

**REPORT ON  
SPRINGFIELD TOWNSHIP  
BUCKS COUNTY, PA  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**SPRINGFIELD TOWNSHIP**  
**Financial Statements - Modified Cash Basis**  
**For the Year Ended December 31, 2013**

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**TABLE OF CONTENTS**

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	<u>Page (s)</u>
<b>Financial Section</b>	
Independent Auditors' Report .....	1 - 3
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position .....	4
Statement of Activities .....	5
<b>Fund Financial Statements</b>	
Balance Sheet - All Governmental Funds .....	6
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds .....	7
Statement of Net Position - Proprietary Funds .....	8
Statement of Revenues Received, Expenditures Paid and Changes in Net Position - Proprietary Funds .....	9
Statement of Cash Flows - Proprietary Funds .....	10
Statement of Net Position - Fiduciary Funds .....	11
Statement of Changes in Net Position - Fiduciary Funds .....	12
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance - Budget and Actual - General Fund .....	13
<b>Notes to Financial Statements</b>	14 – 29
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 .....	30 - 31

**SPRINGFIELD TOWNSHIP**  
**Financial Statements - Modified Cash Basis**  
**For the Year Ended December 31, 2013**

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**TABLE OF CONTENTS (CONTINUED)**

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	<u>Page (s)</u>
<b>Required Supplemental Information</b>	
Schedule of Funding Progress - Pension Funds .....	32
<b>Other Supplemental Information</b>	
Combining Balance Sheet - All Non-Major Governmental Funds .....	33
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - All Non-Major Governmental Funds .....	34
Combining Statement of Net Position – All Agency Funds.....	35
Combining Statement of Additions and Deductions – All Agency Funds.....	36
Combining Statement of Net Position – All Pension and Other Employee Benefit Trust Funds .....	37
Combining Statement of Changes in Net Position – All Pension and Other Employee Benefit Trust Funds.....	38
<b>Individual Fund Statements and Schedules</b>	
<b>Springfield Township</b>	
General Fund .....	39 - 42
Liquid Fuels Fund .....	43
Street Light Fund .....	43
Special Fees Fund .....	44
Debt Service Fund .....	44
Open Space Fund.....	45
Knechts Bridge Fund .....	45
Developers Escrow Fund.....	46
ACT 537 Maintenance Escrow Fund.....	46
Pension Trust Funds (Police Pension Fund).....	47
Pension Trust Funds (Non-Uniformed Pension Fund).....	48

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**FINANCIAL SECTION**

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HUTCHINSON, GILLAHAN & FREEH, P.C.  
ACCOUNTANTS, AUDITORS & CONSULTANTS

May 6, 2014

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, 2013, 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**

### ***Opinions***

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, 2013, and the respective changes in financial position-modified cash basis, and, where applicable, cash flows and budgetary comparison of the General Fund for the year then ended in accordance with the basis of accounting as described in Note 2(B).

### ***Basis of Accounting***

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

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

#### ***Other Information***

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

## SPRINGFIELD TOWNSHIP

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards we have also issued our report dated May 6, 2014, 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, Mullaney + Freen, PC*

May 6, 2014

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**BASIC FINANCIAL STATEMENTS**

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**SPRINGFIELD TOWNSHIP**  
**Statement of Net Position – Modified Cash Basis**  
**As of December 31, 2013**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,007,455	\$ 222	\$ 1,007,677
Investments	744,000	-	744,000
Construction Payments Receivable	-	22,064	22,064
EDU's Receivable	-	20,720	20,720
Internal Balances	42,790	-	-
Other Receivables	20	-	20
<b>TOTAL CURRENT ASSETS</b>	<b>1,794,265</b>	<b>43,006</b>	<b>1,794,481</b>
<b>NON-CURRENT ASSETS:</b>			
Restricted Cash and Cash Equivalents	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,794,265</b>	<b>\$ 43,006</b>	<b>\$ 1,794,481</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES:</b>			
Internal Balances	\$ -	\$ 42,790	\$ -
Other Payables	5,161	-	5,161
Other Current Liabilities	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,161</b>	<b>42,790</b>	<b>5,161</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 5,161</b>	<b>\$ 42,790</b>	<b>\$ 5,161</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>NET POSITION</u></b>			
Restricted for Capital Projects	1,277,829	-	1,277,829
Unrestricted	511,275	216	511,491
<b>TOTAL NET POSITION</b>	<b>\$ 1,789,104</b>	<b>\$ 216</b>	<b>\$ 1,789,320</b>

(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, 2013**

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	\$ 374,951	\$ 92,825	\$ 50,497	\$ -	\$ (231,629)	\$ -	\$ (231,629)
Public Safety	827,244	5,147	102,644	-	(719,453)	-	(719,453)
Public Works	651,504	-	25,807	207,569	(418,128)	-	(418,128)
Culture and Recreation	1,016	-	-	-	(1,016)	-	(1,016)
Community Development	215,003	4,342	-	-	(210,661)	-	(210,661)
Insurance	32,781	-	-	-	(32,781)	-	(32,781)
Debt Service	140,960	-	-	-	(140,960)	-	(140,960)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>2,243,459</b>	<b>102,314</b>	<b>178,948</b>	<b>207,569</b>	<b>(1,754,628)</b>	<b>-</b>	<b>(1,754,628)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Zion Hill Sewer Project Fund	-	-	-	-	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 2,243,459</b>	<b>\$ 102,314</b>	<b>\$ 178,948</b>	<b>\$ 207,569</b>	<b>\$ (1,754,628)</b>	<b>\$ -</b>	<b>\$ (1,754,628)</b>
<b>GENERAL REVENUES:</b>							
Property Taxes. Levied for General Purposes, Net					\$ 378,923	\$ -	\$ 378,923
Taxes Levied for Specific Purposes					1,249,748	-	1,249,748
Franchise Taxes					45,254	-	45,254
Public Service Taxes					1,995	-	1,995
Investment Earnings					1,285	1	1,286
Miscellaneous Income					50,974	-	50,974
<b>TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS</b>					<b>1,728,179</b>	<b>1</b>	<b>1,728,180</b>
<b>CHANGE IN NET POSITION</b>					<b>(26,449)</b>	<b>1</b>	<b>(26,448)</b>
<b>NET POSITION - BEGINNING</b>					<b>1,815,553</b>	<b>215</b>	<b>1,815,768</b>
<b>NET POSITION - ENDING</b>					<b>\$ 1,789,104</b>	<b>\$ 216</b>	<b>\$ 1,789,320</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, 2013**

