

RADNOR TOWNSHIP

“The Best on the Main Line”



Comprehensive Annual Financial Report 2013

Radnor Township
301 Iven Ave. Wayne, PA 19087
www.radnor.com

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the year ended, December 31, 2013

**TOWNSHIP OF RADNOR,
DELAWARE COUNTY,
PENNSYLVANIA**

The Best Place to Live, Work and Do Business on the Main Line!

Prepared by:
Radnor Township Finance Department
William M. White, MBA
Director of Finance

Township of Radnor, Pennsylvania
Comprehensive Annual Financial Report
Year Ended December 31, 2013

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**INTRODUCTORY
SECTION**

ELAINE P. SCHAEFER

President

JAMES C. HIGGINS

Vice-President

WILLIAM A. SPINGLER

DONALD E. CURLEY

JOHN FISHER

JOHN NAGLE

RICHARD F. BOOKER



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ROBERT A. ZIENKOWSKI

Township Manager

Township Secretary

JOHN B. RICE, ESQ.

Solicitor

JOHN E. OSBORNE

Treasurer

June 9, 2014

To the Citizens and Board of Commissioners
Radnor Township, Pennsylvania

On behalf of the staff of the Finance Department, the Township Manager and the entire administration, we are pleased to submit Radnor Township's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. The annual report, as required by the Township's Home Rule Charter, includes the "basic financial statements" made up of the Management's Discussion & Analysis, financial statements and accompanying footnotes. These financial statements have been examined by an independent accounting firm of certified public accountants and are presented in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards.

This report portrays management's representations regarding the Township's financial position. As such, Radnor Township management assumes full responsibility for the accuracy and completeness of all the information included in the CAFR. The Township management has implemented various internal control measures to provide a reasonable basis for making these financial representations. The framework of internal controls established is meant to provide reasonable assurances to protect Township assets from loss, theft, or misuse, noting that they do not provide absolute protection.

The Township's financial statements were audited by CliftonLarsonAllen LLP. CliftonLarsonAllen LLP is an independent accounting firm of certified public accountants operating in 25 states and Washington D.C., has over 3,600 employees and revenues in excess of \$550 million. In their report, the independent auditors rendered an unmodified opinion which indicates that the financial statements are fairly represented, in accordance with GAAP, and free from material misstatements. The independent audit involved examination, on a test basis, of Township records and supporting documentation used to generate the amounts and disclosures included in the financial statements. The independent auditor's report is the first item included in the financial section of this report and can be found on page 1.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF RADNOR TOWNSHIP

General Profile:

The Radnor Township community is proud of its heritage and continues to reflect many of the values of its settlers of over 300 years earlier. It is a place of ethnic, cultural, and economic diversity, with distinct neighborhoods of residents that love to call Radnor “home.” The Township is home to a public school system that has been rated as one of the finest in the nation and includes a vast network of lush parks, playgrounds and athletic fields all of which make Radnor “*The best place to live, work and do business on the Main Line.*”

Radnor Township is located in the northwestern corner of Delaware County and is approximately 15 miles west of the City of Philadelphia. The Township encompasses 13.83 square miles, has a population of 31,531 and is located on Philadelphia’s prestigious “Main Line.” The Township consists of all or portions of the Bryn Mawr, Garrett Hill, Newtown Square, Rosemont, St. David’s, Villanova, and Wayne neighborhoods, each of which brings a unique quality to the Radnor demographics. Part of what makes the Radnor Community so special is the opportunity for excellent education from the day a child steps foot into a classroom for the first time all the way through post-secondary degree opportunities. In addition to having excellent public schools, Radnor Township is home to several private education entities such as the Academy of Notre Dame, Agnes Irwin School, Archbishop John Carroll High School, St. Aloysius, Country Day School of the Sacred Heart, St. Katherine of Siena School, and Jack M Barrack Hebrew Academy. Also located within the Township are several colleges and universities including Villanova University, Eastern University, Cabrini College, and the Valley Forge Military Academy and College.

Radnor Township is also advantageously situated in terms of transportation. Stakeholders can easily get to Radnor by accessing the Interstate 476 and State Route 30 interchange which is just a few short miles south of the Pennsylvania Turnpike / Interstate 76. These major road arteries allow travelers to get to Philadelphia, New York, Baltimore, Washington D.C. or Harrisburg within a short commute. Radnor is also home to five Southeastern Pennsylvania Transportation Authority (SEPTA) Regional Rail Line stations and six Norristown High Speed Rail stations. From any of the SEPTA stations, travelers can easily and quickly get to downtown Philadelphia which then connects with the Philadelphia airport, the athletic facilities, and other greater Philadelphia region attractions as well as with Amtrak. Amtrak can then provide transportation to New York, Baltimore, Washington D.C. and other major metropolitan destinations.

Township Structure and Services Profile

In 1968, the Commonwealth of Pennsylvania ratified a new constitution, giving voters the right to formulate and institute self-rule (called “home rule”) governments at the county and local levels. In 1976, Radnor voters approved the Radnor Township Home Rule Charter. The Home Rule Charter, together with the Pennsylvania laws pertaining to 1st Class Townships as well as Radnor’s Administrative Code, provides the legal structure and guidance of the Township.

As provided by the Home Rule Charter, legislative and executive authority is maintained at the Board of Commissioners level (the “Board”). The Board is Radnor’s governing body and consists of seven elected members, each representing one of the seven wards comprising the Township. The Board appoints a Township Manager who is responsible for the day to day administration of the Township. The Township Administration consists of five departments, headed up by appointed Directors. Those departments include Recreation and Community Programming, Public Works, Police, Community Development, and Finance.

Radnor Township stakeholders have come to expect the very best in municipal services and as a result, the township provides a wide range of top-notch services from basic life safety issues to improved quality of life programming and amenities. The graphic below summarizes the broad range of municipal services offered by Radnor Township:



Township Budget Process Profile

The Township budgets for its activities through an ongoing budgeting process that culminates in the adoption of an annual appropriation budget, five-year capital plan as well as a consolidated fee schedule. Included in the annual budget process is the update of the Five-Year Financial Forecast and associated assumptions. The Forecast consolidates future operational results with the five-year capital plan and is incorporated into the final budget document that is published for public review and comment. The budget process begins in late summer at which time the administrative departments submit their subsequent year requests and capital plan updates along with the necessary materials and supporting documentation to the Township Manager. The Manager then reviews the information and formulates a recommendation to the Board in the form of a preliminary budget by the end of September. The preliminary budget is then reviewed by the Board and public through various meetings, is amended as necessary through the meeting process, and is ultimately adopted (as revised) in December. It is during this process that the Board determines the necessary real estate millage and sanitary sewer rent rates necessary to provide funding for the ensuing fiscal year. The legal level of budgetary control is at the object of expense level and all appropriations lapse at the end of the fiscal year except those that are obligated through encumbrance.

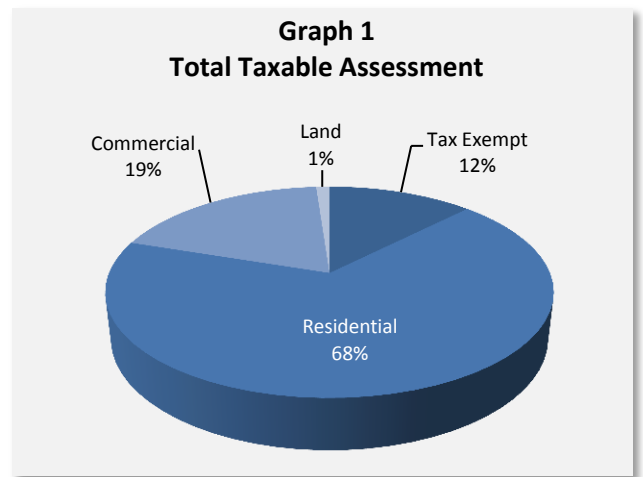
The Township has adopted several important fiscal policies over the years aimed at creating balanced budgets, determining the appropriate use of non-reoccurring revenues and establishing annual capital funding. These policies can be found in the Township's Administrative Code Chapter 44. In 2011 the Board adopted special legislation that allocated excess general fund balances to help address the growing long-term unfunded liabilities relating to other post-employment benefits (OPEB), pension benefits, compensated Leave obligations and mounting capital replacement costs. The resolution was limited to 2011 and 2012 only. Then, in 2013, the Township realized significant business privilege tax audit settlements and the Board elected to address the allocation of those dollars in a separate legislation. The table below reflects the amount of funds that have been distributed or assigned based on the Board's excess fund balance policies. Please see the Management Discussion and Analysis page 3 and the General Fund Balance on page 19 for more details.

Category:	2011	2012	2013	Total
OPEB / Compensated Abs.	\$ 1,862,230	\$ 1,160,240	\$ -	\$ 3,022,470
Capital Needs	931,113	580,120	2,618,310	4,129,543
Stormwater Needs	-	-	1,230,000	1,230,000
Pension Funding	310,372	193,373	2,701,690	3,205,435
Operational Efficiency Projects	-	-	1,450,000	1,450,000
Total	\$ 3,103,715	\$ 1,933,733	\$ 8,000,000	\$ 13,037,448

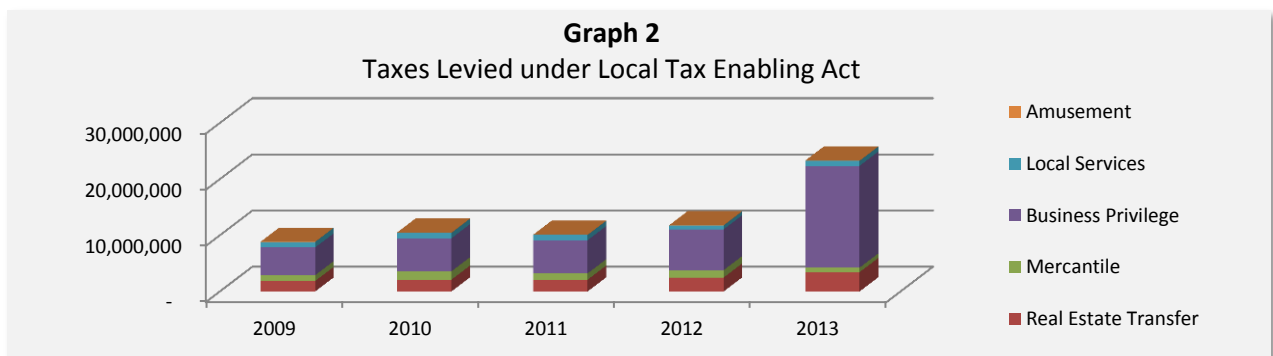
RADNOR'S ECONOMY

Radnor's economy is made up of a broad spectrum of activities from the smallest family run retail store to national retail stores; from one-person professional service firms to Fortune 500 companies. As a result, Radnor's affluence allows the local economy to be resilient. This is evidenced in the community's continued recovery from the recessionary lows of 2009. In quantifying economic conditions, there are several key metrics to gauge the economic conditions including real estate category makeup, real estate assessment growth, median household income, employment statistics as well as the taxes levied under the Local Enabling Act.

Real Estate Make-Up and Growth: Radnor Township has approximately 8,800 properties distributed into four broad categories as shown in Graph 1. In terms of the number of properties, most of the Township’s real estate market is made up of residential, at 68%. Therefore, an indicator of the local housing market is the real estate transfer tax included in the taxes levied under the Local Enabling Act, described below. Overall, the Township’s total real estate assessed value has remained relatively strong and stable in spite of the national real estate declines. As shown in Schedule 7 in the Statistical Section, page 93, the annual assessment growth has averaged 0.57% per year, which contributes to increased real estate tax revenues over and above any changes made to the millage rates and shows a constant, reliable growth trend on a significant portion of the Township’s Revenue makeup.



The Township levies several taxes pursuant to Pennsylvania’s Act 511 including real estate transfer, business privilege, mercantile, local services, and amusement devices taxes. Each tax provides insight into the economic conditions as they exist in Radnor Township. Graph 2 summarizes the revenue generated from these taxes from 2009 through 2013. The real estate transfer tax is generated as a percentage of real estate transactions in the Township. Looking at the revenues since 2009, the real estate transfer revenue has recovered from \$1,869,545 in 2009 to \$3,441,425 in 2013, a jump of 84% over the five year period. The business privilege and mercantile taxes are generated as a percentage (or millage) of gross receipts. Therefore, these taxes are a good indicator of the local economy from an activity perspective. 2013 included two significant, one-time settlement payments that total \$9.5 million. When those two one-time revenues are removed from the comparison, business privilege tax revenues have grown by 75% from their 2009 low. For 2013, the mercantile tax revenue only included six months of activity due to a legislative change that moved the filing deadline to May 15th to be consistent with the business privilege deadline. As a result, 2013 revenue was approximately one-half of what it otherwise would have been. We expect that in 2014, mercantile revenues will return to their normal levels. The local services tax is a flat \$52 per employee employed in Radnor Township per year, provided they earn more than \$12,000 during that year. Consequently, this tax is an indicator of the overall employment in Radnor Township. In spite of the revenue recovery in the other tax categories, the local services taxes have remained relatively flat over the analysis period (2009-2013). There are two reasons for the lack of growth in this revenue: First, pursuant to Act 511, the local school district is entitled to receive \$5.00 out of the \$52.00 unless otherwise agreed to, and until 2011 the Township and school district had a grounds maintenance agreement that allowed the Township to keep all the tax revenue while the Township maintained the school grounds. Secondly, in 2012, the Township outsourced the administration of this tax which increased the cost of collection.



LONG-TERM FINANCIAL PLANNING

The Board of Commissioners, Administration and the Citizens Audit Review and Financial Advisory Committee (CARFAC) worked together in 2012 to build a working five-year forecasting model as well as a fifteen year trend identifying model. That model has been used to build in long-term funding plan for the OPEB obligations as well as annual funding to the Township's capital program. Moving forward, the long-term financial planning model will be used to identify operational revenue and expense trends as well as to build in various dedicated funding plans to address other major funding needs. The long-term financial model is incorporated into the Township's annual budget to help the Commissioners and the Township see the long-term impact of various decisions made today. Further, the model will allow more comprehensive decision making as decisions are built into the model and analyzed on a Township-wide scale, rather than in a vacuum.

MAJOR INITIATIVES: Transparency and Fiscal Improvements

In 2011, the Board of Commissioners adopted legislation creating the Citizens' Audit Review & Financial Advisory Committee (CARFAC). The CARFAC is made up of eight volunteer residents who are knowledgeable in the areas of business, finance and accounting. The CARFAC was charged to step into the Township's audit process to provide a direct contact between the independent auditors, the public and the Board of Commissioners, separate from Management. Further, the CARFAC's responsibilities include reviewing the Township's fiscal planning, budgeting, business processes and other areas in an effort to provide expertise and transparency to Radnor Township. Immediately, the CARFAC members identified several projects to work with the Administration on such as developing the long-term financial model, implementing various key internal control measures, analyzing the unfunded pension and OPEB liabilities and to develop a plan to address these liabilities as well as analyzing the Township's Act 511 tax business processes and identify improvements to the program to enhance revenue. These important projects are on-going, but have already begun to improve the Township's operations and have proven to be a tremendously positive venture.

AWARDS

Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Radnor Township for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the second year in a row that the Township had received this prestigious award. Prior to receiving the award in 2011, the last year the Township was recognized was 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

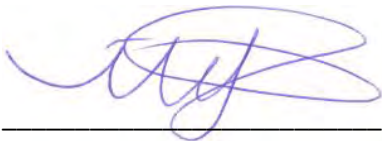
ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the contributions and dedication of the Township Staff, especially those in the Finance Department. Additionally, we thank the members of the Township Staff that provide the stakeholders of Radnor Township with the very best municipal services in all circumstances.

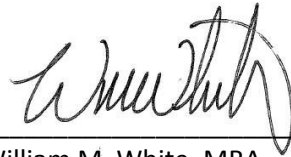
Finally, we thank the members of the Board of Commissioners for their prudent fiscal management and leadership as well as all the volunteer members of the various boards and commissions for their tireless work helping to move Radnor forward.

It's the contributions of all of these individuals that make Radnor Township "*The Best Place to Live, Work and Do Business on the Main Line.*"

Respectfully,



Robert A. Zienkowski,
Township Manager / Secretary



William M. White, MBA
Director of Finance

PRINCIPAL OFFICIALS
As of December 31, 2013
RADNOR TOWNSHIP, PENNSYLVANIA

ELECTED OFFICIALS

Board of Commissioners

James C. Higgins, Esq.	1 st Ward Commissioner
Kevin G. Higgins, CPA	2 nd Ward Commissioner
William A. Spingler	3 rd Ward Commissioner
Elaine P. Schaefer	4 th Ward Commissioner
John C. Nagle, P.E.	5 th Ward Commissioner
Donald Curley	6 th Ward Commissioner
John Fisher	7 th Ward Commissioner

Elected Treasurer

John E. Osborne	Treasurer, At-Large
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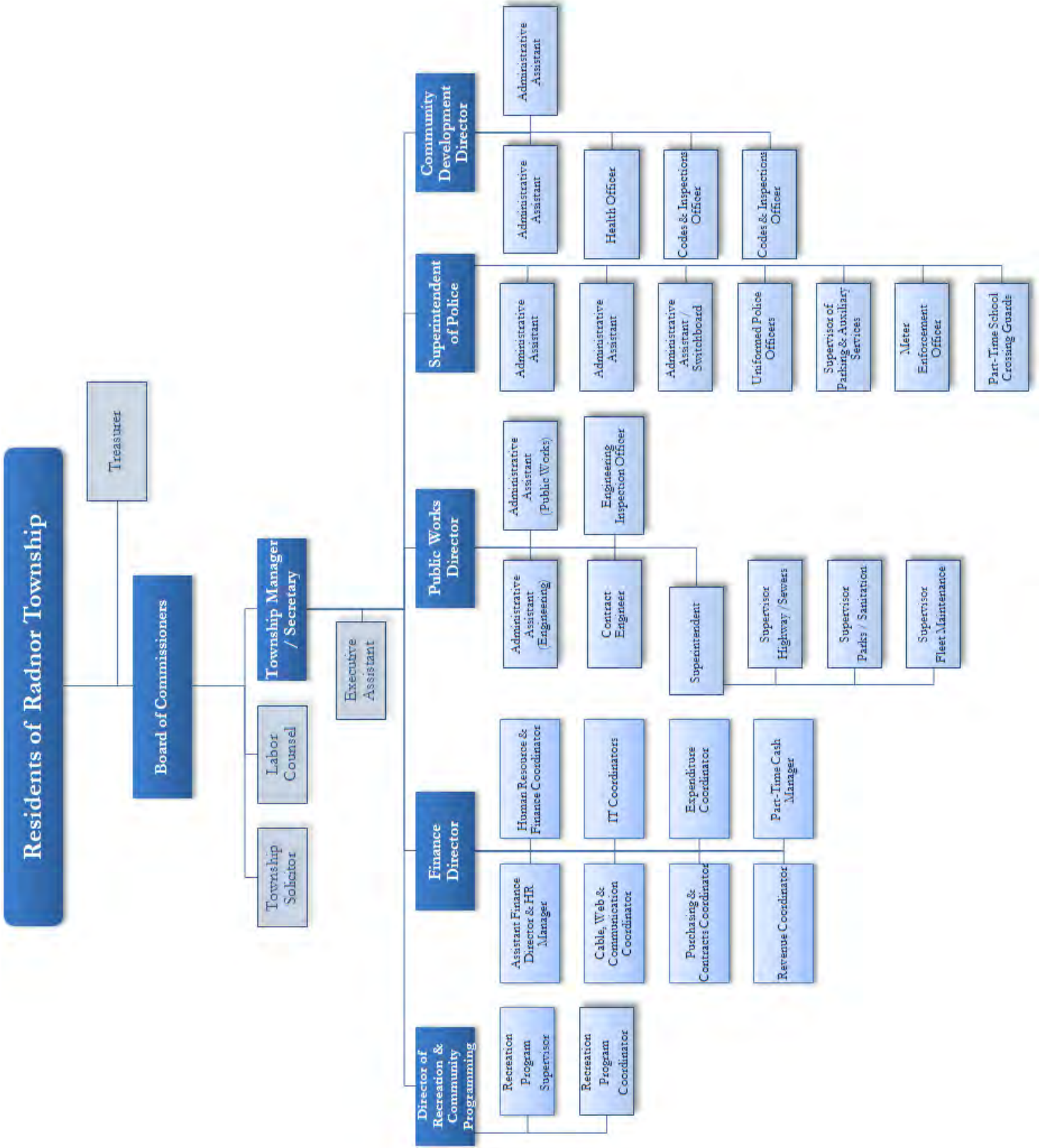
APPOINTED OFFICIALS

Robert A. Zienkowski	Township Manager / Secretary
John Rice, Esq., Grim Biehn & Thatcher, PC.....	Township Solicitor
William Colarulo	Superintendent of Police
Tammy Cohen	Director of Recreational Programming
Kevin Kochanski, RLA, CZO	Director of Community Development
Stephen Norcini, P.E.....	Director of Public Works
William M. White, MBA	Director of Finance

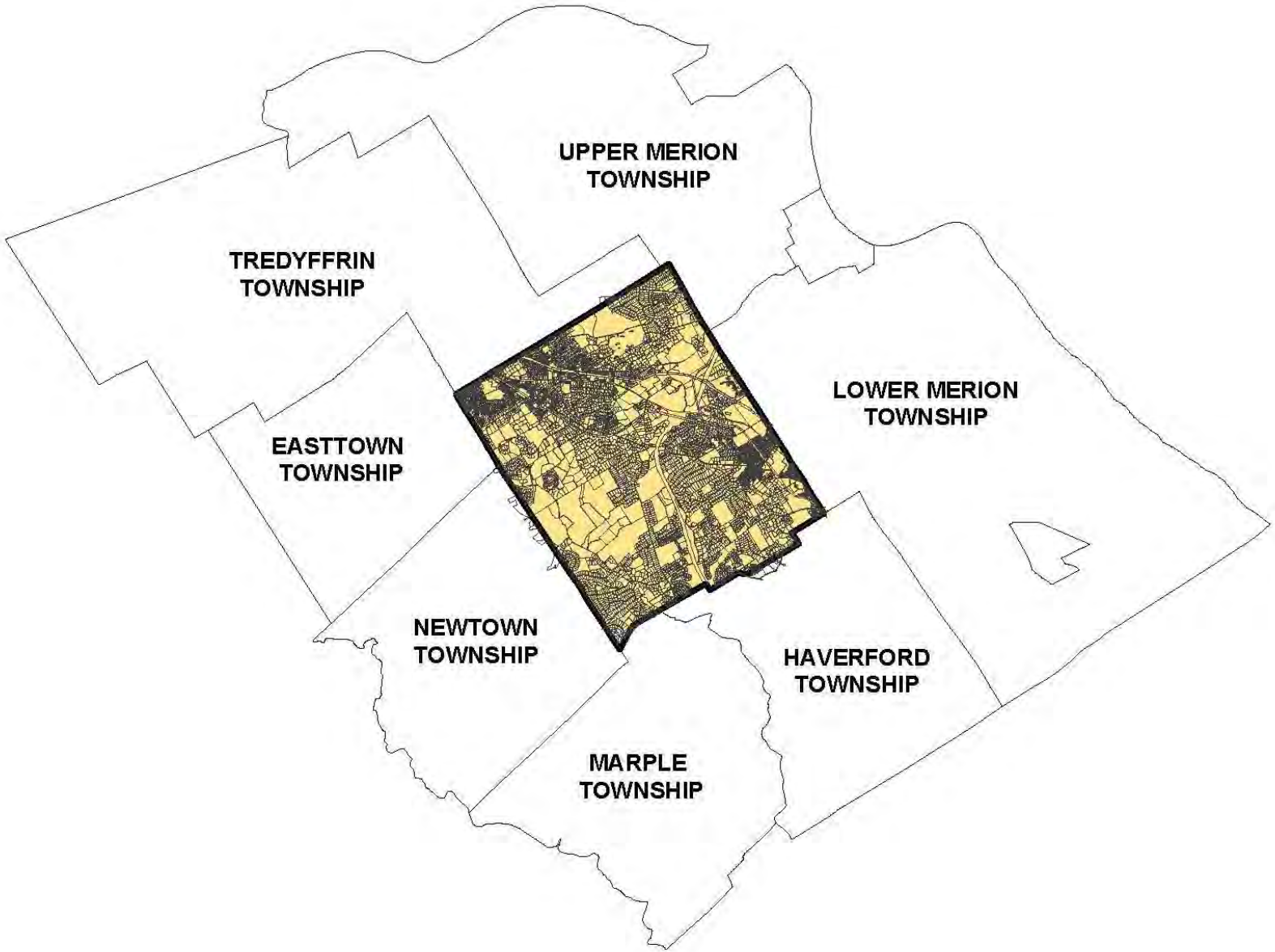
APPOINTED PROFESSIONAL FIRMS

T.D. Bank, NA	Banking Depository
Cozen O’Conner	Bond Counsel
PFM Advisors.....	Pension Plan Investment Advisor
Mockenhaupt Benefits Group.....	Pension Plan Actuary
Dilworth Paxson, LLP	Labor Law Solicitor
Flamm Walton, PC.....	Business Tax Solicitor
Gannett Fleming	Engineering Firm

**TOWNSHIP OF RADNOR, PENNSYLVANIA
ORGANIZATIONAL CHART**



TOWNSHIP OF RADNOR, PENNSYLVANIA
MAP OF RADNOR AND SURROUNDING COMMUNITIES



x

"The Best Place to Live, Work and Do Business on the Main Line"



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Township of Radnor
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

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**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Township of Radnor, Pennsylvania
Wayne, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Radnor, Pennsylvania (the "Township"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Radnor, Pennsylvania as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, the Township implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65 – *Items Previously reported as Assets and Liabilities* for the year ended December 31, 2013, which represents a change in accounting principle. The Township’s net position as of January 1, 2013 was restated to comply with GASB Statement No. 65. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedules of pension and other postemployment benefit funding progress and contributions, and budgetary comparison information on pages 3-16, 58-61 and 62-64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Radnor’s basic financial statements. The combining nonmajor fund financial statements, individual fund schedules, budgetary comparison information and capital asset schedules on pages 65-85 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, individual fund schedules, budgetary comparison information and capital asset schedules on pages 65-85 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, individual fund schedules, budgetary comparison information and capital asset schedules on pages 65-85 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
June 9, 2014

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

It is a pleasure to present the financial picture of the Township of Radnor, Pennsylvania. We offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2013.

