary Net Position, Beginning	603,419	595,816	535,758
Fiduciary Net Position, Ending (b)	<u><b>\$ 681,924</b></u>	<u><b>\$ 603,419</b></u>	<u><b>\$ 595,816</b></u>
Net pension Liability [(a) - (b)]	<u><b>\$ 62,794</b></u>	<u><b>\$ 141,299</b></u>	<u><b>\$ (92,043)</b></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.57%	81.03%	147.56%
Covered Payroll	301,497	301,497	374,805
Net Pension Liability as a Percentage of Covered Payroll	20.83%	46.87%	-24.56%
Annual Money Weighted Return, Net of Investment Expenses	5.90%	4.78%	3.68%

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**OTHER SUPPLEMENTAL INFORMATION**

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**SPRINGFIELD TOWNSHIP**  
**Combining Balance Sheet – Modified Cash Basis**  
**All Non-Major Governmental Funds**  
**For the Year Ended December 31, 2016**

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	STREET LIGHT FUND	SPECIAL FEES FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,481	\$ 106	\$ 3,587
<b>TOTAL ASSETS</b>	<b>\$ 3,481</b>	<b>\$ 106</b>	<b>\$ 3,587</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Other Payables	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-	-
 <b>FUND BALANCES:</b>			
Restricted	\$ 3,481	\$ -	\$ 3,481
Assigned	-	106	106
<b>TOTAL FUND BALANCES</b>	<b>3,481</b>	<b>106</b>	<b>3,587</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,481</b>	<b>\$ 106</b>	<b>\$ 3,587</b>

**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, 2016**

	<u>STREET LIGHT FUND</u>	<u>SPECIAL FEES FUND</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 6,728	\$ -	\$ 6,728
Intergovernmental	-	-	-
Charges for Services	-	-	-
Investment Earnings	17	-	17
<b>TOTAL REVENUES</b>	<u>6,745</u>	<u>-</u>	<u>6,745</u>
<b><u>EXPENDITURES</u></b>			
General Government	-	-	-
Public Works	8,059	-	8,059
Culture and Recreation	-	-	-
Debt Service	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>8,059</u>	<u>-</u>	<u>8,059</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,314)</u>	<u>-</u>	<u>(1,314)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Applicant Refunds	-	-	-
Transfers Out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,314)	-	(1,314)
<b>FUND BALANCES - BEGINNING</b>	<u>4,795</u>	<u>106</u>	<u>4,901</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,481</u>	<u>\$ 106</u>	<u>\$ 3,587</u>

**SPRINGFIELD TOWNSHIP**  
**Combining Statements of Net Position – Modified Cash Basis**  
**All Agency Funds**  
**As of December 31, 2016**

	<b>DEVELOPERS ESCROW FUND</b>	<b>ACT 537 MAINTENANCE ESCROW FUND</b>	<b>TOTAL AGENCY FUNDS</b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 468,650	\$ 84,040	\$ 552,690
Investments	-	-	-
Due from Other Funds	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>468,650</b>	<b>84,040</b>	<b>552,690</b>
<b>TOTAL ASSETS</b>	<b>\$ 468,650</b>	<b>\$ 84,040</b>	<b>\$ 552,690</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>LIABILITIES</u></b>			
Due to Developers	\$ 466,940	\$ -	\$ 466,940
Due to General Fund	1,710	-	1,710
Due to Escrow Holders	-	84,040	84,040
<b>TOTAL CURRENT LIABILITIES</b>	<b>468,650</b>	<b>84,040</b>	<b>552,690</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 468,650</b>	<b>\$ 84,040</b>	<b>\$ 552,690</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>NET POSITIONS</u></b>			
<b>TOTAL NET POSITIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SPRINGFIELD TOWNSHIP**  
**Combining Statement of Additions and Deductions – Modified Cash Basis**  
**All Agency Funds**  
**For the Year Ended December 31, 2016**