	<u>GENERAL</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	\$ 407,297	\$ 533,829	\$ 66,329	\$ 1,007,455
Investments	-	744,000	-	744,000
Due from Other Funds	42,810	-	-	42,810
Other Receivables	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 450,107</u></b>	<b><u>\$ 1,277,829</u></b>	<b><u>\$ 66,329</u></b>	<b><u>\$ 1,794,265</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Due to Other Funds	\$ 837	\$ -	\$ -	\$ 837
Other Payables	4,324	-	-	4,324
<b>TOTAL LIABILITIES</b>	5,161	-	-	5,161
<b>FUND BALANCES:</b>				
- Nonspendable	-	-	-	-
- Restricted	-	-	46,280	46,280
- Committed	-	-	-	-
- Assigned	-	1,277,829	20,049	1,297,878
- Unassigned	444,946	-	-	444,946
<b>TOTAL FUND BALANCES</b>	<b><u>444,946</u></b>	<b><u>1,277,829</u></b>	<b><u>66,329</u></b>	<b><u>1,789,104</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 450,107</u></b>	<b><u>\$ 1,277,829</u></b>	<b><u>\$ 66,329</u></b>	<b><u>\$ 1,794,265</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, 2013**

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>				
Taxes	\$ 1,261,187	\$ 359,962	\$ 7,522	\$ 1,628,671
Licenses and Permits	47,254	-	-	47,254
Fines and Forfeits	12,597	-	-	12,597
Intergovernmental	160,674	-	201,069	361,743
Charges for Services	83,209	-	17,967	101,176
Investment Earnings	565	655	64	1,284
Rent and Royalties	1,135	-	-	1,135
Miscellaneous	18,627	-	4,575	23,202
<b>TOTAL REVENUES</b>	<u>1,585,248</u>	<u>360,617</u>	<u>231,197</u>	<u>2,177,062</u>
<b>EXPENDITURES</b>				
<b>CURRENT:</b>				
General Government	326,408	38,399	-	364,807
Public Safety	827,244	-	-	827,244
Public Works	432,877	-	218,627	651,504
Culture and Recreation	-	-	1,016	1,016
Community Development	8,879	206,124	-	215,003
Insurance	32,781	-	-	32,781
<b>DEBT SERVICE:</b>				
Principal	30,732	-	5,000	35,732
Interest	2,764	-	102,464	105,228
<b>TOTAL EXPENDITURES</b>	<u>1,661,685</u>	<u>244,523</u>	<u>327,107</u>	<u>2,233,315</u>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(76,437)</u>	<u>116,094</u>	<u>(95,910)</u>	<u>(56,253)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers In	-	-	100,122	100,122
Interfund Transfers Out	(1,794)	(100,122)	-	(101,916)
Refund of Prior Year Expenditures	39,948	-	-	39,948
Refund of Prior Year Receipts	(8,350)	-	-	(8,350)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>29,804</u>	<u>(100,122)</u>	<u>100,122</u>	<u>29,804</u>
<b>NET CHANGE IN FUND BALANCES</b>	(46,633)	15,972	4,212	(26,449)
<b>FUND BALANCES - BEGINNING</b>	<u>491,579</u>	<u>1,261,857</u>	<u>62,117</u>	<u>1,815,553</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 444,946</u>	<u>\$ 1,277,829</u>	<u>\$ 66,329</u>	<u>\$ 1,789,104</u>

**Reconciliation to Statement of Activities:**

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

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

**SPRINGFIELD TOWNSHIP**  
**Statement of Net Position – Modified Cash Basis**  
**Proprietary Funds**  
**As of December 31, 2013**

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	<b>ZION HILL SEWER PROJECT FUND</b>
<b><u>ASSETS</u></b>	
<b>CURRENT ASSETS:</b>	
Cash and Cash Equivalents	\$ 222
Construction Payments Receivable	22,064
EDU's Receivable	20,720
Due from Other Funds	-
<b>TOTAL CURRENT ASSETS</b>	<u>43,006</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 43,006</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ -</u>
<b><u>LIABILITIES</u></b>	
<b>CURRENT LIABILITIES:</b>	
Other Payables	\$ -
Due to Other Funds	42,790
<b>TOTAL CURRENT LIABILITIES</b>	<u>42,790</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 42,790</u></b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<u>\$ -</u>
<b><u>NET POSITION</u></b>	
Unrestricted	216
<b>TOTAL NET POSITION</b>	<b><u>\$ 216</u></b>

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

**SPRINGFIELD TOWNSHIP**  
**Statement of Revenues Received, Expenses Paid and Changes in Net Position –**  
**Modified Cash Basis - Proprietary Fund**  
**For the Year Ended December 31, 2013**

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	<u>ZION HILL SEWER PROJECT FUND</u>
<b><u>OPERATING REVENUE</u></b>	
Charges for Services	\$ -
Other Income	-
<b>TOTAL OPERATING REVENUE</b>	<u>-</u>
<b><u>OPERATING EXPENSES</u></b>	
Costs of Furnishing Utility	-
Legal & Engineering	-
Insurance	-
<b>TOTAL OPERATING EXPENSES</b>	<u>-</u>
<b>OPERATING INCOME</b>	----- -
<b><u>NON-OPERATING REVENUE (EXPENSE)</u></b>	
Interest Earned	1
Transfer from General Fund	-
Debt Service - Principal Payments	-
Debt Service - Interest Payments	-
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<u>1</u>
<b>CHANGES IN NET POSITION</b>	1
<b>NET POSITION - BEGINNING</b>	<u>215</u>
<b>NET POSITION - ENDING</b>	<b><u>\$ 216</u></b>

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

**SPRINGFIELD TOWNSHIP**  
**Statement of Cash Flows – Modified Cash Basis**  
**Proprietary Funds**  
**As of December 31, 2013**

	<u>ZION HILL SEWER PROJECT FUND</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Cash Received from Users	\$ -
Cash Received from Other Operating Revenue	-
Cash Payments to Suppliers for Goods and Services	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>-</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>	
Interfund Loan Proceeds	-
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u>-</u>
<b><u>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</u></b>	
Debt Service Payments	-
<b>NET CASH USED FOR CAPITAL FINANCING ACTIVITIES</b>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Construction Loan Payments Owed Zion Hill Sewer Project Fund	-
Earnings on Investments	1
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>1</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	221
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 222</u>

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

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

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

**SPRINGFIELD TOWNSHIP**  
**Statement of Net Position – Modified Cash Basis**  
**Fiduciary Funds**  
**As of December 31, 2013**

	<b>PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>	<b>AGENCY FUNDS</b>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 145,565	\$ 402,611
Investments	1,575,570	-
Due from General Fund	-	837
<b>TOTAL CURRENT ASSETS</b>	1,721,135	403,448
<b>TOTAL ASSETS</b>	<b>\$ 1,721,135</b>	<b>\$ 403,448</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	\$ -	\$ -
<b><u>LIABILITIES</u></b>		
Due to Developers	\$ -	\$ 317,708
Due to Donors	-	1,039
Due to Escrow Holders	-	84,681
Due to General Fund	-	20
<b>TOTAL CURRENT LIABILITIES</b>	-	403,448
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 403,448</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	-	-
<b><u>NET POSITION</u></b>		
Restricted for Employee Benefits	1,721,135	-
<b>TOTAL NET POSITION</b>	<b>\$ 1,721,135</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, 2013**

