



Township of

Radnor Pennsylvania

Comprehensive Annual Financial Report 2014



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the year ended, December 31, 2014

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

The Best Place to Live, Work, Visit 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, 2014

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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

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ROBERT A. ZIENKOWSKI

Township Manager

Township Secretary

JOHN B. RICE, ESQ.

Solicitor

JOHN E. OSBORNE

Treasurer

June 17, 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, 2014. The annual report, as required by the Township's Home Rule Charter, includes the "basic financial statements" made up of 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 90 locations across the United States, has nearly 4,000 professionals, and revenues in excess of \$630 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. 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, visit 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 time a child first steps foot into a classroom 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 for girls, 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 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, in accordance with the Township Charter, 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 early October. The preliminary budget is then reviewed by the Board and public through various meetings, is amended as necessary, and is ultimately adopted (as revised) in early 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, 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 aimed at creating balanced budgets, establishing appropriate levels of funding reserves, determining the appropriate use of non-reoccurring revenues, establishing annual capital funding, and establishing a funding plan for other post-employment benefits (OPEB). These policies can be found in the Township’s Administrative Code Chapter §44 and are reviewed periodically and updated according to updated needs or best practices. As a matter of fact, the Board of Commissioners adopted modified legislation that specifically allocated excess general fund balances to help address the growing long-term unfunded liabilities relating to OPEB, pension benefits, and mounting capital replacement costs. Initially, the resolution was limited to 2011 and 2012 only. Then, in 2014, the Board of Commissioners passed a formal amendment to the fund balance policy that establishes the criteria for use of excess revenues, after fund balance reserve requirements are met first. More specifically, given the recent growth of the Township’s Act 511 [Business] Taxes, and given the somewhat volatile nature of these revenues, the Board of Commissioners set a threshold that if the Act 511 Taxes represent more than 30% of the total General Fund revenues, the required fund balance would increase from 15% to 25% of General Fund expenditures. Please see the Governmental Funds Balance Sheet for the impact to the financial statements resulting from this policy. Additionally, the Board of Commissioners has adopted an OPEB funding plan, which began in 2014. The plan is to ramp up additional OPEB funding each year by \$200,000 until the Township reaches the full actuarially required contribution (ARC), which is expected to take approximately ten years. At the same time, all employees who are eligible for post-employment health care benefits will be prefunded starting from their hire date. The goal of the plan is to begin to set aside assets to fund the current unfunded liability and to prevent adding to the unfunded portion by prefunding any new obligations. It should be noted that effective January 1, 2013, only newly hired police officers are eligible for any post-employment health care benefits.

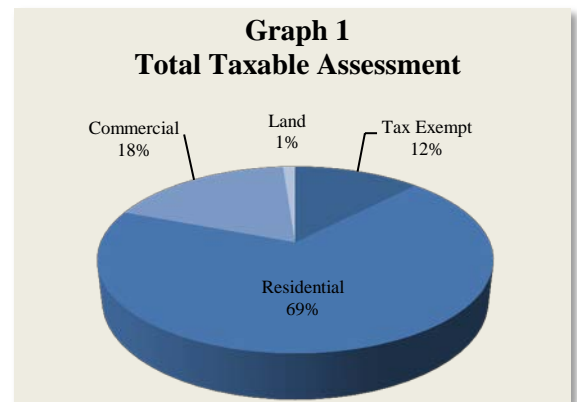
The table below reflects the amount of funds that have been distributed or assigned based on the Township’s excess fund balance and OPEB funding plan policies. Please see the Management Discussion and Analysis on page 3 and the General Fund Balance Sheet on page 19 for more details.

Category:	2011	2012	2013	2014	Total
OPEB	\$1,862,230	\$1,160,240	\$ -	\$ 200,000	\$ 3,222,470
Capital Needs	931,113	580,120	2,618,310	1,000,000	5,129,543
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	\$1,200,000	\$14,237,448

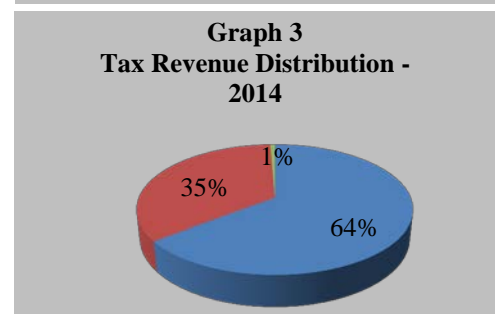
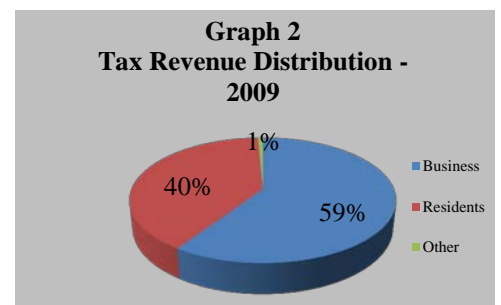
RADNOR'S ECONOMY

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 511. More specifically, the Act 511 taxes reveal how the real estate and business base in Radnor is doing economically. The business privilege taxes are levied on the gross receipts of commercial business activity at 3.000 mills. The performance of these revenues is a strong indication of the vitality of Radnor's business community. Next, the local services tax is levied as a fixed amount per employee at \$52.00. The performance of these revenues is an indication of employment trends in Radnor by our businesses. Finally, the real estate transfer tax is levied as a percentage of the transfer amount on real estate transactions in Radnor at 1.00%. The performance of these revenues is an indication of the real estate market in Radnor, both in terms of the number of transactions and the value of each transaction. When these economic factors are reviewed together at the macro level, one can quickly gain an understanding of Radnor's economic growth. These key metrics are discussed and documented in the Management's Discussion and Analysis beginning on page 14.

Another economic factor to consider is the real estate assessment values year over year. 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 69%. Overall, the Township's total real estate assessed value has remained strong and stable. As shown in Schedule 7 in the Statistical Section, page 98, the annual assessment growth has averaged 0.72% 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 Radnor Township Administration understands that another important aspect to a healthy local economy and community is maintaining tax rates. To that end, the Township has worked extremely hard to balance the needs of the community while freezing the real estate tax rate. In fact, the real estate millage rate in Radnor has been at 3.7511 mills since 2012. At the same time and in concert with keeping the real estate millage rate as low as possible, the Administration has embraced the trend whereby the resources generated through business activity exceeds those generated from the residents. Fostering business growth has helped shift the weight away from the residents. Graphs 2 and 3 represent the source of the Township's tax revenue from 2009 as compared to 2014. As depicted, the residential burden has decreased from 40% to 35%. This is the result, in part, to keeping real estate taxes frozen since 2012, but also from business activity growth as discussed later in the Management Discussion and Analysis. The Township will continue to foster business growth in an effort to balance the service demands of the community with the constraint of keeping tax rates as low as possible.



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. 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: Fiscal Transparency, Oversight and Advanced Reporting of GASB 68

In 2011, the Board of Commissioners adopted legislation creating the Citizens' Audit Review & Financial Advisory Committee (CARFAC). CARFAC is made up of nine volunteer residents who are knowledgeable in the areas of business, finance, accounting, real estate and law. 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, CARFAC's responsibilities include reviewing the Township's fiscal planning, budgeting, business processes and other areas in an effort to provide expertise and transparency.

An area of focus in 2013 and again in 2014 was the reporting treatment of the new GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which will be effective for the Township for the year ending December 31, 2015. However, instead of waiting until the 2015 financial statements, CARFAC worked with the Township Administration and the Independent Auditors to prepare a pro-forma Statement of Net Position for Governmental Activities that reflects the impact GASB 68. The pro-forma was included in footnote 15 of the Township's December 31, 2013 financial statements and it is again included in this report as part of footnote 15 on page 60. CARFAC and the Administration agree that accounting and financial reporting for pensions is a critical element to the accuracy of the Township's net position, and that is why the pro-forma presentation was prepared and included in last year's and this year's financial statements.