	<b>DEVELOPERS ESCROW FUND</b>	<b>ACT 537 MAINTENANCE ESCROW FUND</b>	<b>TOTAL AGENCY FUNDS</b>
<b>ADDITIONS RECEIVED:</b>			
Receipts from Developers	\$ 107,118	\$ -	\$ 107,118
Receipts from Escrow Holders	-	1,250	1,250
Receipts from General Fund	-	-	-
Interest Earnings	2	209	211
<b>TOTAL ADDITIONS</b>	<u>107,120</u>	<u>1,459</u>	<u>108,579</u>
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<b>DEDUCTIONS PAID:</b>			
Developer Disbursements	36,027	-	36,027
Bridge Disbursements	-	-	-
Escrow Disbursements	-	52	52
<b>TOTAL DEDUCTIONS PAID</b>	<u>36,027</u>	<u>52</u>	<u>36,079</u>
<b>NET INCREASE (DECREASE)</b>	71,093	1,407	72,500
<b>DUE TO DEVELOPERS/ESCROW HOLDERS AND DONOR RESTRICTIONS - BEGINNING OF YEAR</b>	<u>395,847</u>	<u>82,633</u>	<u>478,480</u>
<b>DUE TO DEVELOPERS/ESCROW HOLDERS AND DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 466,940</u>	<u>\$ 84,040</u>	<u>\$ 550,980</u>

**SPRINGFIELD TOWNSHIP**  
**Combining Statements of Net Positions – Modified Cash Basis**  
**All Pension and Other Employee Benefit Trust Funds**  
**As of December 31, 2016**

	<b>POLICE PENSION FUND</b>	<b>NON-UNIFORMED PENSION FUND</b>	<b>TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 241,249	\$ 147,122	\$ 388,371
Investments	876,960	534,802	1,411,762
<b>TOTAL CURRENT ASSETS</b>	<u>1,118,209</u>	<u>681,924</u>	<u>1,800,133</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,118,209</b></u>	<u><b>\$ 681,924</b></u>	<u><b>\$ 1,800,133</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Due to General Fund	\$ -	\$ -	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITIONS</b>			
Restricted for Employee Benefits	<u>1,118,209</u>	<u>681,924</u>	<u>1,800,133</u>
<b>TOTAL NET POSITIONS</b>	<u><b>\$ 1,118,209</b></u>	<u><b>\$ 681,924</b></u>	<u><b>\$ 1,800,133</b></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, 2016**

	<b>POLICE PENSION FUND</b>	<b>NON-UNIFORMED PENSION FUND</b>	<b>TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>
<b>ADDITIONS RECEIVED:</b>			
Contributions - Employer	\$ 65,784	\$ 47,943	\$ 113,727
Contributions - Employee	15,714	-	15,714
State Aid	30,448	22,048	52,496
Interest and Dividends	22,218	13,550	35,768
Change in Fair Value of Investments	42,332	25,815	68,147
<b>TOTAL ADDITIONS</b>	<u>176,496</u>	<u>109,356</u>	<u>285,852</u>
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<b>DEDUCTIONS PAID:</b>			
Administrative Charges	2,600	2,950	5,550
Trustee Fees	13,555	8,266	21,821
Accounting Fees	1,112	1,112	2,224
Processing Fees	1,195	729	1,924
Drop Plan Rollover to IRA	188,996	-	188,996
Employee Benefits	66,267	17,794	84,061
<b>TOTAL DEDUCTIONS PAID</b>	<u>273,725</u>	<u>30,851</u>	<u>304,576</u>
<b>CHANGE IN NET POSITION</b>	(97,229)	78,505	(18,724)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>1,215,438</u>	<u>603,419</u>	<u>1,818,857</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,118,209</u>	<u>\$ 681,924</u>	<u>\$ 1,800,133</u>

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**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**SPRINGFIELD TOWNSHIP**  
**General Fund**  
**Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –**  
**Modified Cash Basis**  
**For the Year Ended December 31, 2016**

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**REVENUES RECEIVED**

**TAXES:**

Real Estate Taxes - Current	\$ 953,770	
Real Estate Transfer Tax	128,250	
Earned Income Tax	783,268	
Delinquent Real Estate Taxes	15,483	
Act 319 Rollback Taxes	260	
Local Services Tax	<u>45,279</u>	\$ 1,926,310

**FINES AND FORFEITS:**

Fines		17,765
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**LICENSES AND PERMITS:**

Franchise Fee Cable	56,998	
Permits/Reports	<u>1,000</u>	57,998

**INTERGOVERNMENTAL:**

Public Utility Realty Tax	2,372	
Pension State Aid	52,496	
Beverage Licenses	600	
Allotment - Fireman's Relief	52,973	
Recycling Grant Revenue	7,044	
Other State Grants	19,341	
Local Grants	<u>10,784</u>	145,610