Financial Highlights

Radnor Township's government-wide net position on December 31, 2013 was \$2,984,876. The Township's total net position improved by \$10,235,427 from December 31, 2012 due largely to three major factors. Those factors included (1) a current year increase in the Act 511 tax revenues, (2) the discipline to put those revenues to work in offsetting long-term liabilities, and (3) the termination of the outstanding Swap Agreement associated with the 2004 General Obligation Bonds. This discussion and analysis will touch on these topics several times given their profound impact on the Township's financial position.

More specifically, the business privilege tax, which is one of the taxes authorized under Pennsylvania's Act 511, realized a one year increase of \$10.8 million or 150% over 2012. The increase is made up of three components including an \$8 million one-time audit settlement, a single taxpayer payment of \$1.5 million resulting from a one-time gross receipt settlement, and \$1.3 million in regular performance related growth. Aside from the two components that are one-time in nature, the remaining \$1.3 million increase is an indication of the economic health in Radnor Township and represents an increase of 18.7% in business privilege tax revenue growth over 2012. Responsibly, the Township put those revenues to work by providing additional funding to the pension liabilities, OPEB liabilities and capital needs which caused the Township's government-wide expenses to increase by \$3,545,027 or 10% over 2012. To that same end, the Board of Commissioners also passed specific legislation that allocated the \$8.0 million towards offsetting pension, stormwater, and other capital needs. These efforts contributed greatly to the improved net position results. Finally, the Township also terminated the outstanding Swap agreement and refunded the 2004 Series General Obligation Bonds. In doing so, the Township eliminated \$5,273,999 in deferred outflows for the accumulated decrease in the fair value of hedging activities and embedded derivative instrument liabilities. At the same time, the Township realized 14.198% net present value savings on the refunding of the 2004 bonds.

The bottom line result of the significant increase in Act 511 tax revenue and controlled expense growth was an increase of \$8,158,056 in the Township's governmental fund balances, which ended the year at \$24,006,320. More specifically, the Township's General Fund balance increased by \$7,311,201, or 90%. Given the strong revenue performance, the Board of Commissioners elected to maintain the real estate millage rate at 2012 levels through, at least, 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the Township of Radnor, Pennsylvania's finances, in a manner similar to a private-sector business.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Overview of the Financial Statements (Continued)

The statement of net position presents information on the entire Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, community development, public safety, public works and parks and recreation. The business-type activities of the Township include the rental of The Willows Mansion.

The government-wide financial statements include only the activities of the Township. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the Township.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers can better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Overview of the Financial Statements (Continued)

The Township maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Fund, Debt Service Fund, Special Assessment Fund, and the Capital Improvement Fund which are considered to be major funds. The Township has six nonmajor governmental funds, the Park Improvements and Open Space Fund, State Liquid Fuels Tax Fund, Storm Water Fund, Commemorative Shade Tree Fund, Grant Fund and the Police K-9 Fund.

The Township adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund and major Special Revenue Fund to demonstrate compliance with this budget on pages 62 through 63.

The basic governmental funds financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds - The Township maintains a proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements for business-type activities, only in more detail.

The basic proprietary funds financial statements can be found on pages 23 through 25 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The fiduciary funds of the Township are pension trust funds and agency funds. Total net position of the fiduciary funds was \$46,102,223.

The basic fiduciary funds financial statements can be found on pages 26 and 27 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 28 through 57 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the General Fund and major Special Revenue Fund.

The required supplementary information can be found on pages 58 through 64 of this report.

Other supplementary information is presented immediately following the notes to the financial statements and the required supplementary information.

Other supplementary information can be found on pages 65 through 85 of this report.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Township's governmental activities net position has increased from a year ago. Table 1 reflects a governmental activities net position of \$2,898,939, which represents an increase of \$10,317,217 from December 31, 2012. The primary reasons for the net position improvement are discussed in the financial highlights section. While the Township has significantly improved its net position over the past three years, it should be noted that the Township still has a net position deficiency in its governmental activities after net investment in capital assets and restricted assets are removed. As Table 1 reflects, the unrestricted deficiency improved by \$10,260,437, but still totals (\$8,929,099). The deficiency is the result of the current underfunding of the net OPEB obligation which totals (\$17,696,460). The specific items that reconcile the total government fund balances to the Township's governmental activities' net position can be found on page 21.

The Township's investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding, was \$-5,322,939 at the end of the year. The Township of Radnor uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - Township of Radnor's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 29,663,300	\$ 18,694,231	\$ -	\$ 72,441	\$ 29,663,300	\$ 18,766,672
Capital Assets	43,086,160	43,368,705	88,873	98,764	43,175,033	43,467,469
Total Assets	<u>72,749,460</u>	<u>62,062,936</u>	<u>88,873</u>	<u>171,205</u>	<u>72,838,333</u>	<u>62,234,141</u>
Deferred Outflows of Resources	2,761,152	2,868,455	-	-	2,761,152	2,868,455
Noncurrent Liabilities	70,947,974	66,378,119	2,936	-	70,950,910	66,378,119
Other Liabilities	1,663,699	5,971,550	-	3,478	1,663,699	5,975,028
Total Liabilities	<u>72,611,673</u>	<u>72,349,669</u>	<u>2,936</u>	<u>3,478</u>	<u>72,614,609</u>	<u>72,353,147</u>
Net Position:						
Net Investment in Capital Assets	(5,322,939)	(3,755,539)	88,873	98,764	(5,234,066)	(3,656,775)
Restricted	5,399,445	6,723,380	-	-	5,399,445	6,723,380
Unrestricted (Deficiency)	2,822,433	(10,386,119)	(2,936)	68,963	2,819,497	(10,317,156)
Total Net Position (Deficiency)	<u>\$ 2,898,939</u>	<u>\$ (7,418,278)</u>	<u>\$ 85,937</u>	<u>\$ 167,727</u>	<u>\$ 2,984,876</u>	<u>\$ (7,250,551)</u>

The Township's business-type activity includes the Willows Fund, which accounts for the program activity at the mansion. Specifically, since the late 1970's the programming activity at the Willows Mansion includes the rental of the facility for special events, which in the past has included weddings, birthday parties, social gatherings, school district events and the like. The total business-type activities' net position decreased by \$81,790 in 2013. Given the recent decline in rental performance going back to its peak in 2010 and the growing ongoing cost to maintain the Willows Mansion, the Township reevaluated the program's future in 2013. More specifically, the Township solicited for proposals to lease the Willows Mansion to a private caterer, with the primary goals being to monetize the asset through a rental and revenue sharing arrangement, elimination of ongoing Township costs for the asset, and to maintain the property as a gathering place for the community. As of December 31, 2013 the Township was evaluating two potential proposals and anticipates moving forward with one of those in 2014.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Government-Wide Financial Analysis (Continued)

Table 2 highlights the Township's revenues and expenses for the fiscal year ended December 31, 2013. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenue and General Revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Table 2 - Township of Radnor's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 10,501,451	\$ 10,701,983	\$ 24,069	\$ 74,230	\$ 10,525,520	\$ 10,776,213
Operating Grants and	2,092,665	1,937,762	-	-	2,092,665	1,937,762
Capital Grants and Contributions	257,099	210,897	-	-	257,099	210,897
General Revenues:						
Real Estate Taxes	11,843,737	11,734,189	-	-	11,843,737	11,734,189
Taxes Levied Under Act 511	23,308,687	11,808,104	-	-	23,308,687	11,808,104
Debt Repayment Agreements	60,175	95,933	-	-	60,175	95,933
Investment Income	128,039	103,117	42	66	128,081	103,183
Total Revenues	48,191,853	36,591,985	24,111	74,296	48,215,964	36,666,281
Expenses:						
General Government	4,027,041	4,197,387	-	-	4,027,041	4,197,387
Protection to Persons and Property	12,745,479	11,313,565	-	-	12,745,479	11,313,565
Health and Sanitation	8,733,554	8,188,645	-	-	8,733,554	8,188,645
Highways	6,021,919	4,819,026	-	-	6,021,919	4,819,026
Library	849,850	818,443	-	-	849,850	818,443
Parks and Recreation	3,725,915	3,046,785	64,090	82,902	3,790,005	3,129,687
Interest on Long-Term Debt	1,812,689	1,968,757	-	-	1,812,689	1,968,757
Total Expenses	37,916,447	34,352,608	64,090	82,902	37,980,537	34,435,510
Changes in Net Position before Transfers	10,275,406	2,239,377	(39,979)	(8,606)	10,235,427	2,230,771
Transfers	41,811	(18,277)	(41,811)	18,277	-	-
Changes in Net Position	10,317,217	2,221,100	(81,790)	9,671	10,235,427	2,230,771
Net Position - Beginning, as Restated	(7,418,278)	(9,639,378)	167,727	158,056	(7,250,551)	(9,481,322)
Net Position - Ending	\$ 2,898,939	\$ (7,418,278)	\$ 85,937	\$ 167,727	\$ 2,984,876	\$ (7,250,551)

As discussed earlier in this report and as shown in Table 2, the strong performance in 2013 was largely the result of the current year increase in the taxes levied under Act 511. More specifically, the large increases in the business privilege taxes and real estate transfer taxes. It should also be pointed out that the mercantile business tax was down by 38% in 2013. This reduction was a planned legislative change that moved the filing due date to coordinate with the business privilege tax, which caused the 2013 filing year to represent only six months of activity. Beginning in 2014, revenues will reflect a return to a full year's worth of activity. Separate from the Act 511 revenues, real estate taxes remained relatively flat as a result of the Board keeping the millage rate at the 2012 level. Operating and capital grants increased in 2013 mostly to the benefit of the Police Department and contributions to the Fire companies. On the expenditure side, the increase is the result of greater funding towards pension and OPEB obligations. The Township has offset the pension and OPEB expense increase with continued pension and OPEB reductions. More specifically, as the cost of employee healthcare, pension and OPEB increase, the Township has not refilled some vacated positions and has decreased total headcount.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Governmental Activities

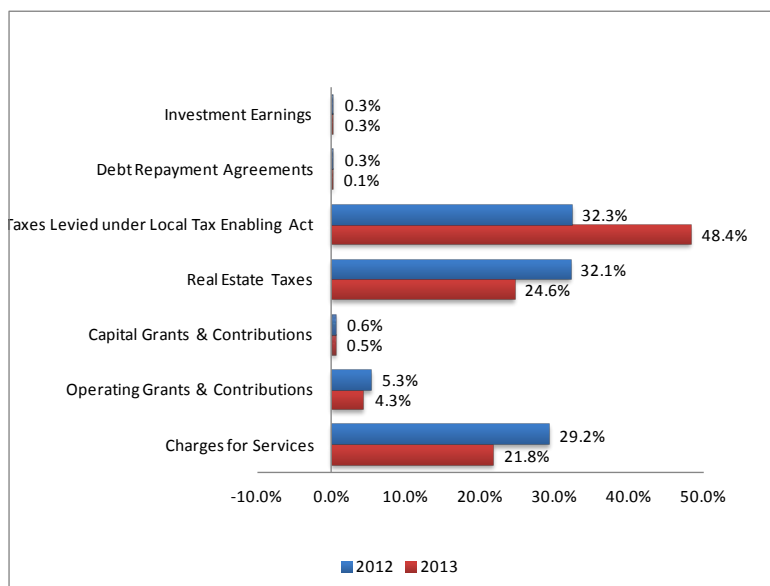
Table 3 discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - Governmental Activities

Programs	Total Cost of Services		Total Net Cost	
	2013	2012	2013	2012
General Government	\$ 4,027,041	\$ 4,197,387	\$ (2,575,899)	\$ (2,800,691)
Protection to Persons and Property	12,745,479	11,313,565	(8,388,554)	(6,968,207)
Health and Sanitation	8,733,554	8,188,645	(3,549,745)	(2,832,575)
Highways	6,021,919	4,819,026	(4,900,285)	(3,749,994)
Library	849,850	818,443	(849,850)	(818,443)
Parks and Recreation	3,725,915	3,046,785	(2,988,210)	(2,276,392)
Interest on Long-Term Debt	1,812,689	1,968,757	(1,812,689)	(1,968,757)
Total	\$ 37,916,447	\$ 34,352,608	\$ (25,065,232)	\$ (21,415,059)

Net cost of services increased to 66% of total cost of services in 2013, from 62% 2012. These percentages reflect that for every dollar spent to provide service, \$0.66 of that dollar comes from taxes, both real estate and those levied under Act 511, or other general revenue sources. Since 2010, the Township has put a greater emphasis on matching fees, where appropriate, with the cost of services. Those efforts have resulted in the percentage of net cost dropping from 67% in 2010 to 62% in 2012. The increase back up to 66% in 2013 is a reflection of the fact that the Township is utilizing the Act 511 tax increases in 2013 to fund the increased pension and OPEB expense. The Township has evaluated other fees that would result in less reliance on real estate or Act 511 taxes; however the Board has been resistant in adopting those fees citing the fact that the Township has realized additional tax revenue from increases in the tax base.

The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type.

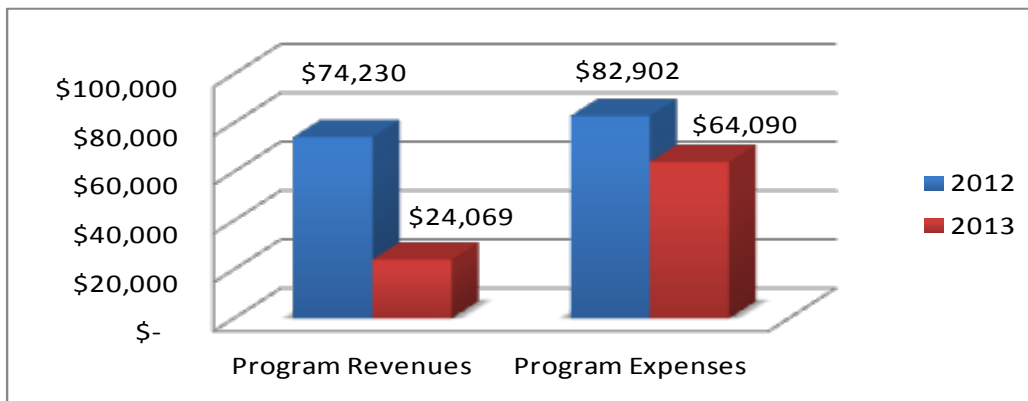


**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

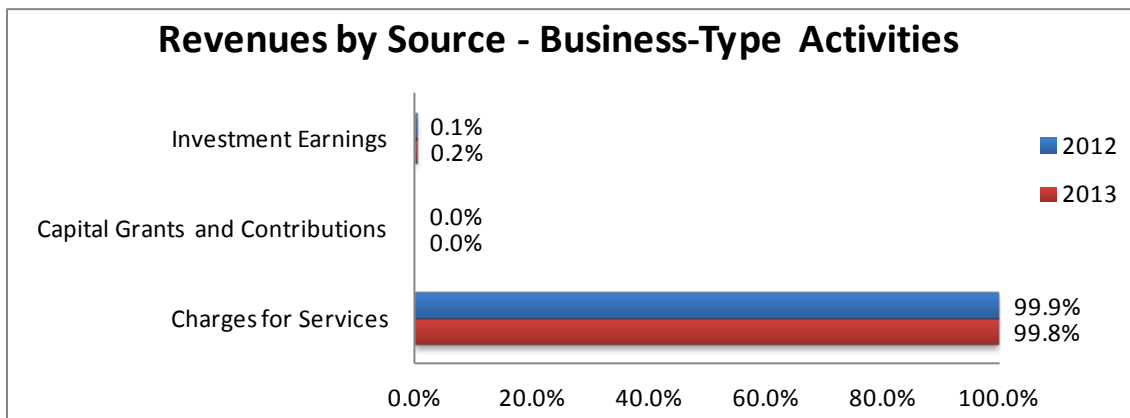
Business-Type Activities

As noted earlier, the Township's business-type activity includes the Willows Mansion programming. Total business-type activities' program expense for the fiscal year was \$64,090. All of the \$24,069 program revenue was generated for specific business-type of activity expenses. The graph below shows a comparison between the business-type activity expenses and program revenues.

Business-type activities showed a decrease in net position of \$81,790. As noted earlier, the decrease in the net position was the result of the Township reevaluating its involvement in the facility rental business. The reevaluation was the result of sluggish revenues for the third straight year and the mounting capital and maintenance costs needed to bring the Mansion to a serviceable level that would accommodate increased revenues. To resolve the financial issue, the Township solicited proposals from private catering firms to lease the Mansion with the following goals: Rental and revenue sharing income for the Township, eliminate the township's responsibility for future maintenance and capital improvements to the Mansion, and to keep the Mansion as a gathering place for some public recreation use. As of December 31, 2013, the township was evaluating two such proposals, and it is anticipated that a decision will be made in 2014 as to the future of the Willows Mansion.



The graph below shows the breakdown of revenues by source for the business-type activities:



**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year 2013, the governmental funds reported combined ending fund balances of \$24,006,320, an increase of \$8,158,056 from the prior year. Approximately 32% of this total amount or \$7,790,182 constitutes unassigned fund balance, which includes \$4,301,866 to comply with the General Fund's target fund balance policy of 15% of expenditures and \$3,298,775 of other unassigned fund balances. The next allocation of fund balance totals \$1,298,573 and is assigned for encumbered activity in 2013 carried forward into 2014. The next allocation of fund balance is restricted by constitutional provisions, enabling legislation, or constraints imposed by external factors which totaled \$5,399,445 and includes fund balances in the Sewer Fund (\$2,170,770), Debt Service Fund (\$330,135), Capital Improvement Fund (\$1,172,779), Park and Open Space Fund (\$1,050,431) and State Liquid Fuels Tax Fund (\$675,330). The next allocation of fund balance is committed by the Board of Commissioners through ordinances or resolutions which totaled \$8,312,768 and includes funds balances for OPEB (\$3,298,097), Operational Efficiency Projects (\$1,450,000), Capital Fund (\$2,584,143) and Storm Water Fund (\$980,528). The remainder of the fund balance is \$1,205,352 and is non-spendable to pay for future legal or contractual obligations which include prepaid items (\$89,452) and loans receivable (\$1,115,900).

The General Fund is the chief operating fund to the Township. It includes all of the operational departments of the Township including police, fire contributions, community development, public works, park maintenance, recreational programming, community organization contributions, general government activity and others. At the end of fiscal year 2013, the unassigned fund balance of the General Fund was \$7,600,641. As a measure of the General Fund's liquidity, the Board of Commissioners recognized the importance of a healthy unassigned fund balance and established a fund balance policy that sets the unassigned fund balance at 15% of expenditures. The key factors in this increase mirror the increase on the government-wide statement in many ways and include:

- A significant increase in business privilege tax revenue from 2012 of \$10.9 million, or 150%
- Increases to the Real Estate Transfer tax revenue from 2012 of \$720,822, or 39%
- Increases to the local services tax revenue from 2012 of \$193,759, or 28%
- Better than expected grants and gifts revenue, which increased by \$165,707, or 12%
- Expense reductions in general government expenses resulting from lower legal expenses, and health and sanitation resulting from attritional staff reductions.

In looking at the General Fund expenditures, overall growth from 2012 was \$4,575,417, or 19%. The Township continued its approach of not refilling several vacated, full-time positions in 2013, which led to cost reductions in the public works health and sanitation department. Those decreases were offset by increases in all other areas of the General Fund, highlighted by increased protection to persons and property expenses due to the hiring of six police officers (all replacement positions), an increased contribution to the civilian and police pension plans (as noted earlier), increased highway expenses due to additional engineering expenses and increase to park and recreation due to higher recreational programming costs and tree maintenance costs.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Governmental Funds (Continued)

Financial Analysis of the Government's Funds (Continued)

The [Sanitary] Sewer special revenue fund had a total fund balance of \$2,264,508 at December 31, 2013, a decrease of \$194,303, or 8% from the prior year. The fund balance is made of non-spendable, restricted and assigned allocations totaling \$4,491, \$2,170,770, and \$89,247, respectively. The activity in this fund is limited to the administration of the Township's sanitary sewer system. The decrease in fund balance is the result of the combination of a flat sewer rent rate from 2012 as well as two unplanned failures in the infrastructure in 2013. In spite of the reduction in the fund balance, the Fund maintains a healthy fund balance of 46% of expenses.

The Debt Service fund had a total fund balance of \$1,446,035 which is a planned decrease of \$210,723, or 13%. The decrease is the result of management's decision to reduce fund balance to roughly 33% of ongoing principal and interest expenses. The fund balance is made up of two sources: A loan receivable (\$1,115,900) which consists of bond repayment agreements with the Radnor Fire Company and the Wayne Art Center, and restricted fund balance of \$330,135 that is maintained to offset any future fluctuations in transfers in from other funds.

The Special Assessment fund, which accounts for special assessment funded projects to construct various sanitary sewer projects, ended 2013 with a fund balance of \$86,804. With no new projects since 2010, the activity in the fund is limited to the collection of past assessments, which are then used to pay down on the bonds issued to construct the projects. Currently, there are six assessment projects outstanding, with receivables totaling \$446,784.

The Capital Improvement fund had a fund balance of \$1,725,224, as of December 31, 2013, a decrease of \$47,780, or 3% from 2012. The decrease is the result of the changed amount of assigned fund balance, for subsequent year budget items, from 2012 to 2013.

Proprietary Funds - The Township's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the Township's business-type activities.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

General Fund Budgetary Information

Consistent with the government-wide and governmental fund activity results noted earlier and as documented in the Schedule of Revenues, Expenditures and Change in Fund Balance report for the General Fund (Budgetary Basis) (page 63), revenues from taxes levied under local tax enabling act did much better than originally anticipated, which contributed to the positive budgetary variance in the General Fund. The report shows that total revenue estimates ended with the positive variance of \$908,860, which was made up entirely of the taxes levied under the local tax enabling act which had a variance of \$981,418. Actual General Fund expenditures (\$25,942,536) exceeded the final appropriation budget (\$24,877,099) by \$1,065,437. This was the result of additional contributions made to the civilian and police pension plans. The expense categories that produced a negative budget variance were public works, library expenditures, and other nondepartmental expenses. The library negative variance of \$2,760 represents 0.3% of the final budget and was the result of higher than expected repair costs on the building (owned by the Township). The variance in the public works department of \$212,013 represents 1% of the final budget and was the result of higher than expected engineering costs, stormwater costs, and snow / ice removal costs. The variance in the other nondepartmental expenses of \$1,200,639 represents 5% of the final budget and was the result of additional contributions to the pension plan. It should also be noted that the operating transfers out shows a negative variance of \$487,255 with total transfers out totaling \$3,996,361. The reason for the variance was the distribution of the excess fund balances from 2011 and 2012 as approved by the Board of Commissioners, which included allocations to the pension and capital funds.

Capital Asset and Debt Administration

Capital Assets - The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounts to \$43,175,033 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction in progress. Capital assets decreased by 0.7% for governmental activities, primarily due to fewer purchases in the current year and significant prior year purchases being depreciated in the current year. Capital assets decreased by 10% for business-type activities for 2013 due to the lack of any additional capital improvements to the facility in 2013, which was planned as part of the reevaluation of the Township's role in the renting of that facility.

Table 4 - Capital Assets

Programs	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 12,303,066	\$ 12,303,066	\$ -	\$ -	\$ 12,303,066	\$ 12,303,066
Construction in Progress	170,863	170,863	-	-	170,863	170,863
Land Improvements	2,474,568	2,474,568	-	-	2,474,568	2,474,568
Buildings & Improvements	22,938,973	22,938,973	460,882	460,882	23,399,855	23,399,855
Machinery & Equipment	13,784,256	13,772,867	-	-	13,784,256	13,772,867
Infrastructure	17,193,311	15,886,203	-	-	17,193,311	15,886,203
Accumulated Depreciation	(25,778,877)	(24,177,835)	(372,009)	(362,118)	(26,150,886)	(24,539,953)
Total	\$ 43,086,160	\$ 43,368,705	\$ 88,873	\$ 98,764	\$ 43,175,033	\$ 43,467,469

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Capital Asset and Debt Administration (Continued)

Capital Assets (continued)

Major capital asset investments during fiscal year 2013 were limited to machinery & equipment as well as infrastructure improvements. More specific investments included stormwater/flood control/water quality management projects, road resurfacing projects, sanitation sewer and pumping station projects, traffic calming projects, traffic signal improvement projects, department vehicle replacement purchases including police, sanitation, public works, sewer and community development, and parks and recreation equipment upgrades.

Additional information on the Township's capital assets can be found in Note 4 of this report.

