

**Financial Statements**  
**With Supplementary Information**

**Township of Springfield**  
**Delaware County, Pennsylvania**

**December 31, 2020**

**CHRISTOPHER REYNOLDS, INC.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**352 GARDEN ROAD**  
**SPRINGFIELD, PA 19064**

Christopher Reynolds, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Township of Springfield  
Springfield, Pennsylvania

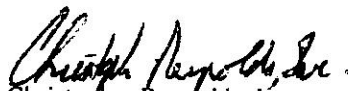
We have audited the accompanying financial statements of Township of Springfield, as of and for the year ended December 31, 2020, as listed in the table of contents. These financial statements are the responsibility of Township of Springfield management. Our responsibility is to express an opinion on 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, 2020, 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.

June 30, 2021

## 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

TOWNSHIP OF SPRINGFIELD  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	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	Trust and Agency	General Fixed Assets	Long-Term Debt	Springfield Public Library				
<b>ASSETS</b>													
Cash and Cash Equivalents	\$ 3,988,744	\$ 143,831	\$ 158,125	\$ 850,839	\$ 3,839,062	\$ 1,789,275	\$ 0	\$ 0	\$ 0	\$ 10,769,696	\$ 273,753	\$ 11,043,449	
Investments	0	0	0	0	0	52,062,522	0	0	0	52,062,522	68,452	52,130,974	
Taxes Receivable	118,127	0	0	0	0	0	0	0	0	118,127	0	118,127	
Accounts Receivable	27,227	0	0	6,360	57,981	0	0	0	0	91,568	0	91,568	
Other Current Assets	0	0	0	27,016	0	0	0	0	0	27,016	204,227	231,243	
Due from Other Funds	4,450,373	0	0	0	427,493	0	0	0	0	4,877,866	0	4,877,866	
Property and Equipment, Net of Accumulated Depreciation	0	0	0	3,131,379	0	0	717,849	0	0	3,849,228	6,619	3,855,847	
Deferred Note Issuance Costs, Net of Amortization	0	0	0	0	0	0	0	0	0	0	0	0	
Amount to be Provided for Retirement of General	0	0	0	0	0	0	0	0	0	0	0	0	
Long-Term Debt	0	0	0	0	0	0	0	92,240	0	92,240	0	92,240	
<b>TOTAL ASSETS</b>	<b>\$ 8,584,471</b>	<b>\$ 143,831</b>	<b>\$ 158,125</b>	<b>\$ 4,015,994</b>	<b>\$ 4,324,556</b>	<b>\$ 53,851,797</b>	<b>\$ 717,849</b>	<b>\$ 92,240</b>	<b>\$ 553,051</b>	<b>\$ 71,888,263</b>	<b>\$ 72,441,314</b>	<b>\$ 72,441,314</b>	
<b>LIABILITIES</b>													
Current Liabilities	\$ 647,873	\$ 0	\$ 0	\$ 0	\$ 0	\$ 499,916	\$ 0	\$ 0	\$ 0	\$ 1,147,789	\$ 464	\$ 1,148,253	
Due to Other Funds	52,493	0	0	4,410,791	47,726	0	0	0	0	4,511,010	0	4,511,010	
Accrued Wages and Payroll Taxes Payable	47,140	0	0	0	0	0	0	0	0	47,140	127,264	174,404	
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	70	70	
Current Long-Term Debt	0	0	0	554,733	0	0	0	29,267	0	584,000	0	584,000	
Long-Term Liabilities	52,763	0	0	1,330,027	0	1,288,927	0	52,973	0	2,734,690	0	2,734,690	
<b>TOTAL LIABILITIES</b>	<b>800,269</b>	<b>0</b>	<b>0</b>	<b>6,295,551</b>	<b>47,726</b>	<b>1,788,843</b>	<b>0</b>	<b>92,240</b>	<b>127,798</b>	<b>9,024,629</b>	<b>127,798</b>	<b>9,152,427</b>	
<b>FUND BALANCES</b>													
Retained Earnings	0	0	0	(2,280,157)	4,276,830	0	0	0	0	1,996,673	0	1,996,673	
Reserve for Employees' Retirement System	0	0	0	0	0	52,062,522	0	0	0	52,062,522	0	52,062,522	
Reserve Fund Balance	7,784,202	143,831	158,125	0	0	432	717,849	0	0	8,804,439	425,253	9,229,692	
<b>TOTAL FUND BALANCES</b>	<b>7,784,202</b>	<b>143,831</b>	<b>158,125</b>	<b>(2,280,157)</b>	<b>4,276,830</b>	<b>52,062,954</b>	<b>717,849</b>	<b>0</b>	<b>0</b>	<b>62,863,634</b>	<b>425,253</b>	<b>63,288,887</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,584,471</b>	<b>\$ 143,831</b>	<b>\$ 158,125</b>	<b>\$ 4,015,994</b>	<b>\$ 4,324,556</b>	<b>\$ 53,851,797</b>	<b>\$ 717,849</b>	<b>\$ 92,240</b>	<b>\$ 553,051</b>	<b>\$ 71,888,263</b>	<b>\$ 72,441,314</b>	<b>\$ 72,441,314</b>	