**CHARGES FOR SERVICES:**

General Government	6,211	
Public Safety	68,870	
Road Department Fees	179	
Culture and Recreation Fees	4,621	
Other Charges for Sanitation Services	<u>1,782</u>	81,663

**INVESTMENT EARNINGS:**

Interest Income	5,692	
Rent	<u>250</u>	5,942

**MISCELLANEOUS:**

Contributions and Donations from Private Sectors	17,334	
Miscellaneous	<u>2,586</u>	<u>19,920</u>

**TOTAL REVENUE RECEIVED** **\$ 2,255,208**



**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, 2016**

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**EXPENDITURES PAID**

***GENERAL GOVERNMENT***

**LEGISLATIVE (GOVERNING) BODY:**

Supervisor Salaries and Benefits	\$	3,391
Dues/Seminars		858

**MANAGEMENT/FINANCIAL ADMINISTRATION:**

Manager Salary	60,931
Secretary/Treasurer Salary	49,288
Auditor Wages	8,950
Employee Benefits	27,307
Pension Plan	11,390
Supplies	2,453
Printing	794
Minor Equipment	20
Travel	230
Bonding Insurance	625
Dues/Seminars	1,829
Advertising	1,311
IT Networking	1,661
Computer Software/Hardware	6,485
Payroll Services	1,983
Postage	1,699
Telephone	4,592
Professional Services	3,968
Miscellaneous	8,926

**TAX COLLECTION:**

Tax Collector Commissions	6,798
Real Estate Transfer Tax Commission	2,565
Earned Income Tax Collection	9,895
Local Services Tax Collection Commission	1,152
Tax Collector Supplies	672
Real Estate Tax Relief	204

**LEGAL:**

Solicitor Services	13,206
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**ENGINEERING:**

Engineering Services	5,982
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**BUILDINGS AND PLANT:**

Maintenance	13,038
Supplies	6,212
Heating Oil	774
Electricity	7,389

<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$</b>	<b>266,578</b>
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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, 2016**

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**PUBLIC SAFETY**

**POLICE:**

Salary of Policemen	\$ 344,021
Employee Benefits	135,691
Pension Costs (Police & Clerical)	94,967
Uniforms	6,343
Training	9,168
Legal	1,035
Computer Software/Hardware	4,875
Dues/Seminars	1,891
Supplies	1,648
Telephone	3,971
Vehicle Maintenance and Repairs	17,925
Minor Equipment	15,812
Major Equipment	55,057
Miscellaneous	533

**FIRE:**

Contribution to Fire Co.	152,855
Fireman's Relief	52,973
Workers Compensation	14,480

**AMBULANCE/RESCUE:**

Emergency Services Contribution	81,750
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**INSPECTIONS:**

Zoning and Administration Salaries	32,027
Salary of Clerical	27,123
Employee Benefits	15,052
Pension Costs	7,662
Ordinance Revision	5,434
Legal and Engineering	40,696
Contracted Services	525
Printing	10
Miscellaneous	1,583
Computer Software/Repair	2,833
Vehicle Repair and Fuel	398

**OTHER PUBLIC SAFETY:**

Emergency Management	799
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**TOTAL PUBLIC SAFETY** \$ 1,129,137

**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, 2016**

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**PUBLIC WORKS**

**PUBLIC WORKS ADMINISTRATION:**

Salaries - Highways and Streets	\$ 219,532
Overtime	6,655
Employee Benefits	94,539
Pension Costs	49,979
Communications	1,636
Vehicle Maintenance	35,532
Winter Maintenance	10,115
Uniforms	1,600
Minor Equipment	8,135
Miscellaneous	2,671

**TRAFFIC CONTROL DEVICES:**

Street Signs and Markings	5,167
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**REPAIRS OF TOOLS AND MACHINERY:**

Maintenance	3,826
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**MAINTENANCE AND REPAIRS OF ROADS AND BRIDGES:**

Contracted Services	80,620
Supplies and Road Materials	181,206
Road Grants	<u>10,252</u>