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, 2013. This was the third year in a row that the Township had received this prestigious award. 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, Visit 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, 2014
RADNOR TOWNSHIP, PENNSYLVANIA

ELECTED OFFICIALS

Board of Commissioners

James C. Higgins, Esq.	1 st Ward Commissioner
Richard F. Booker, Esq.	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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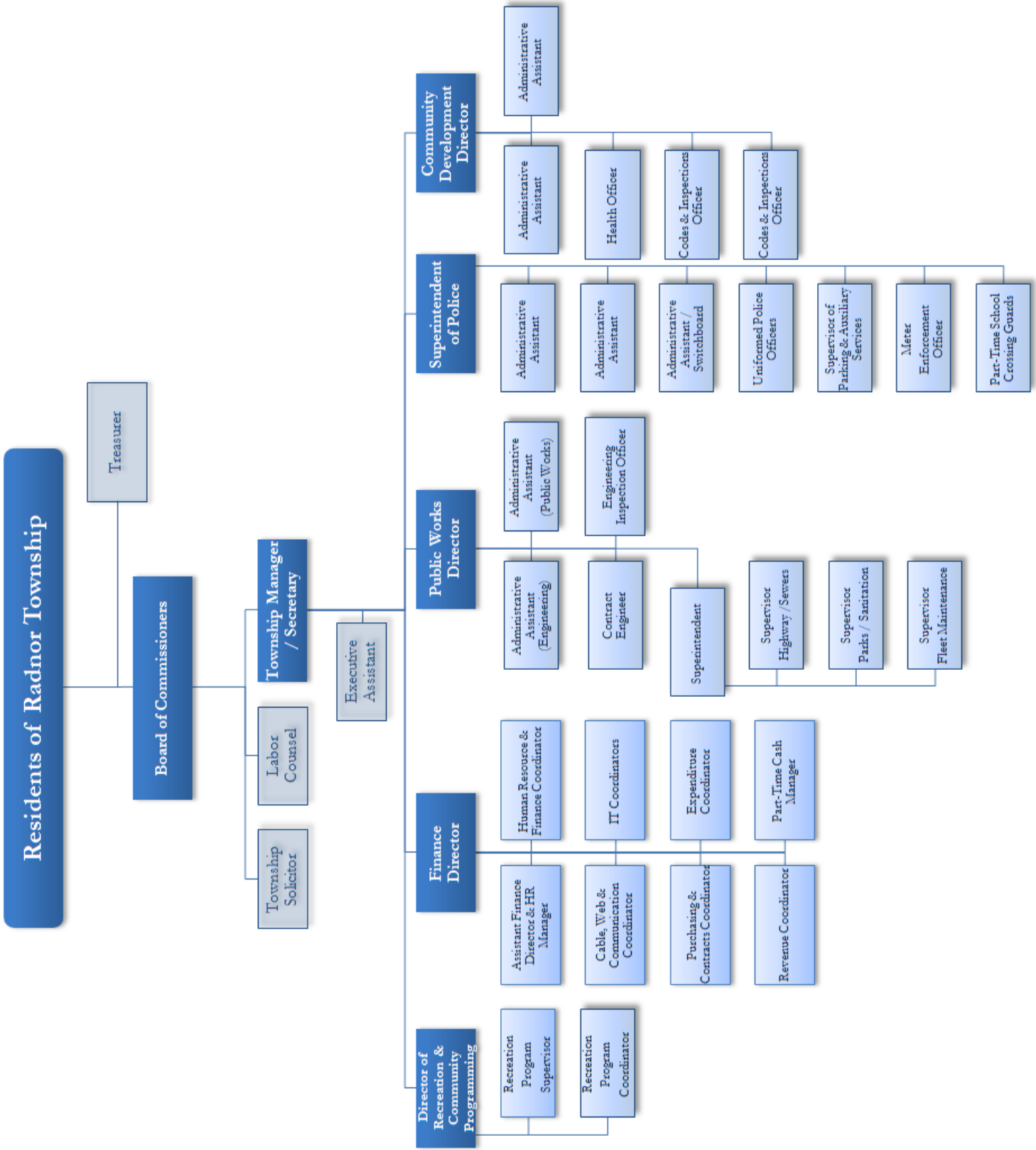
APPOINTED OFFICIALS

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

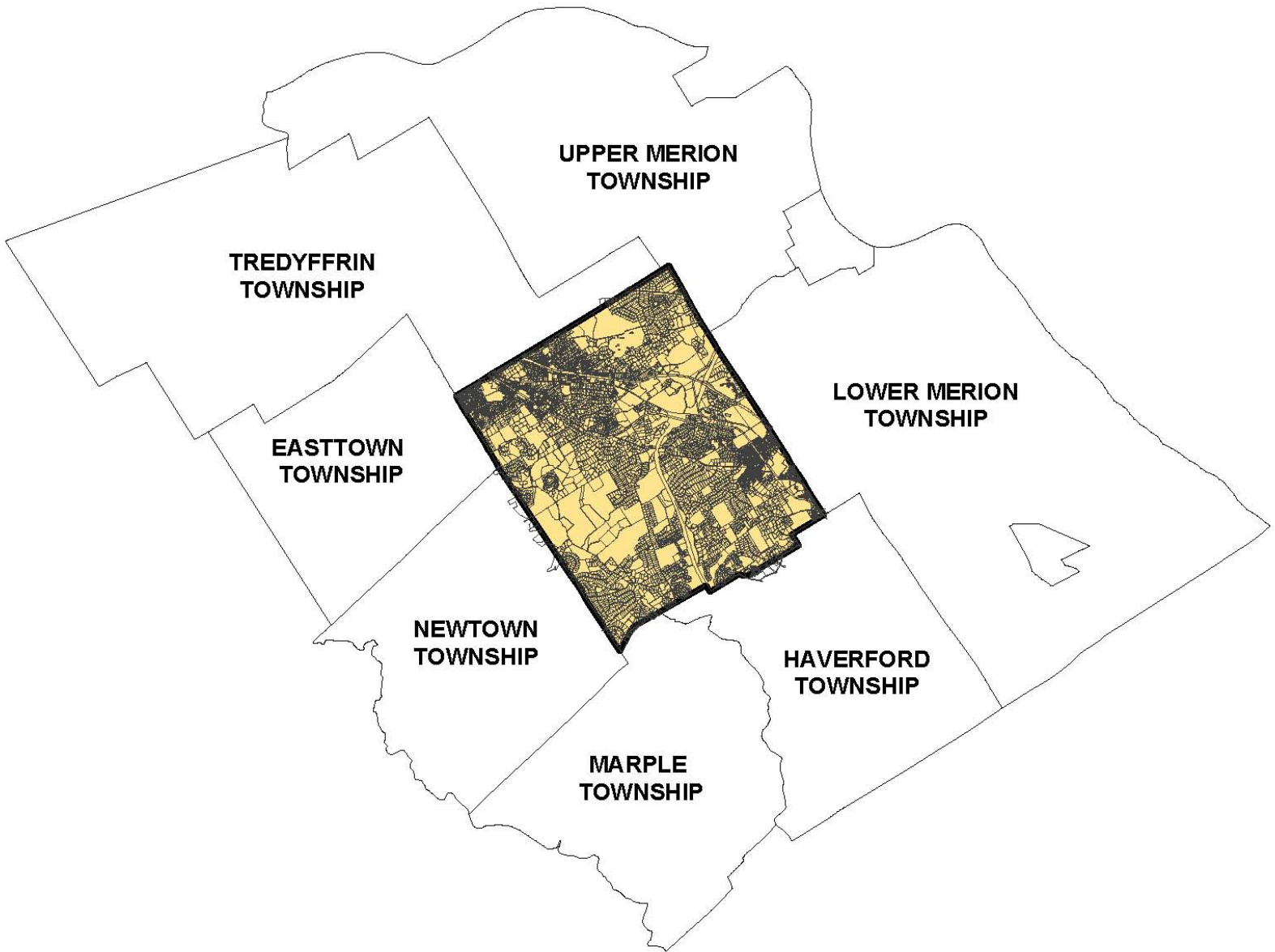
APPOINTED PROFESSIONAL FIRMS

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, Visit 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, 2013

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, as of and for the year ended December 31, 2014, 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 as of December 31, 2014, 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.

