

Financial Statements
With Supplementary Information

Township of Springfield
Delaware County, Pennsylvania

December 31, 2015

INDEX

<u>Title</u>	<u>Page</u>
Independent Auditors' Report	1
<u>General Purpose Financial Statements</u>	
Combined Balance Sheet—All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Fund Types	3
Combined Statement of Revenues and Expenditures—Budget And Actual—General Fund and Special Revenue Funds	4
Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances—Proprietary Fund Types And Similar Trust Funds	5
Statement of Cash Flows—Proprietary Fund Types and Similar Trust Funds	6
Notes to Financial Statements	7-20

SUPPLEMENTARY INFORMATION

Independent Auditors' Report on Supplementary Information	21
Combining Balance Sheet—Special Revenue Funds	22
Combining Statement of Revenues, Expenditures and Changes In Fund Balance—Special Revenue Funds	23
Combining Balance Sheet—Capital Project Funds	24
Combining Statement of Revenues, Expenditures and Changes in Fund Balance—Capital Project Funds	25
Combining Balance Sheet—Trust and Agency Funds	26

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Township of Springfield
Springfield, Pennsylvania

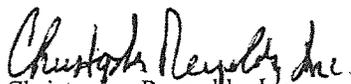
We have audited the accompanying financial statements of Township of Springfield, as of and for the year ended December 31, 2015, as listed in the table of contents. These financial statements are the responsibility of Township of Springfield management. Our responsibility is to express an opinion on 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Township of Springfield, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the annual audit and financial report of Pennsylvania Municipalities, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Township of Springfield, as of December 31, 2015, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.


Christopher Reynolds, Inc.

May 31, 2016

TOWNSHIP OF SPRINGFIELD
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 FOR THE YEAR ENDED DECEMBER 31, 2015

ASSETS	Government Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Total Primary Government (Memorandum Only)	Component Unit Springfield Public Library	Totals Reporting Entity (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Fund	Sanitary Sewer Fund	Fund Types		General Fixed Assets	Long-Term Debt	Springfield Public Library				
						Trust and Agency	General							
Cash and Cash Equivalents	\$ 2,674,101	\$ 130,504	\$ 543,195	\$ 1,075,020	\$ 2,829,189	\$ 2,036,894	\$ 0	\$ 0	\$ 0	\$ 9,288,903	\$ 54,378	\$ 9,343,281		
Investments	0	0	0	0	0	30,262,965	0	0	0	30,262,965	208,337	30,471,302		
Taxes Receivable	162,706	0	0	0	0	0	0	0	0	162,706	0	162,706		
Accounts Receivable	30,530	0	0	0	51,274	0	0	0	0	81,804	0	81,804		
Other Current Assets	0	0	0	36,225	0	0	0	0	0	36,225	143	38,368		
Due from Other Funds	4,995,704	0	0	0	1,388,799	0	0	0	0	6,384,503	0	6,384,503		
Property and Equipment, Net of Accumulated Depreciation	0	0	0	4,977,490	0	0	1,371,489	0	0	6,348,979	79,424	6,428,403		
Deferred Note Issuance Costs, Net of Amortization	0	0	0	16,960	0	0	0	0	0	16,960	0	16,960		
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	0	0	0	219,719	0	0	219,719		
TOTAL ASSETS	\$ 7,863,041	\$ 130,504	\$ 543,195	\$ 6,107,695	\$ 4,269,262	\$ 32,299,859	\$ 1,371,489	\$ 219,719	\$ 52,804,764	\$ 342,282	\$ 53,147,046			
LIABILITIES														
Current Liabilities	\$ 360,771	\$ 0	\$ 0	\$ 1,154	\$ 0	\$ 319,007	\$ 120,000	\$ 23,173	\$ 824,105	\$ 376	\$ 824,481			
Due to Other Funds	39,819	0	0	4,948,281	36,639	1,716,783	0	0	6,741,522	0	6,741,522			
Accrued Wages and Payroll Taxes Payable	133,226	0	0	0	0	0	0	0	133,226	148,121	281,347			
Escrow Deposits	0	0	0	0	0	0	0	0	0	0	0			
Current Long-Term Debt	0	0	0	454,828	0	0	0	0	454,828	0	454,828			
Long-Term Liabilities	7,032	0	0	3,894,454	0	0	480,000	198,546	4,578,032	0	4,578,032			
TOTAL LIABILITIES	540,848	0	0	9,298,717	36,639	2,035,790	600,000	219,719	12,731,713	148,487	12,880,210			
FUND BALANCES														
Retained Earnings	0	0	0	(3,191,022)	4,232,623	0	0	0	1,041,601	0	1,041,601			
Reserve for Employees' Retirement System	0	0	0	0	0	30,262,965	0	0	30,262,965	0	30,262,965			
Reserve Fund Balance	7,322,193	130,504	543,195	0	0	1,104	771,489	0	8,768,485	193,785	8,962,270			
TOTAL FUND BALANCES	7,322,193	130,504	543,195	(3,191,022)	4,232,623	30,264,069	771,489	0	40,073,051	193,785	40,266,836			
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,863,041	\$ 130,504	\$ 543,195	\$ 6,107,695	\$ 4,269,262	\$ 32,299,859	\$ 1,371,489	\$ 219,719	\$ 52,804,764	\$ 342,282	\$ 53,147,046			