Debt - As of December 31, 2013, the Township had outstanding general obligation bonds totaling \$49,525,000. This was up from \$48,040,000 on December 31, 2012. In the current year, the Township paid \$2,540,000 in principal and \$1,845,484 in interest on outstanding debt. The reason for the principal increase relates to the Swap Termination. As highlighted earlier in this report, the Township analyzed the risk exposure related to the outstanding Swap Agreement that it had entered into in 2005 as part of an advance refunding of the 2004 General Obligation Bonds. The Swap Agreement was set to begin in July 2015 at which time the Township would have been required to issue variable rate refunding bonds to refund the 2004 Bonds, and begin the interest rate swap transactions to the third party, Lehman Brothers. The interest rate swap would have required the Township to pay Lehman Brothers 4.16% and receive 0.67% of LIBOR. Based on market rates at December 31, 2012, the Township carried deferred outflows of resources of \$2,868,455 for the accumulated decrease in the fair value of hedging activities, as well as liabilities of \$2,405,544 for the embedded derivative instrument. In order to eliminate those deferred outflows and liabilities from the Township's statement of net position, and to eliminate the cost and risk associated with the ongoing swap agreement terms as well as to take advantage of favorable interest rates available to refund the 2004 bonds, the township elected to terminate the swap agreement and advance refund the 2004 General Obligation Bonds with fixed rate bond in June 2013.

In doing so, the Township paid a negotiated termination fee to Lehman Brothers and borrowed the necessary funds for the 2004 refunding. The borrowing consisted of an aggregate principal amount of \$18,210,000, made up of \$3,860,000 General Obligation Notes (Series A, Taxable) and \$14,350,000 General Obligation Bonds (Series B, Nontaxable). The Series A portion of \$3,860,000 will mature in 2019 and the Series B portion of \$14,350,000 will mature in 2034, the same maturity as the 2004 Bonds. Specific to the advance refunding of the 2004 Bonds, the Township realized 14.198% in net present value savings which equated to a net present value savings of \$2,013,920.

Table 5 - Outstanding Debt

	Governmental Activities		Business-Type Activities		Maturity 2024, 2026, 2034 & 2037
	2013	2012	2013	2012	
General Obligation Bonds:	\$ 49,525,000	\$ 48,040,000	\$ -	\$ -	

Additional information about the Township's long-term debt can be found in Note 7 to the financial statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Economic Factors and Major Initiatives

The following represent some of the significant items identified by Township management for 2014:

The Radnor Township economy has proven to be strong with a mix of growing businesses complemented with a solid foundation of real estate values. As touched on throughout this report, there are several positive indicators of economic health in Radnor Township, each of which highlights different aspects of the economy: First, the business privilege tax, levied on the gross receipts of business activity, has grown by 18% in 2012 and another 150% in 2013. Even after the one-time portions of the business tax revenue in 2013 are removed, the base growth was 19%. The second indicator is the real estate transfer tax, levied as a fixed percent of the value of the transaction, has grown by 18% in 2012 and another 39% in 2013. Further analysis shows that these revenue increases are the result of increased values and increased transactions. The third indicator is the local services tax, paid as a fixed amount by each employee working in Radnor Township grew by 28% in 2013. Another positive indication of the Township's economic resiliency is that the total real estate assessed value has continued to grow, with a compounded annual growth rate of 0.34% annually. Finally, permitting activity in the Township has been growing, with several major development and redevelopment projects approved and in the permitting process. That has helped those revenues recover quickly from the recessionary low in 2009. In fact, permitting revenue has grown by 10% in 2011 and 31% in 2012 before flattening in 2013. Still, permitting revenues are at \$2.8 million in 2013 as compared to \$1.5 million in 2009. In addition to the revenues already realized, there are two significant redevelopment projects that have been proposed at two sites in Radnor Township. Both projects are contemplating zoning ordinance changes, which is going through the public review process as of the date of this report. These projects include new dormitory and retail development by Villanova on their campus and a complete redevelopment of the office site owned by BioMed on King of Prussia Road.

The Township also continues to focus on the long-term financial health of the Township. As a result of a series of meetings held by the Board of Commissioners throughout 2012, and thanks to the volunteer efforts of the Citizens' Audit Review and Financial Advisory Committee (CARFAC), the Township continues to make strides towards addressing the various long-term obligations and other major initiatives including:

- **Other Post-Employment Benefit Obligations:** The Township has a better understanding of the breadth and gravity of these liabilities, thanks largely to the special report that CARFAC prepared for the Board of Commissioners in December 2012. In 2013 the Board created an OPEB Trust Fund and transferred over \$3.5 million to begin setting aside assets to fund future obligations. Additionally, as reported in the 2012 report, the Township developed and implemented a long-term OPEB funding plan and included the first installment with the 2014 Budget. The funding plan includes funding OPEB at \$2,200,000 in 2014 and ramping up annual funding by \$200,000 per year until annual funding reaches \$4,050,000 per year. Complemented with changes to the collective bargaining agreements whereby future benefits are reduced or eliminated for new hires, this plan achieves full funding in 2059. The plan achieved the Board's directive to develop a long-term plan that has additional funding from the Township as well as reduced benefits on the employee side.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Economic Factors and Major Initiatives (Continued)

- **Pension Obligations:** In addition to better matching actuarial assumptions with actual benefits, the Township has been allocating significant assets over the required amounts to fund these obligations. The Township has already lowered the investment assumption from 8% to 7.5% and increased the police benefit estimates to better match prior practice benefit calculations. In 2012 and 2013, the Township has contributed 118% and 186% of the required contributions for the Police Plan and 112% and 181% of the required contributions for the Civilian Plan in an effort to speed up the funding of the unfunded actuarial accrued liability. As a result of the increased funding and market gains in excess of the assumed 7.5%, the fiduciary fund's net position held in trust for pension benefits has increased from \$37.7 million on December 31, 2012 to \$46.1 million on December 31, 2013.
- **Collective Bargaining Agreements:** The Township reached new agreements with both of its Collective Bargaining Units in 2013. In April, the Board agreed to a new five year agreement with the Fraternal Order of Police (FOP) and in November the Board agreed to a new three year agreement with the Radnor Association of Township Employees (RATE). The FOP agreement called for various benefit changes for current officers including annual wage increases of 2.75% per year. However, the Township and FOP were able to achieve real cost reductions for new hires where some benefits will be reduced and at the same time, the employee will have increased contributions. Some specific examples include increased officer pension contributions, increased officer healthcare contributions, and lower OPEB availability at retirement. Each of these will result in long-term cost savings as the Township replaces current officers. For the RATE employees, the new agreement will cover three years (2014 through 2016) and include similar wage increases as the FOP. However, new RATE hires will have significant benefit reductions including no pension and no OPEB benefits. Additionally, new hires will have to contribute more for healthcare. In each case, the Township's approach with the two Bargaining Units was to compensate current employees for the benefits they have earned, while working with those groups to help the Township's long-term financial health. Again, this approach was in response to CARFAC's pension and OPEB report and the Board's directive for a long-term funding plan as noted above.
- **Stormwater Management and Funding Source:** The Board of Commissioners adopted a stormwater management ordinance in 2013 which included a fee to cover the public costs of stormwater management and related services. Effective in January 2014, the fee of \$29 per square foot will be charged to all developed properties with over 150 square feet of impervious surface. This is a significant achievement to help generate a dedicated funding source needed to improve the Township's aging stormwater infrastructure and water quality system. It is expected that the stormwater fee will generate more than \$1.0 million per year at the \$29 per square foot rate.
- **Five-Year Forecasting:** The Township continues to incorporate a five-year forecast into its annual Budget process. 2014 marks the second year for the forecast, which has already assisted in the development of the OPEB funding plan, analysis for the purchase of open space at Ardrossan and develop the five year funding needed for the capital plan.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Economic Factors and Major Initiatives (Continued)

- Open Space acquisition at the Ardrossan Farm: In November 2013, the Board of Commissioners approved a purchase agreement to acquire approximately 71 acres of open space at the Ardrossan Farm at a purchase price of \$11,653,820. At the time of approval, the Board intended on using a combination of bond proceeds of \$10 million, grant proceeds totaling \$1.5 million, and private donations of approximately \$408,000 to fund the acquisition. The \$10 million in bond proceeds would be a new issue and would be voted bonds pursuant to the voter's approval of a 2006 referendum that authorized the Board to issue up to \$20 million for open space acquisition. It is expected that this transaction will finalize in 2015 or 2016.
- Financial Stakeholders Reporting: The Township Administration has worked with CARFAC to develop a new Stakeholders Financial Report. The first edition of the report was published in March 2014 and includes executive summary financial information on the township in areas including revenues, expenditures, real estate tax, fund balance and debt, long-term liabilities, financial forecast, and major initiatives. The report was published in the Township-wide spring newsletter that was mailed to every address in the Township as well as on the Township's website and in hard copy at the Township Building and Library.

In addition to these initiatives, the Board of Commissioners and Township Management strive to continue to provide the stakeholders of Radnor Township with the very best municipal services at the most cost effective rate manageable, and to continue to support the development of the local economy in an effort to improve the overall business activity of the Township.

Requests for Information

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the Township's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please contact Robert Zienkowski, Township Manager or William M. White, Director of Finance at:

Radnor Township
301 Iven Ave.
Wayne, Pennsylvania 19087-5297
610.688.5600
www.radnor.com

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 13,942,951	\$ -	\$ 13,942,951
Investments	8,915,657	-	8,915,657
Receivables			
Real Estate Taxes, Net	362,769	-	362,769
Local Enabling Taxes	298,850	-	298,850
Sewer Rents	304,852	-	304,852
Special Assessments	446,784	-	446,784
Other	696,063	-	696,063
Loans Receivable (Due Within One Year)	95,800	-	95,800
Prepaid Items	89,452	-	89,452
Loans Receivable (Due Beyond One Year)	1,020,100	-	1,020,100
Pension Assets	3,490,022	-	3,490,022
Capital Assets			
Land and Construction in Progress	12,473,929	-	12,473,929
Other Capital Assets, Net of Depreciation	30,612,231	88,873	30,701,104
Total Capital Assets	<u>43,086,160</u>	<u>88,873</u>	<u>43,175,033</u>
Total Assets	<u>72,749,460</u>	<u>88,873</u>	<u>72,838,333</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	<u>2,761,152</u>	-	<u>2,761,152</u>
Liabilities			
Cash Overdraft	-	2,936	2,936
Accounts Payable and Accrued Liabilities	1,231,975	-	1,231,975
Accrued Interest Payable	431,724	-	431,724
Noncurrent Liabilities:			
Due Within One Year	3,424,486	-	3,424,486
Due in More than One Year	49,827,028	-	49,827,028
Other Post Employment Benefits	17,696,460	-	17,696,460
Total Liabilities	<u>72,611,673</u>	<u>2,936</u>	<u>72,614,609</u>
Net Position			
Net Investment in Capital Assets	(5,322,939)	88,873	(5,234,066)
Restricted:			
Sewer Operations	2,170,770	-	2,170,770
Debt Service	330,135	-	330,135
Capital Improvements	1,172,779	-	1,172,779
Park Improvements and Open Space	1,050,431	-	1,050,431
Highways	675,330	-	675,330
Unrestricted (Deficiency)	<u>2,822,433</u>	<u>(2,936)</u>	<u>2,819,497</u>
Total Net Position	<u>\$ 2,898,939</u>	<u>\$ 85,937</u>	<u>\$ 2,984,876</u>

See accompanying Notes to Financial Statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 4,027,041	\$ 1,179,348	\$ 99,846	\$ 171,948	\$ (2,575,899)	\$ -	\$ (2,575,899)
Protection to Persons and Property	12,745,479	3,552,696	751,931	52,298	(8,388,554)	-	(8,388,554)
Health and Sanitation	8,733,554	5,029,173	121,783	32,853	(3,549,745)	-	(3,549,745)
Highways	6,021,919	92,817	1,028,817	-	(4,900,285)	-	(4,900,285)
Library	849,850	-	-	-	(849,850)	-	(849,850)
Parks and Recreation	3,725,915	647,417	90,288	-	(2,988,210)	-	(2,988,210)
Interest on Long-Term Debt	1,812,689	-	-	-	(1,812,689)	-	(1,812,689)
Total Governmental Activities	37,916,447	10,501,451	2,092,665	257,099	(25,065,232)	-	(25,065,232)
Business-Type Activities:							
Willows Fund	64,090	24,069	-	-	-	(40,021)	(40,021)
Total Business-Type Activities	64,090	24,069	-	-	-	(40,021)	(40,021)
Total Primary Government	\$ 37,980,537	\$ 10,525,520	\$ 2,092,665	\$ 257,099	(25,065,232)	(40,021)	(25,105,253)
General Revenues							
Taxes:							
Real Estate Taxes					11,843,737	-	11,843,737
Taxes Levied under Local Tax Enabling Act:							
Real Estate Transfer					3,441,425	-	3,441,425
Mercantile					811,554	-	811,554
Business Privilege					18,123,991	-	18,123,991
Emergency and Municipal Services					896,713	-	896,713
Amusement					35,004	-	35,004
Investment Income					128,039	42	128,081
Debt Repayment Agreements					60,175	-	60,175
Transfers					41,811	(41,811)	-
Total General Revenues and Transfers					35,382,449	(41,769)	35,340,680
Change in Net Position					10,317,217	(81,790)	10,235,427
Net Position, Beginning of Year, as Restated (Note 14)					(7,418,278)	167,727	(7,250,551)
Net Position, Ending					\$ 2,898,939	\$ 85,937	\$ 2,984,876

See accompanying Notes to Financial Statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Sewer	Debt Service	Special Assessment	Capital Improvement		
Assets							
Cash and Cash Equivalents	\$ 8,707,291	\$ 894,118	\$ 330,135	\$ 86,804	\$ 1,280,084	\$ 2,644,519	\$ 13,942,951
Investments	6,937,938	1,098,192	-	-	481,006	398,521	8,915,657
Receivables, Net:							
Real Estate Taxes	362,769	-	-	-	-	-	362,769
Local Enabling Taxes	298,850	-	-	-	-	-	298,850
Sewer Rents	-	304,852	-	-	-	-	304,852
Special Assessments	-	-	-	446,784	-	-	446,784
Other	594,641	-	-	-	40,898	60,524	696,063
Prepaid Items	84,961	4,491	-	-	-	-	89,452
Loans Receivable	-	-	1,115,900	-	-	-	1,115,900
Total Assets	\$ 16,986,450	\$ 2,301,653	\$ 1,446,035	\$ 533,588	\$ 1,801,988	\$ 3,103,564	\$ 26,173,278
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 1,090,468	\$ 37,145	\$ -	\$ -	\$ 76,764	\$ 27,598	\$ 1,231,975
Total Liabilities	1,090,468	37,145	-	-	76,764	27,598	1,231,975
Deferred Inflows of Resources							
Unavailable Revenue - Real Estate Tax	281,801	-	-	-	-	-	281,801
Unavailable Revenue - Business Privilege Tax	206,398	-	-	-	-	-	206,398
Unavailable Revenue - Special Assessments	-	-	-	446,784	-	-	446,784
Total Deferred Inflows of Resources	488,199	-	-	446,784	-	-	934,983
Fund Balances							
Non-Spendable	84,961	4,491	1,115,900	-	-	-	1,205,352
Restricted for:							
Sewer	-	2,170,770	-	-	-	-	2,170,770
Debt Service	-	-	330,135	-	-	-	330,135
Capital Improvement	-	-	-	-	1,172,779	-	1,172,779
Park Improvements and Open Space	-	-	-	-	-	1,050,431	1,050,431
State Liquid Fuels Tax	-	-	-	-	-	675,330	675,330
Committed							
OPEB	3,298,097	-	-	-	-	-	3,298,097
Storm Water	-	-	-	-	-	980,528	980,528
Operational Efficiency Projects	1,450,000	-	-	-	-	-	1,450,000
Capital Fund	2,584,143	-	-	-	-	-	2,584,143
Assigned							
Subsequent Year Budget	389,941	89,247	-	-	552,445	266,940	1,298,573
Unassigned							
Target 15% Fund Balance Reserve	4,301,866	-	-	-	-	-	4,301,866
Other	3,298,775	-	-	86,804	-	102,737	3,488,316
Total Fund Balances	15,407,783	2,264,508	1,446,035	86,804	1,725,224	3,075,966	24,006,320
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,986,450	\$ 2,301,653	\$ 1,446,035	\$ 533,588	\$ 1,801,988	\$ 3,103,564	\$ 26,173,278

See accompanying Notes to Financial Statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013**

Total Governmental Fund Balances	\$ 24,006,320
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds:	
Capital Assets	68,865,037
Accumulated Depreciation	<u>(25,778,877)</u>
	43,086,160
Other Long-Term Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	
	934,983
Net Pension Asset is a Long-Term Asset and is not Available to Pay for Current-Period Expenditures and, Therefore, not Reported in the Funds.	
	3,490,022
Deferred Charge on Refunding is Recorded as an expenditure in the Fund Statements but Recorded as a Deferred Outflow and Amortized in the Statement of Net Position	
	2,761,152
Certain Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds:	
Compensated Absences	(2,990,964)
Net OPEB Obligation	(17,696,460)
Accrued Interest Payable	(431,724)
General Obligation Bonds Payable	<u>(50,260,550)</u>
	<u>(71,379,698)</u>
Net Position of Governmental Activities	<u>\$ 2,898,939</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Sewer	Debt Service	Special Assessment	Capital Improvement		
Revenues							
Real Estate Taxes	\$ 11,836,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,836,596
Taxes Levied under Local Tax Enabling Act:							
Real Estate Transfer	2,580,929	-	-	-	-	860,496	3,441,425
Mercantile	716,109	-	-	-	-	-	716,109
Business Privilege	18,123,991	-	-	-	-	-	18,123,991
Emergency and Municipal Services	896,713	-	-	-	-	-	896,713
Amusement	35,004	-	-	-	-	-	35,004
Licenses and Permits	2,790,072	-	-	-	-	-	2,790,072
Fines, Forfeits and Costs	615,389	-	-	-	-	4,500	619,889
Interest and Rents	210,916	15,694	-	19,849	7,503	1,372	255,334
Grants and Gifts	1,531,858	-	-	-	-	676,135	2,207,993
Departmental Earnings	1,552,914	5,032,183	-	32,853	-	-	6,617,950
Debt Repayment Agreements	-	-	60,179	-	-	-	60,179
Refunds and Miscellaneous	326,177	16,256	-	-	171,948	97	514,478
Total Revenues	41,216,668	5,064,133	60,179	52,702	179,451	1,542,600	48,115,733
Expenditures							
Current							
General Government	2,675,320	-	-	-	-	-	2,675,320
Protection to Persons and Property	9,534,166	-	-	-	-	15,600	9,549,766
Health and Sanitation	2,606,748	4,881,441	-	-	-	174,428	7,662,617
Highways	3,968,421	-	-	-	-	635,226	4,603,647
Library	849,850	-	-	-	-	-	849,850
Parks and Recreation	2,561,384	-	-	-	-	28,620	2,590,004
Miscellaneous							
Employee Benefits	5,817,123	-	-	-	-	-	5,817,123
Insurance	363,948	-	-	-	-	-	363,948
Other	302,146	-	123,637	-	-	-	425,783
Capital Outlay	-	-	-	-	1,082,351	-	1,082,351
Debt Service							
Principal Retirement	-	-	2,540,000	-	-	-	2,540,000
Interest	-	-	1,845,484	-	-	-	1,845,484
Bond Issue Costs	-	-	197,034	-	-	-	197,034
Total Expenditures	28,679,106	4,881,441	4,706,155	-	1,082,351	853,874	40,202,927
Excess of Revenues over (under) Expenditures	12,537,562	182,692	(4,645,976)	52,702	(902,900)	688,726	7,912,806
Other Financing Sources (Uses)							
Proceeds from Refunding Bonds	-	-	18,210,000	-	-	-	18,210,000
Premium from Refunding Bonds	-	-	673,901	-	-	-	673,901
Payment to Refunded Bond Escrow Agent	-	-	(18,680,462)	-	-	-	(18,680,462)
Transfers In	-	-	4,231,814	-	855,120	1,283,442	6,370,376
Transfers Out	(5,226,361)	(376,995)	-	(58,538)	-	(666,671)	(6,328,565)
Total Other Financing Sources (Uses)	(5,226,361)	(376,995)	4,435,253	(58,538)	855,120	616,771	245,250
Net Change in Fund Balances	7,311,201	(194,303)	(210,723)	(5,836)	(47,780)	1,305,497	8,158,056
Fund Balances - Beginning	8,096,582	2,458,811	1,656,758	92,640	1,773,004	1,770,469	15,848,264
Fund Balances - Ending	\$ 15,407,783	\$ 2,264,508	\$ 1,446,035	\$ 86,804	\$ 1,725,224	\$ 3,075,966	\$ 24,006,320

See accompanying Notes to Financial Statements

**TOWNSHIP OF RADNOR, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

Net Change in Fund Balances - Governmental Funds	<u>\$ 8,158,056</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities, the Cost of those Assets is Allocated over their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by which Depreciation Exceeds Capital Outlay in the Current Period:	
Capital Outlay	1,552,072
Depreciation Expense	<u>(1,834,617)</u>
	<u>(282,545)</u>
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.	76,123
The Issuance of Long-Term Debt Provides Current Financial Resources to Governmental Funds, while the Repayment of the Principal of Long-Term Debt Consumes the Current Financial Resources of Governmental Funds. Neither Transaction, However, has any Effect on Net Position. This Amount is the Principal Repayments net of Proceeds of Issuance.	2,388,607
Some Expenses Reported in the Statement of Activities do not Require the use of Current Financial Resources and, Therefore, are not Reported as Expenditures in Governmental Funds:	
Change in Accrued Interest Expense	63,221
Change in Compensated Absences:	
General Government	(43,199)
Protection to Persons and Property	(178,378)
Health and Sanitation	(101,415)
Highways	(94,325)
Parks and Recreation	6,593
	<u>(410,724)</u>
Change in OPEB Obligation:	
General Government	(345,789)
Protection to Persons and Property	(1,250,160)
Health and Sanitation	(452,185)
Highways	(319,190)
Parks and Recreation	(292,590)
	<u>(2,659,914)</u>
Net Investment Revenue as a Result of the Non-Hedged Change in the Fair Value of the Derivative is Recorded as Revenue in the Statement of Net Position	(89,445)
Premiums/Discounts Incurred in Relation to the Bond Issuance and Refunding are Added to/Subtracted from the General Obligation Debt in the Statement of Net Position and Amortized over the Life of the Bonds. This is the Amount by which the New Premiums/Discounts Exceeded the Amortization for the Current Period.	204,007
The Increase in Pension Asset Resulting from Contributions more than the Annual Required Contribution for 2013 does not Require the use of Current Financial Resources and is not Reported in the Funds.	<u>2,869,831</u>
Change in Net Position of Governmental Activities	<u><u>\$ 10,317,217</u></u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2013**

	Business-type Activities
	Willows
Assets	
Noncurrent Assets	
Capital Assets	
Buildings	\$ 300,000
Improvements	160,882
Less Accumulated Depreciation	(372,009)
Total Noncurrent Assets	88,873
Total Assets	88,873
Liabilities	
Current Liabilities	
Cash Overdraft	2,936
Total Current Liabilities	2,936
Net Position	
Net Investment in Capital Assets	88,873
Unrestricted (Deficit)	(2,936)
Total Net Position	\$ 85,937

**TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2013**

	Business-type Activities
	Willows
Operating Revenues	
Charges for Services	\$ 24,069
Total Operating Revenues	24,069
Operating Expenses	
Operations	54,199
Depreciation	9,891
Total Operating Expenses	64,090
Operating Loss	(40,021)
Nonoperating Revenues:	
Interest	42
Total Nonoperating Revenues	42
Loss Before Transfers	(39,979)
Transfers Out	(41,811)
Change in Net Position	(81,790)
Total Net Position - Beginning	167,727
Total Net Position - Ending	\$ 85,937

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2013

	Business-type Activities
	Willows
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 24,419
Payments to Suppliers	(42,908)
Payments to Employees	(14,769)
Net Cash Used by Operating Activities	(33,258)
Cash Flows from Noncapital Financing Activities	
Transfers to Other Funds	(41,811)
Cash Overdraft	2,936
Net Cash Used by Noncapital Financing Activities	(38,875)
Cash Flows from Investing Activities	
Interest Received	42
Net Cash Provided by Investing Activities	42
Decrease in Cash and Cash Equivalents	(72,091)
Cash and Cash Equivalents - Beginning	72,091
Cash and Cash Equivalents - Ending	\$ -
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (40,021)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	9,891
Change in Assets and Liabilities:	
Receivables	350
Accounts Payable	(3,478)
Net Cash Used by Operating Activities	\$ (33,258)

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2013

	Pension Trust	Agency
Assets		
Cash and Cash Equivalents	\$ 4,494,623	\$ 1,717,961
Investments:		
Stocks	2,700,417	-
Corporate Bonds	1,592,296	-
Equity Mutual Funds	22,028,217	-
Fixed Income Funds	12,879,401	-
Real Estate Limited Partnership	481	-
Certificates of Deposit	495,000	-
Municipal Bonds	237,577	-
U.S. Government and Agency Securities	1,679,337	-
Receivables:		
Accrued Interest	21,669	-
Total Assets	46,129,018	\$ 1,717,961
Liabilities		
Accounts Payable	5,200	-
Refunds Payable	21,595	-
Deposits Payable	-	1,717,961
Total Liabilities	26,795	\$ 1,717,961
Net Position		
Net Position Held in Trust for Pension Benefits	\$ 46,102,223	

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2013

	Pension Trust
Additions:	
Contributions:	
Commonwealth of Pennsylvania	\$ 609,845
Employer	5,817,763
Members	367,350
Total Contributions	6,794,958
Investment Earnings:	
Net Appreciation in Value of Investments	5,366,309
Investment Expense	(110,449)
Net Investment Earnings	5,255,860
Other Additions:	
Litigation	603
Total Other Additions	603
Total Additions	12,051,421
Deductions:	
Benefits	3,593,772
Refund of Contributions	71,378
Administrative Expenses	31,423
Total Deductions	3,696,573
Change in Plan Net Position	8,354,848
Net Position Held in Trust for Pension Benefits:	
Beginning of Year	37,747,375
End of Year	\$ 46,102,223

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Township of Radnor (the "Township") is located in Delaware County, Pennsylvania, approximately 15 miles west of the City of Philadelphia. The Township was founded in 1682. The Township is governed by a seven member Board of Commissioners (the "Commissioners" or "Board") and operates under the Radnor Township Home Rule Charter and the Radnor Township Administrative Code.