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 3-15, 62-66 and 67-71, 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 72-90, the information presented in the Introductory Section on pages i-xi, and the information presented in the Statistical Section on pages 91-111 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 72-90 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 72-90 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information presented in the Introductory Section on pages i-xi, and the information presented in the Statistical Section on pages 91-111 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this information.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
June 17, 2015

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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, 2014.

Financial Highlights

Radnor Township's government-wide net position on December 31, 2014 was \$4,229,511, which was an improvement of \$1,244,635 from December 31, 2013. The improved net position is due to several significant factors. The primary reason for the improved net position was the financing method used in the purchase of the 71 acres at Ardrossan, where the Township used a combination of current assets, grant revenue, and long-term bond financing. Other factors include a reduction in other post-employment benefit liabilities of \$1,132,378 and accounts payable and accrued liabilities of \$620,854 from December 31, 2013 amounts.

Further, as shown on the Statement of Activities, Radnor Township's local economy continues to demonstrate strong growth validated by the performance of the taxes levied under the Local Tax Enabling Act. The real estate transfer taxes are a reflection of the local housing market, and even though 2014 revenues dropped off from 2013 levels, this revenue category still reflects a positive growth trend going back to 2011 when revenues were \$2,099,160 as compared to 2014 revenues at \$3,145,128. Next, mercantile taxes are a reflection of the retail market in Radnor, where revenues have remained consistent since 2011 (noting that in 2013, a change in the filing period resulted in only a half years' worth of activity). Business privilege taxes reflect all other commercial activity in Radnor and have been the source of the greatest growth. Note that the 2013 business privilege tax included two one-time payments that made up \$9.5 million of the \$18.1 million recorded. When those one-time revenues are removed from the comparison, the business privilege taxes grew by over \$440,000 in 2014, or by 7%. Finally, local services taxes reflect employment in the Township, and while growth has lagged behind the gross revenue activity reported in the mercantile and business privilege taxes, 2014 showed a 9% growth over 2013. The performance of these taxes have allowed the Township to begin to address long term liabilities, refill some of the vacated police positions, absorb significant winter weather costs and increase capital funding all while maintaining real estate millage rates at the 2012 amount of 3.7511 mills.

Further still, 2014 marked the first year of the Township's new stormwater management fee. The fee is assessed to all properties in Radnor Township and is broken down into two broad categories. Residential properties are classified as single family residents and all other properties are classified as other developed properties. All single family residents were billed based on their lot size with the largest category being capped at four billing units, while all other developed properties were billed based on their impervious area. The 2014 billing amount was set at \$29 per unit. Total revenue, in its first year, met the Township's estimated expectations at \$1,072,711, which is the primary reason for the increase in Charges for Services on the Statement of Activities. As this was the first year of the program, most of the revenues were not spent as the Township continues to evaluate and prioritize the capital projects to be constructed with these resources.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements, which comprise 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.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Overview of the Financial Statements (Continued)

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.

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 16 and 17 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, 2014**

Overview of the Financial Statements (Continued)

The Township maintains twelve 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, Park Improvements and Open Space Fund, Storm Water Fund and the Capital Improvement Fund which are considered to be major funds. The Township has five nonmajor governmental funds, the State Liquid Fuels Tax Fund, Commemorative Shade Tree Fund, Grant Fund, Police K-9 Fund and the Recreation Fee 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 Funds to demonstrate compliance with this budget on pages 67 through 71.

The basic governmental funds financial statements can be found on pages 18 through 21 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 22 through 24 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, OPEB reserve trust funds and agency funds. Total net position of the fiduciary funds was \$54,521,054.

The basic fiduciary funds financial statements can be found on pages 25 and 26 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 27 through 61 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 62 through 71 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 72 through 90 of this report.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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 \$4,158,225 which represents an increase of \$1,259,286 from December 31, 2013. 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 net position decreased by \$5,225,578. The reduction in 2014 was the result of using current resources for a portion of the open space acquisition at Ardrossan as well as moving \$1.0 million to the capital improvement fund. The deficiency continues to be the result of the current underfunding of the net OPEB obligation which totals (\$16,564,082) in spite of the fact that the Township has begun to fund OPEB through dedicated trust and through an approved funding plan, which began in 2014. The specific items that reconcile the total government fund balances to the Township's governmental activities' net position can be found on page 19.

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 \$(1,225,724) 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	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 25,477,766	\$ 29,663,300	\$ (12,697)	\$ -	\$ 25,465,069	\$ 29,663,300
Capital Assets	55,211,653	43,086,160	86,482	88,873	55,298,135	43,175,033
Total Assets	80,689,419	72,749,460	73,785	88,873	80,763,204	72,838,333
Deferred Outflows of Resources	2,625,115	2,761,152	-	-	2,625,115	2,761,152
Noncurrent Liabilities	77,870,634	70,947,974	-	2,936	77,870,634	70,950,910
Other Liabilities	1,285,675	1,663,699	2,499	-	1,288,174	1,663,699
Total Liabilities	79,156,309	72,611,673	2,499	2,936	79,158,808	72,614,609
Net Position:						
Net Investment in Capital Assets	553,632	(5,322,939)	86,482	88,873	640,114	(5,234,066)
Restricted	6,007,738	5,399,445	-	-	6,007,738	5,399,445
Unrestricted (Deficiency)	(2,403,145)	2,822,433	(15,196)	(2,936)	(2,418,341)	2,819,497
Total Net Position	\$ 4,158,225	\$ 2,898,939	\$ 71,286	\$ 85,937	\$ 4,229,511	\$ 2,984,876

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, including weddings, birthday parties, social gatherings, school district events and the like. The total business-type activities' net position decreased by \$14,651 in 2014. In 2013 the Township solicited proposals to lease the Willows Mansion to a private caterer, with the primary goals being to monetize the asset through a revenue sharing arrangement and elimination of ongoing Township maintenance costs, all while maintaining the park property as a gathering place for the community. In 2014, the Township entered into an agreement with the Lake House Inn to renovate, expand and assume the rental activity at the Mansion beginning in 2015 after construction at the site is complete.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Government-Wide Financial Analysis (Continued)