TOWNSHIP OF SPRINGFIELD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Government Fund Types			Total Primary Government (Memorandum Only)	Component Unit Springfield Public Library	Totals Reporting Entity (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Project Funds			
Revenues:						
Real Estate Taxes:						
Current Year	\$ 9,040,235	\$ 0	\$ 0	\$ 9,040,235	\$ 0	\$ 9,040,235
Delinquent	118,546	0	0	118,546	0	118,546
Interest	25,928	0	0	25,928	0	25,928
Act 511 Taxes	3,152,169	0	0	3,152,169	0	3,152,169
Licenses and Permits	276,552	0	0	276,552	0	276,552
Fines and Forfeits	129,545	0	0	129,545	0	129,545
Intergovernmental	907,021	540,255	0	1,447,276	863,327	2,310,603
Charges for Services	2,995,146	102,535	0	3,097,681	0	3,097,681
Franchise Fee - Cable TV	581,376	0	0	581,376	0	581,376
Investment Earnings	16,978	1,238	3,927	22,143	(1,280)	20,863
Rent of Buildings	104,331	50,400	0	154,731	0	154,731
Miscellaneous	0	0	3,813	3,813	36,018	39,831
Library Support	0	0	0	0	0	0
TOTAL REVENUES	17,347,827	694,428	7,740	18,049,995	898,055	18,948,050
Expenditures:						
General Government	1,662,427	403,053	45,412	2,110,892	0	2,110,892
Public Safety	6,559,958	0	93,300	6,653,258	0	6,653,258
Health and Welfare	89,959	0	0	89,959	0	89,959
Public Works - Sanitation	1,840,426	0	0	1,840,426	0	1,840,426
Public Works - Highway	2,297,524	0	237,737	2,535,261	0	2,535,261
Library	678,764	0	0	678,764	919,441	1,598,205
Culture and Recreation	460,934	79,131	47,759	587,824	0	587,824
Insurance and Pensions	3,375,651	0	0	3,375,651	0	3,375,651
Debt Service	0	0	0	0	0	0
Other Expenditures	0	0	0	0	0	0
TOTAL EXPENDITURES	16,985,643	482,184	424,208	17,872,035	919,441	18,791,476
EXCESS REVENUES OVER (UNDER) EXPENDITURE	382,184	212,244	(416,468)	177,960	(21,386)	156,574
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures	287,691	0	0	287,691	0	287,691
Refund	0	0	0	0	0	0
Operating Transfers In	313,851	0	0	313,851	0	313,851
Operating Transfers Out	(154,185)	(203,382)	0	(357,567)	0	(357,567)
TOTAL OTHER FINANCING SOURCES (USES)	447,357	(203,382)	0	243,975	0	243,975
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	829,541	8,862	(416,468)	421,935	(21,386)	400,549
Fund Balance-January 1, 2015	6,492,652	121,642	959,663	7,573,957	215,171	7,789,128
Prior Period Adjustment	0	0	0	0	0	0
FUND BALANCE-DECEMBER 31, 2015	\$ 7,322,193	\$ 130,504	\$ 543,195	\$ 7,995,892	\$ 193,785	\$ 8,189,677

The accompanying notes are an integral part of this statement.