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		<b>TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>
<b>ADDITIONS:</b>		
Contributions - Employer	\$	42,776
Contributions - Employee		11,118
State Aid		50,497
Miscellaneous Income		8,350
<b>INVESTMENT EARNINGS:</b>		
Interest and Dividends		36,651
Change in Fair Market Value of Investments		176,759
<b>TOTAL ADDITIONS</b>		<u>326,151</u> -----
 <b>DEDUCTIONS:</b>		
Administrative Charges	\$	7,200
Trustee Fees		22,726
Accounting Fees		2,200
Processing Fees		1,726
Legal Fees		-
Employee Benefits		62,475
<b>TOTAL DEDUCTIONS</b>		<u>96,327</u>
 <b>CHANGE IN NET POSITION</b>	\$	229,824
 <b>NET POSITION - BEGINNING OF YEAR</b>		<u>1,491,311</u>
 <b>NET POSITION - END OF YEAR</b>	<b>\$</b>	<b><u>1,721,135</u></b>

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, 2013**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>BUDGET TO MODIFIED CASH DIFFERENCE</u>	<u>ACTUAL AMOUNTS MODIFIED CASH BASIS</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>RESOURCES (INFLOW):</b>						
Taxes	\$ 1,174,480	\$ 1,174,480	\$ 1,261,187	\$ 86,707	\$ -	\$ 1,261,187
Licenses and Permits	45,150	45,150	47,254	2,104	-	47,254
Fines and Forfeits	15,000	15,000	12,597	(2,403)	-	12,597
Intergovernmental	112,040	112,040	160,674	48,634	-	160,674
Charges for Services	96,870	96,870	83,209	(13,661)	-	83,209
Miscellaneous	8,100	8,100	12,175	4,075	-	12,175
Interest Received	850	850	565	(285)	-	565
Rent and Royalties	1,135	1,135	1,135	-	-	1,135
Sale of Fixed Assets	1,650	1,650	6,452	4,802	-	6,452
Refund of Prior Year Expenditures	50,000	50,000	39,948	(10,052)	-	39,948
Transfer from Other Funds	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<u>1,505,275</u>	<u>1,505,275</u>	<u>1,625,196</u>	<u>119,921</u>	<u>-</u>	<u>1,625,196</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>						
<b>General Government:</b>						
Legislative (Governing) Body	4,662	4,662	5,476	(814)	-	5,476
Management/Financial Administration	214,806	214,806	245,348	(30,542)	-	245,348
Tax Collection	20,080	20,080	21,593	(1,513)	-	21,593
Legal	9,000	9,000	16,026	(7,026)	-	16,026
Engineering	4,000	4,000	8,017	(4,017)	-	8,017
Buildings and Plant	32,970	32,970	29,948	3,022	-	29,948
<b>Public Safety:</b>						
Police	485,236	485,236	512,368	(27,132)	-	512,368
Fire	130,801	130,801	134,692	(3,891)	-	134,692
Ambulance/Rescue	40,750	40,750	40,750	-	-	40,750
Inspections	126,675	126,675	137,212	(10,537)	-	137,212
Other	3,898	3,898	2,222	1,676	-	2,222
<b>Public Works:</b>						
Public Works Administration	361,265	361,265	392,153	(30,888)	-	392,153
Winter Maintenance - Snow Removal	5,000	5,000	4,005	995	-	4,005
Traffic Control Devices	6,000	6,000	6,009	(9)	-	6,009
Repairs of Tools and Machinery	3,000	3,000	3,633	(633)	-	3,633
Maintenance and Repairs of Roads and Bridges	25,300	25,300	27,077	(1,777)	-	27,077
<b>Community Development</b>						
Other	8,000	8,000	8,879	(879)	-	8,879
<b>Non-Departmental:</b>						
Debt Service	33,496	33,496	33,496	-	-	33,496
Insurance	30,000	30,000	32,781	(2,781)	-	32,781
Refund of Prior Year Receipts	-	-	8,350	(8,350)	-	8,350
Transfer to Other Funds	-	-	1,794	(1,794)	-	1,794
<b>TOTAL CHARGES TO APPROPRIATIONS</b>	<u>1,544,939</u>	<u>1,544,939</u>	<u>1,671,829</u>	<u>(126,890)</u>	<u>-</u>	<u>1,671,829</u>
Excess of Outflows Over Inflows	(39,664)	(39,664)	(46,633)	(6,969)	-	(46,633)
<b>FUND BALANCE - JANUARY 1, 2013</b>	<u>39,664</u>	<u>39,664</u>	<u>491,579</u>	<u>451,915</u>	<u>-</u>	<u>491,579</u>
<b>FUND BALANCE - DECEMBER 31, 2013</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,946</u>	<u>\$ 444,946</u>	<u>\$ -</u>	<u>\$ 444,946</u>

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

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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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.

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, 2013.

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

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

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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The Township's major enterprise fund is:

*Zion Hill Sewer Project Fund* This fund accounts for the financial transactions related to providing waste water services to the residents of the Township. During the current year, the only activity in this fund related to non-operating revenues and expenses.

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

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

***D. Budgets and Budgetary Accounting***

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

1. In accordance with the Township Code and Township procedures, the Township Manager submits to the Board of Supervisors, with whom the legal level of budgetary control resides, a proposed budget for the fiscal year commencing the following January 1. The budget must be advertised and available for public inspection before adoption. The budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year. Departments for budgetary purposes are general government, public safety, public works, culture and recreation, insurance and miscellaneous.
2. Public hearings are conducted to obtain taxpayer comment.
3. By December 31, the budget is approved by motion of the Board. Expenditures for the budget may not legally exceed appropriations and prior year fund balance reserves. This is done as a level of budgetary control.
4. All modifications, transfers and amendments must be approved by the Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The legally adopted budget of the Township is for the General Fund.
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, 2013**

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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.

**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 2013 is \$82,169,080. \$81,322,510 is taxed at the rate of 4.5 mills and 37 Agriculture Conservation Easements assessed at \$846,570 are taxed at 3.5 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, 2013**

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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, 2013.

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

The General Fund, which has a legally adopted budget, had an excess of actual expenditures over budget appropriations in the amount of \$126,890.