Table 2 highlights the Township's revenues and expenses for the fiscal year ended December 31, 2014. 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.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 12,025,174	\$ 10,501,451	\$ -	\$ 24,069	\$ 12,025,174	\$ 10,525,520
Operating Grants and	2,512,484	2,092,665	-	-	2,512,484	2,092,665
Capital Grants and Contributions	987,703	257,099	-	-	987,703	257,099
General Revenues:						
Real Estate Taxes	11,844,653	11,843,737	-	-	11,844,653	11,843,737
Taxes Levied Under Act 511	14,377,967	23,308,687	-	-	14,377,967	23,308,687
Debt Repayment Agreements	130,905	60,175	-	-	130,905	60,175
Investment Income	162,817	128,039	12	42	162,829	128,081
Total Revenues	42,041,703	48,191,853	12	24,111	42,041,715	48,215,964
Expenses:						
General Government	5,691,986	4,027,041	-	-	5,691,986	4,027,041
Protection to Persons and Property	13,505,092	12,745,479	-	-	13,505,092	12,745,479
Health and Sanitation	8,824,642	8,733,554	-	-	8,824,642	8,733,554
Highways	6,374,657	6,021,919	-	-	6,374,657	6,021,919
Library	899,290	849,850	-	-	899,290	849,850
Parks and Recreation	3,576,358	3,725,915	14,663	64,090	3,591,021	3,790,005
Interest on Long-Term Debt	1,910,392	1,812,689	-	-	1,910,392	1,812,689
Total Expenses	40,782,417	37,916,447	14,663	64,090	40,797,080	37,980,537
Changes in Net Position before Transfers	1,259,286	10,275,406	(14,651)	(39,979)	1,244,635	10,235,427
Transfers	-	41,811	-	(41,811)	-	-
Changes in Net Position	1,259,286	10,317,217	(14,651)	(81,790)	1,244,635	10,235,427
Net Position - Beginning	2,898,939	(7,418,278)	85,937	167,727	2,984,876	(7,250,551)
Net Position - Ending	<u>\$ 4,158,225</u>	<u>\$ 2,898,939</u>	<u>\$ 71,286</u>	<u>\$ 85,937</u>	<u>\$ 4,229,511</u>	<u>\$ 2,984,876</u>

As discussed earlier in this report and as shown in Table 2, the surplus in 2014 was largely the result of the continued strong performance of the taxes levied under Act 511, noting that 2013 revenues included two one-time deposits totaling \$9.5 million. When removed from the comparison, those taxes grew by \$569,280 or 4.1%. Then, charges for services revenue growth in 2014 was due to strong building and engineering revenue, which grew by approximately \$560,000 and the new stormwater program revenue which added \$1,072,711. Operating and capital grants increased in 2014 as a result of the \$1,000,000 grant received for the purchase of the open space at Ardrossan. On the expenditure side, across the board increases were the result of greater funding towards pension and OPEB obligations, additional capital spending, winter weather/snow removal service increases, and the refilling of vacant police positions. More specifically, 2014 marked the first year of the Township's new OPEB funding plan, whereby the Township paid \$200,000 towards the long-term liability as well as continued pre-funding all newly filled positions that still receive the benefit.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Governmental Activities

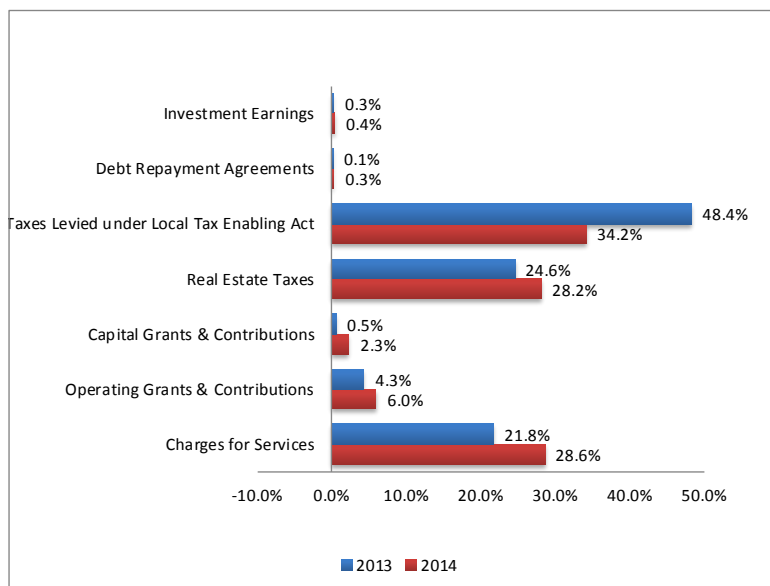
Table 3 discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local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

Table 3 - Governmental Activities

Programs	Total Cost of Services		Total Net Cost	
	2014	2013	2014	2013
General Government	\$ 5,691,986	\$ 4,027,041	\$ (4,414,891)	\$ (2,575,899)
Protection to Persons and Property	13,505,092	12,745,479	(8,384,867)	(8,388,554)
Health and Sanitation	8,824,642	8,733,554	(2,380,434)	(3,549,745)
Highways	6,374,657	6,021,919	(5,399,606)	(4,900,285)
Library	899,290	849,850	(899,290)	(849,850)
Parks and Recreation	3,576,358	3,725,915	(1,867,576)	(2,988,210)
Interest on Long-Term Debt	1,910,392	1,812,689	(1,910,392)	(1,812,689)
Total	\$ 40,782,417	\$ 37,916,447	\$ (25,257,056)	\$ (25,065,232)

Net cost of services decreased to 62% of total cost of services in 2014, from 66% 2013. These percentages reflect that for every dollar spent to provide service, \$0.62 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. As noted earlier, the primary contributors to the reduction in the percentage of total net cost from 2013 to 2014 are the increases in building and engineering revenue, open space grant revenue and the stormwater fee. 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 Act 511 tax revenue from increases in the business and housing market economy.

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

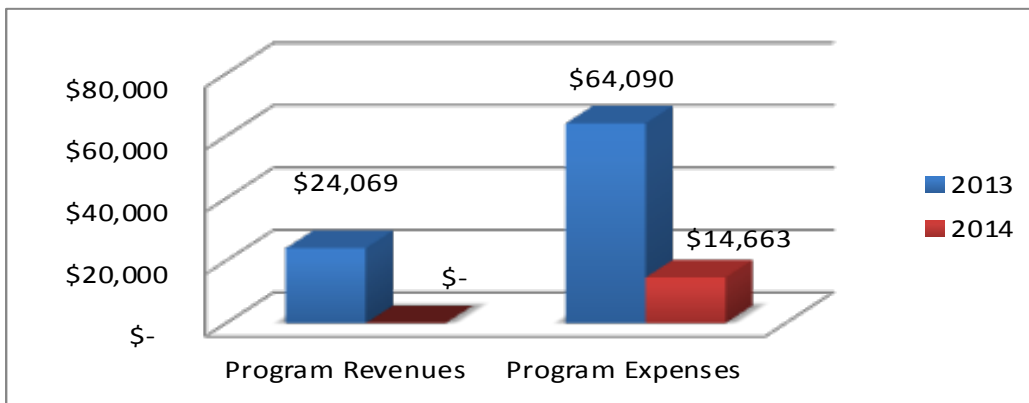


**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

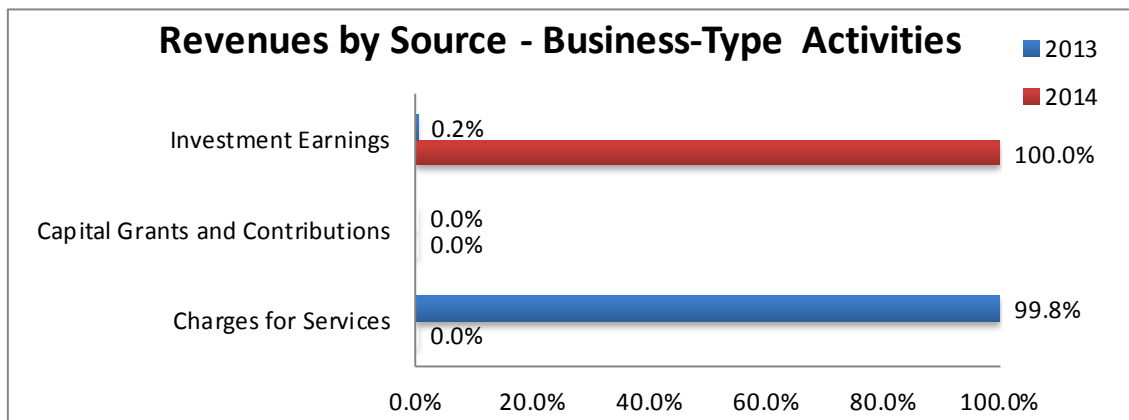
Business-Type Activities

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 \$14,663. No business-type revenues were generated in 2014 as the Township is in the process of out-sourcing the programming activity to a private caterer. 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 \$14,651. 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 (2010 – 2012) 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, in 2013 the Township solicited proposals from private catering firms to lease the Mansion with the following goals: Revenue sharing income for the Township, elimination of 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. In 2014, the Board of Commissioners entered into a contract with the Lake House Inn. Activity is expected to begin in 2016.