In accordance with the Governmental Accounting Standards Board's (GASB's) Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the Township is financially accountable. The Township has also considered all other potential organizations for which the nature and significance of their relationships with the Township are such that exclusion would cause the Township's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the Township to impose its will on that organization, or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the Township. Based on these criteria, there are no other organizations or agencies which should be included in these basic financial statements.

While the Commissioners exercise some degree of control over the Radnor-Haverford-Marple Sewer Authority, the Township Commissioners do not have financial accountability for this entity and, therefore, its financial statements are not included within the Township's financial statements. However, summarized financial information for the Radnor-Haverford-Marple Sewer Authority is presented in Note 11 because the Township has an ongoing cost-sharing obligation to the Authority.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Administrative overhead charges of the general government are included in the direct expenses. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance/net position, revenues and expenditures or expenses, as appropriate. The Township has the following funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in current financial resources, rather than upon net income determination.

The Township reports the following major governmental funds:

- **General Fund** – Accounts for all financial resources except those required to be accounted for in other funds. For external financial reporting purposes, the Township includes the Investigation Fund, the \$8 Million Settlement Fund, and the OPEB Fund in the General Fund.
- **Sewer Special Revenue Fund** – Established under the Township's Administrative Code, records the transactions related to the billing and collection of sanitary sewer rents and the expenditures related to the collection and treatment of waste water.
- **Debt Service Fund** – Accounts for the accumulation of resources for, and payment of, debt principal and interest.
- **Special Assessment Fund** – is a capital projects fund, with a legally adopted budget. The special assessment fund is used to account for financial resources to be used for installing sanitary sewers, sidewalks and curbing in the Township. This fund also accounts for the collection for special assessment taxes levied to finance public improvements or services deemed to benefit the properties assessed. Special assessment taxes are primarily used to finance the improvements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

- ***Capital Improvement Capital Projects Fund*** – Accounts for bond proceeds to be used for various capital acquisitions and improvements of the Township.

The other governmental funds of the Township are considered nonmajor (presented in a single column) and are as follows:

- Park Improvements and Open Space Special Revenue Fund derives revenues from 25 percent of the Township's share of the realty transfer tax to fund park development and future land acquisitions for parks and open space (i.e., 25% of the 1.5% levied by the Township on transfer of real property).
- The State Liquid Fuels Tax Special Revenue Fund, as required by state law, accounts for receipts from State Motor License Fund (gasoline tax distribution, etc.) to be used for highway related expenses and improvements and the transfer of funds to the General Fund to cover other allowable highway-related expenditures.
- The Storm Water Management Fund accounts for revenues and costs associated with operating, repairing and maintaining the Township owned storm water management systems.
- The Commemorative Shade Tree Fund derives its revenues from contributions, escrows, fines and/or penalties assessed as a result of improper tree removal situations pursuant Administrative Code Chapter 263. Any revenues collected will be a dedicated source of funds to be used for planting trees.
- The Grant Fund will be used to account for the activity associated with approved grants in accordance with the grant requirements that the Township deposit the funds into segregated interest bearing accounts.
- The Police K9 Fund derives its revenues from donations and sponsorships to fund the purchase of K9 bomb/patrol dogs, equipment, and training.

Proprietary Funds

Proprietary funds are used to account for operations that are organized to be self-supporting through user charges.

- ***Enterprise Fund*** – Accounts for operations that are financed and operated in a manner similar to a private business enterprise, with the intent that the costs of providing goods and services be financed or recovered primarily through user charges. The Township maintains one enterprise fund, the Willows Fund, which accounts for the operation of the Willows mansion.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Township as a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The funds included in this category are:

- ***Pension Trust Funds*** – Account for Township and employee pension plan contributions and provide for the payment of retirement benefits.
- ***Agency Funds*** – The Township’s Agency Fund includes the Escrow Fund. Agency Funds are custodial in nature and, therefore, do not report operations or have a measurement focus.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Real estate taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are real estate taxes and taxes levied under the Local Tax Enabling Act. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other postemployment benefits, compensated absences, and claims and judgments, are recorded only when payment is due or matured.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Accounting

The Township follows the procedures below, which comply with legal requirements of both the Commonwealth of Pennsylvania and the Township of Radnor. Pursuant to the Township's Home Rule Charter and Administrative Code:

- Balanced budgets, whereby appropriated expenditures equal authorized and levied revenues, are legally adopted on an annual basis for the General, Sewer, State Liquid Fuels Tax, Capital Improvements, Special Assessments, and the Park Improvements and Open Space Funds. Budgets for each of these Funds are prepared on the modified accrual basis of accounting. Debt service revenues, primarily real estate taxes dedicated for debt retirement, are included in the General Fund budget and debt service expenditures are included in the budget of the individual fund responsible for debt retirement.
- At least 90 days before the end of each fiscal year, the Township Manager is required to submit to the Board a minimum 3-year capital improvement plan (a five-year capital plan has been submitted since 1994).
- At least 60 days before the end of each fiscal year, the Township Manager is required to submit to the Board a proposed operating budget for the next fiscal year, comprising the funds listed above. The proposed budget must be accompanied by a budget message; it contains proposed revenues and expenditures for all funds subject to annual appropriation for the upcoming year, as well as estimates for the two subsequent fiscal years, given certain assumptions.
- The Board is required to adopt a preliminary operating budget and a capital improvement plan for the upcoming fiscal year at least 30 days before the end of each current fiscal year.
- After the preliminary operating budget and capital plan are adopted by the Board, at least one public hearing is required to permit public input, at least 7 days after public notice of such hearing is published in a local newspaper and at least 10 days before the end of the fiscal year.
- The Board is required to adopt a final operating budget ordinance, a tax levy ordinance, and by resolution a capital improvement plan and salary administration resolution, after the public hearing and before the end of the current fiscal year.
- A newly elected Board may, within 45 days after the start of the new fiscal year, enact revised budget and tax levy ordinances following a public hearing.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- All annual appropriations lapse at the end of each fiscal year. The Board, however, may authorize by resolution at any time supplemental appropriations for operating expenditures if the Township Manager certifies that additional revenues are available for such purposes.
- The Board may make supplemental appropriations to meet an emergency and may issue temporary notes, in accordance with the Local Government Unit Debt Act, for such purposes.
- The Board is required to reduce appropriations to avoid a deficit when the Township Manager advises that a revenue shortfall is probable.
- The Township Manager and Chief Financial Officer may transfer part or all of any unexpended appropriation balance among programs (at the object or line item level) within a given department without further approval by the Board. The Board approves by ordinance any transfer of unused appropriations from one department to another department (at the activity level). Transfers are not required for non-departmental budget line items that exceed their appropriations as long as there is no fund deficit.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

The Township considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents for the purpose of reporting cash flows in proprietary funds.

Investments

Investments are stated at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The Township invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Interfund Transactions

In connection with financing its operations, the Township conducts interfund transactions. Accordingly, to the extent that certain interfund transactions have not been paid or received as of December 31, 2013, appropriate interfund receivables or payables have been established. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are balances between the governmental activities and the business-type activities (internal balances). Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Allowance for Uncollectible Taxes

The balance of real estate taxes receivable (and unearned revenues for such taxes in governmental funds) is net of an allowance of \$0 for the amount of taxes which the Township estimates to be uncollectible.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the both government-wide statements and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure (i.e. roads, bridges, sidewalks and similar items) and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are not recorded in governmental fund financial statements. Instead, governmental funds recognize capital outlay expenditures. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the current fiscal year.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Land Improvements	10 - 50 years
Buildings and Improvements	8 - 50 years
Machinery and Equipment	5 - 20 years
Infrastructure	10 - 50 years

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the new refunding debt.

In addition to liabilities, the balance sheet – governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has certain items that qualify for reporting in this category. The unavailable revenues related to real estate tax, business privilege tax and special assessments are reported as deferred inflows of resources

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, any long-term debt and other long-term obligations are reported as liabilities. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources and is not considered fund liabilities, and principal payments are considered expenditures.

Bond Discounts and Premiums

In the government-wide financial statements and in the proprietary fund financial statements, any bond discounts and premiums are deferred and amortized over the life of the bonds using the proportionate-to-stated-interest method. Long-term debt is reported net of the applicable bond premium or discount.

In the government fund financial statements, bond premiums and discounts are recognized during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Accrued Vacation and Sick Leave

Township employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Sick leave is payable when used, or upon retirement. If paid upon retirement, the total accumulated hours are reduced to forty-five percent and paid at the then effective hourly rate for that employee, with a maximum of 300 days per employee. Vacation pay and sick pay are accrued when incurred in the government-wide statements and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Unavailable Revenues

In the governmental fund financial statements, unavailable revenues represent delinquent real estate taxes which will be included in revenues of future years when collected, local enabling taxes collectible, but not available, or special assessments receivable which will be included in revenues as the assessments become current.

Real Estate Taxes

In the governmental fund financial statements, real estate taxes are recorded as revenues when available and measurable. The Township records a receivable when taxes are levied, and defers that portion of real estate tax revenue, which is not expected to be collected within sixty days of the year end.

Real estate taxes are levied February 1 and due May 31 of each year. A two percent discount is provided for taxes paid prior to April 1. A ten percent penalty is applied to taxes paid after May 31. Unpaid taxes are liened with Delaware County by February 28 of the subsequent year.

Local Enabling Taxes

The Township recognizes assets resulting from local enabling taxes (derived tax revenues) when the underlying exchange transaction occurs or when resources are received, whichever is first. In the governmental fund financial statements, under the modified accrual basis of accounting, revenue is recorded when the underlying exchange occurs and when the resources are available. Revenue that is not available is recorded as unavailable revenue until it becomes available.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Balance

The Township follows GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This statement provides defined fund balance categories to make the nature and extent of the constraints placed upon a government's fund balance more transparent. Fund balances of the government funds are classified as follows:

Non-Spendable – Amounts that cannot be spent because of their form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Township Board. The Board is the highest decision making authority of the Township. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – Residual net resources. If after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 12% of General Fund budgeted operating expenditures, the Finance Director will advise the Township Commissioners in order for the necessary action to be taken to restore the unassigned fund balance to 15% of General Fund budgeted operating expenditures.

The Township Commissioners passed a resolution authorizing the Township Finance Director to assign fund balances by their intended use. When expenditures are incurred for purposes for which both restricted and unrestricted balance are available, it is the Township's policy to use restricted fund balance first, followed by unrestricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned amounts are available, it is the Township's policy to use committed first, then assigned and then finally unassigned.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Net Position

Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements and proprietary and fiduciary fund financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position amounts are considered unrestricted. The Township applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Other Postemployment Benefits

The Township follows GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires governments to recognize an expense under the accrual basis for annual required other postemployment benefits contributions, regardless of amounts paid. The cumulative difference between amounts expensed and paid creates a liability (asset) similar to net pension obligation or asset. See Note 9.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

Legal and Contractual Restrictions

The Township is authorized by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral (with their trust department or other custodians) obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth. Under Pennsylvania Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. The Township may purchase certificates of deposit from institutions having their principal place of business outside the Commonwealth of Pennsylvania that are insured by the Federal Deposit Insurance Corporation ("FDIC") or other like insurance.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Legal and Contractual Restrictions (Continued)

Under Pennsylvania law, the Township is permitted to invest in the following types of instruments:

- United States Treasury bills;
- Obligations backed by the full faith and credit of the U.S. government or its agencies;
- Shares of money market or mutual funds of companies that invest in only authorized investments listed above; and
- Funds pooled by other municipalities and political subdivisions.

In addition, the Local Government Unit Debt Act allows funds held under the Township's bond indentures not required for prompt expenditure to be invested in any securities in which the Commonwealth of Pennsylvania may similarly invest.

The law provides that the Township's Pension Trust Funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Township to be prudent.

The Township's deposits and investments at December 31, 2013 totaling \$70,683,918 are classified in the fund balance sheets/statements of net position as follows:

	Cash and <u>Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
General Fund	\$ 8,707,291	\$ 6,937,938	\$ 15,645,229
Special Revenue Fund			
Sewer Fund	894,118	1,098,192	1,992,310
Debt Service Fund	330,135	-	330,135
Capital Projects Fund			
Capital Improvement Fund	1,280,084	481,006	1,761,090
Special Assessments Fund	86,804	-	86,804
Nonmajor Governmental Fund	2,644,519	398,521	3,043,040
Fiduciary Funds	<u>6,212,584</u>	<u>41,612,726</u>	<u>47,825,310</u>
Total	<u>\$ 20,155,535</u>	<u>\$ 50,528,383</u>	<u>\$ 70,683,918</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. The Township’s deposit policy for custodial credit risk is to have uninsured deposits collateralized, pursuant to Pennsylvania Act 72 of 1971, as amended. As of December 31, 2013, \$18,961,938 of the Township’s bank balances of \$19,211,938 was exposed to custodial credit risk as follows:

Uninsured, Collateral Held by Pledging Bank's Trust Department not in the Township's Name	<u>\$ 18,961,938</u>
--	----------------------

Investments

Investments held as of December 31, 2013 are as follows:

Governmental Funds:	
Negotiable Certificates of Deposit	\$ 5,611,000
U.S. Government Agencies	394,000
PLGIT	<u>2,910,657</u>
	8,915,657
Pension Trust Funds:	
Money Funds (1)	882,323
Stocks	2,700,417
Corporate Bonds	1,592,296
Negotiable Certificates of Deposit	495,000
U.S. Treasury Notes	1,652,230
U.S. Government Agencies	27,107
Municipal Debt	237,577
Fixed Income Funds	12,879,401
Equity Mutual Funds	22,028,217
Real Estate Limited Partnership	<u>481</u>
	<u>42,495,049</u>
	<u>\$ 51,410,706</u>

(1) Money Funds are Included with Cash and Cash Equivalents in the Statement of Fiduciary Net Position.

The Township had \$2,910,657 invested in the Pennsylvania Local Government Investment Trust (“PLGIT”) at December 31, 2013. This Trust is a common law trust established pursuant to the Intergovernmental Cooperation Act and similar statutes by Local Governments in Pennsylvania for the purpose of pooling their investments. It is a fundamental policy of the Trust to maintain a net position value of \$1 per share, but there can be no assurance that the net position value will not vary from \$1 per share.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township's investment policy is to store its investments in safekeeping by an unrelated third party not underwriting a particular investment. The Township maintains a list of financial institutions authorized to provide investment services and of approved security broker/dealers. The Township has purchased from brokers negotiable certificates of deposit, in which the Township receives pass-through depository insurance up to \$250,000 at each financial institution. As of December 31, 2013, all of the Township's negotiable certificates of deposit were insured and collateralized.

Interest Rate Risk – Investments

The Township's investment policy is to minimize the risk of fair value losses arising from increasing interest rates by avoiding the need to sell securities prior to maturity and by investing in shorter-term securities, money market funds and similar investment pools, where appropriate. The maturities of the Township's negotiable certificates of deposits and U.S. Treasury notes are as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Negotiable Certificates of Deposits	<u>\$ 1,835,000</u>	<u>\$ 97,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 248,000</u>	<u>\$ 98,000</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2028</u>
	<u>\$ 344,000</u>	<u>\$ 300,000</u>	<u>\$ 1,080,000</u>	<u>\$ 798,000</u>	<u>\$ 750,000</u>	<u>\$ 250,000</u>
	<u>2032</u>	<u>Total</u>				
	<u>\$ 200,000</u>	<u>\$ 6,500,000</u>				
	<u>2015</u>	<u>2018</u>	<u>2021</u>	<u>Total</u>		
U.S. Treasury Notes	<u>\$ 762,010</u>	<u>\$ 502,440</u>	<u>\$ 387,780</u>	<u>\$ 1,652,230</u>		

The average maturities of the Township's U.S. Government Agencies, fixed income funds, corporate bonds and municipal debt are as follows:

	Average Maturities (in years)					Total
	Less than 1	1-5	6-10	11-15	More than 15	
U.S. Government Agencies	\$ -	\$ 1,014,272	\$ 665,065	\$ -	\$ -	\$ 1,679,337
Fixed Income Funds	\$ -	\$ -	\$ 12,879,401	\$ -	\$ -	\$ 12,879,401
Corporate Bonds	\$ -	\$ 1,202,070	\$ 390,226	\$ -	\$ -	\$ 1,592,296
Municipal Debt	\$ -	\$ 180,481	\$ 57,096	\$ -	\$ -	\$ 237,577

There were no investments in U.S. Government Agencies subject to be called in 2014.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Township’s investment policy is to limit the investment of funds to the safest type of securities and to pre-qualify the financial institutions, broker/dealers and advisors the Township conducts business with. The Township’s investments in fixed income funds were not rated. The Township’s investments in corporate bonds were rated by Moody’s as follows:

		<u>Credit Rating</u>
Corporate Bonds	\$ 992,763	A
Corporate Bonds	546,923	Aa
Corporate Bonds	<u>52,610</u>	BBB
	<u>\$ 1,592,296</u>	

NOTE 3 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund balances result from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. There were no interfund balances at year end.

The following is a schedule of transfers as included in the basic financial statements of the Township as of December 31, 2013:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,226,361
Special Revenue Fund		
Sewer Fund	-	376,995
Special Assessments Fund	-	58,538
Debt Service Fund	4,231,814	-
Capital Projects Fund		
Capital Improvement Fund	855,120	-
Nonmajor Governmental Funds	1,283,442	666,671
Enterprise Fund	<u>-</u>	<u>41,811</u>
Total	<u>\$ 6,370,376</u>	<u>\$ 6,370,376</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2013:

	<u>2012 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2013 Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 12,303,066	\$ -	\$ -	\$ 12,303,066
Construction in Progress	170,863	-	-	170,863
Total Capital Assets not being Depreciated	<u>12,473,929</u>	<u>-</u>	<u>-</u>	<u>12,473,929</u>
Capital Assets, being Depreciated:				
Land Improvements	2,474,568	-	-	2,474,568
Buildings	22,938,973	-	-	22,938,973
Machinery and Equipment	13,772,867	244,964	233,575	13,784,256
Infrastructure	15,886,203	1,307,108	-	17,193,311
Total Capital Assets being Depreciated	<u>55,072,611</u>	<u>1,552,072</u>	<u>233,575</u>	<u>56,391,108</u>
Less Accumulated Depreciation for:				
Land Improvements	1,467,503	111,472	-	1,578,975
Buildings	4,936,162	586,760	-	5,522,922
Machinery and Equipment	10,344,640	552,033	233,575	10,663,098
Infrastructure	7,429,530	584,352	-	8,013,882
Total Accumulated Depreciation	<u>24,177,835</u>	<u>1,834,617</u>	<u>233,575</u>	<u>25,778,877</u>
Total Capital Assets being Depreciated, Net	<u>30,894,776</u>	<u>(282,545)</u>	<u>-</u>	<u>30,612,231</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,368,705</u>	<u>\$ (282,545)</u>	<u>\$ -</u>	<u>\$ 43,086,160</u>
Business Type Activities				
Capital Assets, being Depreciated:				
Buildings	\$ 300,000	\$ -	\$ -	\$ 300,000
Improvements	160,882	-	-	160,882
Total Capital Assets being Depreciated	<u>460,882</u>	<u>-</u>	<u>-</u>	<u>460,882</u>
Less Accumulated Depreciation for:				
Buildings	292,500	7,500	-	300,000
Improvements	69,618	2,391	-	72,009
Total Accumulated Depreciation	<u>362,118</u>	<u>9,891</u>	<u>-</u>	<u>372,009</u>
Total Capital Assets being Depreciated, Net	<u>98,764</u>	<u>(9,891)</u>	<u>-</u>	<u>88,873</u>
Business Type Activities Capital Assets, Net	<u>\$ 98,764</u>	<u>\$ (9,891)</u>	<u>\$ -</u>	<u>\$ 88,873</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions / programs as follows:

Governmental Activities:	
General Government	\$ 533,714
Protection to Persons and Property	220,879
Health and Sanitation	51,447
Highways	854,869
Parks and Recreation	<u>173,708</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 1,834,617</u>
Business-Type Activities:	
Willows Fund	<u>\$ 9,891</u>
Total Depreciation Expense, Business-Type Activities	<u>\$ 9,891</u>

NOTE 5 LOANS RECEIVABLE

The following is a summary of loans receivable at December 31, 2013:

Wayne Art Center	\$ 830,000
Radnor Fire Company	<u>285,900</u>
	<u>\$ 1,115,900</u>

On May 25, 2004, the Township entered into a loan agreement with the Wayne Art Center, whereby the Township agreed to loan \$995,000 to the Wayne Art Center to finance certain capital improvements to the visual arts center which it owns and operates in exchange for the Wayne Art Center's commitment to continue operating the facilities of the arts center for the benefit of the residents of the Township and others during the term of the loan. The loan follows the repayment schedule consistent with that of the General Obligation Bonds, Series of 2004, from which the loan was funded. The loan bears interest at varying rates over the life of the bonds from 2.5% to 5.0% per annum. Principal and interest payments of approximately \$61,500 to \$66,500 per year extend through 2034. Principal payments are due annually on July 15, beginning in 2005. Interest payments are due January 15 and July 15 of each year, beginning in 2005.

On November 1, 1996, the Township entered into a Loan and Service agreement with the Radnor Fire Company (the "Fire Company"), whereby the Township agreed to loan \$1,000,000 to the Fire Company to finance construction of a new firehouse and related facilities in exchange for the Fire Company's commitment to continue providing fire protection services for the Township during the term of the loan. The loan bears interest at a rate of 5.443% per annum. Principal and interest payments of approximately \$80,500 per year extend over a 20-year period and are due annually on December 31, beginning in 1997.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 LOANS RECEIVABLE (CONTINUED)

Since the loans receivable represents assets that are not available for current spending, a non-spendable fund balance equal to the outstanding balance of the loans has been recognized in the Debt Service Fund in the fund financial statements. A transfer of this loan was made to the Debt Service Fund from the Capital Improvements Fund, eliminating prior interfund receivable and payables.

NOTE 6 HEDGING DERIVATIVE INSTRUMENTS (SWAPTION)

In February 2013, the Township engaged a third party specialist, Phoenix Advisors, to analyze the short and long-term financial implications being imposed by the outstanding Swap Agreement. After a comprehensive review of the facts and options, the Township elected to proceed with terminating the Swap Agreement in full and proceed with advance refunding the General Obligation Bonds, Series 2004. To that end, on April 8, 2013, the Board of Commissioners adopted Resolution 2013-42 accepting the Swap Termination Fee and authorizing the Township Manager to execute a Swap Termination Agreement with Lehman Brothers Holdings. On May 13, 2013, the Board of Commissioners adopted Ordinance 2013-06 authorizing the Township to issue \$18,210,000 in General Obligation Notes, Series 2013 which provided the necessary funding that satisfied the Swap Termination Fee as well as provide net present value savings by advance refunding the General Obligation Bonds, Series 2004.

NOTE 7 LONG-TERM DEBT

The General Obligation Bonds, Series of 2004 were issued, for the purpose of funding capital costs related to construction and renovation of the Township municipal building, currently refunding the General Obligation Note, Series of 2003, funding various capital projects, and making loans to the Wayne Art Center and the Radnor Memorial Library. The Series 2004 Bonds were advance refunded with the issuance of Series 2013B General Obligation Notes.

In 2009 the Township issued \$7,695,000 of General Obligation Bonds, Series 2009. The proceeds of the bonds were used for the current refunding of the Township's General Obligation Bonds, 2002 Series AA and 2004 Series A. The Bonds are dated October 15, 2009 and have varying maturities from November 1, 2010 to November 1, 2026 with interest rates ranging from 1% to 3.7%, being paid semi-annually, May 1 and November 1.

In 2010 the Township issued \$13,735,000 of General Obligation Bonds, Series 2010. The proceeds of the bonds were used for the current refunding of the Township's General Obligation Bond, 2002 Series A. The Bond is dated June 15, 2010 and has a maturity of June 15, 2024 with interest rates ranging from 1.5% to 3.4%, being paid semi-annually, June 15 and December 15.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 7 LONG-TERM DEBT (CONTINUED)

In 2012 the Township issued \$16,360,000 of General Obligation Bonds, Series 2012. The proceeds of the bonds were used for the current refunding of the Township's General Obligation Bond, Series of 2007. The Bond is dated May 4, 2012 and has a maturity of November 1, 2037 with interest rates ranging from 1% to 4%, being paid semi-annually, May 1 and November 1.

In 2013, the Township incurred \$3,860,000 of federally taxable non-electoral debt and \$14,350,000 of tax-exempt non-electoral debt through the issuance of General Obligation Notes Series 2013A and 2013B, respectively. The 2013A Note was issued to finance the payment of a termination payment pursuant to the terms of the Interest Rate Management Agreement related to the 2004 Bonds (the "Swap Agreement") with Lehman Brothers Special Financing, Inc. as a result of Swap Agreement by the Township and the payment of costs of issuing the 2013A Notes. The 2013B Note was issued to finance the advance refunding of a portion of the Township's General Obligation Bonds, Series of 2004 and the payment of the costs of issuing the 2013B Notes. The Township has deposited a sum of \$14,873,507 with an escrow Agent to be held until maturity on July 15, 2014. The reacquisition price exceeded the net carrying amount of the old debt by \$2,735,206. This amount is being amortized over the remaining life of the new debt, which was the same as the life of the refunded debt. The advance refunding was undertaken to reduce total debt service payments by \$1,752,129 and resulted in an economic gain of \$1,199,948.