**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, 2013, \$94,905 of the Township's bank balance of \$1,348,122 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		94,905
<b>TOTAL</b>		<u><b>\$ 94,905</b></u>

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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***Reconciliation to Financial Statements***

Uncollateralized Amount Above	\$ 94,905
Plus: Insured Amount	1,253,217
Deposits in Transit	144
Less: Outstanding Checks	<u>(40,284)</u>
Carrying Amount - Bank Balances	1,307,982
Plus: Petty Cash	100
Deposits in Pooled Investments Considered Cash Equivalents	848,490
Deposits in Money Market Mutual Funds Considered Cash Equivalents	143,281
Less: Certificates of Deposits considered Investments	<u>(744,000)</u>
<b>Total Cash Per Financial Statements</b>	<b><u>\$ 1,555,853</u></b>

***Restricted Cash***

1. The cash balance includes \$316,978 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 \$84,681 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.
3. The cash balance includes \$952 held as Knechts Bridge donations to be used for future bridge repairs, maintenance and electric bills.

**Note 5 - Investments**

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

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

Pension trust funds are not subject to the above limitations.



**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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As of December 31, 2013, the Township had the following investments:

<u>Investment</u>	<u>Fair Value</u>
<b><u>Primary Government</u></b>	
Certificates of Deposit	\$ 744,000
<b><u>Pension Trust Funds</u></b>	
PA Local Government Investment Trust	848,490
Morgan Stanley AA Money Trust	143,281
Common Stocks	573,167
ETFs and CEFs	854,051
Mutual Funds	148,352
<b>TOTAL</b>	<b><u>\$ 3,311,341</u></b>

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, 2013, the Township has a pension fund investment (Powershares ETF TR II Build) that totals 6.44% of total pension plan investments. Of the Township's investments, 22.47% are invested in certificate of deposits at Israel Discount Bank, One West Bank and Valley Green Bank, each totaling \$248,000 or 7.49%. Of the Capital Projects Fund investments, 72.24% are invested in certificate of deposits at Israel Discount Bank, One West Bank and Valley Green Bank, each totaling \$248,000 or 24.08%.

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.

Foreign Currency Risk

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

Common Stocks	<b><u>\$ 141,673</u></b>
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**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

**Reconciliation to Financial Statements**

Total Investments Above	\$ 3,311,341
Less: Deposits in Investment Pools Considered Cash Equivalents	(848,490)
Deposits in Money Market Mutual Funds Considered Cash Equivalents	(143,281)
<b>Total Investments per Financial Statements</b>	<b><u>\$ 2,319,570</u></b>

**Note 6 – Short-Term Debt**

*Interfund Receivables and Payables*

The following interfund receivables and payables existed on December 31, 2013:

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	\$ 42,810	\$ 837
Enterprise (Zion Hill Sewer Project) Fund	-	42,790
Agency (Developers Escrow) Fund	750	20
Agency (Knechts Bridge) Fund	87	-
<b>TOTAL</b>	<b><u>\$ 43,647</u></b>	<b><u>\$ 43,647</u></b>

*Interfund Transfers*

The Township also made the following interfund transfers during the fiscal year ended December 31, 2013:

	TRANSFER IN	TRANSFER OUT
General Fund	\$ -	\$ 1,794
Capital Projects (Open Space) Fund	-	100,122
Debt Service Fund	100,122	-
Agency (Knechts Bridge) Fund	1,794	-
<b>TOTAL</b>	<b><u>\$ 101,916</u></b>	<b><u>\$ 101,916</u></b>

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

Long-term debt balances and activity for the year ended December 31, 2013, were:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
<i>General Obligation Debt:</i>					
<i>Bonds and Notes Payable:</i>					
General Obligation Bonds - Series of 2012	\$ 4,620,000	\$ -	\$ 5,000	\$ 4,615,000	\$ 5,000
General Obligation Note - Series of 2009	28,482	-	21,223	7,259	7,259
General Obligation Note - Series of 2008	108,053	-	9,509	98,544	9,701
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 4,756,535</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 35,732</u></b>	<b><u>\$ 4,720,803</u></b>	<b><u>\$ 21,960</u></b>

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

Payments on bonds and notes are made by the General Fund and the Debt Service Fund.

Total interest paid during the year:

	<b>PAID</b>
<b>GOVERNMENTAL ACTIVITIES:</b>	
General Obligation Debt	\$ 105,228
<b>TOTAL INTEREST PAID BY GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 105,228</u></b>

The total interest cost incurred and charged to expenses in 2013 was \$105,228.

***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 is to provide funds to: (1) currently refund the Township’s General Obligation bonds, Series of 2007, currently 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
2014	\$ 5,000	\$ 101,238
2015	210,000	101,138
2016	215,000	96,938
2017	225,000	92,638
2018	225,000	88,138
2019-2023	1,205,000	370,788
2024-2028	1,345,000	243,708
2029-2032	1,185,000	79,887
<b>TOTAL</b>	<b><u>\$ 4,615,000</u></b>	<b><u>\$ 1,174,473</u></b>

**General Obligation Note – Series of 2009**

On March 11, 2009, the Township issued a \$100,000 general obligation note purchased by First Savings Bank of Perkasio. The purpose of this note is to finance the payment of consultant fees associated with the revision of the Township’s Act 537 Plan. The note will be payable in monthly installments of \$1,826.06 over five years commencing on May 1, 2009, at an interest rate of 3.65%. The outstanding debt service requirements at December 31, 2013 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2014	\$ 7,259	\$ 51
<b>TOTAL</b>	<b><u>\$ 7,259</u></b>	<b><u>\$ 51</u></b>

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

**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 Ariel 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%.

The outstanding debt service requirements at December 31, 2013 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2014	\$ 9,701	\$ 1,882
2015	9,897	1,686
2016	10,096	1,487
2017	10,300	1,283
2018	10,508	1,075
2019 - 2023	48,042	2,152
<b>TOTAL</b>	<b>\$ 98,544</b>	<b>\$ 9,565</b>

**Operating Lease**

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

On March 18, 2010, the Township entered into a lease agreement with Rich Americas Corporation for the lease of a Ricoh Copier. The term of the lease is 60 months with a monthly payment of \$282.29.

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

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

The future lease payments are as follows:

FISCAL YEAR	AMOUNT
2014	\$ 40,482
2015	37,095
2016	37,095
2017	29,116
2018	6,711
<b>TOTAL</b>	<b>\$ 150,499</b>

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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**Note 8 – Retirement Plans**

**General**

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 the 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 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.

***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 in 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 plans' annual minimum municipal obligation (MMO). The MMO is based on the plans' biennial actuarial valuations, which were performed as of January 1, 2013. In accordance with the plan's governing resolution, members are not required to contribute any of their compensation to the plan.

The Plans 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.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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*Plan Membership:*

Plan membership of the plan consisted of the following at December 31, 2013:

Active Plan Members	6
Retirees and beneficiaries currently receiving benefits	3
Terminated plan members entitled to benefits but not yet receiving them	6
<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  
Contributions made

***Three-Year Trend Information***

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 52,470	100%	-
12/31/2012	50,045	100%	-
12/31/2013	55,352	100%	-

The annual contribution for the current year was determined as part of the January 1, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at January 1, 2013 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 6-12 years. The remaining amortization periods at December 31, 2013 were 2-8 years.