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, 2014**

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure 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 2014, the governmental funds reported combined ending fund balances of \$20,614,055, a decrease of \$3,392,266 from the prior year. Approximately 43% of this total amount or \$8,866,166 constitutes unassigned fund balance, which includes \$4,736,863 to comply with the General Fund's target fund balance policy of 15% of expenditures, \$3,157,908 of Fund Balance Stabilization 10% Requirement and \$971,395 of other unassigned fund balances. The next allocation is assigned fund balance, totaling \$1,612,942 and includes assigned for encumbered activity in 2014 carried forward into 2015 (\$1,456,874). The next allocation of fund balance is restricted by constitutional provisions, enabling legislation, or constraints imposed by external factors which totaled \$7,208,648 and includes fund balances in the Sanitary Sewer Fund (\$1,608,513), Debt Service Fund (\$1,204,728), Capital Improvement Fund (\$2,898,581), Park Improvements and Open Space Fund (\$161,811), State Liquid Fuels Tax Fund (\$271,901) and restricted for encumbered activity in 2014 carried forward into 2015 (\$1,063,114). The next allocation of fund balance is committed by the Board of Commissioners through ordinances or resolutions which totaled \$2,840,911 and includes funds balance for Storm Water Fund (\$1,351,200), Operational Efficiency Projects (\$1,450,000) and Recreation Fee (\$39,711). The remainder of the fund balance is \$85,388 and is non-spendable to pay for future legal or contractual obligations which include prepaid items.

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 2014, the unassigned fund balance of the General Fund was \$8,866,166, which is up by \$1,265,525 over 2013. As a measure of the General Fund's liquidity and to protect the Township from unexpected swings in revenue, 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 overall fund balance of the General Fund decreased from 2013 by \$3,826,574 as a result of transferring \$3,298,097 from prior year's Board approved allocations to seed the OPEB Trust Fund, and transferring \$1,000,000 in 2013 excess fund balances to the Capital Improvement Fund.

General Fund revenues, in total, increased over 2013 amounts by \$1,443,111 or 4.5% once the one-time business privilege tax transactions totaling \$9.5 million in 2013 are removed. It should be noted that part of the increase is the result of normalizing mercantile revenues to reflect a full year's activity in 2014 versus only a half year's worth of activity in 2013. Specifically, 2013 mercantile revenue was \$716,109 and 2014 was \$1,397,558. The fact that revenues almost doubled is appropriate given the portion of the year that business had to report. Other areas where revenues increased the most include the business privilege taxes (by \$443,841 after the \$9.5 million is removed from the 2013 total), licenses and permits (by \$582,797) due to more development, and fines, forfeits and costs (by \$143,820) due to more police activity. Real estate transfer tax revenues dropped off from 2013 levels (by \$222,083) due to lower real estate sales. However, the 2014 revenue of \$2,358,846 is still significantly higher than revenues from 2012 of \$1,860,107 and 2011 \$1,574,370. Grants and gifts also fell off by \$304,251 because 2013 included FEMA reimbursements for Hurricane Irene and Superstorm Sandy.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Governmental Funds (Continued)

Financial Analysis of the Government's Funds (Continued)

General Fund expenditures increased by \$2,899,979 or 10%. The largest increase was the result of increased contributions for OPEB and employee benefits (i.e. pension and healthcare) which increased by \$1,043,547 over 2013. Next, as a result of refilling several vacant police positions, protection to persons and property expenses jumped by \$893,563 or 9% in 2014. Finally, highway expenses increased by \$478,361 or 12% over 2013 as a result of the extraordinary snow fall that occurred.

The [Sanitary] Sewer special revenue fund had a total fund balance of \$1,751,186 at December 31, 2014, a decrease of \$513,321, or 23% from the prior year. The fund balance is made of non-spendable, restricted and assigned allocations totaling \$3,818, \$1,608,513, and \$138,855, respectively. The activity in this fund is limited to the administration of the Township's sanitary sewer system. The decreases in fund balance is the result of the combination of a flat sewer rent rate from 2013 as well as lower than expected water consumption levels, which is the basis of the sewer rent fee. In spite of the reduction in the fund balance, the Fund maintains a healthy fund balance of 33% of expenses.

The Debt Service fund had a total fund balance of \$1,204,728 which is a planned decrease of \$241,307, or 17%. The decrease is the result of management's decision to reduce fund balance to roughly 29% 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 (\$88,828) 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 2014 with a fund balance of \$85,943. 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 \$323,470.

The Park and Open Space Fund, which accounts for the 25% allocation of the Real Estate Transfer tax dedicated to the acquisition of open space and improvements to the Township's parks, ended 2014 with a restricted fund balance of \$161,811. Current activity in this fund is the annual debt service on the 1998, 2002 and 2014 General Obligation Bonds issued for the acquisition of various open space properties throughout the Township. More specifically, the Township acquired 71 acres of open space at the Ardrossan estate in December 2014 at a purchase price of \$11,653,820 which was financed by \$9,885,000 in General Obligation Bonds, \$1,000,000 in grant proceeds and \$768,820 in current resources, including an interfund payable of \$605,000 to the General Fund.

The Stormwater Management Fund was established in 2012 to account for the Township's ongoing stormwater management and regulatory requirements. As noted earlier in this report, 2014 marked the first year that the Township began billing for stormwater management. All properties are billed at a unit rate of \$29. Residential properties are billed at either one, two, three or four units depending on their lot size. All other developed properties are billed units based on a calculation of their impervious surface. The Stormwater Fund ended 2014 with a committed and assigned fund balance of \$1,615,852 for future stormwater management projects.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

The Capital Improvement fund had a fund balance of \$3,352,068, as of December 31, 2014, an increase of \$1,626,842, or 94% from 2013. The increase is the result of excess general fund balances being allocated for capital purposes. More specifically, the Board approved a \$1,000,000 transfer in 2014 for future capital needs.

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.

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 67), 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 \$1,596,967, which was made up of the taxes levied under the local tax enabling act variance of \$1,119,066. Another significant contribution to the positive revenue variance was the licenses and permits variance of \$337,272. Actual General Fund expenditures (\$28,156,948) exceeded the final appropriation budget (\$26,827,156) by \$1,329,792. This was the result of additional contributions made to the civilian and police pension plans, which was not included in the final appropriation budget and totaled \$1,526,315.

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, 2014, amounts to \$55,302,118 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, infrastructure and construction in progress. Capital assets increased by 28% for governmental activities, due to the acquisition of the 71 acres of open space at the Ardrossan Farm. Capital assets decreased by 3% for business-type activities for 2014 due to the lack of any additional capital improvements to the facility in 2014, 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 24,149,624	\$ 12,303,066	\$ -	\$ -	\$ 24,149,624	\$ 12,303,066
Construction in Progress	38,749	170,863	-	-	38,749	170,863
Land Improvements	2,609,477	2,474,568	-	-	2,609,477	2,474,568
Buildings & Improvements	22,950,118	22,938,973	460,882	460,882	23,411,000	23,399,855
Machinery & Equipment	14,729,704	13,784,256	-	-	14,729,704	13,784,256
Infrastructure	18,032,714	17,193,311	-	-	18,032,714	17,193,311
Accumulated Depreciation	(27,298,733)	(25,778,877)	(374,400)	(372,009)	(27,673,133)	(26,150,886)
Total	\$ 55,211,653	\$ 43,086,160	\$ 86,482	\$ 88,873	\$ 55,298,135	\$ 43,175,033

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Capital Asset and Debt Administration (Continued)

Capital Assets (continued)

Major capital asset investments, other than the open space purchase, during fiscal year 2014 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, 2014, the Township had outstanding general obligation bonds totaling \$56,915,000. This was up from \$49,525,000 on December 31, 2013. In the current year, the Township paid \$2,495,000 in principal and \$1,683,097 in interest on outstanding debt. The reason for the principal increase is due to the open space acquisition where the Township financed a portion of the \$11.6 million purchase price with \$9,885,000 in new General Obligation Bonds.