The 2013 Notes have varying maturities from January 2014 to July 2034 with interest being paid semiannually, January 15 and July 15. The interest rates of the Notes range between .607% and 4.00%.

The following is a summary of changes in long-term obligations:

	Year of Final Maturity	Original Issue Amount	Balance January 1, 2013	2013 Additions	2013 Reductions	Balance December 31, 2013	Due Within One Year
Governmental Activities:							
General Obligation Debt							
2004 Issue - 2.50% - 5.00%	2034	\$ 17,195,000	\$ 14,585,000	\$ -	\$ (14,585,000)	\$ -	\$ -
2009 Issue - 1.00% - 3.70%	2026	7,695,000	6,465,000	-	(510,000)	5,955,000	530,000
2010 Issue - 1.50% - 4.00%	2024	13,735,000	10,635,000	-	(1,600,000)	9,035,000	1,645,000
2012 Issue - 1.50% - 4.00%	2037	16,360,000	16,355,000	-	(30,000)	16,325,000	30,000
2013 Issue - .607% - 4.00%	2034	18,210,000	-	18,210,000	-	18,210,000	290,000
Add/Less Deferred Amounts							
For Issuance Discount/Premium			571,359	673,901	(509,710)	735,550	-
Loss On Refunding			(161,983)	(2,735,206)	136,037	(2,761,152)	-
Total General Obligation Debt			48,449,376	16,148,695	(17,098,673)	47,499,398	2,495,000
Compensated Absences			2,580,243	1,147,866	(737,142)	2,990,967	929,486
Total Governmental Activities			\$ 51,029,619	\$ 17,296,561	\$ (17,835,815)	\$ 50,490,365	\$ 3,424,486

Debt service for general obligation bonds is funded primarily from real estate taxes. Compensated absences attributable to governmental activities are generally liquidated by the General Fund. Other postemployment benefits costs attributed to governmental activities are also generally liquidated by the General Fund.

At December 31, 2013, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the "Act") was approximately \$127,545,000 for non-electoral debt. After deducting the non-electoral debt outstanding of \$43,570,000, the Township's remaining borrowing capacity as of December 31, 2013, was approximately \$83,975,000 for non-electoral debt. Electoral debt (i.e., debt approved by the Township voters) is not subject to any statutory borrowing limit under the Act.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 7 LONG-TERM DEBT (CONTINUED)

The following is a schedule of aggregate principal and interest payments for each of the next five years and each five-year period thereafter for all long-term debt except for the net OPEB obligation and compensated absences:

	General Obligation		Total
	Principal	Interest	
2014	\$ 2,495,000	\$ 1,683,097	\$ 4,178,097
2015	2,635,000	1,542,590	4,177,590
2016	2,190,000	1,477,503	3,667,503
2017	2,230,000	1,434,869	3,664,869
2018	2,015,000	1,396,796	3,411,796
2019 - 2023	8,880,000	6,259,588	15,139,588
2024 - 2028	9,095,000	4,728,691	13,823,691
2029 - 2033	10,485,000	3,113,941	13,598,941
2034 - 2037	9,500,000	960,000	10,460,000
Total	\$ 49,525,000	\$ 22,597,075	\$ 72,122,075

NOTE 8 DEFINED BENEFIT PENSION PLANS

Plan Description

The Township contributes to two single-employer defined benefit plans (the "Plans"), one for police employees and one for civilian employees. The Plans are presented in the statement of net position and the statement of changes in net position of the fiduciary funds. The Plans are governed by the Board which may amend plan provisions, and which is responsible for the management of Plan assets. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained at the Township's administrative offices.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

The following table provides information concerning types of covered employees and benefit provisions for each of the Township's Plans, from the January 1, 2013 actuarial valuation:

	Police	Civilian
Covered Employees	All Regular, Full-Time Sworn Police Officers	All Regular Full-Time Employees, Excluding Sworn Police Officers
Number of Covered Active Employees	36	82
Number of Persons Receiving Benefits: Retired Employees and Beneficiaries	48	58
Terminated Employees Vested but not Receiving Benefits	2	16
Current Annual Covered Payroll	\$3,894,876	\$5,532,691
Required Employee Contributions	5% of Eligible Salary, Currently Reduced to 3% of Eligible Salary	5% of Eligible Salary
Normal Retirement Date	After 50th Birthday and 25 Years of Service or after 60th Birthday and 20 Years of Service	After 62nd Birthday and 5 Years of Service
Retirement Benefit	A monthly benefit equal to 50% of the final monthly average salary plus a service increment of \$100 per month for each completed year of service in excess of 15 years up to a maximum increase of \$500.	A monthly benefit equal to 50% of total pay averaged over the final 36 months of employment, reduced by 1/20 for each year of service less than 20 full years.
Early Retirement Date	Completion of 20 years of service.	Age 55 and the completion of 15 years of service.
Early Retirement Benefit	Accrued benefit at date of termination, payable at normal retirement date. benefit may be elected immediately but will be actuarially reduced for early commencement.	If eligible (see above), the accrued benefit at date of actual retirement is payable at normal retirement. Benefit may be elected immediately, but will be actuarially reduced for early commencement.
Pre-Retirement Death Benefit	A monthly benefit equal to 100% of the participant's retirement benefits.	Before 10 years of service, the beneficiary receives a refund of employee contributions with interest. After 10 years of service, the actuarial equivalent of the participant's accrued benefit payable for 120 months starting when the Participant would have attained age 62.
Postretirement Death Benefit	The form of benefit payment in force for such Participant at the time death occurs.	The Form of benefit payment in force for such Participant at the time of death occurs.

The benefit provisions of the Township's Plans are established by and may be amended by Township ordinances in compliance with collective bargaining agreements.

Summary of Significant Accounting Policies – Basis of Accounting

The two Plans' financial statements are prepared on the accrual basis of accounting. Contributions and pension payments are recognized in the period that they are due for both Plans.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies – Valuation of Investments

Plan investments are listed at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value.

Contributions

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (“MMO”), which is based on the Plans’ biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

Employees are required to contribute a percentage of covered payroll (3% for Police, 5% for civilian). This contribution is governed by the Plans’ governing ordinances and collective bargaining. Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plans and funded through the MMO and/or plan earnings.

Annual Pension Cost and Net Pension Obligation (Asset)

The Township’s annual pension cost (“APC”) and net pension obligation (“NPO”) to each of the Township’s Public Employees’ Retirement System (“PERS”) for the current year were as follows:

	<u>Police</u>	<u>Civilian</u>
Annual Required Contribution ("ARC")	\$ 1,730,673	\$ 1,779,371
Interest on NPO	(34,273)	(12,241)
Adjustment to the ARC	<u>75,258</u>	<u>18,989</u>
Annual Pension Cost ("APC")	1,771,658	1,786,119
Contributions Made	<u>3,212,915</u>	<u>3,214,693</u>
Increase in Net Pension Asset	(1,441,257)	(1,428,574)
Net Pension Obligation (Asset) - Beginning of Year	<u>(456,972)</u>	<u>(163,219)</u>
Net Pension Obligation (Asset) - End of Year	<u>\$ (1,898,229)</u>	<u>\$ (1,591,793)</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Annual Pension Cost and Net Pension Obligation (Asset) (Continued)

The annual required contribution for each of the Plans for the current year was determined as part of the January 1, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return and (b) projected salary increases of 5.0% per year which includes inflation at 3.0% per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. As of January 1, 2013, the Police and Civilian unfunded actuarial accrued liability is being amortized over 13 and 12 years, respectively. The amortization method was level dollar for both plans and the period was closed for both plans.

The 2013 valuation reflects a 20% end of service bump for the police cost in order to fund the anticipated pension increases.

The Township's APC, percentage of APC contributed, and NPO for each of the Township's PERS for the current year and each of the two preceding years were as follows:

<u>Years Ended December 31,</u>	<u>Police APC</u>	<u>Civilian APC</u>	<u>Police % Contributed</u>	<u>Civilian % Contributed</u>	<u>Police NPO</u>	<u>Civilian NPO</u>
2011	\$ 851,298	\$ 1,255,006	96.6%	99.8%	\$ (333,103)	\$ (10,243)
2012	886,549	1,282,335	114.0%	111.9%	(456,972)	(163,219)
2013	1,771,658	1,786,119	181.4%	180.0%	(1,898,229)	(1,591,793)

Investments that Represent Five Percent or More of Plan Net Position

At December 31, 2013, the Plan had no investments (other than those issued by the U.S. Government or guaranteed by the U.S. Government or those in mutual funds) in any one organization or instrument that represents 5% or more of the Plan Net Position.

Funded Status and Funding Progress

The following is funded status information as of January 1, 2013, the most recent actuarial valuation date (dollars in thousands):

<u>Year</u>	<u>(1) Actuarial Value of Plan Assets</u>	<u>(2) Actuarial Accrued Liability (AAL)</u>	<u>(3) Percentage Funded (1)/(2)</u>	<u>(4) Unfunded (Overfunded) AAL (2) - (1)</u>	<u>(5) Annual Covered Payroll</u>	<u>(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (4)/(5)</u>
Police	\$ 20,409.4	\$ 33,776.9	60.40%	\$ 13,367.5	\$ 3,894.9	343.20
Civilian	\$ 17,265.2	\$ 28,820.1	59.90%	\$ 11,554.9	\$ 5,532.7	208.80

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The Township provides postretirement health care benefits (including hospitalization, surgical, major medical, dental, vision and prescription drugs), in accordance with collective bargaining agreements and Township policy, to all retired employees and their eligible dependents, except civilian employees hired after December 31, 1989. Medical claims for these retirees are paid in full by the Township, in accordance with the health plan's provisions, until age 65. At age 65, Medicare becomes the primary carrier for these employees, and the Township's health plan becomes the secondary carrier (that is, the Township plan pays for claims not initially paid by Medicare).

Retirees eligible for postretirement health care benefits receive the same level of benefits in retirement that they were eligible for as active employees. Plan membership per the January 1, 2012 valuation was 39 police retirees and 56 civilian retirees. As of December 31, 2013, 40 police retirees and 52 civilian retirees are eligible for these postretirement health benefits.

Expenditures for postretirement health care benefits are recognized as claims are paid by the Township in the governmental fund financial statements. In 2013, expenditures of approximately \$1,612,640 were recognized for postretirement health care. No amount was due to the Township nor was any amount reimbursed to the Township by its stop-loss insurance carrier for catastrophic medical expenses for postretirement health care.

The Township also provides life insurance benefits to its retired employees. The amount of life insurance coverage is generally \$25,000 per police retiree and \$35,000 per civilian retiree, but formally dictated by the contract terms in effect at the time of retirement. The premiums are paid entirely by the Township and continue until the retired employee's death or until which time the dividends can be calculated to handle the premium payments. These postretirement life insurance benefits are recognized as expenditures when due in the governmental fund financial statement. At December 31, 2013, 40 police retirees and 52 civilian retirees are eligible for these postretirement life insurance benefits. In 2013, expenditures of approximately \$69,220 were recognized for postretirement life insurance benefits.

Funding Policy

The Township is funding benefits on a pay-as-you-go basis. During 2013, the Township committed \$3,298,097 for future funding and segregated these funds in a separate internal fund. As of December 31, 2013, no separate trust was established for these contributions; therefore they are not recognized as OPEB expenditures in the governmental funds financial statements.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

Annual Required Contribution ("ARC")	\$ 4,588,246
Interest on Net OPEB obligation	676,645
Adjustment to the ARC	<u>(923,117)</u>
Annual OPEB Cost (Expense)	4,341,774
Actual Contributions Made	<u>(1,681,860)</u>
Increase in Net OPEB Obligation	2,659,914
Net OPEB Obligation - Beginning of Year	<u>15,036,546</u>
Net OPEB Obligation - End of Year	<u><u>\$ 17,696,460</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 were as follows:

<u>Years Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 5,067,023	33.38%	\$ 12,889,206
2012	4,128,126	47.98%	15,036,546
2013	4,341,774	38.74%	17,696,460

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$52,142,879. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$9,783,000 and the ratio of the UAAL to the covered payroll was 533 percent.

Annual OPEB Cost and Net OPEB Obligation

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. However, because the Township maintains no Plan assets, information relative to Plan asset disclosures is not applicable.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the actuarial valuation dated January 1, 2012, the Entry Age Normal Actuarial Cost Method was used. Because the Township funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4.5% discount rate, which approximates the expected rate of return on non-pension investments held by the Township. Actuarial assumptions also included a declining scale starting with a 7.5% increase for each year from 2010 to 2013, with the rate of increase decreasing by $\frac{1}{4}\%$ each year thereafter to 5% for 2018 and later, except for Dental premiums. For Dental premiums, the actuarial assumption is a constant 3% increase per year. The UAAL is being amortized as a level dollar amount over thirty years on an open period basis.

NOTE 10 RISK MANAGEMENT

General

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions by elected officials, employees and volunteers; personal injury and illness; and natural disasters. The Township carries various types of commercial insurance to manage these risks of loss. In 2013, these coverages included separate policies for: general liability; public officials liability; police professional liability; vehicular liability; pension fiduciary liability; liquor liability; boiler and machinery; workers compensation; bonds for the Treasurer, Chief Financial Officer, and Assistant Director of Finance; errors and omissions by volunteer fire and ambulance companies; and other policies covering volunteers participating in several different Township-sponsored programs. Premiums for these coverage's are paid directly to the insurers out of the accounts of the General and Sewer Funds. There were no significant reductions in coverage under these policies from the prior year and settlements have not exceeded coverage in the past three years.

Employee Health Benefits Plan

The Township health benefits program is a managed-care program administered by the Delaware Valley Health Insurance Trust (the "DVHIT") for all Township employees and retirees. DVHIT is a regional risk sharing pool providing health insurance benefits to employees and dependants of participating municipalities. DVHIT is established under legal authority granted by the Pennsylvania Intergovernmental Cooperation Law. DVHIT is governed by a Board of Trustees comprised of a representative from each member municipality.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 10 RISK MANAGEMENT (CONTINUED)

Employee Health Benefits Plan (Continued)

Member municipalities are assessed premiums at the beginning of each calendar year based on the specific design of their plan. Any excess funds are returned to the membership via a dividend and/or rate stabilization credits. As of December 31, 2013, the Township earned a rate stabilization credit of \$666,178 of which the Township has chosen not to utilize at this time and instead carryover to a future year.

NOTE 11 RADNOR-HAVERFORD-MARPLE SEWER AUTHORITY

The Radnor-Haverford-Marple Sewer Authority (the "RHM Sewer Authority"), a joint Authority, was incorporated in 1967 by the Townships of Radnor, Haverford and Marple under the provisions of the Municipal Authorities Act of 1945. Presently, the RHM Sewer Authority operates and maintains sewerage collection systems and interceptors to transfer sewerage collected by the incorporating Townships' (and other municipal entities) collection systems for eventual treatment and disposal by the City of Philadelphia.

Under an agreement dated June 1, 1968, the Township is obligated to pay its proportionate share of the RHM Sewer Authority operating, maintenance and debt service costs. The Township's proportionate share of the applicable costs is based on metered flows into the RHM Sewer Authority system. As of December 31, 2012, the Township accounted for approximately forty-four percent of the flows received by the RHM Sewer Authority. During 2013, the Township paid the RHM Sewer Authority \$3,340,685 from the Township's Sewer Fund.

Summarized financial information for the RHM Sewer Authority as of December 31, 2012 and for the year then ended (the most recently available information) is shown below:

Cash and Investments	\$ 6,620,896
Receivables	353
Plant in Service	556,009
Other Assets	<u>1,079,809</u>
Total Assets	<u>\$ 8,257,067</u>
Liabilities	\$ 2,861,903
Equity	<u>5,395,164</u>
Total Liabilities and Equity	<u>\$ 8,257,067</u>
Total Revenues	<u>\$ 7,634,235</u>
Total Expenses	<u>\$ 7,437,450</u>

Audited financial statements for the RHM Sewer Authority are available from the RHM Sewer Authority, 600 Glendale Road, Havertown, PA 19083.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 12 DEFERRED COMPENSATION PLANS

The Township offers all full-time employees the option to participate in deferred compensation plans created in accordance with the Internal Revenue Code Section 457. The Plans permit the employees to voluntarily defer a percentage of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries. The compensation deferred is managed by outside Trustees under various investment options. As a result, the financial statements of the deferred compensation plans are excluded from the accompanying financial statements.

NOTE 13 COMMITMENTS AND CONTINGENCIES

In the normal course of business there are various claims and suits pending against the Township. In the opinion of management and counsel, the amount of such losses that might result from these claims and suits, if any, would not materially affect the financial condition of the Township.

RHM Sewer Authority

As described in Note 11, the Township is obligated to pay its proportionate share of the applicable costs of the RHM Sewer Authority. The RHM Sewer Authority expects to be named as a potentially responsible party by the United States Environmental Protection Agency ("EPA") in the future with respect to the Lower Darby Creek Area Superfund Site consisting of the Clearview Landfill, Folcroft Landfill and Folcroft Landfill Annex. The EPA has reason to believe that hazardous wastes generated at locations owned or operated by the RHM Sewer Authority may have been transported to and disposed of at the Superfund Site. In the event that the RHM Sewer Authority is subsequently named as a potentially responsible party, it is likely that the RHM Sewer Authority will be expected to participate in, pay for or otherwise contribute to the cost of assessment and remediation of the hazardous wastes at the Superfund Site. It is not possible to estimate the amount of such liability at this time.

Under an agreement, which expires in 2017, between RHM Sewer Authority and Darby Creek Joint Authority ("DCJA"), RHM Sewer Authority agrees to pay DCJA a yearly service charge in connection with operating costs and interceptor maintenance costs. DCJA's operating costs are directly related to the service charges it incurs from Delaware County Regional Authority ("DELCORA") under an agreement it has with DELCORA. Furthermore, DELCORA's operating costs are directly related to the service charges it incurs from the City of Philadelphia ("Philadelphia") under an agreement it has with Philadelphia. DELCORA is in contract renewal negotiations with Philadelphia. Such negotiations are expected to be completed by 2014. DELCORA is expecting significant increases in the service charges it incurs from Philadelphia.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

RHM Sewer Authority (Continued)

Due to the uncertainty surrounding DELCORA's negotiations with Philadelphia, RHM Sewer Authority expects to incur significantly higher service charges in future years. RHM Sewer Authority may be required to upgrade its sewer infrastructure and share in the cost of certain downstream improvements by DCJA.

In addition, RHM Sewer Authority may consider constructing a parallel interceptor sewer, in future years, to alleviate capacity limitations in related existing segments downstream.

Agreement for Purchase

In December of 2013, the Township negotiated and approved an agreement for the purchase of 71 acres of open space in Radnor Township for \$11,653,820. In 2006 the voters of the Township approved a referendum authorizing the Township to sell bonds for the purchase of open space and the maintenance of recreational facilities. The purchase of this property is initially contingent upon the development plan being approved by the Board and followed by several other contingency points. In the event that the contingencies cannot be achieved or obtained prior to January 31, 2016, the agreement will automatically terminate.

NOTE 14 ACCOUNTING STANDARDS ADOPTED

For the year ending December 31, 2013, the Township adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board: GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (GASB 61); GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65); and GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62* (GASB 66). The adoption of GASB 61 and GASB 66 had no impact on the Township's financial statements.

GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The adoption of this standard requires the retroactive restatement of the financial statements. On the December 31, 2012 Statement of Net Assets, the Township presented unamortized bond issuance costs of \$957,214. GASB 65 requires the debt issuance costs to be recognized as an expense in the period incurred. As a result, the net asset balances as of January 1, 2013 have been restated as net position in the government-wide financial statements as follows:

Net Assets, Beginning of Year, as Previously Reported	\$ (6,461,064)
Cumulative Effect of Adoption of New Accounting Standard, GASB 65	<u>(957,214)</u>
Net Position, Beginning of Year, as Restated	<u><u>\$ (7,418,278)</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 15 NEW ACCOUNTING STANDARDS

GASB Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67), will be effective for the Township for the year ended as of December 31, 2014. This Statement revised and replaces Statement No. 25, *Financial Reporting for Defined Pension Plans and Note Disclosures for Defined Contributions Plans*, as well as Statement No. 50, *Pension Disclosures* as they related to governmental pension plans that are administered as trusts or equivalent arrangements that meet certain criteria. This Statement establishes standards for financial reporting that outlines the basic framework for separately issued financial reports and specifies the required approach to measuring the liability of employers and certain non-employer contributing entities, about which information is required to be disclosed.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), will be effective for the Township for the year ended as of December 31, 2015. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pensions that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement establishes a definition of a pension plan that reflects primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The adoption of this statement will require that the unfunded pension liability be recorded as a deferred inflow of resources on the entity-wide financial statements.

Management has performed an analysis of the effect of the adoption of this statement as of December 31, 2013. The following shows the changes in the statement of net position assuming adoption.

	December 31, 2013	December 31, 2013
	<u>As Reported</u>	<u>Assuming GASB 68</u>
Assets		
Other Assets	\$ 26,173,278	\$ 26,173,278
Pension Assets	3,490,022	-
Capital Assets	<u>43,086,160</u>	<u>43,086,160</u>
Total Assets	72,749,460	69,259,438
Deferred Outflow of Resources	<u>2,761,152</u>	<u>2,761,152</u>
Liabilities		
Accounts Payable and Accrued Liabilities	1,663,699	1,663,699
Noncurrent Liabilities		
Due Within 1 Year	3,424,486	3,424,486
Due in More than 1 Year	49,827,028	49,827,028
Other Post Employment Benefits	<u>17,696,460</u>	<u>17,696,460</u>
Total Liabilities	72,611,673	72,611,673
Deferred Inflow of Resources		
Net Pension Liability (GASB 68)	<u>-</u>	<u>18,746,913</u>
Net Position		
Invested in Capital Assets	6,428,593	6,428,593
Restricted	5,399,445	5,399,445
Unrestricted	<u>(8,929,099)</u>	<u>(31,166,034)</u>
Total Net Position	<u>\$ 2,898,939</u>	<u>\$ (19,337,996)</u>

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS – POLICE AND CIVILIAN PENSION PLANS
(DOLLARS IN THOUSANDS)**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Percentage Funded (1)/(2)	(4) Unfunded (Overfunded Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Accrued Liability as a Percentage of Covered Payroll (4)/(5)
Police PERS:						
January 1, 2007	\$ 21,420.3	\$ 22,743.6	94.18	\$ 1,323.3	\$ 3,649.1	36.26
2009	21,465.9	25,188.3	85.22	3,722.4	4,063.2	91.61
2011	20,232.8	30,370.7	66.60	10,137.9	3,883.1	261.10
2013	20,409.4	33,776.9	60.40	13,367.5	3,894.9	343.20
Civilian PERS:						
January 1, 2007	\$ 16,096.1	\$ 19,523.5	82.40	\$ 3,427.4	\$ 6,747.7	50.80
2009	16,702.3	25,298.7	66.02	8,596.4	6,399.7	134.33
2011	15,897.2	27,881.7	57.00	11,984.4	5,899.8	203.10
2013	17,265.2	28,820.1	59.90	11,554.9	5,532.7	208.80

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS –
 POLICE AND CIVILIAN PENSION PLANS
 SIX YEARS ENDED DECEMBER 31, 2013**

Year Ended December 31,	Police Annual Required Contribution	Civilian Annual Required Contribution	Police Percentage Contributed	Civilian Percentage Contributed
2008	\$ 522,000	\$ 840,000	100.00%	100.00%
2009	534,000	881,500	100.00%	100.00%
2010	558,404	717,342	100.00%	100.00%
2011	822,301	1,252,960	100.00%	100.00%
2012	855,232	1,280,125	118.00%	112.00%
2013	1,730,673	1,779,371	186.00%	180.70%

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
POLICE AND CIVILIAN PENSION PLANS**

The information presented in the required supplementary information was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation for each plan follows:

	Police	Civilian
Valuation Date	1/1/2013	1/1/2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, Closed	Level Dollar, Closed
Remaining Amortization Period	13 Years	12 Years
Asset Valuation Method	4-Year Smoothing	4-Year Smoothing
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Projected Salary Increases *	5.00%	5.00%

* Includes Inflation at 3.0%

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS –
 OTHER POSTEMPLOYMENT BENEFITS PLAN
 YEAR ENDED DECEMBER 31, 2013**

Schedule of Funding Progress (Dollars in Thousands):

Actuarial Valuation Date January 1,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Percentage Funded (1)/(2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) – (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2008	\$ -	\$ 45,807	0%	\$ 45,807	\$ 10,842	422%
2010	-	54,491	0%	\$ 54,491	9,658	564%
2012	-	52,143	0%	\$ 52,143	9,783	533%

Year Ended December 31,	Annual Required Contribution	Percentage Contributed	
2010	\$ 5,222,966	35.50%	
2011	5,222,966	37.23%	
2012	4,588,246	43.17%	
2013*	4,588,246	36.66%	*

Actuarial Methods and Assumptions:

Amortization Method	Level Dollar, Open
Remaining Amortization Period	30
Actuarial Assumptions:	
Investment	4.5%