**TOTAL PUBLIC WORKS** \$ 711,465

**RECREATION & COMMUNITY DEVELOPMENT:**

**OTHER:**

Open Space	2,464
Silent Auction	1,329
Community Day	<u>5,184</u>

**TOTAL RECREATION & COMMUNITY DEVELOPMENT** 8,977

**DEBT SERVICE**

Debt Principal	16,172
Debt Interest	<u>2,044</u>

**TOTAL DEBT SERVICE** 18,216

**MUNICIPAL INSURANCE** 35,803

**TOTAL EXPENDITURES PAID** \$ 2,170,176

**EXCESS OF REVENUES RECEIVED OVER EXPENDITURES PAID** 85,032

**OTHER FINANCING SOURCES RECEIVED AND**

**OTHER FINANCING USES PAID**

Refund of Prior Year Expenditures	40,921
Refund of Prior Year Receipts	(540)
Interfund Transfers In	-
Interfund Transfers (Out)	<u>-</u>
	<u>40,381</u>

**NET CHANGE IN FUND BALANCES** \$ 125,413

**FUND BALANCE - JANUARY 1, 2016** 500,017

**FUND BALANCE - DECEMBER 31, 2016** \$ 625,430

**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, 2016**

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<b>FUND BALANCE - JANUARY 1, 2016</b>		\$ 46,203
 <b><u>REVENUES RECEIVED</u></b>		
<b>INTERGOVERNMENTAL:</b>		
Liquid Fuels Tax	\$ 269,467	
Turnback Mileage	2,120	
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	648	272,235
<b>TOTAL FUNDS AVAILABLE</b>		<b>318,438</b>
 <b><u>EXPENDITURES PAID</u></b>		
<b>PUBLIC WORKS:</b>		
Tools and Machinery Maintenance	7,540	
Major Equipment Lease	33,555	
Major Equipment Purchase	36,749	
Cleaning Streets	2,993	
Winter Maintenance Services	26,472	
Highway Maintenance and Repairs	88,201	
<b>DEBT SERVICE:</b>		
Principal	59,039	
Interest	3,655	258,204
<b>FUND BALANCE - DECEMBER 31, 2016</b>		<b><u>\$ 60,234</u></b>

**Street Light Fund**  
**Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance**  
**Modified Cash Basis**  
**For the Year Ended December 31, 2016**

<b>FUND BALANCE - JANUARY 1, 2016</b>		\$ 4,795
 <b><u>REVENUES RECEIVED</u></b>		
<b>TAXES:</b>		
Real Estate Taxes	\$ 6,728	
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	17	6,745
<b>TOTAL FUNDS AVAILABLE</b>		<b>11,540</b>
 <b><u>EXPENDITURES PAID</u></b>		
<b>PUBLIC WORKS:</b>		
Electricity		8,059
<b>FUND BALANCE - DECEMBER 31, 2016</b>		<b><u>\$ 3,481</u></b>

**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, 2016**

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FUND BALANCE - JANUARY 1, 2016	\$	106
<b><u>REVENUES AND OTHER FINANCING SOURCES RECEIVED</u></b>		
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	\$	-
<b>CHARGES FOR SERVICES:</b>		
Subdivision Fees/Contributions	-	-
	_____	_____
<b>TOTAL FUNDS AVAILABLE</b>		<b>106</b>
<b><u>EXPENDITURES AND OTHER FINANCING USES PAID</u></b>		
<b>OTHER:</b>		
Applicant Refunds	\$	-
Transfer to General Fund	-	-
	_____	_____
<b>FUND BALANCE - DECEMBER 31, 2016</b>	<b>\$</b>	<b><u>106</u></b>

**Open Space Fund**  
**Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance**  
**Modified Cash Basis**  
**For the Year Ended December 31, 2016**

FUND BALANCE - JANUARY 1, 2016	\$	1,115,794
<b><u>REVENUES AND OTHER FINANCING SOURCES RECEIVED</u></b>		
<b>TAXES:</b>		
Earned Income Taxes	\$	387,979
<b>INTERGOVERNMENTAL:</b>		
Peppermint Park State Grant	111,323	
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	8,017	507,319
	_____	_____
<b>TOTAL FUNDS AVAILABLE</b>		<b>1,623,113</b>
<b><u>EXPENDITURES AND OTHER FINANCING USES PAID</u></b>		
<b>GENERAL GOVERNMENT:</b>		
Tax Collection	\$	4,879
Solicitor/Legal Services	23,369	
Engineering & Other Professional Services	25,256	
<b>CULTURE AND RECREATION:</b>		
Act 115 Peppermint Road Park	3,705	
<b>COMMUNITY DEVELOPMENT:</b>		
Conservation of Natural Resources	373,990	
<b>OTHER:</b>		
Miscellaneous	2,166	
<b>OTHER FINANCING USES:</b>		
Debt Principal	215,000	
Debt Interest	96,938	745,303
	_____	_____
<b>FUND BALANCE - DECEMBER 31, 2016</b>	<b>\$</b>	<b><u>877,810</u></b>