TOWNSHIP OF SPRINGFIELD
 COMBINED STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate Taxes	\$ 9,101,000	\$ 9,184,709	\$ 83,709
Act 511 Taxes	2,481,000	3,152,169	671,169
Licenses and Permits	262,300	276,552	14,252
Fines and Forfeits	107,000	129,545	22,545
Intergovernmental	657,700	907,021	249,321
Charges for Services	2,853,917	2,995,146	141,229
Franchise Fee - Cable TV	565,000	591,376	16,376
Investment Earnings	7,500	16,978	9,478
Rent of Buildings	104,000	104,331	331
Miscellaneous	80,000	0	(80,000)
Act 205 Pension	0	0	0
TOTAL REVENUES	<u>16,219,417</u>	<u>17,347,827</u>	<u>1,128,410</u>
Expenditures:			
General Government	1,631,435	1,662,427	(30,992)
Public Safety	6,046,172	6,559,958	(513,786)
Health and Welfare	90,969	89,959	1,010
Public Works - Sanitation	1,855,300	1,840,426	14,874
Public Works - Highway	2,712,234	2,297,524	414,710
Library	696,493	678,764	17,729
Culture and Recreation	457,364	460,934	(3,570)
Insurance and Pensions	3,441,750	3,375,651	66,099
Other Expenditures	0	0	0
TOTAL EXPENDITURES	<u>16,931,717</u>	<u>16,965,643</u>	<u>(33,926)</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(712,300)</u>	<u>382,184</u>	<u>1,094,484</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	260,000	287,691	27,691
Operating Transfers In	606,500	313,651	(292,849)
Operating Transfers Out	(154,200)	(154,185)	15
TOTAL OTHER FINANCING SOURCES (USES)	<u>712,300</u>	<u>447,357</u>	<u>(264,943)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>0</u>	<u>829,541</u>	<u>829,541</u>
Fund Balance January 1, 2015	0	6,492,652	6,492,652
FUND BALANCE -DECEMBER 31, 2015	<u>\$ 0</u>	<u>\$ 7,322,193</u>	<u>\$ 7,322,193</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF SPRINGFIELD
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCES -
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Proprietary Fund Types		Fiduciary Fund Types			Total (Memorandum Only)
	Enterprise Fund	Sanitary Sewer Fund	Police Pension Fund	Municipal Fund	Agency and Escrow	
Operating Revenues:						
Charges for Services	\$ 1,562,002	\$ 3,481,237	\$ 0	\$ 0	\$ 57,261	\$ 5,100,500
Merchandise Sales-Golf	90,440	0	0	0	0	90,440
Rental Income	910,627	0	0	0	0	910,627
Employee Contributions	0	0	170,309	0	0	170,309
Employer Contributions	0	0	1,504,675	248,489	0	1,753,164
Miscellaneous Income / Operating Transfers In	0	120,308	3,977	1,027	0	125,312
TOTAL OPERATING REVENUES	2,563,069	3,601,545	1,678,961	249,516	57,261	8,150,352
Operating Expenses:						
Salaries and Wages	899,401	273,329	0	0	0	1,172,730
Employee Benefits	214,383	94,449	0	0	0	308,832
Repairs and Maintenance	71,809	11,948	0	0	0	83,757
Insurance	53,500	0	0	0	0	53,500
Utilities	286,872	0	0	0	0	286,872
Golf Course Maintenance	678,458	0	0	0	0	678,458
Supplies	97,787	0	0	0	0	97,787
General Expense	138,619	13,828	0	0	0	163,032
Other Services and Charges	0	3,277,655	18,004	21,950	10,805	3,317,609
Pension Benefits	0	0	1,239,963	496,854	296,798	2,033,615
Snack Bar & Merchandise Purchased	110,186	0	0	0	0	110,186
Amortization	2,120	0	0	0	0	2,120
Depreciation	433,753	0	0	0	0	433,753
Operating Transfers Out	53,500	120,000	0	0	56,969	230,469
TOTAL OPERATING EXPENSES	3,040,388	3,791,009	1,257,967	518,804	364,572	8,972,740
OPERATING INCOME (LOSS)	(477,319)	(189,464)	420,994	(269,288)	(307,311)	(822,388)
Non-Operating Revenue (Expense):						
Investment Earnings	2,600	11,978	(158,957)	(139,599)	308,346	24,368
Interest Expense	(197,482)	0	0	0	0	(197,482)
State Subsidies - Act 205	0	0	235,250	325,429	0	560,679
TOTAL NON-OPERATING REVENUE (EXPENSE)	(194,882)	11,978	76,293	185,830	308,346	367,565
NET INCOME	(672,201)	(177,486)	497,287	(83,458)	1,035	(434,823)
Retained Earnings/Fund Balance-January 1, 2015			15,369,031	14,450,105	69	31,740,493
Prior Period Adjustment						
RETAINED EARNINGS/ FUND BALANCE -DECEMBER 31, 2015	\$ (3,191,022)	\$ 4,232,823	\$ 15,866,318	\$ 14,366,647	\$ 1,104	\$ 31,305,670

The accompanying notes are an integral part of this statement.