Table 5 - Outstanding Debt

	Governmental Activities		Business-Type Activities		Maturity
	2014	2013	2014	2013	
General Obligation Bonds:	\$ 56,915,000	\$ 49,525,000	\$ -	\$ -	2024, 2026, 2034, 2037 & 2043

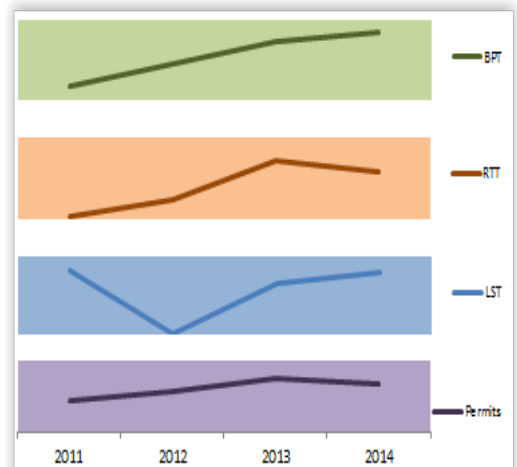
Additional information about the Township's long-term debt can be found in Note 7 to the financial statements.

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:

- Business privilege tax (BPT), levied on the gross receipts of commercial business activity, has grown by 56% since 2011
- Real estate transfer tax (RTT), levied as a fixed percent of the value of every real estate sale transaction, has grown by 50% since 2011. Further, transactional analysis shows that these revenue increases are the result of increased values and increased transactions.
- Local services tax (LST), paid as a fixed amount by each employee working in Radnor Township has remained relatively constant since 2011
- Business and residents are investing in Radnor as evidenced by the growing permitting activity in the Township, both in the number of transactions and the size of the improvements. As a result permitting revenues have increased by 57% since 2011.



**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Economic Factors and Major Initiatives (Continued)

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 University on its campus and a complete redevelopment of the office site on King of Prussia Road.

The Township also continues to focus on the long-term financial health of the Township. With the assistance of 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 2014 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 2013 report, the Township developed and implemented a long-term OPEB funding plan and included the first installment paid in 2014. 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.
- **Five-Year Forecasting:** The Township continues to incorporate a five-year forecast into its annual Budget process. 2015 marks the third 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.
- **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.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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

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TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 9,615,661	\$ -	\$ 9,615,661
Investments	9,276,589	-	9,276,589
Receivables			
Real Estate Taxes, Net	482,477	-	482,477
Local Enabling Taxes	112,501	-	112,501
Sewer Rents	14,386	-	14,386
Special Assessments	323,470	-	323,470
Other	1,065,412	-	1,065,412
Internal Balances	15,000	(15,000)	-
Loans Receivable (Due Within One Year)	105,300	-	105,300
Prepaid Items	85,388	2,303	87,691
Loans Receivable (Due Beyond One Year)	1,010,600	-	1,010,600
Pension Assets	3,371,336	-	3,371,336
Capital Assets			
Land and Construction in Progress	24,188,373	-	24,188,373
Other Capital Assets, Net of Depreciation	31,023,280	86,482	31,109,762
Total Capital Assets	<u>55,211,653</u>	<u>86,482</u>	<u>55,298,135</u>
Total Assets	<u>80,689,773</u>	<u>73,785</u>	<u>80,763,558</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	<u>2,625,115</u>	-	<u>2,625,115</u>
Liabilities			
Cash Overdraft	-	2,499	2,499
Accounts Payable and Accrued Liabilities	605,386	-	605,386
Accrued Interest Payable	437,813	-	437,813
Unearned Revenue	242,830	-	242,830
Noncurrent Liabilities:			
Due Within One Year	3,709,934	-	3,709,934
Due in More than One Year	57,596,618	-	57,596,618
Other Post Employment Benefits	16,564,082	-	16,564,082
Total Liabilities	<u>79,156,663</u>	<u>2,499</u>	<u>79,159,162</u>
Net Position			
Net Investment in Capital Assets	553,632	86,482	640,114
Restricted:			
Sewer Operations	1,751,186	-	1,751,186
Capital Improvements	3,352,068	-	3,352,068
Park Improvements and Open Space	161,811	-	161,811
Highways	742,673	-	742,673
Unrestricted (Deficiency)	(2,403,145)	(15,196)	(2,418,341)
Total Net Position	<u>\$ 4,158,225</u>	<u>\$ 71,286</u>	<u>\$ 4,229,511</u>

See accompanying Notes to Financial Statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

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	\$ 5,691,986	\$ 1,133,685	\$ 98,008	\$ 45,402	\$ (4,414,891)	\$ -	\$ (4,414,891)
Protection to Persons and Property	13,505,092	4,352,438	767,787	-	(8,384,867)	-	(8,384,867)
Health and Sanitation	8,824,642	5,680,287	721,620	42,301	(2,380,434)	-	(2,380,434)
Highways	6,374,657	128,600	846,451	-	(5,399,606)	-	(5,399,606)
Library	899,290	-	-	-	(899,290)	-	(899,290)
Parks and Recreation	3,576,358	730,164	78,618	900,000	(1,867,576)	-	(1,867,576)
Interest on Long-Term Debt	1,910,392	-	-	-	(1,910,392)	-	(1,910,392)
Total Governmental Activities	40,782,417	12,025,174	2,512,484	987,703	(25,257,056)	-	(25,257,056)
Business-Type Activities:							
Willows Fund	14,663	-	-	-	-	(14,663)	(14,663)
Total Business-Type Activities	14,663	-	-	-	-	(14,663)	(14,663)
Total Primary Government	\$ 40,797,080	\$ 12,025,174	\$ 2,512,484	\$ 987,703	(25,257,056)	(14,663)	(25,271,719)
General Revenues							
Taxes:							
Real Estate Taxes					11,844,653	-	11,844,653
Taxes Levied under Local Tax Enabling Act:							
Real Estate Transfer					3,145,128	-	3,145,128
Mercantile					1,191,160	-	1,191,160
Business Privilege					9,067,832	-	9,067,832
Emergency and Municipal Services					936,079	-	936,079
Amusement					37,768	-	37,768
Investment Income					162,817	12	162,829
Debt Repayment Agreements					130,905	-	130,905
Total General Revenues and Transfers					26,516,342	12	26,516,354
Change in Net Position					1,259,286	(14,651)	1,244,635
Net Position, Beginning of Year					2,898,939	85,937	2,984,876
Net Position, Ending					\$ 4,158,225	\$ 71,286	\$ 4,229,511