**TOWNSHIP OF SPRINGFIELD  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Government Fund Types				Total Primary Government (Memorandum Only)	Component Unit		Totals Reporting Entity (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Project Funds			Springfield Public Library		
<b>Revenues:</b>								
Real Estate Taxes:								
Current Year	\$ 9,983,827	\$ 0	\$ 0	\$ 0	\$ 9,983,827	\$ 0	\$ 0	\$ 9,983,827
Delinquent	208,437	0	0	0	208,437	0	0	208,437
Interim	6,659	0	0	0	6,659	0	0	6,659
Act 511 Taxes	3,051,344	0	0	0	3,051,344	0	0	3,051,344
Licenses and Permits	223,061	0	0	0	223,061	0	0	223,061
Fines and Forfeits	95,568	0	0	0	95,568	0	0	95,568
Intergovernmental	1,595,865	688,971	0	0	2,284,836	829,030	0	3,113,866
Charges for Services	3,346,835	0	0	0	3,346,835	0	0	3,346,835
Franchise Fee - Cable TV	21,129	1,661	457	0	23,247	17,268	0	559,899
Investment Earnings	119,520	50,400	0	0	169,920	0	0	169,920
Rent of Buildings	0	0	21,428	0	21,428	0	0	21,428
Miscellaneous	0	0	0	0	0	0	0	0
Library Support	0	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>19,211,944</b>	<b>741,032</b>	<b>21,885</b>	<b>0</b>	<b>19,974,861</b>	<b>846,298</b>	<b>0</b>	<b>20,821,159</b>
<b>Expenditures:</b>								
General Government	2,286,217	0	0	0	2,286,217	0	0	2,286,217
Public Safety	7,417,874	0	54,379	0	7,472,253	0	0	7,472,253
Health and Welfare	50,886	0	0	0	50,886	0	0	50,886
Public Works - Sanitation	2,392,704	0	0	0	2,392,704	0	0	2,392,704
Public Works - Highway	2,355,914	599,056	0	0	2,954,970	0	0	2,954,970
Library	634,715	0	0	0	634,715	710,402	0	1,345,117
Culture and Recreation	726,492	84,120	0	0	810,612	0	0	810,612
Insurance and Pensions	3,771,819	0	0	0	3,771,819	0	0	3,771,819
Debt Service	0	0	0	0	0	0	0	0
Other Expenditures	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>19,536,621</b>	<b>683,176</b>	<b>54,379</b>	<b>0</b>	<b>20,374,176</b>	<b>710,402</b>	<b>0</b>	<b>21,084,578</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURE</b>	<b>(424,677)</b>	<b>57,856</b>	<b>(32,494)</b>	<b>0</b>	<b>(399,315)</b>	<b>135,896</b>	<b>0</b>	<b>(263,419)</b>
<b>Other Financing Sources (Uses):</b>								
Refund of Prior Year Expenditures	194,653	0	0	0	194,653	0	0	194,653
Refund	0	0	0	0	0	0	0	0
Operating Transfers In	138,196	0	50,000	0	188,196	0	0	188,196
Operating Transfers Out	(203,638)	(78,348)	0	0	(281,984)	0	0	(281,984)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>129,211</b>	<b>(78,348)</b>	<b>50,000</b>	<b>0</b>	<b>100,863</b>	<b>0</b>	<b>0</b>	<b>100,863</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(295,466)</b>	<b>(20,490)</b>	<b>17,506</b>	<b>0</b>	<b>(298,450)</b>	<b>135,896</b>	<b>0</b>	<b>(162,554)</b>
Fund Balance-January 1, 2020	8,079,668	164,321	140,619	0	8,384,608	289,357	0	8,673,965
Prior Period Adjustment	0	0	0	0	0	0	0	0
<b>FUND BALANCE-DECEMBER 31, 2020</b>	<b>\$ 7,784,202</b>	<b>\$ 143,831</b>	<b>\$ 158,125</b>	<b>\$ 0</b>	<b>\$ 8,086,158</b>	<b>\$ 425,253</b>	<b>\$ 0</b>	<b>\$ 8,511,411</b>