*Funded Status and Funding Progress*

As of January 1, 2013, the most recent actuarial valuation date, the plan was 87.3% funded. The actuarial accrued liability for benefits was \$503,773 and the actuarial value of the assets was \$439,344, resulting in an unfunded actuarial accrued liability (UAAL) of \$64,429. The covered payroll (annual payroll of active employees covered by the plan) was \$374,805 and the ratio of the UAAL to the covered payroll was 17.2%.

As a result of the Plan being 87.3% 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.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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***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.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

*Basis of Accounting*

The financial statements of the plans 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 plans' annual minimum municipal obligation (MMO). The MMO is based on the plans' biennial actuarial valuations, which were performed as of January 1, 2013. In accordance with the plan's governing resolution, members are required to contribute 5 percent of their compensation to the plan.

The Plans 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.

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

Plan Membership

Plan membership of the plan consisted of the following at December 31, 2013:

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  
Contributions made

**Three-Year Trend Information**

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 41,890	100%	-
12/31/2012	34,277	100%	-
12/31/2013	37,921	100%	-

The annual contribution for the current year was determined as part of the January 1, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at January 1, 2013 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 14 years. The remaining amortization period at December 31, 2013 is 10 years.

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 86.7% funded. The actuarial accrued liability for benefits was \$1,214,339 and the actuarial value of the assets was \$1,051,968, resulting in an unfunded actuarial accrued liability (UAAL) of \$162,371. The covered payroll (annual payroll of active employees covered by the plan) was \$208,510 and the ratio of the UAAL to the covered payroll was 77.9%.

As a result of the Plan being 86.7% 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.



**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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

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

**SPRINGFIELD TOWNSHIP**  
**Notes To Financial Statements**  
**Year Ended December 31, 2013**

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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, 2013, one officer had taken advantage of the DROP Plan. As a result, \$3,412.75 per month is being paid from the Police Pension Fund to the participant’s DROP Plan account.

**Note 9 – Litigation**

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

**Note 10 – Risk Management**

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

**Note 11 – Fund Balances**

Detailed information about aggregated fund balances;

Assigned Fund Balances

Capital Projects Fund	\$ 1,277,829
Special Fees Fund	20,049
<b>TOTAL</b>	<b><u>\$ 1,297,878</u></b>

Restricted Fund Balances

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

State Liquid Fuels Fund	\$ 40,570
Street Light Fund	5,710
Debt Service Fund	-
<b>TOTAL</b>	<b><u>\$ 46,280</u></b>

**Note 12 – Subsequent Events**

The subsequent events have been evaluated through May 6, 2014, which is the date the financial statements were available to be issued.



HUTCHINSON, GILLAHAN & FREEH, P.C.  
ACCOUNTANTS, AUDITORS & CONSULTANTS

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, 2013, which collectively comprise Springfield Township's basic financial statements, and have issued our report thereon dated May 6, 2014. 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.

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*.

We noted certain matters that we reported to management of Springfield Township in a separate letter dated May 6, 2014.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Hutchinson, McLaughlin + Fitch, PC*

May 6, 2014

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**REQUIRED SUPPLEMENTAL INFORMATION**

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**SPRINGFIELD TOWNSHIP  
Pension Funds  
Required Supplemental Information  
December 31, 2013**

**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>						
1-1-2009	\$ 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%
<b><u>POLICE PENSION FUND</u></b>						
1-1-2009	\$ 707,065	\$ 1,055,664	\$ 348,599	67.0%	\$ 153,426	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%

**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>
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%

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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, 2013**

	LIQUID FUELS FUND	STREET LIGHT FUND	SPECIAL FEES FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 40,570	\$ 5,710	\$ 20,049	\$ -	\$ 66,329
<b>TOTAL ASSETS</b>	<b><u>\$ 40,570</u></b>	<b><u>\$ 5,710</u></b>	<b><u>\$ 20,049</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 66,329</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES:</b>					
Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>
 <b>FUND BALANCES:</b>					
Restricted	\$ 40,570	\$ 5,710	\$ -	\$ -	\$ 46,280
Assigned	-	-	20,049	-	20,049
<b>TOTAL FUND BALANCES</b>	<b><u>40,570</u></b>	<b><u>5,710</u></b>	<b><u>20,049</u></b>	<b><u>-</u></b>	<b><u>66,329</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 40,570</u></b>	<b><u>\$ 5,710</u></b>	<b><u>\$ 20,049</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 66,329</u></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, 2013**

	<b>LIQUID FUELS FUND</b>	<b>STREET LIGHT FUND</b>	<b>SPECIAL FEES FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ 7,522	\$ -	\$ -	\$ 7,522
Intergovernmental	201,069	-	-	-	201,069
Charges for Services	-	-	17,967	-	17,967
Investment Earnings	36	26	2	-	64
Miscellaneous	4,300	-	275	-	4,575
<b>TOTAL REVENUES</b>	<u>205,405</u>	<u>7,548</u>	<u>18,244</u>	<u>-</u>	<u>231,197</u>
<b>EXPENDITURES</b>					
General Government	-	-	-	-	-
Public Works	202,613	6,462	9,552	-	218,627
Culture and Recreation	-	-	1,016	-	1,016
Debt Service	-	-	-	107,464	107,464
<b>TOTAL EXPENDITURES</b>	<u>202,613</u>	<u>6,462</u>	<u>10,568</u>	<u>107,464</u>	<u>327,107</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,792</u>	<u>1,086</u>	<u>7,676</u>	<u>(107,464)</u>	<u>(95,910)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Transfer from Open Space Fund	-	-	-	100,122	100,122
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,122</u>	<u>100,122</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,792	1,086	7,676	(7,342)	4,212
<b>FUND BALANCES - BEGINNING</b>	<u>37,778</u>	<u>4,624</u>	<u>12,373</u>	<u>7,342</u>	<u>62,117</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 40,570</u>	<u>\$ 5,710</u>	<u>\$ 20,049</u>	<u>\$ -</u>	<u>\$ 66,329</u>

**SPRINGFIELD TOWNSHIP**  
**Combining Statements of Net Position – Modified Cash Basis**  
**All Agency Funds**  
**As of December 31, 2013**