TOWNSHIP OF SPRINGFIELD
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Proprietary Fund Types		Fiduciary Fund Types			Total
	Enterprise Fund	Sanitary Sewer Fund	Police Pension Fund	Municipal Pension Fund	Agency and Escrow	(Memorandum Only)
Cash Flows From Operating Activities:						
Operating Income (Loss)			\$ 420,994	\$ (269,288)	\$ (307,311)	\$ (822,386)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:						
Depreciation	433,753	0	0	0	0	433,753
Decrease (Increase) in:						
Accounts Receivable	5,880	4,178	0	0	0	10,068
Fixed Assets	(913,925)	0	0	0	0	(913,925)
Due from Other Funds	0	(639,443)	0	0	0	(639,443)
Increase (Decrease) in:						
Accounts Payable	(409,275)	0	0	0	0	(409,275)
Due to Other Funds	1,125,623	(4,851)	0	0	(144,769)	977,003
Other Long Term Liabilities	750,000	0	0	0	0	750,000
Escrow Deposits	0	0	0	0	(70,783)	(70,783)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	515,747	(829,580)	420,994	(269,288)	(522,863)	(884,900)
Cash Flows From Non-Capital Financing Activities:						
Subsidies Received for Non-Operating Activities	0	9,702	235,250	325,429	0	570,381
Interest Paid on Debt	(197,482)	0	0	0	0	(197,482)
TOTAL CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	(197,482)	9,702	235,250	325,429	0	372,899
Cash Flows From Capital and Related Financing Activities:						
Payment of Principal on Bonds	(385,000)	0	0	0	0	(385,000)
Cash Flows From Investing Activities:						
Purchase of Investments	0	0	(497,287)	83,458	0	(413,829)
Investment Earnings	2,600	11,978	(158,957)	(139,599)	308,346	24,368
TOTAL CASH PROVIDED (USED) BY INVESTING ACTIVITIES	2,600	11,978	(656,244)	(56,141)	308,346	(389,461)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(64,135)	(807,900)	0	0	(214,517)	(1,086,552)
Cash and Cash Equivalents - Beginning	1,139,155	3,637,089	0	0	2,251,411	7,027,655
CASH AND CASH EQUIVALENTS - ENDING	\$ 1,075,020	\$ 2,829,189	\$ 0	\$ 0	\$ 2,036,894	\$ 5,941,103

The accompanying notes are an integral part of this statement.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1—Summary of Significant Accounting Policies

The financial statements of the Township of Springfield have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Discretely Presented Component Units

The Springfield Public Library serves the Springfield community. The Library's governing board approves its own budget. However, the Library is fiscally dependent upon the government unit because it receives a substantial portion of its operating funds from the township, and its building is occupied rent free from the Township. The Library is presented as a government fund type.

General Fund Fixed Asset Group of Accounts

The Township does not include the General Fixed Asset group of accounts within the financial statements. Generally accepted accounting principles require that the General Fixed Assets are recorded within the financial statements at their historical cost basis.

B. Fund Accounting

The accounts of the Township of Springfield are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds:

General Fund—The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1—Summary of Significant Accounting Policies (Continued)

Special Revenue Funds—These funds account for revenues derived from specific taxes or other earmarked revenue sources including state highway aid, federal and state grants, federal revenue sharing entitlements, and rental charges that are legally restricted to expenditures for specific purposes. While a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make the expenditures. Funds included in this fund category are:

Highway Aid Fund
Bus Shelter Fund
Neighborhood Park & Recreation Fund

Capital Project Funds:

Capital Vehicles Funds—This fund is used to account for financial resources to be used for the acquisition of capital equipment and improvements.

Bond and Notes Funds—These funds are used to account for financial resources to be used for the acquisition and construction of capital equipment and improvements in accordance with the General Obligation Bond Indentures.

Proprietary Funds:

Sanitary Sewer and Enterprise Funds—Sanitary Sewer Fund and Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds:

Trust and Agency Funds—Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals. These include Pension Trust and Agency Trust Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1—Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With the measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenue are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Township reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Township before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

This basis of accounting is used for the DCED regulatory basis.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1—Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting

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

1. Prior to October 1, the Township Manager submits to the Township Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Township offices to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of an ordinance.
4. The Township Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board of Commissioners.
5. Formal budgetary integration is employed as a management control device during the year for all funds except Trust and Agency, Special Revenue, and Capital Project Funds.
6. Budgeted amounts as of December 31, 2014 are as originally adopted, or as amended by the Township Board of Commissioners.

E. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables/payables”.

F. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method. The only assets capitalized in the proprietary fund types are those related to General Obligation Bonds Payable.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1—Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

H. Fund Equity

Reserves of fund equity represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

I. Memorandum Only—Total Columns

Total columns on the general purpose financial statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2—Taxes Receivable

Taxes receivable at December 31, 2015 consisted of:

Delinquent Real Estate Taxes	\$ 162,706.00
TOTAL TAXES RECEIVABLE	\$ 162,706.00

NOTE 3—Deferred Revenue

The noncurrent portion of sewer fees receivable is recorded as a deferred revenue until such time as it becomes available.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 3—Deferred Revenue (Continued)

Certain sewer assessments not collected at December 31, 2015 have been recorded as deferred revenue.

Delinquent Fees	\$ 51,274.00
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NOTE 4—Changes in Fixed Assets

A summary of proprietary fund type fixed assets is as follows:

	Enterprise Fund
Building	\$7,194,555
Machinery and Equipment	702,237
Golf Course Improvements	112,042
Furniture & Fixtures	526,204
Machinery & Equipment – Golf	1,031,732
Machinery & Equipment - Pool	9,898
Recreation	<u>2,446,696</u>
TOTAL FIXED ASSETS	\$ 12,023,364
Less: Accumulated Depreciation	<u>7,045,874</u>
NET FIXED ASSETS	\$ 4,977,490

NOTE 5—Changes in Long-Term Debt

A summary of long-term debt transactions for the year ended December 31, 2015 as follows:

	Principal Outstanding 1/1/15	Maturities	Additions	Principal Outstanding 12/31/15
General Obligation Note of 1998	<u>\$ 4,204,000</u>	<u>\$ 385,000</u>	<u>\$ 0</u>	<u>\$ 3,819,000</u>
TOTAL LONG-TERM DEBT	\$ 4,204,000	\$ 385,000	\$ 0	\$ 3,819,000

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5—Changes in Long-Term Debt (Continued)

Long-term debt is comprised of the following:

<p>General Obligation Bond Series of 1993, dated July 15, 1999, in the amount of \$4,045,000, bearing interest between 2.6% and 4.85% and maturing June 15, 2004. Interest is payable semi-annually on June 15 and December 15. The bonds are paid 60% from the General Fund and 40% from the Proprietary Fund. The bonds were issued for the purpose of refunding certain debt.</p>	\$ 0
<p>General Obligation Note 1993, dated December 14, 1993, in the amount of \$500,000, with a variable interest rate up to a maximum of 15%, and maturing December 26, 1998. Interest is payable monthly.</p>	\$ 0
<p>General Obligation Note 1998: 1998-A: Note in the amount of \$5,650,000 with an interest rate of 4.741%. Principal payments beginning August 25, 2010 and maturing August 25, 2023.</p>	\$ 3,819,000
<p>1998-B: Note in the amount of \$2,600,000 with an interest rate of 4.042%. Principal payments beginning August 25, 2000 and maturing August 25, 2010.</p>	\$ 0
TOTAL	\$ 3,819,000

The annual requirements to amortize debt outstanding as of December 31, 2015 are as follows:

	Principal	Interest	Total
Subsequent Years	<u>3,819,000</u>	<u>3,055,584</u>	<u>6,874,584</u>
TOTAL	\$ 3,819,000	\$ 3,055,584	\$ 6,874,584

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 6—Property Tax

Property taxes attach as an enforceable lien on property as of February 1. Taxes are levied on February 1 and payable in the following periods:

Discount Period	February 1 to March 31—2% of Gross Levy
Flat Period	April 1 to May 31
Penalty Period	June 1 to Tax Turnover—10% of Gross Levy

The following is a detail analysis of current tax revenues

Assessed valuation, adjusted by	
Authorized revisions	\$ 1,669,302,652
Approved Tax Rate in Mills	<u>5.586</u>
GROSS LEVY	\$ 9,324,724
Additions:	
Penalties Applied	\$ 31,128
Prior Year Taxes Collected	118,546
Deductions:	
Discounts	152,911
Taxes Receivable	<u>162,706</u>
NET TAXES COLLECTED	<u><u>\$ 9,158,781</u></u>