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, 2020

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate Taxes	\$ 10,115,000	\$ 10,198,923	\$ 83,923
Act 511 Taxes	3,075,000	3,051,344	(23,656)
Licenses and Permits	259,100	223,061	(36,039)
Fines and Forfeits	102,000	95,568	(6,432)
Intergovernmental	1,035,909	1,595,865	559,956
Charges for Services	3,140,400	3,346,835	206,435
Franchise Fee - Cable TV	575,000	569,699	(5,301)
Investment Earnings	17,000	21,129	4,129
Rent of Buildings	114,000	119,520	5,520
Miscellaneous	20,000	0	(20,000)
Act 205 Pension	0	0	0
<b>TOTAL REVENUES</b>	<b>18,453,409</b>	<b>19,211,944</b>	<b>758,535</b>
Expenditures:			
General Government	1,855,898	2,286,217	(430,319)
Public Safety	6,858,942	7,417,874	(558,932)
Health and Welfare	48,240	50,886	(2,646)
Public Works - Sanitation	2,294,278	2,382,704	(88,426)
Public Works - Highway	2,387,748	2,355,914	31,832
Library	682,288	634,715	47,573
Culture and Recreation	858,611	726,492	133,119
Insurance and Pensions	3,679,706	3,771,819	(92,113)
Other Expenditures	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>18,666,709</b>	<b>19,636,821</b>	<b>(969,912)</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(213,300)</b>	<b>(424,877)</b>	<b>(211,577)</b>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	217,000	194,653	(22,347)
Operating Transfers In	273,600	138,196	(135,404)
Operating Transfers Out	(277,300)	(203,638)	73,662
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>213,300</b>	<b>129,211</b>	<b>(84,089)</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>0</b>	<b>(295,466)</b>	<b>(295,466)</b>
Fund Balance January 1, 2020	0	8,079,688	8,079,688
<b>FUND BALANCE - DECEMBER 31, 2020</b>	<b>\$ 0</b>	<b>\$ 7,784,202</b>	<b>\$ 7,784,202</b>