	<b>DEVELOPERS ESCROW FUND</b>	<b>ACT 537 MAINTENANCE ESCROW FUND</b>	<b>KNECHTS BRIDGE FUND</b>	<b>TOTAL AGENCY FUNDS</b>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 316,978	\$ 84,681	\$ 952	\$ 402,611
Investments	-	-	-	-
Due from Other Funds	750	-	87	837
<b>TOTAL CURRENT ASSETS</b>	<b>317,728</b>	<b>84,681</b>	<b>1,039</b>	<b>403,448</b>
<b>TOTAL ASSETS</b>	<b><u>\$ 317,728</u></b>	<b><u>\$ 84,681</u></b>	<b><u>\$ 1,039</u></b>	<b><u>\$ 403,448</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>LIABILITIES</u></b>				
Due to Developers	\$ 317,708	\$ -	\$ -	\$ 317,708
Due to Donors	-	-	1,039	1,039
Due to General Fund	20	-	-	20
Due to Escrow Holders	-	84,681	-	84,681
<b>TOTAL CURRENT LIABILITIES</b>	<b>317,728</b>	<b>84,681</b>	<b>1,039</b>	<b>403,448</b>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 317,728</u></b>	<b><u>\$ 84,681</u></b>	<b><u>\$ 1,039</u></b>	<b><u>\$ 403,448</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>NET POSITIONS</u></b>				
<b>TOTAL NET POSITIONS</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**SPRINGFIELD TOWNSHIP**  
**Combining Statement of Additions and Deductions – Modified Cash Basis**  
**All Agency Funds**  
**For the Year Ended December 31, 2013**

	<b>DEVELOPERS ESCROW FUND</b>	<b>ACT 537 MAINTENANCE ESCROW FUND</b>	<b>KNECHTS BRIDGE FUND</b>	<b>TOTAL AGENCY FUNDS</b>
<b>ADDITIONS RECEIVED:</b>				
Receipts from Developers	\$ 80,961	\$ -	\$ -	\$ 80,961
Receipts from Escrow Holders	-	1,500	-	1,500
Receipts from General Fund	-	-	1,794	1,794
Interest Earnings	796	99	-	895
<b>TOTAL ADDITIONS</b>	<u>81,757</u>	<u>1,599</u>	<u>1,794</u>	<u>85,150</u>
	-----	-----	-----	-----
<b>DEDUCTIONS PAID:</b>				
Developer Disbursements	78,150	-	-	78,150
Bridge Disbursements	-	-	755	755
Escrow Disbursements	-	-	-	-
<b>TOTAL DEDUCTIONS PAID</b>	<u>78,150</u>	<u>-</u>	<u>755</u>	<u>78,905</u>
<b>NET INCREASE</b>	3,607	1,599	1,039	6,245
<b>DUE TO DEVELOPERS/ESCROW HOLDERS AND DONOR RESTRICTIONS - BEGINNING OF YEAR</b>	<u>314,101</u>	<u>83,082</u>	<u>-</u>	<u>397,183</u>
<b>DUE TO DEVELOPERS/ESCROW HOLDERS AND DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 317,708</u>	<u>\$ 84,681</u>	<u>\$ 1,039</u>	<u>\$ 403,428</u>

**SPRINGFIELD TOWNSHIP**  
**Combining Statements of Net Positions – Modified Cash Basis**  
**All Pension and Other Employee Benefit Trust Funds**  
**As of December 31, 2013**

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	<b>POLICE PENSION FUND</b>	<b>NON-UNIFORMED PENSION FUND</b>	<b>TOTAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS</b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 100,253	\$ 45,312	\$ 145,565
Investments	1,085,124	490,446	1,575,570
<b>TOTAL CURRENT ASSETS</b>	1,185,377	535,758	1,721,135
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<b>TOTAL ASSETS</b>	<b>\$ 1,185,377</b>	<b>\$ 535,758</b>	<b>\$ 1,721,135</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	\$ -
<b><u>LIABILITIES</u></b>			
Due to General Fund	\$ -	\$ -	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	-	-	-
	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -	\$ -
<b><u>NET POSITIONS</u></b>			
Restricted for Employee Benefits	1,185,377	535,758	1,721,135
<b>TOTAL NET POSITIONS</b>	<b>\$ 1,185,377</b>	<b>\$ 535,758</b>	<b>\$ 1,721,135</b>

**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, 2013**

	<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	\$ 17,389	\$ 25,387	\$ 42,776
Contributions - Employee	11,118	-	11,118
State Aid	20,532	29,965	50,497
Miscellaneous Income	4,025	4,325	8,350
Interest and Dividends	25,242	11,409	36,651
Change in Fair Value of Investments	<u>121,737</u>	<u>55,022</u>	<u>176,759</u>
<b>TOTAL ADDITIONS</b>	<u>200,043</u>	<u>126,108</u>	<u>326,151</u>
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<b>DEDUCTIONS PAID:</b>			
Administrative Charges	3,400	3,800	7,200
Trustee Fees	15,652	7,074	22,726
Accounting Fees	1,100	1,100	2,200
Processing Fees	690	1,036	1,726
Legal Fees	-	-	-
Employee Benefits	<u>45,791</u>	<u>16,684</u>	<u>62,475</u>
<b>TOTAL DEDUCTIONS PAID</b>	<u>66,633</u>	<u>29,694</u>	<u>96,327</u>
<b>CHANGE IN NET POSITION</b>	133,410	96,414	229,824
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>1,051,967</u>	<u>439,344</u>	<u>1,491,311</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,185,377</u>	<u>\$ 535,758</u>	<u>\$ 1,721,135</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, 2013**

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**REVENUES RECEIVED**

**TAXES:**

Real Estate Taxes - Current	\$	364,857	
Real Estate Transfer Tax		110,983	
Earned Income Tax		726,615	
Delinquent Real Estate Taxes		14,066	
Local Services Tax		44,666	
Act 319 Rollback Taxes		-	\$ 1,261,187

**FINES AND FORFEITS:**

Fines			12,597
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**LICENSES AND PERMITS:**

Franchise Fee Cable		45,254	
Permits/Reports		2,000	47,254

**INTERGOVERNMENTAL:**

Public Utility Realty Tax		1,995	
Pension State Aid		50,497	
Allotment - Fireman's Relief		58,273	
State Grants		35,569	
Local Grants		14,340	160,674

**CHARGES FOR SERVICES:**

General Government		1,946	
Public Safety		75,839	
Road Department Fees		442	
Culture and Recreation Fees		4,357	
Other Charges for Sanitation Services		625	83,209

**INVESTMENT EARNINGS:**

Interest Income			565
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**RENT AND ROYALTIES:**

Rent			1,135
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**MISCELLANEOUS:**

Contributions and Donations from Private Sectors		8,360	
Miscellaneous		3,815	12,175

<b>TOTAL REVENUE RECEIVED</b>			<b>\$ 1,578,796</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, 2013**

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**EXPENDITURES PAID**

***GENERAL GOVERNMENT***

**LEGISLATIVE (GOVERNING) BODY:**

Supervisor Salaries and Benefits	\$	5,006
Dues/Seminars		470

**MANAGEMENT/FINANCIAL ADMINISTRATION:**

Manager Salary		104,837
Secretary/Treasurer Salary		47,420
Auditor Wages		7,100
Employee Benefits		39,082
Pension Plan		15,815
Supplies		2,134
Printing		1,877
Minor Equipment		3,792
Travel		198
Bonding Insurance		625
Dues/Seminars		1,893
Advertising		4,199
IT Networking		1,197
Computer Software/Hardware		1,132
Payroll Services		1,931
Postage		1,717
Telephone		4,465
Miscellaneous		5,934