**SPRINGFIELD TOWNSHIP  
Developers Escrow Fund  
Statement of Additions and Deductions  
Modified Cash Basis  
For the Year Ended December 31, 2016**

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<b>DUE TO DEVELOPERS - JANUARY 1, 2016</b>	\$	395,847
 <b>ADDITIONS RECEIVED:</b>		
Receipts from Developers	\$ 107,118	
Interest Earnings	<u>2</u>	
<b>TOTAL ADDITIONS</b>	<u>107,120</u>	
 <b>DEDUCTIONS PAID:</b>		
Developer Disbursements	<u>36,027</u>	
<b>TOTAL DEDUCTIONS PAID</b>	<u>36,027</u>	
 <b>NET INCREASE</b>		 <u>71,093</u>
 <b>DUE TO DEVELOPERS - DECEMBER 31, 2016</b>	 <b>\$</b>	 <b><u>466,940</u></b>

**ACT 537 Maintenance Escrow Fund  
Statement of Additions and Deductions – Modified Cash Basis  
For The Year Ended December 31, 2016**

<b>DUE TO ESCROW HOLDERS - JANUARY 1, 2016</b>	\$	82,633
 <b>ADDITIONS RECEIVED:</b>		
Receipts from Escrow Holders	\$ 1,250	
Interest Earnings	<u>209</u>	
<b>TOTAL ADDITIONS</b>	<u>1,459</u>	
 <b>DEDUCTIONS PAID:</b>		
Escrow Disbursements	<u>52</u>	
<b>TOTAL DEDUCTIONS PAID</b>	<u>52</u>	
 <b>NET INCREASE</b>		 <u>1,407</u>
 <b>DUE TO ESCROW HOLDERS - DECEMBER 31, 2016</b>	 <b>\$</b>	 <b><u>84,040</u></b>

**SPRINGFIELD TOWNSHIP**  
**Pension Trust Funds**  
**Police Pension Fund**  
**Statement of Additions and Deductions - Modified Cash Basis**  
**For the Year Ended December 31, 2016**

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<b>NET POSITION - BEGINNING OF YEAR</b>		\$ 1,215,438
 <b>ADDITIONS:</b>		
Contributions - Employer	65,784	
Contributions - Employee	15,714	
State Aid	30,448	
 <b>INVESTMENT EARNINGS:</b>		
Interest and Dividends	22,218	
Change in Fair Market Value of Investments	42,332	
<b>TOTAL ADDITIONS</b>	176,496	
 <b>DEDUCTIONS:</b>		
Administrative Charges	2,600	
Trustee Fees	13,555	
Accounting Fees	1,112	
Processing Fees	1,195	
Drop Plan Rollover to IRA	188,996	
Employee Benefits	66,267	
<b>TOTAL DEDUCTIONS</b>	273,725	
 <b>CHANGE IN NET POSITION</b>		 (97,229)
 <b>NET POSITION - END OF YEAR</b>		 \$ 1,118,209

**SPRINGFIELD TOWNSHIP**  
**Pension Trust Funds**  
**Non-Uniformed Pension Fund**  
**Statement of Additions and Deductions - Modified Cash Basis**  
**For the Year Ended December 31, 2016**

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<b>NET POSITION - BEGINNING OF YEAR</b>		\$	603,419
 <b>ADDITIONS:</b>			
Contributions - Employer	\$	47,943	
State Aid		22,048	
 <b>INVESTMENT EARNINGS:</b>			
Interest and Dividends		13,550	
Change in Fair Market Value of Investments		25,815	
<b>TOTAL ADDITIONS</b>		<u>109,356</u>	
 <b>DEDUCTIONS:</b>			
Administrative Charges		2,950	
Trustee Fees		8,266	
Accounting Fees		1,112	
Processing Fees		729	
Employee Benefits		17,794	
<b>TOTAL DEDUCTIONS</b>		<u>30,851</u>	
 <b>CHANGE IN NET POSITION</b>			 <u>78,505</u>
 <b>NET POSITION - END OF YEAR</b>		 <b>\$</b>	 <b><u>681,924</u></b>