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, 2020**

	Proprietary Fund Types		Fiduciary Fund Types			Total (Memorandum Only)
	Enterprise Fund	Sanitary Sewer Fund	Police Pension Fund	Municipal Pension Fund	Agency and Escrow	
<b>Operating Revenues:</b>						
Charges for Services	\$ 1,924,347	\$ 3,978,216	\$ 0	\$ 0	\$ 5,476	\$ 5,908,039
Merchandise Sales-Golf	101,776	0	0	0	0	101,776
Rental Income	836,356	0	0	0	0	836,356
Employee Contributions	0	0	195,606	0	0	195,606
Employer Contributions	0	0	1,111,742	108,271	0	1,220,013
Miscellaneous Income / Operating Transfers In	0	120,000	0	0	0	120,000
<b>TOTAL OPERATING REVENUES</b>	<b>2,862,479</b>	<b>4,098,216</b>	<b>1,307,348</b>	<b>108,271</b>	<b>5,476</b>	<b>8,381,790</b>
<b>Operating Expenses:</b>						
Salaries and Wages	908,039	302,941	0	0	0	1,210,980
Employee Benefits	177,093	106,106	0	0	0	283,199
Repairs and Maintenance	121,332	29,590	0	0	0	150,922
Insurance	53,500	0	0	0	0	53,500
Utilities	200,996	0	0	0	0	200,996
Golf Course Maintenance	236,575	0	0	0	0	236,575
Supplies	121,567	0	0	0	0	121,567
General Expense	42,485	18,185	0	0	7,255	67,925
Other Services and Charges	56,633	3,851,209	6,400	12,450	0	3,926,692
Pension Benefits	0	0	1,456,392	703,525	128,418	2,288,335
Capital Construction	139,791	169,676	0	0	0	309,467
Snack Bar & Merchandise Purchased	92,509	0	0	0	0	92,509
Amortization	2,120	0	0	0	0	2,120
Depreciation	452,043	0	0	0	0	452,043
Operating Transfers Out	0	120,000	0	0	6,350	126,350
<b>TOTAL OPERATING EXPENSES</b>	<b>2,604,693</b>	<b>4,627,707</b>	<b>1,462,792</b>	<b>715,975</b>	<b>142,023</b>	<b>9,553,190</b>
<b>OPERATING INCOME (LOSS)</b>	<b>257,786</b>	<b>(529,491)</b>	<b>(155,444)</b>	<b>(607,704)</b>	<b>(136,547)</b>	<b>(1,171,400)</b>
<b>Non-Operating Revenue (Expense):</b>						
Investment Earnings	3,047	12,669	3,816,420	0	138,815	3,968,951
Interest Expense	(93,322)	0	0	3,326,191	0	3,232,869
State Subsidies - Act 205	0	0	573,811	125,373	0	699,184
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<b>(90,275)</b>	<b>12,669</b>	<b>4,390,231</b>	<b>3,451,564</b>	<b>138,815</b>	<b>7,901,004</b>
<b>NET INCOME</b>	<b>167,511</b>	<b>(516,822)</b>	<b>4,234,787</b>	<b>2,843,880</b>	<b>268</b>	<b>6,729,604</b>
Retained Earnings/Fund Balance-January 1, 2020						
Prior Period Adjustment	(2,447,668)	4,793,652	25,466,851	19,517,024	164	47,330,023
<b>RETAINED EARNINGS/ FUND BALANCE -DECEMBER 31, 2020</b>	<b>\$ (2,280,157)</b>	<b>\$ 4,276,830</b>	<b>\$29,701,638</b>	<b>\$ 22,360,884</b>	<b>\$ 432</b>	<b>\$4,059,627</b>