**TAX COLLECTION:**

Tax Collector Commissions		6,998
Real Estate Transfer Tax Commission		2,225
Earned Income Tax Collection		9,819
Local Services Tax Collection Commission		1,132
Tax Collector Supplies		870
Real Estate Tax Relief		8
Social Security Taxes		541

**LEGAL:**

Solicitor Services		16,026
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**ENGINEERING:**

Engineering Services		8,017
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**BUILDINGS AND PLANT:**

Maintenance		13,951
Supplies		670
Heating Oil		4,996
Capital Purchases		5,126
Electricity		5,205

<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$</b>	<b>326,408</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, 2013**

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**PUBLIC SAFETY**

**POLICE:**

Salary of Policemen	\$ 286,693
Employee Benefits	110,633
Pension Costs (Police & Clerical)	37,921
Uniforms	6,979
Training	2,863
Computer Software/Hardware	7,603
Dues/Seminars	1,215
Supplies	2,322
Telephone	4,456
Vehicle Maintenance and Repairs	20,378
Minor Equipment	5,299
Major Equipment	21,633
Miscellaneous	4,373

**FIRE:**

Fire Marshall	1,000
Contribution to Fire Co.	49,855
Fireman's Relief	58,273
Insurance	10,994
Workers Compensation	14,570

**AMBULANCE/RESCUE:**

Emergency Services Contribution	40,750
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**INSPECTIONS:**

Zoning and Administration Salaries	21,041
Salary of Clerical	32,191
Employee Benefits	12,127
Pension Costs	7,907
Ordinance Revision	11,054
Legal and Engineering	6,713
Contracted Services	39,783
DCED/UCC Quarterly	1,056
Printing	145
Uniforms	733
Miscellaneous	741
Computer Software/Repair	3,346
Vehicle Repair and Fuel	375

**OTHER PUBLIC SAFETY:**

Emergency Management	<u>2,222</u>
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**TOTAL PUBLIC SAFETY** \$ 827,244

**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, 2013**

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**PUBLIC WORKS**

**PUBLIC WORKS ADMINISTRATION:**

Salaries - Highways and Streets	\$ 212,023
Overtime	8,758
Employee Benefits	81,007
Pension Costs	31,630
Communications	3,024
Vehicle Maintenance	41,710
Winter Maintenance	4,005
Uniforms	1,595
Minor Equipment	4,776
Miscellaneous	7,630

**TRAFFIC CONTROL DEVICES:**

Street Signs and Markings	6,009
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**REPAIRS OF TOOLS AND MACHINERY:**

Maintenance	3,633
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**MAINTENANCE AND REPAIRS OF ROADS AND BRIDGES:**

Contracted Services	25,915
Rental of Equipment	1,162

**TOTAL PUBLIC WORKS** \$ 432,877

**COMMUNITY DEVELOPMENT**

**OTHER:**

Silent Auction	1,685
Community Day	7,194

**TOTAL COMMUNITY DEVELOPMENT** 8,879

**DEBT SERVICE**

Debt Principal	30,732
Debt Interest	2,764

**TOTAL DEBT SERVICE** 33,496

**MUNICIPAL INSURANCE**

32,781

**TOTAL EXPENDITURES PAID** \$ 1,661,685

**(DEFICIENCY) OF REVENUES RECEIVED OVER  
EXPENDITURES PAID**

(82,889)

**OTHER FINANCING SOURCES RECEIVED AND  
OTHER FINANCING USES PAID**

Sale of Fixed Assets	6,452
Refund of Prior Year Expenditures	39,948
Refund of Prior Year Receipts	(8,350)
Interfund Transfers Out	(1,794)
	36,256

**NET CHANGE IN FUND BALANCES** \$ (46,633)

**FUND BALANCE - JANUARY 1, 2013** 491,579

**FUND BALANCE - DECEMBER 31, 2013** \$ 444,946

**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, 2013**

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FUND BALANCE - JANUARY 1, 2013	\$	37,778
<b><u>REVENUES RECEIVED</u></b>		
<b>INTERGOVERNMENTAL:</b>		
Liquid Fuels Tax	\$ 193,229	
State Grant	5,720	
Turnback Mileage	2,120	
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	36	
<b>OTHER:</b>		
Miscellaneous	4,300	205,405
<b>TOTAL FUNDS AVAILABLE</b>		243,183
 <b><u>EXPENDITURES PAID</u></b>		
<b>PUBLIC WORKS:</b>		
Street Signs and Markings	540	
Tools and Machinery Maintenance	7,203	
Major Equipment Lease	20,133	
Winter Maintenance Services	30,784	
Highway Maintenance and Repairs	143,953	202,613
FUND BALANCE - DECEMBER 31, 2013	\$	<u>40,570</u>

**Street Light Fund**  
**Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance**  
**Modified Cash Basis**  
**For the Year Ended December 31, 2013**

FUND BALANCE - JANUARY 1, 2013	\$	4,624
<b><u>REVENUES RECEIVED</u></b>		
<b>TAXES:</b>		
Real Estate Taxes	\$ 7,522	
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	26	
<b>OTHER FINANCING SOURCES:</b>		
Transfer from General Fund	-	7,548
<b>TOTAL FUNDS AVAILABLE</b>		12,172
 <b><u>EXPENDITURES PAID</u></b>		
<b>PUBLIC WORKS:</b>		
Electricity		6,462
FUND BALANCE - DECEMBER 31, 2013	\$	<u>5,710</u>

**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, 2013**

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FUND BALANCE - JANUARY 1, 2013	\$	12,373
<b><u>REVENUES AND OTHER FINANCING SOURCES RECEIVED</u></b>		
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	\$	2
<b>CHARGES FOR SERVICES:</b>		
Subdivision Fees/Contributions		17,967
<b>OTHER:</b>		
Miscellaneous		275
		18,244
<b>TOTAL FUNDS AVAILABLE</b>		30,617
<b><u>EXPENDITURES AND OTHER FINANCING USES PAID</u></b>		
<b>PUBLIC WORKS:</b>		
Contracted Services	\$	1,622
Repairs and Maintenance		3,609
Minor Equipment		4,321
<b>CULTURE AND RECREATION:</b>		
Postage		700
Printing		163
Contracted Services		53
Grant Application		100
		10,568
<b>FUND BALANCE - DECEMBER 31, 2013</b>	<b>\$</b>	<b><u>20,049</u></b>

**Debt Service Fund**  
**Statement of Revenues Received, Expenditures Paid and Changes**  
**In Fund Balance – Modified Cash Basis**  
**For The Year Ended December 31, 2013**