* The Township is funding benefits on a pay-as-you-go basis. During 2013, the Township committed \$3,298,097 for future funding and segregated these funds in a separate internal fund. As of December 31, 2013, no separate trust was established for these contributions; therefore they are not recognized as OPEB expenditures in the governmental funds financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Real Estate Taxes	\$ 11,681,269	\$ 11,681,269	\$ 11,836,596	\$ 155,327
Taxes Levied Under Local Tax Enabling Act	10,073,231	10,073,231	11,054,649	981,418
Licenses and Permits	2,659,227	2,659,227	2,790,072	130,845
Fines, Forfeits and Costs	791,300	791,300	615,389	(175,911)
Interest and Rents	202,090	202,090	209,959	7,869
Grants and Gifts	1,400,486	1,400,486	1,531,858	131,372
Departmental Earnings	1,929,937	1,929,937	1,552,914	(377,023)
Refunds and Miscellaneous	271,214	271,214	326,177	54,963
Total Revenues	<u>29,008,754</u>	<u>29,008,754</u>	<u>29,917,614</u>	<u>908,860</u>
Expenditures				
Current:				
General Government	2,239,128	2,309,642	2,221,996	87,646
Protection to Persons and Property	9,502,517	9,621,286	9,534,166	87,120
Public Works	6,594,698	6,816,480	7,028,493	(212,013)
Library	846,790	847,090	849,850	(2,760)
Parks and Recreation	2,641,845	2,701,713	2,526,504	175,209
Other - Nondepartmental (Employee Benefits, Insurance, Contributions and Miscellaneous)	2,434,450	2,580,888	3,781,527	(1,200,639)
Total Expenditures	<u>24,259,428</u>	<u>24,877,099</u>	<u>25,942,536</u>	<u>(1,065,437)</u>
Excess of Revenues over (under) Expenditures	4,749,326	4,131,655	3,975,078	(156,577)
Other Financing Uses				
Operating Transfers Out	(3,509,106)	(3,509,106)	(3,996,361)	(487,255)
Total Other Financing Uses	<u>(3,509,106)</u>	<u>(3,509,106)</u>	<u>(3,996,361)</u>	<u>(487,255)</u>
Net Change in Fund Balance	1,240,220	622,549	(21,283)	(643,832)
Fund Balance - Beginning of Year (Budgetary Basis)	<u>8,096,582</u>	<u>8,096,582</u>	<u>8,096,582</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 9,336,802</u>	<u>\$ 8,719,131</u>	8,075,299	<u>\$ (643,832)</u>
Non-GAAP Budgetary Basis Reconciliation				
Add Other Unbudgeted General Funds Ending Fund Balance:				
\$8 Million Settlement Fund			4,034,143	
OPEB Fund			3,298,341	
Fund Balance - General Fund - End of Year (GAAP Basis)			<u>\$ 15,407,783</u>	

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – SEWER FUND
YEAR ENDED DECEMBER 31, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Rents	\$ 4,545	\$ 4,545	\$ 15,694	\$ 11,149
Departmental Earnings	4,964,708	4,964,708	5,032,183	67,475
Refunds and Miscellaneous	21,946	21,946	16,256	(5,690)
Total Revenues	<u>4,991,199</u>	<u>4,991,199</u>	<u>5,064,133</u>	<u>72,934</u>
Expenditures				
Current:				
Health and Sanitation	<u>4,614,204</u>	<u>4,658,368</u>	<u>4,881,441</u>	<u>(223,073)</u>
Total Expenditures	<u>4,614,204</u>	<u>4,658,368</u>	<u>4,881,441</u>	<u>(223,073)</u>
Excess of Revenues over (under) Expenditures	376,995	332,831	182,692	(150,139)
Other Financing Uses				
Operating Transfers Out	<u>(376,995)</u>	<u>(376,995)</u>	<u>(376,995)</u>	<u>-</u>
Total Other Financing Uses	<u>(376,995)</u>	<u>(376,995)</u>	<u>(376,995)</u>	<u>-</u>
Net Change in Fund Balance	-	(44,164)	(194,303)	(150,139)
Fund Balance - Beginning of Year (Budgetary Basis)	<u>2,458,811</u>	<u>2,458,811</u>	<u>2,458,811</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u><u>\$ 2,458,811</u></u>	<u><u>\$ 2,414,647</u></u>	<u><u>\$ 2,264,508</u></u>	<u><u>\$ (150,139)</u></u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES
DECEMBER 31, 2013**

The budgets presented in the required supplementary information are prepared on the budgetary basis which is the modified accrual basis of accounting.

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**ADDITIONAL
SUPPLEMENTARY
INFORMATION**

**TOWNSHIP OF RADNOR, PENNSYLVANIA
GENERAL FUND
DECEMBER 31, 2013**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, taxes levied under the Local Enabling Tax Act (Act 511), licenses and permits, grants and gifts and departmental earnings. Many of the important activities of the Township are accounted for in this Fund, including police and fire protection, community development, health, solid waste collection, street and highway maintenance, library, parks and recreation and general governmental administration. The General Fund balances include the \$8 Million Settlement Fund and the OPEB Reserve Fund. These two funds do not have adopted budgets and have been removed from the budget and actual statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Real Estate Taxes	\$ 11,681,269	\$ 11,681,269	\$ 11,836,596	\$ 155,327
Taxes Levied under Local Tax Enabling Act:				
Real Estate Transfer	1,711,742	1,711,742	2,580,929	869,187
Mercantile	745,210	745,210	716,109	(29,101)
Business Privilege	6,689,671	6,689,671	6,825,894	136,223
Emergency and Municipal Services	889,608	889,608	896,713	7,105
Amusement	37,000	37,000	35,004	(1,996)
Total Taxes Levied under Local Tax Enabling Act	10,073,231	10,073,231	11,054,649	981,418
Licenses and Permits:				
Beverage	9,000	9,000	9,600	600
Building, Electrical and Plumbing	1,324,450	1,324,450	1,266,638	(57,812)
Public Works and Engineering	405,607	405,607	528,922	123,315
Rental Housing	160,000	160,000	160,254	254
Health and Fire Prevention	65,600	65,600	73,868	8,268
Subdivision, Design and Zoning	21,056	21,056	18,650	(2,406)
Cable TV Franchise	618,718	618,718	653,764	35,046
Certificate of Occupancy	51,708	51,708	71,276	19,568
Sewage Enforcement	3,088	3,088	7,100	4,012
Total Licenses and Permits	2,659,227	2,659,227	2,790,072	130,845
Fines and Forfeits:				
Fines Levied by Police	560,100	560,100	420,098	(140,002)
Fines Levied by District Justice	231,200	231,200	195,291	(35,909)
Total Fines and Forfeits	791,300	791,300	615,389	(175,911)
Interest and Rents:				
Interest Earned on Investments	64,475	64,475	82,657	18,182
Other	137,615	137,615	127,302	(10,313)
Total Interest and Rents	202,090	202,090	209,959	7,869
Revenues - Forward	\$ 25,407,117	\$ 25,407,117	\$ 26,506,665	\$ 1,099,548

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues - Forward	\$ 25,407,117	\$ 25,407,117	\$ 26,506,665	\$ 1,099,548
Grants and Gifts - Other Federal and State	1,400,486	1,400,486	1,531,858	131,372
Departmental Earnings:				
Parking Meter Fees	406,500	406,500	432,837	26,337
Police Extra Duty and Alarm Fees	468,247	468,247	356,513	(111,734)
Recreational Program Fees	645,190	645,190	517,162	(128,028)
RECT Fees	3,500	3,500	26,160	22,660
Other	406,500	406,500	220,242	(186,258)
Total Departmental Earnings	<u>1,929,937</u>	<u>1,929,937</u>	<u>1,552,914</u>	<u>(377,023)</u>
Refunds and Miscellaneous:				
Sale of Recycled Materials	71,029	71,029	10,812	(60,217)
Insurance Refunds	-	-	10,000	10,000
Other	200,185	200,185	305,365	105,180
Total Refunds and Miscellaneous	<u>271,214</u>	<u>271,214</u>	<u>326,177</u>	<u>54,963</u>
Total Revenues and Other Financing Sources	<u><u>\$ 29,008,754</u></u>	<u><u>\$ 29,008,754</u></u>	<u><u>\$ 29,917,614</u></u>	<u><u>\$ 908,860</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General Government:				
Administration	\$ 828,404	\$ 887,470	\$ 838,084	\$ 49,386
Finance	1,082,508	1,090,748	1,066,997	23,751
Tax Collection	42,457	42,753	39,852	2,901
Information Technology	285,759	288,671	277,063	11,608
Total General Government	2,239,128	2,309,642	2,221,996	87,646
Protection to Persons and Property:				
Community Development	1,076,817	1,112,508	985,061	127,447
Police Protection	7,712,200	7,779,371	7,744,576	34,795
Fire Protection	713,500	724,872	804,283	(79,411)
Emergency Management	-	4,535	246	4,289
Total Protection to Persons and Property	9,502,517	9,621,286	9,534,166	87,120
Public Works:				
Solid Waste Collection	2,753,275	2,781,029	2,606,748	174,281
Engineering	455,169	458,165	910,568	(452,403)
Streets and Highways:				
General Services	2,060,834	2,161,830	2,205,678	(43,848)
Street Cleaning	10,000	14,000	3,520	10,480
Snow and Ice Removal	106,000	106,000	151,938	(45,938)
Traffic Signals and Signs	75,500	128,522	74,251	54,271
Street Lighting	246,000	251,748	225,334	26,414
Curbs and Sidewalks	4,000	6,139	8,622	(2,483)
Storm Sewers, Drainage	6,000	9,089	8,026	1,063
Repairs, Tools and Machinery	364,511	369,251	365,117	4,134
Road Maintenance and Repairs	18,000	18,000	15,367	2,633
Township Buildings	495,409	512,707	453,324	59,383
Total Public Works	6,594,698	6,816,480	7,028,493	(212,013)
Library	846,790	847,090	849,850	(2,760)
Expenditures - Forward	\$ 19,183,133	\$ 19,594,498	\$ 19,634,505	\$ (40,007)

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Expenditures - Forward	\$ 19,183,133	\$ 19,594,498	\$ 19,634,505	\$ (40,007)
Parks and Recreation:				
Administration	380,363	381,618	346,542	35,076
Parks Maintenance	1,693,641	1,728,222	1,659,978	68,244
Shade Trees	41,950	51,360	89,184	(37,824)
Recreation Programs	446,591	460,371	404,443	55,928
Sulpizio Gym	79,300	80,142	26,357	53,785
Total Parks and Recreation	<u>2,641,845</u>	<u>2,701,713</u>	<u>2,526,504</u>	<u>175,209</u>
Other - Nondepartmental:				
Contributions to Agencies	252,176	252,176	292,762	(40,586)
Pension Plan Contributions	-	-	1,433,573	(1,433,573)
Workers' Compensation, Liability and Unemployment Insurance	359,969	506,407	363,948	142,459
Group Life and Disability Insurance	104,342	104,342	69,221	35,121
Employee Health Benefits and Prescription Drug Claims	1,712,963	1,712,963	1,612,639	100,324
Other	5,000	5,000	9,384	(4,384)
Total Other - Nondepartmental	<u>2,434,450</u>	<u>2,580,888</u>	<u>3,781,527</u>	<u>(1,200,639)</u>
Total Expenditures	24,259,428	24,877,099	25,942,536	(1,065,437)
Other Financing Uses:				
Operating Transfers Out	3,509,106	3,509,106	3,996,361	(487,255)
Total Other Financing Uses	<u>3,509,106</u>	<u>3,509,106</u>	<u>3,996,361</u>	<u>(487,255)</u>
Total Expenditures and Other Financing Uses	<u>\$ 27,768,534</u>	<u>\$ 28,386,205</u>	<u>\$ 29,938,897</u>	<u>\$ (1,552,692)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Debt Repayment Agreements	\$ 147,265	\$ 147,265	\$ 60,179	\$ (87,086)
Total Revenues	147,265	147,265	60,179	(87,086)
Expenditures				
Debt Service:				
Principal Retirement	2,540,000	2,540,000	2,540,000	-
Interest	1,839,079	1,839,079	1,845,484	(6,405)
Bond Issue Costs	-	-	197,034	(197,034)
Miscellaneous Expenses	-	-	123,637	(123,637)
Total Expenditures	4,379,079	4,379,079	4,706,155	(327,076)
Excess of Revenues over (under) Expenditures	(4,231,814)	(4,231,814)	(4,645,976)	(414,162)
Other Financing Sources				
Proceeds from Refunding Bonds	-	-	18,210,000	18,210,000
Premium from Refunding Bonds	-	-	673,901	673,901
Payment to Refunded Bond Escrow Agent	-	-	(18,680,462)	(18,680,462)
Operating Transfers In	4,231,814	4,231,814	4,231,814	-
Total Other Financing Sources	4,231,814	4,231,814	4,435,253	203,439
Net Change in Fund Balance	-	-	(210,723)	(210,723)
Fund Balance - Beginning of Year (Budgetary Basis)	1,656,758	1,656,758	1,656,758	-
Fund Balance - End of Year (Budgetary Basis)	\$ 1,656,758	\$ 1,656,758	\$ 1,446,035	\$ (210,723)

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MAJOR CAPITAL PROJECT FUNDS WITH LEGALLY ADOPTED BUDGET
YEAR ENDED DECEMBER 31, 2013**

Capital projects funds are used to account for financial resources intended to be used for the acquisition, construction or reconstruction of Township assets and facilities. Resources of the capital projects funds are derived primarily from bond proceeds contributions and grants.

- The Capital Improvements Fund is a major capital projects fund, with a legally adopted budget. The capital improvements fund is to be used for various capital acquisitions and improvements of the Township.

- The Special Assessment Fund is a capital projects fund, with a legally adopted budget. The special assessment fund is used to account for financial resources to be used for installing sanitary sewers, sidewalks and curbing in the Township. This fund also accounts for the collection for special assessment taxes levied to finance public improvements or services deemed to benefit the properties assessed. Special assessment taxes are primarily used to finance the improvements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 1,260	\$ 1,260	\$ 7,503	\$ 6,243
Refunds and Miscellaneous	46,177	46,177	171,948	125,771
Total Revenues	<u>47,437</u>	<u>47,437</u>	<u>179,451</u>	<u>132,014</u>
Expenditures				
Current:				
Capital Outlay	2,056,642	1,255,260	1,082,351	172,909
Total Expenditures	<u>2,056,642</u>	<u>1,255,260</u>	<u>1,082,351</u>	<u>172,909</u>
Excess of Revenues over (under) Expenditures	(2,009,205)	(1,207,823)	(902,900)	304,923
Other Financing Uses				
Operating Transfers In	275,000	275,000	855,120	580,120
Total Other Financing Uses	<u>275,000</u>	<u>275,000</u>	<u>855,120</u>	<u>580,120</u>
Net Change in Fund Balance	(1,734,205)	(932,823)	(47,780)	885,043
Fund Balance - Beginning of Year (Budgetary Basis)	<u>1,773,004</u>	<u>1,773,004</u>	<u>1,773,004</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 38,799</u>	<u>\$ 840,181</u>	<u>\$ 1,725,224</u>	<u>\$ 885,043</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – SPECIAL ASSESSMENT FUND
YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest and Rents	\$ 22,404	\$ 22,404	\$ 19,849	\$ (2,555)
Departmental Earnings	36,134	36,134	32,853	(3,281)
Total Revenues	<u>58,538</u>	<u>58,538</u>	<u>52,702</u>	<u>(5,836)</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	58,538	58,538	52,702	(5,836)
Other Financing Uses				
Operating Transfers Out	<u>(58,538)</u>	<u>(58,538)</u>	<u>(58,538)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(58,538)</u>	<u>(58,538)</u>	<u>(58,538)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(5,836)	(5,836)
Fund Balance - Beginning of Year	<u>92,640</u>	<u>92,640</u>	<u>92,640</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 92,640</u>	<u>\$ 92,640</u>	<u>\$ 86,804</u>	<u>\$ (5,836)</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013**

The Township's nonmajor funds are as follows:

Special Revenue Funds

Account for the proceeds of specific revenue sources (other than special assessments, expandable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

- Park Improvements and Open Space Fund derive revenues from the realty transfer tax to fund park development and future land acquisitions for parks and open space.
- The State Liquid Fuels Tax Fund, as required by state law, accounts for receipts from State Motor License Fund (gasoline tax distribution, etc.) and the transfer of funds to the General Fund to cover allowable highway-related expenditures.
- The Storm Water Management Fund accounts for the costs associated with operating, repairing, maintaining, improving and/or replacing Township owned storm water management systems and infrastructure, including the accounting for the Storm Water Quality Utility Program. The fund was established to account for the Township's Storm Water Management program, increasing the accountability, reporting capability, transparency and proper segregation of resources, specifically dedicated to Storm Water Management.
- The Commemorative Shade Tree Fund derives its revenues from contributions, escrows, fines and/or penalties assessed as a result of improper tree removal situations to be used for planting trees.
- The Trail Grant Fund will be used to account for the activity associated with approved grants in accordance with the grant requirements that the Township deposit the funds into segregated interest bearing accounts.
- The Police K9 Fund derives its revenues from donations and sponsorships to fund the purchase of K9 bomb/patrol dogs, equipment, and training.

TOWNSHIP OF RADNOR, PENNSYLVANIA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Park Improvements and Open Space	State Liquid Fuels Tax	Storm Water	Commemorative Shade Tree Fund	Grant Fund	Police K-9 Fund	Total Nonmajor Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 591,386	\$ 687,328	\$ 1,240,668	\$ 49,409	\$ 38,758	\$ 36,970	\$ 2,644,519
Investments	398,521	-	-	-	-	-	398,521
Receivables, Net:							
Other	60,524	-	-	-	-	-	60,524
Total Assets	<u>\$ 1,050,431</u>	<u>\$ 687,328</u>	<u>\$ 1,240,668</u>	<u>\$ 49,409</u>	<u>\$ 38,758</u>	<u>\$ 36,970</u>	<u>\$ 3,103,564</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	\$ -	\$ 11,998	\$ -	\$ -	\$ -	\$ 15,600	\$ 27,598
Total Liabilities	-	11,998	-	-	-	15,600	27,598
Fund Balances							
Restricted	1,050,431	675,330	-	-	-	-	1,725,761
Committed	-	-	980,528	-	-	-	980,528
Assigned							
Encumbrances	-	-	260,140	6,800	-	-	266,940
Unassigned							
Other	-	-	-	42,609	38,758	21,370	102,737
Total Fund Balances	<u>1,050,431</u>	<u>675,330</u>	<u>1,240,668</u>	<u>49,409</u>	<u>38,758</u>	<u>21,370</u>	<u>3,075,966</u>
Total Liabilities and Fund Balances	<u>\$ 1,050,431</u>	<u>\$ 687,328</u>	<u>\$ 1,240,668</u>	<u>\$ 49,409</u>	<u>\$ 38,758</u>	<u>\$ 36,970</u>	<u>\$ 3,103,564</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	Park Improvements and Open Space	State Liquid Fuels Tax	Storm Water	Commemorative Shade Tree Fund	Grant Fund	Police K-9 Fund	Total Nonmajor Governmental Funds
Revenues							
Taxes Levied Under Local Tax Enabling Act:							
Realty Transfer Tax	\$ 860,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 860,496
Fines, Forfeits and Costs	-	-	-	4,500	-	-	4,500
Interest and Rents	237	748	364	12	8	3	1,372
Grants and Gifts	-	589,543	-	20,875	28,750	36,967	676,135
Refunds and miscellaneous	-	-	97	-	-	-	97
Total Revenues	<u>860,733</u>	<u>590,291</u>	<u>461</u>	<u>25,387</u>	<u>28,758</u>	<u>36,970</u>	<u>1,542,600</u>
Expenditures							
Protection to Persons and Property	-	-	-	-	-	15,600	15,600
Highways	-	635,226	-	-	-	-	635,226
Storm Water	-	-	174,428	-	-	-	174,428
Parks and Recreation	9,200	-	-	19,420	-	-	28,620
Total Expenditures	<u>9,200</u>	<u>635,226</u>	<u>174,428</u>	<u>19,420</u>	<u>-</u>	<u>15,600</u>	<u>853,874</u>
Excess of Revenues Over (Under) Expenditures	851,533	(44,935)	(173,967)	5,967	28,758	21,370	688,726
Other Financing Sources (Uses)							
Operating Transfers In	-	-	1,230,000	43,442	10,000	-	1,283,442
Operating Transfers Out	(705,991)	39,320	-	-	-	-	(666,671)
Total Other Financing Sources(Uses)	<u>(705,991)</u>	<u>39,320</u>	<u>1,230,000</u>	<u>43,442</u>	<u>10,000</u>	<u>-</u>	<u>616,771</u>
Net Change in Fund Balance	145,542	(5,615)	1,056,033	49,409	38,758	21,370	1,305,497
Fund Balance - Beginning of Year	<u>904,889</u>	<u>680,945</u>	<u>184,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,770,469</u>
Fund Balance - End of Year	<u>\$ 1,050,431</u>	<u>\$ 675,330</u>	<u>\$ 1,240,668</u>	<u>\$ 49,409</u>	<u>\$ 38,758</u>	<u>\$ 21,370</u>	<u>\$ 3,075,966</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – NONMAJOR GOVERNEMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	Park Improvements and Open Space Fund			State Liquid Fuels Tax			Storm Water Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Taxes Levied under Local Tax Enabling Act:									
Realty Transfer Tax	\$ 570,581	\$ 860,496	\$ 289,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, Forfeits and Costs	-	-	-	-	-	-	-	-	-
Interest and Rents	-	237	237	150	748	598	-	364	364
Grants and Gifts	-	-	-	603,472	589,543	(13,929)	-	-	-
Refunds and miscellaneous	-	-	-	-	-	-	-	97	97
Total Revenues	570,581	860,733	290,152	603,622	590,291	(13,331)	-	461	461
Expenditures									
Protection to Persons and Property	-	-	-	-	-	-	-	-	-
Highways	-	-	-	615,622	635,226	(19,604)	-	-	-
Storm Water	-	-	-	-	-	-	-	174,428	(174,428)
Parks and Recreation	-	9,200	(9,200)	-	-	-	-	-	-
Total Expenditures	-	9,200	-	615,622	635,226	(19,604)	-	174,428	(174,428)
Excess of Revenues Over (Under) Expenditures	570,581	851,533	280,952	(12,000)	(44,935)	(32,935)	-	(173,967)	(173,967)
Other Financing Sources (Uses)									
Operating Transfers In	-	-	-	-	-	-	-	1,230,000	(1,230,000)
Operating Transfers Out	(705,991)	(705,991)	-	12,000	39,320	(27,320)	-	-	-
Total Other Financing Sources (Uses)	(705,991)	(705,991)	-	12,000	39,320	(27,320)	-	1,230,000	(1,230,000)
Net Change in Fund Balance	(135,410)	145,542	280,952	-	(5,615)	(60,255)	-	1,056,033	(1,403,967)
Fund Balance - Beginning of Year	904,889	904,889	-	680,945	680,945	-	184,635	184,635	-
Fund Balance - End of Year	<u>\$ 769,479</u>	<u>\$1,050,431</u>	<u>\$ 280,952</u>	<u>\$ 680,945</u>	<u>\$ 675,330</u>	<u>\$ (60,255)</u>	<u>\$184,635</u>	<u>\$1,240,668</u>	<u>\$(1,403,967)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – NONMAJOR GOVERNEMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Commemorative Shade Tree Fund			Grant Fund			Police K-9 Fund		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues									
Taxes Levied under Local Tax Enabling Act:									
Realty Transfer Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, Forfeits and Costs	-	4,500	4,500	-	-	-	-	-	-
Interest and Rents	-	12	12	-	8	8	-	3	3
Grants and Gifts	-	20,875	20,875	-	28,750	28,750	-	36,967	-
Refunds and miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	-	25,387	25,387	-	28,758	28,758	-	36,970	3
Expenditures									
Protection to Persons and Property	-	-	-	-	-	-	-	15,600	15,600
Highways	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	19,420	(19,420)	-	-	-	-	-	-
Total Expenditures	-	19,420	(19,420)	-	-	-	-	15,600	15,600
Excess of Revenues Over (Under) Expenditures	-	5,967	5,967	-	28,758	28,758	-	21,370	21,370
Other Financing Sources (Uses)									
Operating Transfers In	-	43,442	(43,442)	-	10,000	(10,000)	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	43,442	(43,442)	-	10,000	(10,000)	-	-	-
Net Change in Fund Balance	-	49,409	(37,475)	-	38,758	18,758	-	21,370	21,370
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ 49,409	\$ (37,475)	\$ -	\$ 38,758	\$ 18,758	\$ -	\$ 21,370	\$ 21,370

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2013

Fiduciary fund types are used to account for assets held by the Township as a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The funds included in this category are:

- Trust funds account for assets held by the Township in trust in the employees' retirement system. During the year, the Township had two such funds, the Police Pension Trust and the Civilian Employees Pension Trust.
 - Police Pension Trust funds account for contributions received and benefit payments made for the Radnor Township Police Pension Plan.
 - Civilian Employees Pension Trust funds account for contributions received and benefit payments made for the Radnor Township Civilian Pension Plan.
- Agency funds are used to account for assets held by the Township as agent for individuals, private organizations, other governmental units, and/or other funds. During the year, the Township maintained one such fund. This fund is used to account for amounts collected and held awaiting the necessary legal requirements for distribution and are as follows:
 - Escrow Fund – This Fund accounts for deposits made to cover engineering and inspection costs related to zoning, subdivision and development activities. The Township acts as an agent for this Fund.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 DECEMBER 31, 2013**