See accompanying Notes to Financial Statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Major Funds							Nonmajor Governmental Funds	Total Governmental Funds
	General	Sewer	Park Improvements and Open Space	Storm Water	Debt Service	Special Assessment	Capital Improvement		
Assets									
Cash and Cash Equivalents	\$ 2,816,338	\$ 625,897	\$ 604,445	\$ 984,241	\$ 8,362	\$ 85,943	\$ 3,605,587	\$ 884,848	\$ 9,615,661
Investments	7,350,046	1,133,543	-	695,000	-	-	98,000	-	9,276,589
Receivables, Net:									
Real Estate Taxes	402,011	-	-	-	80,466	-	-	-	482,477
Local Enabling Taxes	112,501	-	-	-	-	-	-	-	112,501
Sewer Rents	-	14,386	-	-	-	-	-	-	14,386
Special Assessments	-	-	-	-	-	323,470	-	-	323,470
Other	880,753	-	139,866	362	-	-	43,948	483	1,065,412
Prepaid Items	81,570	3,818	-	-	-	-	-	-	85,388
Due from Other Funds	621,967	-	22,500	-	-	-	-	-	644,467
Loans Receivable	-	-	-	-	1,115,900	-	-	-	1,115,900
Total Assets	<u>\$ 12,265,186</u>	<u>\$ 1,777,644</u>	<u>\$ 766,811</u>	<u>\$ 1,679,603</u>	<u>\$ 1,204,728</u>	<u>\$ 409,413</u>	<u>\$ 3,747,535</u>	<u>\$ 885,331</u>	<u>\$ 22,736,251</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts Payable and Accrued Liabilities	\$ 362,933	\$ 24,491	\$ -	\$ 63,751	\$ -	\$ -	\$ 152,637	\$ 1,574	\$ 605,386
Due to Other Funds	-	1,967	605,000	-	-	-	-	22,500	629,467
Unearned Revenues	-	-	-	-	-	-	242,830	-	242,830
Total Liabilities	<u>362,933</u>	<u>26,458</u>	<u>605,000</u>	<u>63,751</u>	<u>-</u>	<u>-</u>	<u>395,467</u>	<u>24,074</u>	<u>1,477,683</u>
Deferred Inflows of Resources									
Unavailable Revenue	321,043	-	-	-	-	323,470	-	-	644,513
Total Deferred Inflows of Resources	<u>321,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,470</u>	<u>-</u>	<u>-</u>	<u>644,513</u>
Fund Balances									
Non-Spendable	81,570	3,818	-	-	-	-	-	-	85,388
Restricted for:									
Sewer	-	1,608,513	-	-	-	-	-	-	1,608,513
Debt Service	-	-	-	-	1,204,728	-	-	-	1,204,728
Capital Improvement	-	-	-	-	-	-	2,898,581	-	2,898,581
Park Improvements and Open Space	-	-	161,811	-	-	-	-	-	161,811
State Liquid Fuels Tax	-	-	-	-	-	-	-	271,901	271,901
Encumbrances	-	138,855	-	-	-	-	453,487	470,772	1,063,114
Committed									
Recreation Fee	-	-	-	-	-	-	-	39,711	39,711
Storm Water	-	-	-	1,351,200	-	-	-	-	1,351,200
Operational Efficiency Projects	1,450,000	-	-	-	-	-	-	-	1,450,000
Assigned									
Subsequent Year Budget	1,183,474	-	-	264,652	-	-	-	8,748	1,456,874
Other	-	-	-	-	-	85,943	-	70,125	156,068
Unassigned									
Target 15% Fund Balance Reserve	4,736,863	-	-	-	-	-	-	-	4,736,863
Fund Balance Stabilization 10% Requirement	3,157,908	-	-	-	-	-	-	-	3,157,908
Other	971,395	-	-	-	-	-	-	-	971,395
Total Fund Balances	<u>11,581,210</u>	<u>1,751,186</u>	<u>161,811</u>	<u>1,615,852</u>	<u>1,204,728</u>	<u>85,943</u>	<u>3,352,068</u>	<u>861,257</u>	<u>20,614,055</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,265,186</u>	<u>\$ 1,777,644</u>	<u>\$ 766,811</u>	<u>\$ 1,679,603</u>	<u>\$ 1,204,728</u>	<u>\$ 409,413</u>	<u>\$ 3,747,535</u>	<u>\$ 885,331</u>	<u>\$ 22,736,251</u>

See accompanying Notes to Financial Statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014**

Total Governmental Fund Balances	\$ 20,614,055
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	82,510,386
Accumulated Depreciation	<u>(27,298,733)</u>
	55,211,653
Other Long-Term Receivables are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	
	644,513
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.	
	3,371,336
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	
	2,625,115
Certain Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds:	
Compensated Absences	(2,959,693)
Capital Lease	(638,278)
Net OPEB Obligation	(16,564,082)
Accrued Interest Payable	(437,813)
General Obligation Bonds Payable	<u>(57,708,581)</u>
	<u>(78,308,447)</u>
Net Position of Governmental Activities	<u>\$ 4,158,225</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	Major Funds							Nonmajor Governmental Funds	Total Governmental Funds
	General	Sewer	Park Improvements and Open Space	Storm Water	Debt Service	Special Assessment	Capital Improvement		
Revenues									
Real Estate Taxes	\$ 11,805,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,805,411
Taxes Levied under Local Tax Enabling Act:									
Real Estate Transfer	2,358,846	-	786,282	-	-	-	-	-	3,145,128
Mercantile	1,397,558	-	-	-	-	-	-	-	1,397,558
Business Privilege	9,067,832	-	-	-	-	-	-	-	9,067,832
Emergency and Municipal Services	936,079	-	-	-	-	-	-	-	936,079
Amusement	37,768	-	-	-	-	-	-	-	37,768
Licenses and Permits	3,372,869	-	-	-	-	-	-	-	3,372,869
Fines, Forfeits and Costs	759,209	-	-	-	-	-	-	46,684	805,893
Interest and Rents	255,002	28,558	371	2,332	-	6,657	7,253	1,029	301,202
Grants and Gifts	1,227,607	-	-	-	-	-	595,537	1,679,706	3,502,850
Departmental Earnings	1,649,314	4,696,663	-	1,072,711	-	42,301	-	-	7,460,989
Debt Repayment Agreements	-	-	-	-	130,905	-	-	-	130,905
Refunds and Miscellaneous	292,284	26,342	-	3,661	-	-	45,402	-	367,689
Total Revenues	33,159,779	4,751,563	786,653	1,078,704	130,905	48,958	648,192	1,727,419	42,332,173
Expenditures									
Current									
General Government	2,876,337	-	-	-	-	-	-	-	2,876,337
Protection to Persons and Property	10,427,729	-	-	-	-	-	-	182,826	10,610,555
Health and Sanitation	2,791,395	4,896,335	-	703,520	-	-	-	-	8,391,250
Highways	4,446,782	-	-	-	-	-	-	566,912	5,013,694
Library	899,290	-	-	-	-	-	-	-	899,290
Parks and Recreation	2,672,588	-	63,019	-	-	-	-	26,291	2,761,898
Miscellaneous									
Employee Benefits	3,180,340	-	-	-	-	-	-	-	3,180,340
OPEB Trust Contributions	3,680,330	-	-	-	-	-	-	-	3,680,330
Insurance	406,843	-	-	-	-	-	-	-	406,843
Other	197,450	-	-	-	-	-	-	-	197,450
Capital Outlay	-	-	11,846,558	-	-	-	2,257,258	-	14,103,816
Debt Service									
Principal Retirement	-	-	-	-	2,495,000	-	-	-	2,495,000
Interest	-	-	-	-	1,683,097	-	-	-	1,683,097
Bond Issue Costs	-	-	141,427	-	-	-	-	-	141,427
Total Expenditures	31,579,084	4,896,335	12,051,004	703,520	4,178,097	-	2,257,258	776,029	56,441,327
Excess of Revenues over (under) Expenditures	1,580,695	(144,772)	(11,264,351)	375,184	(4,047,192)	48,958	(1,609,066)	951,390	(14,109,154)
Other Financing Sources (Uses)									
Proceeds from Bond Issuance	-	-	9,885,000	-	-	-	-	-	9,885,000
Premium on Bond Issuance	-	-	114,289	-	-	-	-	-	114,289
Capital Lease Acquisition	-	-	-	-	-	-	717,600	-	717,600
Transfers In	-	-	1,090,958	-	3,805,885	-	2,518,310	25,000	7,440,153
Transfers Out	(5,407,268)	(368,550)	(714,516)	-	-	(49,819)	-	(900,000)	(7,440,153)
Total Other Financing Sources (Uses)	(5,407,268)	(368,550)	10,375,731	-	3,805,885	(49,819)	3,235,910	(875,000)	10,716,889
Net Change in Fund Balances	(3,826,573)	(513,322)	(888,620)	375,184	(241,307)	(861)	1,626,844	76,390	(3,392,265)
Fund Balances - Beginning	15,407,783	2,264,508	1,050,431	1,240,668	1,446,035	86,804	1,725,224	784,867	24,006,320
Fund Balances - Ending	\$ 11,581,210	\$ 1,751,186	\$ 161,811	\$ 1,615,852	\$ 1,204,728	\$ 85,943	\$ 3,352,068	\$ 861,257	\$ 20,614,055