NOTE 7—Authority Payments

- A. Under a supplemental agreement with Central Delaware County Authority, the Township is responsible for its share of operating expenses and its share of service charges for rental of sewerage improvements. Operating expenses are allocated to member governments based principally on the proportionate share of total dwelling units and are payable quarterly. The total cost charged to the Township in 2015 was \$1,698,292.00.
- B. Under an agreement with Muckinipates Authority, the Township is responsible for its share of operating and debt service expenses based upon metered sewerage discharged by the Township into the Sewer Authority facilities. The total cost charged to the Township in 2015 was \$283,265.00.
- C. Under an agreement with Darby Creek Joint Authority, the Township is responsible for its share of operating and debt service expenses based upon metered sewerage discharged by the Township into the Sewer Authority facilities. The total cost charged to the Township in 2015 was \$1,085,133.00.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8—Defined Benefit Pension Plans

A. Plan Description

The Township contributes to public employee retirement systems (PERS), one for its uniformed (police) employees and one for nonuniformed (municipal) employees. Both are single employer PERS, administered by the Township. Both plans are defined benefit pension plans. In addition there is a defined contribution plan for non-uniformed employees hired on or after January 1, 2010.

The following table provides information concerning the Township's uniformed (police) employees' PERS:

Covered Employees:	All full-time uniformed (police) employees.
Current Annual Covered Payroll (2015):	\$ 3,181,680
Benefit Vesting:	100% after twelve years
Normal Retirement:	Age 50 and completion of 25 years service.
Monthly Retirement Benefit:	50% of the final average compensation plus a service increment after the completion of 26 years of service.
Final Average Compensation:	Average monthly compensation during the last 36 months of employment.
Provision for Early Retirement:	No
Provision for Late Retirement:	Yes
Provision for Pre-retirement Death Benefit:	Yes
Required Employees' Contributions	5% of monthly earnings.

The following table provides information concerning the Township's nonuniformed (municipal) employees' PERS:

Covered Employees:	All full-time employees other than uniformed (police) employees (including employees of the Library).
Current Annual Covered Payroll (2015)	\$ 3,914,044 Township Employees (Including Library Employees)
Benefit Vesting:	100% after five years of service.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8—Defined Benefit Pension Plans (Continued)

Normal Retirement:	Age 65 or fifth anniversary of participation if Later.
Annual Retirement Benefit:	1.75 % of average compensation times years of service.
Final Average Compensation:	Highest average annual compensation during any three consecutive years during the last ten years Before retirement.
Provision for Early Retirement:	Yes
Provision for Late Retirement:	Yes
Provision for Pre-retirement Death Benefit:	Yes
Required Employees' Contributions:	No

The Township is required to contribute the amounts necessary to fund the plan, using the actuarial basis specified by state statute. The Commonwealth of Pennsylvania also provides funds (distributions of foreign casualty insurance premium taxes) to the Township, which are used by the Township in making its regular contributions to the plan.

B. Funding Status and Progress

The amounts shown below as the “actuarial accrued liability-entry age normal” is a substitute (allowed by generally accepted accounting principles for small governmental units) for the required standardized disclosures measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Township’s pension plans on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. Under the entry age normal actuarial cost method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to each valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability. For purposes of the Township’s actuarial valuation, entry age is established as the date of participant eligibility, projected benefits are allocated based on earnings and the accrued actuarial liabilities are aggregated after the individual actuarial accrued liabilities are determined.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8—Defined Benefit Pension Plans (Continued)

B. Funding Status and Progress (Continued)

Information concerning the actuarial accrued liabilities of the Township's pension plan is as follows:

	<u>Uniformed (Police) PERS</u>	<u>Nonuniformed (Municipal) PERS</u>
Actuarial Valuation Date (Most Recent Valuation)	January 1, 2015	January 1, 2015
Actuarial Assumptions:		
Rate of Return on the Investment of Assets	8%	8%
Projected Salary Increase	5%	5%
Projected Post Retirement Benefit Increases	None	None
TOTAL ACTUARIAL ACCRUED LIABILITY	\$24,793,751	\$16,554,277
Net Assets Available for Benefits—As of January 1, 2015 (Primarily at Market)	<u>\$ 16,425,981</u>	<u>\$15,756,476</u>
UNFUNDED (OVERFUNDED) ACTUARIAL ACCRUED LIABILITY	<u>\$ 8,367,770</u>	<u>\$ 797,801</u>

C. Actuarially Determined Contribution Requirements and Contribution Made

The Township's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The employer's contribution rate for normal cost is determined using the entry age normal actuarial funding method.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the actuarial accrued liabilities as described in B above.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8—Defined Benefit Pension Plans (Continued)

C. Actuarially Determined Contribution Requirements and Contribution Made (Continued)

Details of the actuarially required contribution requirements (based on the January 1, 2015 actuarial valuation) and the 2015 contributions made to the Township's PERS are as follows:

	<u>Uniformed (Police) PERS</u>		<u>Nonuniformed (Municipal) PERS</u>	
	<u>Amount</u>	<u>Percentage of Current Covered Payroll</u>	<u>Amount</u>	<u>Percentage of Current Covered Payroll</u>
Actuarially Required Contributions:				
Normal Cost	\$508,012	15.97%	\$223,693	5.72%
Administrative Expenses	8,552	0.27%	9,050	0.23%
Funding Adjustment	0	0.00%	0	0.00%
Amortization of Unfunded	1,229,054	38.63%	94,144	2.41%
Interest on Municipal Obligation	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
 TOTAL	 <u>\$1,745,618</u>	 <u>54.87%</u>	 <u>\$ 326,887</u>	 <u>8.36%</u>

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 9—Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Cash—Checking	\$ 8,390,703
Certificates of Deposit	896,000
Pennsylvania Local Government Investment Trust (PLGIT)	0
Cash—Springfield Public Library	54,378
Petty Cash Funds	<u>2,200</u>
TOTAL	<u>\$ 9,343,281</u>

The Township maintains a cash checking account for each fund. Each fund type's portion of this account is displayed on the combined balance sheet as part of cash and cash equivalents

By State statute, the Township may appoint one or more depositories for Township funds and approve security to be furnished by any such depository. This security may be in the form of collateral consisting of obligations of the United States or the Commonwealth of Pennsylvania, or any political subdivision thereof, deposited with the bank or trust company. Pennsylvania Act 72 of 1971, as amended, allows depositories to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institution's trust department.

The Township has an arrangement to invest its excess cash with the Pennsylvania Local Government Investment Trust (PLGIT). The market value of the investments approximates cost. The amount invested in PLGIT represents ownership of shares in a trust which invests solely in allowable investment securities. Because of the nature of this arrangement, it is not possible to categorize the credit risk of the Township's investment in the trust.

The Township also invests its excess cash in overnight repurchase agreements collateralized at 102% of the deposit amount by the United States Treasury Notes held by the Township's financial institution in the name of the Township.

The credit risk of the Township's deposits and investments during the year was similar to that of December 31, 2014.

TOWNSHIP OF SPRINGFIELD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 10—Investments—Pension Plans

	<u>Carrying Amount</u>	<u>Market Value</u>
<u>Police Pension Plan:</u>		
Invested with Broker:		
Mutual Funds	\$ 745,723	\$ 745,723
Investments	<u>14,474,128</u>	<u>15,150,595</u>
TOTAL POLICE PENSION INVESTMENTS	\$ 15,219,851 -----	\$ 15,896,318 -----
 <u>Municipal Pension Plan:</u>		
Invested with Broker:		
Money Market Securities	\$ 653,457	\$ 653,457
Securities/Mutual Funds	<u>13,563,126</u>	<u>13,713,190</u>
TOTAL MUNICIPAL PENSION INVESTMENTS	\$ 14,216,583	\$ 14,366,647
 TOTAL INVESTMENTS	 \$ 29,436,434 =====	 \$ 30,262,965 =====

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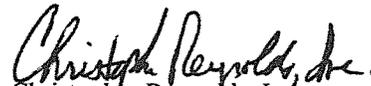
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Board of Commissioners
Township of Springfield
Springfield, Pennsylvania

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Township of Springfield. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statement of each of the respective individual funds, taken as a whole.


Christopher Reynolds, Inc.

May 31, 2016

TOWNSHIP OF SPRINGFIELD
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Highway Aid</u>	<u>Bus Shelter</u>	<u>Park & Rec</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 7,854	\$ 15,492	\$ 107,158	\$ 130,504
Land				
Due from Other Funds				
Total Assets	<u>\$ 7,854</u>	<u>\$ 15,492</u>	<u>\$ 107,158</u>	<u>\$ 130,504</u>

<u>RESERVES AND FUND BALANCE</u>				
Accounts Payable				
Due to other Funds				
Fund Balance	<u>\$ 7,854</u>	<u>\$ 15,492</u>	<u>\$ 107,158</u>	<u>\$ 130,504</u>