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, 2020

	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)	\$ 257,786	\$ (529,491)			\$ (607,704)	\$ (1,171,400)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:						
Depreciation	452,043	0				452,043
Decrease (Increase) in:						
Accounts Receivable	(4,266)	(5,470)				(9,736)
Fixed Assets	777,614	0				777,614
Due from Other Funds	2,011	229,267				231,278
Increase (Decrease) in:						
Accounts Payable	0	0				0
Due to Other Funds	114,935	6,540			448,205	568,680
Other Long Term Liabilities	(533,054)	0			(249,249)	(782,303)
Escrow Deposits	0	0				0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,067,069	(298,154)	(155,444)	(607,704)	62,409	67,176
Cash Flows From Non-Capital Financing Activities:						
Subsidies Received for Non-Operating Activities	0	0	573,811	125,373	0	699,184
Interest Paid on Debt	(93,322)	0	0	0	0	(93,322)
TOTAL CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	(93,322)	0	573,811	125,373	0	605,862
Cash Flows From Capital and Related Financing Activities:						
Payment of Principal on Bonds	(488,000)	0	0	0	0	(488,000)
Cash Flows From Investing Activities:						
Purchase of Investments	0	0	(924,428)	(482,331)	0	(1,406,760)
Investment Earnings	3,049	12,669	506,062	964,662	136,815	1,623,257
TOTAL CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,049	12,669	(418,367)	482,331	136,815	216,497
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	480,796	(286,485)	0	0	199,224	403,535
Cash and Cash Equivalents - Beginning	359,843	4,125,567	0	0	1,590,051	6,075,461
CASH AND CASH EQUIVALENTS - ENDING	\$ 850,639	\$ 3,839,082	\$ 0	\$ 0	\$ 1,789,275	\$ 6,478,996

The accompanying notes are an integral part of this statement.

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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, 2020

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, 2020

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, 2020

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, 2020 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, 2020

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, 2020 consisted of:

Delinquent Real Estate Taxes	\$ 118,127.00
<b>TOTAL TAXES RECEIVABLE</b>	<b>\$ 118,127.00</b>

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, 2020

NOTE 3—Deferred Revenue (Continued)

Certain sewer assessments not collected at December 31, 2019 have been recorded as deferred revenue.

Delinquent Fees	\$ 57,981.00
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NOTE 4—Changes in Fixed Assets

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

	Enterprise Fund
Building	\$7,653,608
Machinery and Equipment	1,903,442
Improvements	234,356
Furniture & Fixtures	545,537
Swimming Pool	<u>2,079,562</u>
TOTAL FIXED ASSETS	\$ 12,416,505
Less: Accumulated Depreciation	<u>9,285,126</u>
NET FIXED ASSETS	\$ 3,131,379

NOTE 5—Changes in Long-Term Debt

A summary of long-term debt transactions for the year ended December 31, 2020 as follows:

	Principal Outstanding 1/1/20	Maturities	Additions	Principal Outstanding 12/31/20
General Obligation Note of 1998	<u>\$ 2,088,000</u>	<u>\$ 486,000</u>	<u>\$ 0</u>	<u>\$ 1,602,000</u>
TOTAL LONG-TERM DEBT	\$ 2,088,000	\$ 486,000	\$ 0	\$ 1,602,000

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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

Long-term debt is comprised of the following:

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.	\$ 0
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.	\$ 0
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.	\$ 1,602,000
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.	\$ 0
TOTAL	<u>\$ 1,602,000</u>

The annual requirements to amortize debt outstanding as of December 31, 2020 are as follows:

	Principal	Interest	Total
Subsequent Years	<u>1,602,000</u>	<u>2,332,805</u>	<u>3,934,805</u>
TOTAL	\$ 1,602,000	\$ 2,332,805	\$ 3,934,805

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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	\$ 1,687,231,076
Approved Tax Rate in Mills	<u>6.130</u>
GROSS LEVY	\$ 10,342,726
Additions:	
Penalties Applied	\$ 12,128
Prior Year Taxes Collected	53,940
Deductions:	
Discounts	91,744
Taxes Receivable	<u>118,127</u>
 NET TAXES COLLECTED	 \$ 10,198,923 <u><u>                    </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 2020 was \$2,075,814.00.
- 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 2020 was \$308,654.00.
- 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 2020 was \$1,454,506.00.

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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 (2020):	\$ 3,634,060
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 (2020)	\$ 3,741,884 Township Employees (Including Library Employees)
Benefit Vesting:	100% after five years of service.