	<u>Police Pension Trust Fund</u>	<u>Civilian Employees Pension Trust Fund</u>	<u>Total Pension Trust Funds</u>
Assets			
Cash and Cash Equivalents	\$ 1,984,104	\$ 2,510,519	\$ 4,494,623
Investments	22,683,243	18,929,483	41,612,726
Receivables	<u>18,450</u>	<u>3,219</u>	<u>21,669</u>
Total Assets	24,685,797	21,443,221	46,129,018
Liabilities			
Accounts Payable	2,823	2,377	5,200
Refunds Payable	<u>12,048</u>	<u>9,547</u>	<u>21,595</u>
Total Liabilities	<u>14,871</u>	<u>11,924</u>	<u>26,795</u>
Net Position			
Net Position Held in Trust for Pension Benefits	<u>\$ 24,670,926</u>	<u>\$ 21,431,297</u>	<u>\$ 46,102,223</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2013**

	Police Pension Trust Fund	Civilian Employees Pension Trust Fund	Total Pension Trust Funds
Additions:			
Contributions:			
Commonwealth of Pennsylvania	\$ 287,443	\$ 322,402	\$ 609,845
Employer	2,925,472	2,892,291	5,817,763
Members	89,267	278,083	367,350
Total Contributions	<u>3,302,182</u>	<u>3,492,776</u>	<u>6,794,958</u>
Investment Earnings (Losses):			
Investment Gain (Loss)	2,994,608	2,371,701	5,366,309
Investment Expense	(61,010)	(49,439)	(110,449)
Net Investment Earnings (Losses)	<u>2,933,598</u>	<u>2,322,262</u>	<u>5,255,860</u>
Other Additions:			
Litigation and Other	387	216	603
Total Other Additions	<u>387</u>	<u>216</u>	<u>603</u>
Total Additions	6,236,167	5,815,254	12,051,421
Deductions:			
Benefit Payments	2,043,154	1,550,618	3,593,772
Refund of Contributions	12,048	59,330	71,378
Administrative Expenses	16,832	14,591	31,423
Total Deductions	<u>2,072,034</u>	<u>1,624,539</u>	<u>3,696,573</u>
Change in Plan Net Position	4,164,133	4,190,715	8,354,848
Net Position Held in Trust for Pension Benefits:			
Beginning of Year	<u>20,506,793</u>	<u>17,240,582</u>	<u>37,747,375</u>
End of Year	<u>\$ 24,670,926</u>	<u>\$ 21,431,297</u>	<u>\$ 46,102,223</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 AGENCY FUND
 YEAR ENDED DECEMBER 31, 2013**

	<u>Balance January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2013</u>
Escrow Fund				
Assets				
Cash and Cash Equivalents	<u>\$ 1,103,459</u>	<u>\$ 1,433,344</u>	<u>\$ 818,842</u>	<u>\$ 1,717,961</u>
Liabilities				
Deposits Payable	<u>\$ 1,103,459</u>	<u>\$ 1,433,344</u>	<u>\$ 818,842</u>	<u>\$ 1,717,961</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2013

Governmental Funds Capital Assets	
Land	\$ 12,303,066
Land Improvements	2,474,568
Buildings	22,938,973
Infrastructure	17,193,311
Machinery and Equipment	13,784,256
Construction in Progress	<u>170,863</u>
Total Governmental Funds Capital Assets	68,865,037
Less: Accumulated Depreciation	<u>(25,778,877)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 43,086,160</u></u>
Investment in Governmental Funds Capital Assets by Source	
General Fund	\$ 111,538
Special Revenue Funds	17,267,132
Capital Projects Funds	49,195,600
Donations	<u>2,290,767</u>
Total Governmental Funds Capital Assets	68,865,037
Less: Accumulated Depreciation	<u>(25,778,877)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 43,086,160</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2013

Function and Activity	Land	Land	Buildings	Infrastructure	Machinery and Equipment	Total
		Improvements				
General Government	\$ -	\$ -	\$ 15,937,221	\$ 19,476	\$ 1,505,632	\$ 17,462,329
Protection to Persons and Property	-	-	-	-	4,076,846	4,076,846
Health and Sanitation	-	-	-	-	1,785,582	1,785,582
Highways	-	-	4,746,352	17,173,835	5,439,660	27,359,847
Library	-	-	1,195,247	-	-	1,195,247
Parks and Recreation	12,303,066	2,474,568	1,060,153	-	976,536	16,814,323
Total Governmental Funds Capital Assets	12,303,066	2,474,568	22,938,973	17,193,311	13,784,256	68,694,174
Less: Accumulated Depreciation	-	(1,578,975)	(5,522,922)	(8,013,882)	(10,663,098)	(25,778,877)
Total	<u>\$ 12,303,066</u>	<u>\$ 895,593</u>	<u>\$ 17,416,051</u>	<u>\$ 9,179,429</u>	<u>\$ 3,121,158</u>	42,915,297
Construction in Progress						<u>170,863</u>
Net Governmental Funds Capital Assets						<u>\$ 43,086,160</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2013

Function and Activity	Balance at January 1, 2013	Increases	Decreases	Balance at December 31, 2013
General Government	\$ 17,412,027	\$ 242,159	\$ (191,857)	\$ 17,462,329
Protection to Persons and Property	4,118,564	-	(41,718)	4,076,846
Health and Sanitation	1,757,280	28,302	-	1,785,582
Highways	26,078,235	1,281,612	-	27,359,847
Library	1,195,247	-	-	1,195,247
Parks and Recreation	16,814,323	-	-	16,814,323
Total Governmental Funds Capital Assets	<u>67,375,676</u>	<u>1,552,073</u>	<u>(233,575)</u>	<u>68,694,174</u>
Construction in Progress	170,863	-	-	170,863
Less: Accumulated Depreciation	<u>(24,177,835)</u>	<u>(1,834,617)</u>	<u>233,575</u>	<u>(25,778,877)</u>
Net Governmental Funds Capital Assets	<u>\$ 43,368,704</u>	<u>\$ (282,544)</u>	<u>\$ -</u>	<u>\$ 43,086,160</u>

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**STATISTICAL
SECTION**
(Unaudited)

Statistical Section

This part of the Township of Radnor's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

Contents:

Schedule 1 – Net Position by Component

Schedule 2 – Changes in Net Position

Schedule 3 – Program Revenues by Function / Program

Schedule 4 – Fund Balances, Governmental Funds

Schedule 5 – Changes in Fund Balance, Governmental Funds

Schedule 6 – Tax Revenue by Source, Governmental Funds

Schedule 7 – Assessed Value and Estimated Actual Value of Taxable Property

Schedule 8 – Direct and Overlapping Property Tax Rates

Schedule 9 – Principal Property Taxpayers

Schedule 10 – Property Tax Levies and Collections

Schedule 11 – Business Privilege and Mercantile Taxes, Revenue Base and Collections

Schedule 12 – Principal Business Privilege and Mercantile Tax Remitters

Schedule 13 – Ratio of Net General Bonded Debt Outstanding

Schedule 14 – Direct and Overlapping Governmental Activities Debt

Schedule 15 – Legal Debt Margin Information

Schedule 16 – Demographic and Economic Statistics

Schedule 17 – Principal Employers

Schedule 18 – Full Time Equivalent Township Government Employees by Function / Program

Schedule 19 – Operating Indicators by Function / Program

Schedule 20 – Capital Asset Statistics by Function / Program

Sources: Unless otherwise noted, the information in the Statistical Schedules is derived from the Comprehensive Annual Financial Report or the Basic Financial Report for the relevant year. The Township implemented Statement 34 in 2003; schedules presenting government-wide results include information beginning in that year.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 1 - NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Government activities										
Net Investment in Capital Assets	\$ 1,751,158	\$ 533,735	\$ 190,764	\$ 474,838	\$ 843,265	\$ 1,695,503	\$ 3,350,750	\$ 3,738,196	\$ 5,047,878	\$ (5,322,939)
Restricted	-	-	-	-	-	-	-	5,636,058	6,723,380	5,399,445
Unrestricted (deficiency)	<u>(5,034,329)</u>	<u>(6,841,845)</u>	<u>(3,806,707)</u>	<u>(1,904,628)</u>	<u>(4,439,017)</u>	<u>(9,987,170)</u>	<u>(13,968,543)</u>	<u>(18,143,325)</u>	<u>(18,232,322)</u>	<u>2,822,433</u>
Total Net Position, governmental activities	\$ (3,283,171)	\$ (6,308,110)	\$ (3,615,943)	\$ (1,429,790)	\$ (3,595,752)	\$ (8,291,667)	\$ (10,617,793)	\$ (8,769,071)	\$ (6,461,064)	\$ 2,898,939
Business-type activities										
Net Investment in Capital Assets	\$ 67,500	\$ 60,000	\$ 52,500	\$ 45,000	\$ 37,500	\$ 30,000	\$ 22,500	\$ 92,609	\$ 98,764	\$ 88,873
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficiency)	<u>81,666</u>	<u>63,400</u>	<u>17,350</u>	<u>(38,655)</u>	<u>(79,103)</u>	<u>29,640</u>	<u>11,222</u>	<u>65,447</u>	<u>68,963</u>	<u>(2,936)</u>
Total Net Position, business-type activities	\$ 149,166	\$ 123,400	\$ 69,850	\$ 6,345	\$ (41,603)	\$ 59,640	\$ 33,722	\$ 158,056	\$ 167,727	\$ 85,937
Primary government										
Net Investment in Capital Assets	\$ 1,818,658	\$ 593,735	\$ 243,264	\$ 519,838	\$ 880,765	\$ 1,725,503	\$ 3,373,250	\$ 3,830,805	\$ 5,146,642	\$ (5,234,066)
Restricted	-	-	-	-	-	-	-	5,636,058	6,723,380	5,399,445
Unrestricted (deficiency)	<u>(4,952,663)</u>	<u>(6,778,445)</u>	<u>(3,789,357)</u>	<u>(1,943,283)</u>	<u>(4,518,120)</u>	<u>(9,957,530)</u>	<u>(13,957,321)</u>	<u>(18,077,878)</u>	<u>(18,163,359)</u>	<u>2,819,497</u>
Total Net Position, primary government	\$ (3,134,005)	\$ (6,184,710)	\$ (3,546,093)	\$ (1,423,445)	\$ (3,637,355)	\$ (8,232,027)	\$ (10,584,071)	\$ (8,611,015)	\$ (6,293,337)	\$ 2,984,876

Note:

- As of the financial statement date December 31, 2012, the following title have changed:
- Schedule 1 - Net Position by Component - formerly titled Net Assets by Component
 - Net Investment in Capital Assets - formerly titled as Invested in Capital Assets, net of related debt
 - Total Net Position (by activity) - formerly titled as Total Net Assets/(Deficiency) (by activity)

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 2 - CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Government activities										
General government	\$ 3,518,833	\$ 3,456,846	\$ 3,973,442	\$ 3,678,615	\$ 4,412,462	\$ 4,010,008	\$ 3,884,263	\$ 4,267,630	\$ 4,110,480	\$ 4,027,041
Protection to persons and property	8,727,105	8,768,106	8,880,924	8,606,018	11,010,789	10,837,731	11,148,431	10,697,442	11,313,565	12,745,479
Health and sanitation	6,500,234	7,219,367	6,859,706	7,889,805	8,243,298	8,280,877	7,744,284	7,703,327	8,188,645	8,733,554
Highways	4,098,122	4,667,464	4,555,055	5,215,465	5,019,350	4,517,841	4,639,667	4,700,904	4,819,026	6,021,919
Library	729,098	797,896	797,503	823,625	847,382	847,382	815,650	733,821	818,443	849,850
Parks and recreation	2,563,244	2,659,706	2,729,555	2,650,243	3,575,198	3,093,348	3,275,958	3,067,398	3,046,785	3,725,915
Interest on long-term debt	1,810,950	2,001,013	2,056,433	2,459,128	2,544,461	2,415,864	2,341,738	2,046,102	1,968,757	1,812,689
Total governmental activities net assets	\$ 27,947,586	\$ 29,570,398	\$ 29,852,618	\$ 31,322,899	\$ 35,652,940	\$ 34,003,051	\$ 33,849,991	\$ 33,216,624	\$ 34,265,701	\$ 37,916,447
Business-type activities										
The Willows	122,071	114,093	125,379	131,345	114,246	91,835	248,307	94,912	82,902	64,090
Total business-type activities net assets	\$ 122,071	\$ 114,093	\$ 125,379	\$ 131,345	\$ 114,246	\$ 91,835	\$ 248,307	\$ 94,912	\$ 82,902	\$ 64,090
Total primary government expenses	\$ 28,069,657	\$ 29,684,491	\$ 29,977,997	\$ 31,454,244	\$ 35,767,186	\$ 34,094,886	\$ 34,098,298	\$ 33,311,536	\$ 34,348,603	\$ 37,980,537
Program revenues										
Government activities										
Charges for services:										
General government	\$ 362,084	\$ 314,746	\$ 420,699	\$ 464,676	\$ 567,017	\$ 589,028	\$ 1,381,391	\$ 875,742	\$ 1,080,385	\$ 1,179,348
Protection to persons and property	2,466,907	2,704,124	3,313,322	3,965,711	3,276,796	2,032,627	2,581,873	3,117,019	3,697,080	3,552,696
Health and sanitation	3,247,497	3,869,756	4,324,444	4,476,779	5,142,404	5,524,916	4,495,789	5,023,688	5,144,615	5,029,173
Highways	170,123	162,031	211,283	222,087	125,792	79,468	59,196	87,765	95,777	92,817
Parks and recreation	447,562	485,697	499,880	532,376	581,365	722,357	699,190	702,057	684,126	647,417
Operating grants and contributions	1,520,236	1,783,289	1,526,332	1,676,438	1,721,290	1,593,526	1,842,782	3,413,688	1,937,762	2,092,665
Capital grants and contributions	1,030,135	36,391	384,831	426,670	367,312	89,563	263,001	169,571	210,897	257,099
Total governmental activities program revenues	\$ 9,244,544	\$ 9,356,034	\$ 10,680,791	\$ 11,764,737	\$ 11,781,976	\$ 10,631,485	\$ 11,323,222	\$ 13,389,530	\$ 12,850,642	\$ 12,851,215
Business-type activities										
The Willows	146,388	150,165	125,507	114,576	113,137	103,002	107,036	100,823	74,230	24,069
Capital grants and contributions	-	-	-	-	-	-	122,022	111,577	-	-
Total business-type activities program revenues	\$ 146,388	\$ 150,165	\$ 125,507	\$ 114,576	\$ 113,137	\$ 103,002	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069
Total primary government program revenues	\$ 9,390,932	\$ 9,506,199	\$ 10,806,298	\$ 11,879,313	\$ 11,895,113	\$ 10,734,487	\$ 11,552,280	\$ 13,601,930	\$ 12,924,872	\$ 12,875,284

Note:

As of the financial statement date December 31, 2012, the following title and descriptions have changed:
- Schedule 1 - Changes in Net Position - formerly titled Changes in Net Assets

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 2 - CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Government activities	\$ (18,703,042)	\$ (20,214,364)	\$ (19,171,827)	\$ (19,558,162)	\$ (23,870,964)	\$ (23,371,566)	\$ (22,526,769)	\$ (19,827,094)	\$ (21,415,059)	\$ (25,065,232)
Business-type activities	<u>24,317</u>	<u>36,072</u>	<u>128</u>	<u>(16,769)</u>	<u>(1,109)</u>	<u>11,167</u>	<u>(19,249)</u>	<u>117,488</u>	<u>(8,672)</u>	<u>(40,021)</u>
Total primary government net expense	<u>\$ (18,678,725)</u>	<u>\$ (20,178,292)</u>	<u>\$ (19,171,699)</u>	<u>\$ (19,574,931)</u>	<u>\$ (23,872,073)</u>	<u>\$ (23,360,399)</u>	<u>\$ (22,546,018)</u>	<u>\$ (19,709,606)</u>	<u>\$ (21,423,731)</u>	<u>\$ (25,105,253)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Real estate taxes	\$ 7,667,939	\$ 8,398,171	\$ 9,125,486	\$ 9,194,781	\$ 9,387,945	\$ 9,559,632	\$ 10,428,058	\$ 10,915,977	\$ 11,734,189	\$ 11,843,737
Taxes levied under Local Tax Enabling Act	7,724,671	8,882,579	11,609,166	11,183,631	11,597,425	8,869,630	10,484,186	10,107,822	11,808,104	23,308,687
Investment earnings	485,854	735,636	1,072,634	1,318,835	672,546	289,683	(198,428)	658,671	103,117	128,039
Special item - loss on demolition of building	-	(892,217)	-	-	-	-	-	-	-	-
Debt repayment agreements	-	-	-	-	-	-	-	-	95,933	60,175
Transfers	<u>38,442</u>	<u>65,256</u>	<u>56,708</u>	<u>47,068</u>	<u>47,068</u>	<u>(43,024)</u>	<u>(40,071)</u>	<u>(6,654)</u>	<u>(18,277)</u>	<u>41,811</u>
Total governmental activities	<u>\$ 15,916,906</u>	<u>\$ 17,189,425</u>	<u>\$ 21,863,994</u>	<u>\$ 21,744,315</u>	<u>\$ 21,704,984</u>	<u>\$ 18,675,921</u>	<u>\$ 20,673,745</u>	<u>\$ 21,675,816</u>	<u>\$ 23,723,066</u>	<u>\$ 35,382,449</u>
Business-type activities										
Investment earnings	\$ 1,068	\$ 3,418	\$ 3,030	\$ 332	\$ 247	\$ 76	\$ 236	\$ 192	\$ 66	\$ 42
Transfers	<u>(38,442)</u>	<u>(65,256)</u>	<u>(56,708)</u>	<u>(47,068)</u>	<u>(47,068)</u>	<u>43,024</u>	<u>40,071</u>	<u>6,654</u>	<u>18,277</u>	<u>(41,811)</u>
Total business-type activities	<u>\$ (37,374)</u>	<u>\$ (61,838)</u>	<u>\$ (53,678)</u>	<u>\$ (46,736)</u>	<u>\$ (46,821)</u>	<u>\$ 43,100</u>	<u>\$ 40,307</u>	<u>\$ 6,846</u>	<u>\$ 18,343</u>	<u>\$ (41,769)</u>
Total primary government	<u>\$ 15,879,532</u>	<u>\$ 17,127,587</u>	<u>\$ 21,810,316</u>	<u>\$ 21,697,579</u>	<u>\$ 21,658,163</u>	<u>\$ 18,719,021</u>	<u>\$ 20,714,052</u>	<u>\$ 21,682,662</u>	<u>\$ 23,741,409</u>	<u>\$ 35,340,680</u>
Changes in Net Position										
Governmental activities	\$ (2,786,136)	\$ (3,024,939)	\$ 2,692,167	\$ 2,186,153	\$ (2,165,980)	\$ (4,695,645)	\$ (1,853,024)	\$ 1,848,722	\$ 2,308,007	\$ 10,317,217
Business-type activities	<u>(13,057)</u>	<u>(25,766)</u>	<u>(53,550)</u>	<u>(63,505)</u>	<u>(47,930)</u>	<u>54,267</u>	<u>21,058</u>	<u>124,334</u>	<u>9,671</u>	<u>(81,790)</u>
Total primary government	<u>\$ (2,799,193)</u>	<u>\$ (3,050,705)</u>	<u>\$ 2,638,617</u>	<u>\$ 2,122,648</u>	<u>\$ (2,213,910)</u>	<u>\$ (4,641,378)</u>	<u>\$ (1,831,966)</u>	<u>\$ 1,973,056</u>	<u>\$ 2,317,678</u>	<u>\$ 10,235,427</u>

Note:

As of the financial statement date December 31, 2012, the following title and descriptions have changed:
- Schedule 1 - Changes in Net Position - formerly titled Changes in Net Assets

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 3 - PROGRAM REVENUES BY FUNCTION / PROGRAM
LAST TEN YEARS
(accrual basis of accounting)

Function / Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
General government	\$ 439,268	\$ 404,638	\$ 488,248	\$ 581,067	\$ 679,916	\$ 689,331	\$ 1,583,408	\$ 1,116,029	\$ 1,309,789	\$ 1,451,142
Protection to persons and property	2,795,996	3,091,751	3,617,995	4,352,858	3,595,865	2,320,267	2,866,539	4,211,647	4,345,358	4,356,925
Health and sanitation	4,329,321	4,225,061	4,903,144	5,038,291	5,645,388	5,713,690	4,894,094	5,846,443	5,356,070	5,183,809
Highways	1,087,070	952,737	1,004,974	1,043,662	1,014,163	1,033,962	1,066,586	1,027,950	1,069,032	1,121,634
Library	-	21,000	500	-	-	-	-	-	-	-
Parks and recreation	592,889	660,847	665,930	748,859	846,644	874,235	912,595	1,187,461	770,393	737,705
Subtotal governmental activities	\$ 9,244,544	\$ 9,356,034	\$ 10,680,791	\$ 11,764,737	\$ 11,781,976	\$ 10,631,485	\$ 11,323,222	\$ 13,389,530	\$ 12,850,642	\$ 12,851,215
Business-type activities										
The Willows	146,388	150,165	125,507	114,576	113,137	103,002	229,058	212,400	74,230	24,069
Subtotal business-type activities	\$ 146,388	\$ 150,165	\$ 125,507	\$ 114,576	\$ 113,137	\$ 103,002	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069
Total primary government	\$ 9,390,932	\$ 9,506,199	\$ 10,806,298	\$ 11,879,313	\$ 11,895,113	\$ 10,734,487	\$ 11,552,280	\$ 13,601,930	\$ 12,924,872	\$ 12,875,284

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 4 - FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ -	\$ 215,259	\$ 13,803	\$ 7,927	\$ 67,619	\$ 3,913	\$ 166,186	\$ -	\$ -	\$ -
Unreserved	1,513,414	1,165,166	2,532,800	4,452,389	6,406,644	3,364,206	5,248,097	-	-	-
Non-Spendable	-	-	-	-	-	-	-	21,957	30,195	84,961
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	7,332,240
Assigned	-	-	-	-	-	-	-	3,480,206	4,413,634	389,941
Unassigned	-	-	-	-	-	-	-	<u>3,486,688</u>	<u>3,652,753</u>	<u>7,600,641</u>
Subtotal governmental activities	\$ 1,513,414	\$ 1,380,425	\$ 2,546,603	\$ 4,460,316	\$ 6,474,263	\$ 3,368,119	\$ 5,414,283	\$ 6,988,851	\$ 8,096,582	\$ 15,407,783
All Other Governmental Funds										
Reserved	2,233,100	2,213,100	2,099,700	2,715,352	2,100,059	1,967,548	1,495,210	-	-	-
Unreserved, reported in:										
Special revenues funds	3,719,198	3,159,957	3,434,575	2,682,851	2,767,121	2,968,678	2,985,713	-	-	-
Capital projects funds	12,338,066	9,939,554	2,829,766	7,851,632	3,067,776	2,164,361	2,749,497	-	-	-
Debt service funds	136,967	100,672	14,482	101,014	197,759	318,098	155,079	-	-	-
Non-Spendable	-	-	-	-	-	-	-	1,332,548	1,199,900	1,120,391
Restricted	-	-	-	-	-	-	-	4,281,553	5,493,285	5,399,445
Committed	-	-	-	-	-	-	-	-	-	980,528
Assigned	-	-	-	-	-	-	-	1,010,277	1,058,497	908,632
Unassigned	-	-	-	-	-	-	-	<u>61,485</u>	-	<u>189,541</u>
Total all other governmental funds	<u>\$ 18,427,331</u>	<u>\$ 15,413,283</u>	<u>\$ 8,378,523</u>	<u>\$ 13,350,849</u>	<u>\$ 8,132,715</u>	<u>\$ 7,418,685</u>	<u>\$ 7,385,499</u>	<u>\$ 6,685,863</u>	<u>\$ 7,751,682</u>	<u>\$ 8,598,537</u>

Footnote:

1. Effective for the year ending December 31, 2011, The Township implemented GASB Statement No. 54 in 2011 which changed the classifications and definitions of fund balances in the governmental funds. Consequently, the classifications noted as Reserved and Unreserved are no longer applicable and have been replaced with Non-Spendable, Restricted, Assigned, and Unassigned. Please see Note 1 Summary of Significant Accounting Policies, Fund Balance (page 35) for more explanation.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 5 - CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified basis of accounting)