FUND BALANCE - JANUARY 1, 2013	\$	7,342
<b>OTHER FINANCING SOURCES:</b>		
Transfer from Open Space Fund	\$	100,122
		100,122
<b>TOTAL FUNDS AVAILABLE</b>		107,464
<b>DEBT SERVICE:</b>		
Debt Principal Payments	\$	5,000
Debt Interest Payments		102,464
		107,464
<b>FUND BALANCE - DECEMBER 31, 2013</b>	<b>\$</b>	<b><u>-</u></b>

**SPRINGFIELD TOWNSHIP**  
**Open Space Fund**  
**Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –**  
**Modified Cash Basis**  
**For the Year Ended December 31, 2013**

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<b>FUND BALANCE - JANUARY 1, 2013</b>		\$ 1,261,857
<b><u>REVENUES AND OTHER FINANCING SOURCES RECEIVED</u></b>		
<b>TAXES:</b>		
Earned Income Taxes	\$ 359,962	
<b>INVESTMENT EARNINGS:</b>		
Interest Earnings	655	
<b>OTHER FINANCING SOURCES:</b>		
Refund of Prior Year Expenditures	-	360,617
<b>TOTAL FUNDS AVAILABLE</b>		1,622,474
 <b><u>EXPENDITURES AND OTHER FINANCING USES PAID</u></b>		
<b>GENERAL GOVERNMENT:</b>		
Tax Collection	\$ 4,854	
Solicitor/Legal Services	15,644	
Engineering & Other Professional Services	16,236	
<b>COMMUNITY DEVELOPMENT:</b>		
Conservation of Natural Resources	206,124	
<b>OTHER:</b>		
Miscellaneous	1,665	
<b>OTHER FINANCING USES:</b>		
Transfer to Debt Service Fund	100,122	344,645
<b>FUND BALANCE - DECEMBER 31, 2013</b>		<b><u>\$ 1,277,829</u></b>

**Knecht's Bridge Fund**  
**Statement of Additions and Deductions – Modified Cash Basis**  
**For The Year Ended December 31, 2013**

DONATION RESTRICTION BALANCE - JANUARY 1, 2013		\$ -
<b>ADDITIONS RECEIVED:</b>		
Transfer from General Fund		1,794
<b>DEDUCTIONS PAID:</b>		
Utilities	\$ 276	
Repairs and Maintenance	479	
<b>TOTAL DEDUCTIONS PAID</b>		<b>755</b>
 <b>NET INCREASE</b>		 <b>1,039</b>
<b>DONATION RESTRICTION BALANCE - DECEMBER 31, 2013</b>		<b><u>\$ 1,039</u></b>

**SPRINGFIELD TOWNSHIP  
Developers Escrow Fund  
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –  
Modified Cash Basis  
For the Year Ended December 31, 2013**

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<b>DUE TO DEVELOPERS - JANUARY 1, 2013</b>	\$	314,101
 <b>ADDITIONS RECEIVED:</b>		
Receipts from Developers	\$ 80,961	
Interest Earnings	<u>796</u>	
<b>TOTAL ADDITIONS</b>	<u>81,757</u>	
 <b>DEDUCTIONS PAID:</b>		
Developer Disbursements	<u>78,150</u>	
<b>TOTAL DEDUCTIONS PAID</b>	<u>78,150</u>	
 <b>NET INCREASE</b>		 <u>3,607</u>
 <b>DUE TO DEVELOPERS - DECEMBER 31, 2013</b>	 <b>\$</b>	 <b><u>317,708</u></b>

**ACT 537 Maintenance Escrow Fund  
Statement of Additions and Deductions – Modified Cash Basis  
For The Year Ended December 31, 2013**

<b>DUE TO ESCROW HOLDERS - JANUARY 1, 2013</b>	\$	83,082
 <b>ADDITIONS RECEIVED:</b>		
Receipts from Escrow Holders	\$ 1,500	
Interest Earnings	<u>99</u>	
<b>TOTAL ADDITIONS</b>	<u>1,599</u>	
 <b>DEDUCTIONS PAID:</b>		
Escrow Disbursements	<u>-</u>	
<b>TOTAL DEDUCTIONS PAID</b>	<u>-</u>	
 <b>NET INCREASE</b>		 <u>1,599</u>
 <b>DUE TO ESCROW HOLDERS - DECEMBER 31, 2013</b>	 <b>\$</b>	 <b><u>84,681</u></b>

**SPRINGFIELD TOWNSHIP**  
**Pension Trust Funds**  
**Police Pension Fund**  
**Statement of Additions and Deductions - Modified Cash Basis**  
**For the Year Ended December 31, 2013**

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<b>NET POSITION - BEGINNING OF YEAR</b>	\$	1,051,967
 <b>ADDITIONS:</b>		
Contributions - Employer		17,389
Contributions - Employee		11,118
State Aid		20,532
Miscellaneous		4,025
 <b>INVESTMENT EARNINGS:</b>		
Interest and Dividends		25,242
Change in Fair Market Value of Investments		121,737
<b>TOTAL ADDITIONS</b>		<u>200,043</u>
 <b>DEDUCTIONS:</b>		
Administrative Charges		3,400
Trustee Fees		15,652
Accounting Fees		1,100
Processing Fees		690
Legal Fees		-
Employee Benefits		45,791
<b>TOTAL DEDUCTIONS</b>		<u>66,633</u>
 <b>CHANGE IN NET POSITION</b>		 <u>133,410</u>
 <b>NET POSITION - END OF YEAR</b>	 <b>\$</b>	 <u><u>1,185,377</u></u>

**SPRINGFIELD TOWNSHIP**  
**Pension Trust Funds**  
**Non-Uniformed Pension Fund**  
**Statement of Additions and Deductions - Modified Cash Basis**  
**For the Year Ended December 31, 2013**

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<b>NET POSITION - BEGINNING OF YEAR</b>		\$ 439,344
 <b>ADDITIONS:</b>		
Contributions - Employer	\$ 25,387	
State Aid	29,965	
Miscellaneous	4,325	
 <b>INVESTMENT EARNINGS:</b>		
Interest and Dividends	11,409	
Change in Fair Market Value of Investments	<u>55,022</u>	
<b>TOTAL ADDITIONS</b>	<u>126,108</u>	
 <b>DEDUCTIONS:</b>		
Administrative Charges	3,800	
Trustee Fees	7,074	
Accounting Fees	1,100	
Processing Fees	1,036	
Legal Fees	-	
Employee Benefits	<u>16,684</u>	
<b>TOTAL DEDUCTIONS</b>	<u>29,694</u>	
 <b>CHANGE IN NET POSITION</b>		 <u>96,414</u>
 <b>NET POSITION - END OF YEAR</b>		 <u><u>\$ 535,758</u></u>