TOWNSHIP OF SPRINGFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Highway Aid	Bus Shelter	Park Rec	Total
Revenues:				
Liquid Fuels Grant	\$ 540,254	\$ 0	\$ 0	\$ 540,254
Service	0		102,535	102,535
Interest Income	1,134	56	48	1,238
Rents		50,400	0	50,400
TOTAL REVENUES	<u>\$ 541,388</u>	<u>\$ 50,456</u>	<u>\$102,583</u>	<u>\$ 694,427</u>
Expenditures:				
General Government	403,052	6,071	0	\$ 409,123
Culture and Recreation		65,959	7,101	73,060
TOTAL EXPENDITURES	<u>\$ 403,052</u>	<u>\$ 72,030</u>	<u>\$ 7,101</u>	<u>\$ 482,183</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 138,336	\$ (21,574)	\$ 95,482	\$ 212,244
Other Financing Sources (Uses):				
Operating Transfers In	\$0			\$ 0
Operating Transfers Out	\$ (203,382)			\$ (203,382)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (65,046)	\$ (21,574)	\$ 95,482	\$ 8,862
Fund Balance- January 1, 2015	<u>\$ 72,900</u>	<u>\$ 37,066</u>	<u>\$11,676</u>	<u>\$ 121,642</u>
Fund Balance- December 31, 2015	<u>\$ 7,854</u>	<u>\$ 15,492</u>	<u>\$107,158</u>	<u>\$ 130,504</u>

TOWNSHIP OF SPRINGFIELD
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>ASSETS</u>	<u>Capital Reserve Fund</u>	<u>Capital Vehicles Fund</u>	<u>Total</u>
Cash and Temporary Investments	\$ 542,154	\$ 1,041	\$ 543,195
Fixed Assets			\$ 0
Total Assets	<u>\$542,154</u>	<u>\$1,041</u>	<u>\$ 543,195</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable			
Fund Balance	<u>\$ 542,154</u>	<u>\$ 1,041</u>	<u>\$ 543,195</u>

TOWNSHIP OF SPRINGFIELD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED CECEMBER 31, 2015

	<u>Capital Reserve Fund</u>	<u>Capital Vehicles Fund</u>	<u>Total</u>
Revenues:			
Interest Income	\$ 3,431	\$ 496	\$ 3,927
Other Revenue		3,813	3,813
TOTAL REVENUES	<u>3,431</u>	<u>4,309</u>	<u>7,740</u>
Expenditures:			
Professional Services			
Capital Projects	143,600	280,608	424,208
TOTAL EXPENDITURES	<u>143,600</u>	<u>280,608</u>	<u>424,208</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(140,169)	(276,299)	(416,468)
Other Financing Sources:			
Operating Transfers In	0	0	0
Operating Transfers Out		0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(140,169)	(276,299)	(416,468)
Fund Balance-January 1, 2015	<u>682,323</u>	<u>277,340</u>	<u>959,663</u>
Fund Balance-December 31, 2015	<u>\$ 542,154</u>	<u>\$ 1,041</u>	<u>\$ 543,195</u>

TOWNSHIP OF SPRINGFIELD
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

ASSETS

	<u>Escrows</u>	<u>Police Pension</u>	<u>Municipal Pension</u>	<u>Total</u>
Cash	\$2,036,894	\$ 0	\$ 0	\$ 2,036,894
Investments	<u>0</u>	<u>15,896,318</u>	<u>14,366,647</u>	<u>30,262,965</u>
TOTAL CURRENT ASSETS	<u><u>\$2,036,894</u></u>	<u><u>\$15,896,318</u></u>	<u><u>\$ 14,366,647</u></u>	<u><u>\$ 32,299,859</u></u>

LIABILITIES

Escrow Deposits	\$319,007	\$ 0	\$ 0	\$ 319,007
Accrued Investment and O/S Pension Payments				
Reserve For Employees' Retirement System	1,716,783	15,896,318	14,366,647	31,979,748
Due to Police Retirement Fund				
Fund Balance	<u>1,104</u>	<u></u>	<u></u>	<u>1,104</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$2,036,894</u></u>	<u><u>\$15,896,318</u></u>	<u><u>\$ 14,366,647</u></u>	<u><u>\$ 32,299,859</u></u>

Township of Springfield

Supplementary Reports

December 31, 2015

INDEX

<u>Title</u>	<u>Page No.</u>
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Township of Springfield
Springfield, Pennsylvania

We have audited the general purpose financial statements of the Township of Springfield for the year ended December 31, 2015 and have issued our report thereon dated May 31, 2016.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Township of Springfield is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Township of Springfield for the year ended December 31, 2015, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. This report is intended for the information of management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.


Christopher Reynolds, Inc.

May 31, 2016

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Township of Springfield
Springfield, Pennsylvania

We have audited the general purpose financial statements of the Township of Springfield for the year ended December 31, 2015, and have issued our report thereon dated May 31, 2016.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Township of Springfield is the responsibility of the Township of Springfield's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatements, we performed tests of the Township of Springfield's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.


Christopher Reynolds, Inc.

May 31, 2016