	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes (see Schedule 6)	\$ 15,475,921	\$ 17,280,818	\$ 20,644,283	\$ 20,291,946	\$ 20,877,590	\$ 18,255,935	\$ 20,989,999	\$ 21,545,023	\$ 23,427,514	\$ 35,049,838
Licenses, fees and permits	2,146,613	2,413,824	2,818,155	3,634,569	2,640,789	1,536,651	1,947,935	2,142,698	2,812,427	2,790,072
Fines and penalties	340,844	307,689	371,611	435,119	520,589	527,847	551,277	642,010	617,297	619,889
Charges for services	4,500,694	4,917,566	5,662,865	6,170,906	6,510,946	6,535,690	6,345,349	6,776,691	6,795,987	6,617,950
Intergovernmental	1,478,507	1,588,551	1,499,589	1,587,571	1,638,280	1,606,732	1,819,193	3,359,486	1,975,832	2,207,993
Interest and rents	503,938	749,085	1,088,473	1,321,614	685,129	311,439	216,666	222,633	225,382	255,334
Other revenues	313,966	335,434	241,677	362,618	419,591	139,655	836,758	407,866	577,425	574,657
Total revenues	24,760,483	27,592,967	32,326,653	33,804,343	33,292,914	28,913,949	32,707,177	35,096,407	36,431,864	48,115,733
Expenditures										
General government	1,864,150	1,730,977	1,955,248	2,157,889	1,891,660	2,422,523	2,059,662	2,395,825	2,757,849	2,675,320
Protection to persons and property	5,759,750	5,444,347	5,606,097	5,531,538	5,743,559	5,958,844	5,651,576	7,912,433	9,265,977	9,549,766
Health and sanitation	5,259,353	5,775,030	5,483,131	7,148,278	6,544,734	6,096,826	5,470,263	6,550,912	7,302,854	7,662,617
Highways	2,459,297	2,640,923	2,548,368	3,227,513	2,594,658	2,579,952	2,647,479	3,890,896	3,590,319	4,603,647
Library	734,808	762,559	765,771	791,893	815,650	815,650	815,650	753,297	818,443	849,850
Parks and recreation	1,764,397	1,689,906	1,678,067	1,844,295	1,845,342	1,851,206	1,868,826	2,116,237	2,387,673	2,590,004
Miscellaneous:										
Employee benefits	5,071,177	5,687,569	7,072,692	5,789,335	6,107,964	6,352,479	6,047,229	3,696,967	2,000,964	5,817,123
Insurance	667,990	804,903	911,145	709,240	710,136	761,026	659,096	387,594	346,368	363,948
Other	307,478	312,797	335,978	402,634	342,379	269,280	304,344	247,269	250,041	425,783
Capital outlay	4,372,849	2,843,523	7,721,452	10,586,964	5,278,922	987,318	626,438	1,822,352	1,129,643	1,082,351
Debt service										
Interest	1,409,633	2,247,726	2,063,994	2,348,527	2,552,640	2,562,703	2,479,444	2,036,039	1,943,226	1,845,484
Principal	1,055,000	1,905,000	2,110,000	2,180,000	2,255,000	2,160,000	2,490,000	2,405,000	2,455,000	2,540,000
Bond Issue Costs	-	-	-	-	-	-	-	-	149,726	197,034
Payment to Redeem Bonds	-	-	-	-	-	-	-	-	15,890,000	-
Total expenditures	30,725,882	31,845,260	38,251,943	42,718,106	36,682,644	32,817,807	31,120,007	34,214,821	50,288,083	40,202,927
Other Financing Sources										
Bonds issued	17,483,986	-	-	15,752,734	-	-	-	-	16,048,046	-
Notes issued	-	-	-	-	-	-	-	-	-	-
Swaption proceeds	-	1,040,000	-	-	-	-	-	-	-	-
Refunding bonds issued	5,036,317	-	-	-	-	-	-	-	-	18,883,901
Payments to escrow agent	(6,981,554)	-	-	-	-	-	-	-	-	(18,680,462)
Transfers in	1,090,437	1,921,869	1,933,652	2,541,633	3,697,017	2,737,968	5,773,203	4,993,458	6,978,065	6,370,376
Transfers out	(1,051,995)	(1,856,613)	(1,876,944)	(2,494,565)	(3,511,474)	(2,654,282)	(5,347,395)	(5,000,112)	(6,996,342)	(6,328,565)
Total other financing sources (uses)	15,577,191	1,105,256	56,708	15,799,802	185,543	83,686	425,808	(6,654)	16,029,769	245,250
Net change in fund balance	\$ 9,611,792	\$ (3,147,037)	\$ (5,868,582)	\$ 6,886,039	\$ (3,204,187)	\$ (3,820,172)	\$ 2,012,978	\$ 874,932	\$ 2,173,550	\$ 8,158,056
Debt service as a percentage of noncapital expenditures	9.4%	14.3%	13.7%	14.1%	15.3%	14.8%	16.3%	13.7%	8.9%	11.2%

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 6 - TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified basis of accounting)

<u>Year</u>	Local Enabling Tax (Act 511) (b)				Total
	Property (a)	Business Privilege & Mercantile	Realty Transfer	Other	
2004	7,751,250	4,054,255	3,300,104	370,312	15,475,921
2005	8,398,239	4,315,515	3,450,739	1,116,325	17,280,818
2006	9,110,117	6,955,432	3,280,052	1,298,682	20,644,283
2007	9,208,315	6,198,782	3,585,263	1,299,586	20,291,946
2008	9,330,165	7,937,247	2,586,806	1,023,372	20,877,590
2009	9,331,575	6,018,989	1,869,545	1,035,826	18,255,935
2010	10,360,813	7,514,534	2,098,951	1,015,701	20,989,999
2011	11,305,201	7,157,179	2,099,160	983,483	21,545,023
2012	11,687,363	8,511,021	2,480,143	748,987	23,427,514
2013	11,836,596	18,840,100	3,441,425	931,717	35,049,838
Changes					
2004 - 2013	52.7%	364.7%	4.3%	151.6%	126.5%

(a) Notwithstanding the county-wide reassessment in 2000, assessments have steadily increased over the past ten years while our real estate taxes have remained fairly steady when annualized over the fourteen year period.

(b) Taxes collected under Act 511 (Local Enabling Tax Act) have grown for a variety of reasons, including the climbing value of our real estate increasing the realty transfer tax, our improved economy increasing the business privilege and mercantile tax collections, and the change from a \$10 per person Occupational Privilege Tax to a \$52 per person Emergency & Municipal Services Tax (now known as the Local Services Tax) in 2005.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 7 - ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(in thousands of dollars)

<u>Year</u>	Tax Exempt Property	Residential Property	Commercial Property	Other Property (a), (c)	Total Taxable Assessed Value	Total Direct Tax Rate (per \$1,000)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2004	385,756,733	1,951,398,399	988,072,742	78,466,376	3,017,937,517	2.5600	3,017,937,517	100.0%
2005	385,756,733	1,965,072,901	994,996,703	79,016,231	3,039,085,835	2.7900	3,039,085,835	100.0%
2006	407,686,215	2,306,908,769	711,846,537	45,231,948	3,063,987,254	3.0100	3,063,987,254	100.0%
2007	407,541,105	2,333,987,261	706,971,527	43,784,084	3,084,742,872	3.0100	3,084,742,872	100.0%
2008	427,700,645	2,374,223,989	683,048,147	42,539,224	3,099,811,360	3.0100	3,099,811,360	100.0%
2009	444,577,193	2,399,381,717	684,171,717	47,765,544	3,131,318,978	3.0100	3,131,318,978	100.0%
2010	445,876,898	2,404,787,156	680,386,421	46,157,028	3,131,330,605	3.3411	3,131,330,605	100.0%
2011	448,146,338	2,404,723,368	675,657,684	44,557,628	3,124,938,680	3.6411	3,124,938,680	100.0%
2012	448,267,948	2,426,398,552	678,489,534	42,417,098	3,147,305,184	3.7511	3,147,305,184	100.0%
2013	445,005,068	2,456,745,267	679,253,194	40,038,325	3,176,036,786	3.7511	3,176,036,786	100.0%

Source: County of Delaware, Pennsylvania, Board of Assessments

Notes:

- (a) Includes agricultural and vacant land
- (b) Upon County-wide reassessment, effective January 1, 2000, taxable assessed value theoretically equaled market values; from 1993 - 1999, assessed value averaged 3.1% of market value.
- (c) At the end of 2006, a court approved settlement reduced the assessed value of a large commercial property.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 8 - DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(rate per \$1,000 of assessed value)

<u>Year</u>	Township Direct Rates			Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Radnor Township School District	Delaware County
2004	1.971	0.589	2.560	15.6400	4.450
2005	1.858	0.932	2.790	16.4100	4.450
2006	2.082	0.928	3.010	17.3670	4.450
2007	2.082	0.928	3.010	18.2360	4.450
2008	2.082	0.928	3.010	19.5118	4.825
2009	1.923	1.087	3.010	20.4085	4.825
2010	2.297	1.044	3.3411	20.8681	5.184
2011	2.534	1.107	3.6411	21.1439	5.180
2012	2.769	0.983	3.7511	21.8227	5.304
2013	2.785	0.966	3.7511	21.7122	5.452

Source: County of Delaware, Pennsylvania, Board of Assessments

Notes:

- (1) Upon County-wide reassessment, effective January 1, 2000, taxable assessed value theoretically equaled market values; from 1993 - 1999, assessed value averaged 3.1% of market value.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 9 - PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

<u>Taxpayer</u>		2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value
Radnor Properties	Business Parks	\$ 213,188,185	1	6.8%	-		
S. W. Bajus & Associates, LTD	Commercial Real Estate Company	31,480,710	2	1.0%	21,011,010	4	0.7%
Radwyn Apartments	Apartment Complex	22,149,000	3	0.7%	23,186,980	3	0.8%
Home Properties	Apartment Complex	18,650,000	4	0.6%	-		
KMO 361 Realty Associates	St. Davids Square Shopping Center	17,850,410	5	0.6%	17,850,410	6	0.6%
University of PA Trust	Penn Medicine at Radnor	16,307,600	6	0.5%	16,307,600	7	0.5%
Fidelity Court Associates	Corporate Office Complex	13,843,140	7	0.4%	13,843,100	9	0.5%
Linda Sposato Trust ETAL	Apartment Complex	12,600,000	8	0.4%	-		
G&I II Radnor Crossing LP	Apartment Complex	12,271,030	9	0.4%	12,271,000	10	0.4%
Enrico Partners	Shopping Center	11,749,810	10	0.4%	-		
Brandywine Realty	Radnor Corporate Center & Radnor Financial Center	-		0.0%	318,871,660	1	10.7%
Radcliffe House	Apartment Complex	-		0.0%	82,588,000	2	2.8%
Albert Levin & Associates	Apartment Complex	-		0.0%	19,166,600	5	0.6%
Montgomery-Scott Associates	Private residential/agricultural	-		<u>0.0%</u>	<u>15,618,250</u>	<u>8</u>	<u>0.5%</u>
Total		<u>\$ 370,089,885</u>		<u>11.8%</u>	<u>\$ 540,714,610</u>		<u>18.2%</u>

Notes:

(1) Total taxable assessed value, all real property in Radnor Township, December 31, 2013 is \$3,176,036,786 and at December 31, 2004 is \$3,017,937,517.

(2) Upon County-wide reassessment, effective January 1, 2000, taxable assessed value theoretically equaled market values; from 1993 - 1999, assessed value averaged 3.1% of market value.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 10 - PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<i>Year Ended December 31</i>	Taxes Levied for the Year	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	7,725,920	7,618,988	98.62%	105,746	7,724,734	99.98%
2005	8,479,051	8,330,146	98.24%	148,525	8,478,671	100.00%
2006	9,197,804	9,110,117	99.05%	87,687	9,197,804	100.00%
2007	9,285,076	9,193,509	99.01%	91,567	9,285,076	100.00%
2008	9,330,434	9,248,811	99.13%	81,623	9,330,434	100.00%
2009	9,425,270	9,310,850	98.79%	111,077	9,421,927	99.96%
2010	10,462,089	10,380,944	99.22%	81,145	10,462,089	100.00%
2011	11,378,213	11,280,867	99.14%	97,346	11,378,213	100.00%
2012	11,805,857	11,713,761	99.22%	31,756	11,745,517	99.49%
2013	11,826,420	11,651,442	98.52%	-	11,651,442	98.52%

Source: County of Delaware, Pennsylvania, Board of Assessments, Radnor Township Department of Finance

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 11 - BUSINESS PRIVILEGE AND MERCANTILE TAXES, REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business Privilege (2)										
- Number of Filers	998	1,116	1,232	1,234	1,082	1,180	1,309	1,463	1,452	1,340
- Tax Collections	\$ 2,830,388	\$ 3,142,744	\$ 5,706,108	\$ 4,851,853	\$ 6,638,348	\$ 4,931,812	\$ 5,882,082	\$ 5,635,035	\$ 6,489,709	\$ 10,123,991
- Taxable Services	\$ 943,463,000	\$ 1,047,582,000	\$ 1,902,036,000	\$ 1,617,824,333	\$ 2,212,782,667	\$ 1,643,937,333	\$ 1,960,694,000	\$ 1,878,345,000	\$ 2,163,236,333	\$ 3,374,663,667
- Tax Rate (1)	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills
Mercantile (2)										
- Number of Filers	283	309	338	315	240	256	278	305	304	238
- Tax Collections	\$ 1,223,867	\$ 1,172,771	\$ 1,249,324	\$ 1,346,929	\$ 1,298,901	\$ 1,087,177	\$ 1,632,452	\$ 1,212,563	\$ 1,195,293	\$ 716,109
- Taxable Services	\$ 407,956,000	\$ 390,924,000	\$ 416,442,000	\$ 448,976,333	\$ 432,967,000	\$ 362,392,333	\$ 544,150,667	\$ 404,187,667	\$ 398,431,000	\$ 238,703,000
- Tax Rate (1)	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills
Total Tax Collections	\$ 4,054,255	\$ 4,315,515	\$ 6,955,432	\$ 6,198,782	\$ 7,937,249	\$ 6,018,989	\$ 7,514,534	\$ 6,847,598	\$ 7,685,002	\$ 10,840,100

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 12 - PRINCIPAL BUSINESS PRIVILEGE AND MERCANTILE TAX REMITTERS
CURRENT AND NINE YEARS AGO

<u>Taxpayer's Business</u>	2013		2004	
	Rank	Percentage of Total	Rank	Percentage of Total
Investment	1	4.3%	1	
Laboratory Supply & Distribution	2	3.9%		0.0%
Investment	3	3.6%	2	4.4%
Industrial Gas	4	2.9%		0.0%
Investment Advisors	5	2.8%	9	1.3%
Real Estate Investment Trust	6	2.4%		0.0%
Insurance	7	1.9%		0.0%
Information Technology	8	1.8%		0.0%
Vehicle Leasing	9	1.4%		0.0%
Purchasing Cooperative	10	1.4%		0.0%
Vehicle Dealership	-	0.0%	3	2.9%
Grocery Store	-	0.0%	4	2.8%
Retail Computer Sales & Service	-	0.0%	5	2.8%
Insurance	-	0.0%	6	1.9%
Designer / Builder		0.0%	7	1.6%
Retail Pharmacy	-	0.0%	8	1.5%
Department Store	-	<u>0.0%</u>	10	<u>1.1%</u>
Percentage of Total Gross Collections		<u>26.4%</u>		<u>20.2%</u>

Source: Township of Radnor Finance Department

Note:

(1) Due to the confidential nature of tax returns and on advice of legal counsel, the Township of Radnor does not disclose the proper name nor specific tax paid for any individual taxpayer. In lieu of that information, we have provided the top ten taxpayers by the nature of the business and the taxpayer's individual share of total tax collected.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 13 - RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

<u>Year</u>	<u>General Obligation Bonds (1)</u>			Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (4)	Population (3)	Net General Obligation Bonds Per Capita
	Electoral	Non Electoral	Total					
2003	8,930,000	25,925,000	34,855,000	3,006,338,933	1.16%	2.84%	30,878	1,129
2004	9,350,000	40,155,000	49,505,000	3,017,937,517	1.64%	4.03%	30,878	1,603
2005	9,005,000	38,595,000	47,600,000	3,039,085,835	1.57%	3.87%	30,878	1,542
2006	8,630,000	36,860,000	45,490,000	3,084,742,872	1.47%	3.70%	30,878	1,473
2007	8,240,000	50,980,000	59,220,000	3,099,811,360	1.91%	4.82%	30,878	1,918
2008	7,835,000	49,130,000	56,965,000	3,112,600,046	1.83%	3.79%	30,878	1,845
2009	7,695,000	47,225,000	54,920,000	3,131,318,978	1.75%	3.60%	30,878	1,779
2010	7,465,000	44,965,000	52,430,000	3,131,330,705	1.67%	3.36%	31,531	1,663
2011	6,970,000	43,055,000	50,025,000	3,124,938,680	1.60%	3.21%	31,531	1,587
2012	6,465,000	41,575,000	48,040,000	3,147,305,184	1.53%	3.06%	31,531	1,524
2013	5,955,000	43,570,000	49,525,000	3,176,036,786	1.56%	3.49%	31,531	1,571

Sources:

- (1) Township of Radnor Finance Department - Bond Amortization Schedules & Note 7 Audited Financial Statements
- (2) County of Delaware, Pennsylvania, Board of Assessments
- (3) US Census 2010, 2000, 1990
- (4) Schedule 16 - 2013 CAFR Statistical Information

Note: Only general obligation bonds were outstanding in all of the years shown; upon County-wide reassessment effective January 1, 2000, taxable assessed value theoretically equaled market values; from 1993 to 1999, assessed value averaged about 3.1% of market value.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 14 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013

Governmental Unit	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Radnor Township School District	\$ 103,870,000	100.00%	\$ 103,870,000
Delaware County	\$ 338,836,000	10.571%	<u>35,817,381</u>
Sub-Total, Overlapping Debt			139,687,381
Township of Radnor Direct Debt		100.00%	<u>49,525,000</u>
Total Direct and Overlapping Debt			<u>\$ 189,212,381</u>

Sources: Township of Radnor Finance Department, Radnor Township School District, County of Delaware

Note:

(1) Proportionate share of Delaware County's existing debt as of December 31, 2011 is based on the ratio of Radnor Township's assessed valuation to Delaware County's 2011 assessed valuation.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 15 - LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(in thousands of dollars)

	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Three Year Average Revenues(2),(3)	\$ 21,548	\$ 22,852	\$ 23,992	\$ 29,327	\$ 30,074	\$ 29,381	\$ 29,411	\$ 29,461	\$ 31,767	\$ 36,961
Debt limit (1)	\$ 53,870	\$ 57,130	\$ 59,980	\$ 73,318	\$ 75,185	\$ 73,453	\$ 73,528	\$ 73,653	\$ 79,418	\$ 92,403
Total net debt applicable to limit	\$ 40,155	\$ 38,595	\$ 36,860	\$ 50,980	\$ 49,130	\$ 47,225	\$ 44,965	\$ 43,055	\$ 41,575	\$ 43,060
Legal debt margin	\$ 13,715	\$ 18,535	\$ 23,120	\$ 22,338	\$ 26,055	\$ 26,228	\$ 28,563	\$ 30,598	\$ 37,843	\$ 49,343
Total net debt applicable to the limit as a percentage of debt limit	74.54%	67.56%	61.45%	69.53%	65.35%	64.29%	61.15%	58.46%	52.35%	46.60%

Notes:

- (1) 250% of borrowing base (three year average revenues) is used in the calculation for determining a municipality's debt limit for general obligation bonds.
- (2) The local Government Unit Debt Act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues and calculation of the borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Economic Development. Under the Radnor Township Home Rule Charter, any new debt in excess of 250% of the borrowing base must be approved by the electorate.
- (3) Borrowing Base Revenues represent total revenues less Enterprise Fund operating revenues, interest, State and Federal grants, proceeds from the sale of assets and loan proceeds.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 16 - DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Unemployment Rate (3)
2004	30,878	1,229,345,814	39,813	5.4%
2005	30,878	1,229,345,814	39,813	4.9%
2006	30,878	1,229,345,814	39,813	4.5%
2007	30,878	1,229,345,814	39,813	5.0%
2008	30,878	1,504,221,770	48,715	5.0%
2009	30,878	1,527,040,612	49,454	7.6%
2010	31,531	1,559,334,074	49,454	7.9%
2011	31,531	1,559,334,074	49,454	7.2%
2012	31,531	1,559,334,074	49,454	5.8%
2013	31,531	1,559,334,074	49,454	5.8%

Sources:

(1) US Census 2010, 2000, 1990

(2) Computation of per capita personal income multiplied by population

(3) US Dept of Labor and PA Center for Workforce Information & Analysis

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 17 - PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

<u>Taxpayer</u>		2013			2004		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Villanova University	Higher Education	3,438	1	16.4%	3,539	1	16.7%
Radnor Township School District	Education	933	2	4.4%	810	2	3.8%
Eastern University	Higher Education	841	3	4.0%	489	5	2.3%
Lincoln National Life Insurance	Insurance / Financial Investments	641	4	3.1%	-	-	-
VWR Management Services	Research Supply & Distribution	448	5	2.1%	-	-	-
Centocor, Inc	Pharmaceutical Research	403	6	1.9%	-	-	-
University of Pennsylvania	Medical Services	367	7	1.7%	-	-	-
Cabrini College	Higher Education	332	8	1.6%	503	4	2.4%
Jefferson Health System	Medical Services	318	9	1.5%	-	-	-
Green Apple Manegement Company	Consulting	279	10	1.3%	-	-	-
News America Publications, Inc	Publisher	-	-	-	708	3	3.3%
Presbyterian Village	Day Care / Education	-	-	-	272	6	1.3%
Covance Periapproval Services	Consulting	-	-	-	256	7	1.2%
Valley Forge Military Academy & College	Secondary & Higher Education	-	-	-	241	8	1.1%
American College	Higher Education	-	-	-	238	9	1.1%
Radnor Hotel	Hotel / Conference Center	-	-	-	186	10	0.9%
Total		<u>8,000</u>		<u>38.1%</u>	<u>7,242</u>		<u>34.1%</u>

Source: Township of Radnor Finance Department

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 18 - FULL TIME EQUIVALENT TOWNSHIP GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

<u>Function/Program</u>	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administration	7	7	7	4.5	5	3	4	2	2	2
Finance	7	7	7	5	5	2	3	4	6	6
Community Development	6	7	7	8	8	5	6	5	6	6
Engineering	3	4	4	3	3	3	3	2	2	2
Information Technology	-	-	-	3	3	3	3	3	2	2
Police										
Officers	42	45	42	46	45	43	40	41	36	38
Civilian	11	9	8	6.5	6.0	6	6	5	5	5
Refuse Collection	29	32	30	28	27	26	25	22	20	17
Other Public Works										
Highways	22	20	20	19	19	19	18	18	19	18
Sewer	6	6	6	5	4	4	4	4	4	4
Park maintenance	16	17	17	17	17	17	17	14	13	13
Other	4	3	2	1	2	2	1	1	1	1
Parks and recreation	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u>156</u>	<u>160</u>	<u>153</u>	<u>149</u>	<u>147</u>	<u>136</u>	<u>132</u>	<u>124</u>	<u>119</u>	<u>117</u>

Source: Township of Radnor Finance Department

Note: A full-time employee is scheduled to work 1,820 hours (administration/management) / 2,080 (police officers/public works).

(1) In 2006, all police dispatch duties were transferred to Delaware County.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 19 - OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

<u>Function/Program</u>	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Business Tax Audits	27	14	46	57	49	72	74	85	41	35
Collections from audits (rounded in thousands)	\$ 257	\$ 226	\$ 1,425	\$ 349	\$ 679	\$ 1,349	\$ 971	\$ 310	\$ 826	\$ 8,984
Business Tax Licenses Issued	1,281	1,425	1,570	1,550	1,203	1,289	1,237	1,282	1,282	1,655
Protection to persons and property										
Building permits issued	1,006	812	914	744	705	675	785	831	910	916
New construction	30	33	43	29	12	19	7	8	22	23
Accessories and additions	176	145	156	112	149	117	104	104	55	49
Subdivision plans	8	34	11	9	7	4	1	2	-	2
Lots approved	4	5	2	1	6	(2)	-	4	-	1
Zoning appeals	84	42	53	35	59	35	35	54	28	22
Design review	69	44	55	70	89	67	53	90	67	87
Vehicle violations	25,894	21,122	23,129	23,728	26,503	28,277	23,371	28,445	30,322	31,576
Vehicle accidents	1,249	1,352	1,307	1,295	1,285	1,136	1,209	1,207	1,214	1,235
Nuisance and non-criminal	9,887	10,125	10,808	11,608	11,861	11,306	10,972	10,579	12,590	15,537
Serious crimes	504	415	438	436	413	384	433	423	428	396
Secondary offenses	973	1,367	1,378	986	902	827	784	733	828	672
Alarm signals	1,939	1,952	1,950	1,483	1,671	1,551	1,674	1,568	1,664	1,730
Animal complaints	469	512	715	685	773	705	784	616	646	518
Health and sanitation										
Refuse collected (tons)	11,069	10,819	10,973	10,341.0	9,678.0	9,182.0	8,774.0	7,838.8	7,838.8	7,251.0
Curbside recycling (tons)	3,303	3,218	5,568	5,919	4,919	6,306	5,738	2,898	6,646	6,629
Other Public Works										
Streets resurfaced (sq yds)	70,487	57,506	83,778	53,219	63,878	42,430	37,224	50,610	-	41,636
Parks and recreation										
Number of programs	180	212	214	219	221	225	220	187	145	125
Events held at Willows	145	159	151	132	124	118	120	122	117	22
Wastewater										
New sanitary sewer connections	37	34	45	34	29	28	18	3	4	2

Source: Various Departments, Township of Radnor

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE 20 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

<u>Function/Program</u>	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Protection to persons and property										
Marked vehicles	13	13	13	13	13	13	13	13	13	13
Unmarked vehicles	9	9	9	9	9	8	7	7	7	7
Health and sanitation										
Recycling trucks	6	6	6	6	6	6	6	6	-	-
Refuse collection trucks	12	12	12	12	12	12	12	12	-	-
Recycling & Refuse Trucks	-	-	-	-	-	-	-	-	12	12
Other Public Works										
Streetlights	1,352	1,377	1,402	1,402	1,402	1,402	1,402	1,406	1,406	1,406
Traffic signals	41	41	43	44	44	44	44	44	44	44
Parks and recreation										
Acres of open space	441.50	441.66	441.84	441.84	441.84	441.84	441.84	441.84	441.84	441.84
Parks, playgrounds, athletic fields	25	25	26	26	23	23	23	23	23	23
Wastewater										
Sanitary sewers (linear feet)	718,520	719,810	719,810	719,810	719,810	719,810	719,810	719,810	719,810	719,810
Storm sewers (linear feet)	675,840	675,840	675,840	675,840	675,840	675,840	675,840	675,840	675,840	675,840

Source: Various Departments, Township of Radnor

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