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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, 2020

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, 2021	January 1, 2021
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	\$33,223,911	\$21,435,195
Net Assets Available for Benefits—As of January 1, 2019 (Primarily at Market)	<u>\$29,701,638</u>	<u>\$21,818,147</u>
UNFUNDED (OVERFUNDED) ACTUARIAL ACCRUED LIABILITY	<u>\$ 3,522,273</u>	<u>\$(382,952)</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, 2020

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, 2021 actuarial valuation) and the 2020 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	\$568,004	15.63%	\$168,011	4.49%
Administrative Expenses	13,142	0.36%	10,450	0.28%
Funding Adjustment	0	0.00%	0	0.00%
Amortization of Unfunded	1,286,111	35.39%	0	0.00%
Interest on Municipal Obligation	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
 TOTAL	 <u>\$1,867,257</u>	 <u>51.38%</u>	 <u>\$ 178,461</u>	 <u>4.77%</u>

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 9—Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

Cash—Checking	\$ 10,769,496
Certificates of Deposit	0
Pennsylvania Local Government Investment Trust (PLGIT)	0
Cash—Springfield Public Library	273,753
Petty Cash Funds	<u>200</u>
TOTAL	<u>\$ 11,043,449</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, 2019.

TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 10—Investments—Pension Plans

	<u>Carrying Amount</u>	<u>Market Value</u>
<u>Police Pension Plan:</u>		
Invested with Broker:		
Mutual Funds	\$ 1,228,498	\$ 1,228,498
Investments	<u>28,126,246</u>	<u>28,473,140</u>
TOTAL POLICE PENSION INVESTMENTS	<u>\$ 29,354,744</u>	<u>\$ 29,701,638</u>
<u>Municipal Pension Plan:</u>		
Invested with Broker:		
Mutual Funds	\$ 541,543	\$ 541,543
Securities/Mutual Funds	<u>21,218,126</u>	<u>21,819,341</u>
TOTAL MUNICIPAL PENSION INVESTMENTS	<u>\$ 21,759,669</u>	<u>\$ 22,360,884</u>
TOTAL INVESTMENTS	<u><u>\$ 51,114,413</u></u>	<u><u>\$ 52,062,522</u></u>

**CHRISTOPHER REYNOLDS, INC.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**352 GARDEN ROAD**  
**SPRINGFIELD, PA 19064**

Christopher Reynolds, CPA

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(610) 543-5486

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.

June 30, 2021

TOWNSHIP OF SPRINGFIELD  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Highway Aid</u>	<u>Bus Shelter</u>	<u>Park &amp; Rec</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 82,426	\$ 13,352	\$ 48,053	\$ 143,831
Land				
Due from Other Funds				
Total Assets	<u>\$ 82,426</u>	<u>\$ 13,352</u>	<u>\$ 48,053</u>	<u>\$ 143,831</u>
<u>RESERVES AND FUND BALANCE</u>				
Accounts Payable				
Due to other Funds				
Fund Balance	<u>\$ 82,426</u>	<u>\$ 13,352</u>	<u>\$ 48,053</u>	<u>\$ 143,831</u>

TOWNSHIP OF SPRINGFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Highway Aid</u>	<u>Bus Shelter</u>	<u>Park Rec</u>	<u>Total</u>
Revenues:				
Liquid Fuels Grant	\$ 688,971	\$ 0	\$ 0	\$ 688,971
Service	0		-	-
Interest Income	1,391	95	175	1,661
Rents		50,400	0	50,400
TOTAL REVENUES	<u>\$ 690,362</u>	<u>\$ 50,495</u>	<u>\$ 175</u>	<u>\$ 741,032</u>
Expenditures:				
General Government	591,289	7,767	0	\$ 599,056
Culture and Recreation		53,562	30,558	84,120
TOTAL EXPENDITURES	<u>\$ 591,289</u>	<u>\$ 61,329</u>	<u>\$ 30,558</u>	<u>\$ 683,176</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 99,073	\$ (10,834)	\$ (30,383)	\$ 57,856
Other Financing Sources (Uses):				
Operating Transfers In	\$0			\$ 0
Operating Transfers Out	<u>\$ (78,346)</u>			<u>\$ (78,346)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 20,727	\$ (10,834)	\$ (30,383)	\$ (20,490)
Fund Balance- January 1, 2020	<u>\$ 61,699</u>	<u>\$ 24,186</u>	<u>\$78,436</u>	<u>\$ 164,321</u>
Fund Balance-December 31, 2020	<u>\$ 82,426</u>	<u>\$ 13,352</u>	<u>\$ 48,053</u>	<u>\$ 143,831</u>

TOWNSHIP OF SPRINGFIELD  
COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>ASSETS</u>	<u>Capital Reserve Fund</u>	<u>Capital Vehicles Fund</u>	<u>Total</u>
Cash and Temporary Investments	\$ 9,816	\$ 148,309	\$ 158,125
Fixed Assets			\$ 0
Total Assets	<u>\$9,816</u>	<u>\$148,309</u>	<u>\$ 158,125</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable			
Fund Balance	<u>\$ 9,816</u>	<u>\$ 148,309</u>	<u>\$ 158,125</u>

TOWNSHIP OF SPRINGFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Capital Reserve Fund</u>	<u>Capital Vehicles Fund</u>	<u>Total</u>
Revenues:			
Interest Income	\$ 37	\$ 420	\$ 457
Other Revenue	0	8,878	8,878
TOTAL REVENUES	<u>37</u>	<u>9,298</u>	<u>9,335</u>
Expenditures:			
General Government	0		0
Capital Projects	54,379	(12,550)	41,829
TOTAL EXPENDITURES	<u>54,379</u>	<u>(12,550)</u>	<u>41,829</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,342)	21,848	(32,494)
Other Financing Sources:			
Operating Transfers In	50,000	0	50,000
Operating Transfers Out	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,342)	21,848	17,506
Fund Balance-January 1, 2020	<u>14,158</u>	<u>126,461</u>	<u>140,619</u>
Fund Balance-December 31, 2020	<u>\$ 9,816</u>	<u>\$ 148,309</u>	<u>\$ 158,125</u>

TOWNSHIP OF SPRINGFIELD  
COMBINING BALANCE SHEET  
TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

ASSETS

	<u>Escrows</u>	<u>Police Pension</u>	<u>Municipal Pension</u>	<u>Total</u>
Cash	\$1,789,275	\$ 0	\$ 0	\$ 1,789,275
Investments	0	29,701,638	22,360,884	52,062,522
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$1,789,275</u></b>	<b><u>\$29,701,638</u></b>	<b><u>\$ 22,360,884</u></b>	<b><u>\$ 53,851,797</u></b>

LIABILITIES

Escrow Deposits	\$499,916	\$ 0	\$ 0	\$ 499,916
Accrued Investment and O/S Pension Payments				
Reserve For Employees' Retirement System	0	29,701,638	22,360,884	52,062,522
Due to Police Retirement Fund	1,288,927			1,288,927
Fund Balance	432			432
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$1,789,275</u></b>	<b><u>\$29,701,638</u></b>	<b><u>\$ 22,360,884</u></b>	<b><u>\$ 53,851,797</u></b>

**Township of Springfield**

**Supplementary Reports**

**December 31, 2020**

## 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

**CHRISTOPHER REYNOLDS, INC.**  
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**352 GARDEN ROAD**  
**SPRINGFIELD, PA 19064**

Christopher Reynolds, CPA

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MEMBER OF AICPA AND PICPA

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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, 2020 and have issued our report thereon dated June 30, 2021.

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, 2020, 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.

June 30, 2021

**CHRISTOPHER REYNOLDS, INC.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
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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

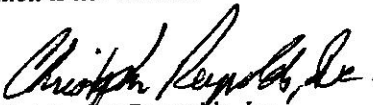
We have audited the general purpose financial statements of the Township of Springfield for the year ended December 31, 2020, and have issued our report thereon dated June 30, 2021.

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.

June 30, 2021