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, 2014**

Net Change in Fund Balances - Governmental Funds	<u>\$ (3,392,265)</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	14,105,645
Depreciation Expense	<u>(1,980,152)</u>
	<u>12,125,493</u>
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.	(290,470)
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.	(8,028,278)
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	(6,089)
Change in Compensated Absences:	
General Government	1,724
Protection to Persons and Property	80,496
Health and Sanitation	17,524
Highways	(63,237)
Parks and Recreation	(5,236)
	<u>31,271</u>
Change in OPEB Obligation:	
General Government	147,209
Protection to Persons and Property	532,218
Health and Sanitation	192,504
Highways	135,885
Parks and Recreation	124,562
	<u>1,132,378</u>
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.	(194,068)
The Increase in Pension Asset Resulting from Contributions more than the Annual Required Contribution for 2014. This does not Require the use of Current Financial Resources and is not Reported in the Funds.	<u>(118,686)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,259,286</u></u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities
	Willows
Assets	
Current Assets	
Prepaid Expenses	\$ 2,303
Total Current Assets	2,303
Noncurrent Assets	
Capital Assets	
Buildings	\$ 300,000
Improvements	160,882
Less Accumulated Depreciation	(374,400)
Total Noncurrent Assets	86,482
Total Assets	88,785
Liabilities	
Current Liabilities	
Cash Overdraft	2,499
Due to Other Fund	15,000
Total Current Liabilities	17,499
Net Position	
Investment in Capital Assets	86,482
Unrestricted (Deficit)	(15,196)
Total Net Position	\$ 71,286

**TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities
	Willows
Operating Revenues	
Charges for Services	\$ -
Total Operating Revenues	-
Operating Expenses	
Operations	12,272
Depreciation	2,391
Total Operating Expenses	14,663
Operating Loss	(14,663)
Nonoperating Revenues:	
Interest	12
Total Nonoperating Revenues	12
Change in Net Position	(14,651)
Total Net Position - Beginning	85,937
Total Net Position - Ending	\$ 71,286

**TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities
	Willows
Cash Flows from Operating Activities	
Payments to Suppliers	\$ (13,122)
Payments to Employees	(1,453)
Net Cash Used by Operating Activities	(14,575)
Cash Flows from Noncapital Financing Activities	
Receipts from Other Fund	15,000
Net Cash Used by Noncapital Financing Activities	15,000
Cash Flows from Investing Activities	
Interest Received	12
Net Cash Provided by Investing Activities	12
Decrease in Cash and Cash Equivalents	437
Cash and Cash Equivalents - Beginning	(2,936)
Cash and Cash Equivalents - Ending	\$ (2,499)
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (14,663)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	2,391
Net Cash Used by Operating Activities	\$ (14,575)

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2014

	Trust Funds	Agency
Assets		
Cash and Cash Equivalents	\$ 8,859,617	\$ 2,173,033
Investments:		
Stocks	2,919,543	-
Corporate Bonds	1,383,133	-
Equity Mutual Funds	23,582,393	-
Fixed Income Funds	13,646,021	-
Real Estate Limited Partnership	481	-
Certificates of Deposit	495,000	-
Municipal Bonds	163,233	-
U.S. Government and Agency Securities	2,065,783	-
Life Insurance Cash Value	1,303,540	
Receivables:		
Accrued Interest	115,292	-
Total Assets	54,534,036	\$ 2,173,033
Liabilities		
Accounts Payable	2,702	\$ 800
Refunds Payable	10,280	-
Deposits Payable	-	2,172,233
Due to Other Funds	-	-
Total Liabilities	12,982	\$ 2,173,033
Net Position		
Net Position Held in Trust for Pension Benefits	\$ 54,521,054	

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Trust Funds
Additions:	
Contributions:	
Commonwealth of Pennsylvania	\$ 615,756
Employer	7,204,492
Members	481,406
Donations	1,303,540
Total Contributions	9,605,194
Investment Earnings:	
Net Appreciation in Value of Investments	2,663,190
Investment Expense	(19,990)
Net Investment Earnings	2,643,200
Other Additions:	
Litigation	250
Interest Earnings	3,275
Total Other Additions	3,525
Total Additions	12,251,919
Deductions:	
Benefits	3,700,161
Refund of Contributions	20,803
Administrative Expenses	112,124
Total Deductions	3,833,088
Change in Plan Net Position	8,418,831
Net Position Held in Trust for Pension Benefits:	
Beginning of Year	46,102,223
End of Year	\$ 54,521,054

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 13 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, 2014

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 and the \$8 Million Settlement 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.
- **Storm Water Management Fund** – is a special revenue fund that accounts for revenues and costs associated with operating, repairing and maintaining the Township owned storm water management systems.
- **Park Improvements and Open Space** – is a special revenue fund that 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).
- **Debt Service Fund** – Accounts for the accumulation of resources for, and payment of, debt principal and interest.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

- ***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.
- ***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:

- 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 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.
- The Recreational Fee Fund derives its revenues from fees collected from land development to insure adequate park and recreational areas and facilities to serve the future residents of the Township.

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, 2014

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 and OPEB Trust Funds*** – Account for Township and employee pension plan contributions and provide for the payment of retirement and other post-employment 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, 2014

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, 2014

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, 2014, 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, 2014

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 unavailable 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, 2014

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 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, 2014**

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.

Unearned Revenues

In the governmental fund financial statements, unearned revenue represents rental income which will be included in revenues of future years as they are earned.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 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. If, however, the total revenues generated from the Act 511 Enabling Tax exceed 30% of the total revenues in the General Fund, the amount needed to restore the unassigned fund balance would consist of the 15% base target amount as well as an added 10%, for a total of 25% of General Fund budgeted operating expenditures. The additional 10% is meant to specifically mitigate against revenue fluctuations from the Act 511 Enabling Tax group by maintaining a larger General Fund balance.

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, 2014

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 positions 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 10.

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, 2014**

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, 2014 totaling \$74,137,831 are classified in the fund balance sheets/statements of net position as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
General Fund	\$ 2,816,338	\$ 7,350,046	\$ 10,166,384
Special Revenue Fund			
Sewer Fund	625,897	1,133,543	1,759,440
Park Improvements and Open Space	604,445	-	604,445
Storm Water	984,241	695,000	1,679,241
Debt Service Fund	8,362	-	8,362
Capital Projects Fund			
Capital Improvement Fund	3,605,587	98,000	3,703,587
Special Assessments Fund	85,943	-	85,943
Nonmajor Governmental Fund	884,848	-	884,848
Enterprise Fund	(2,499)	-	(2,499)
Fiduciary Funds	<u>11,032,650</u>	<u>44,255,587</u>	<u>55,288,237</u>
Total	<u>\$ 20,645,812</u>	<u>\$ 53,532,176</u>	<u>\$ 74,177,988</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014, the Township's deposits with a carrying value of \$19,780,109 and bank balances of \$19,791,778 was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000
Uninsured, Collateral Held by Pledging Bank's Trust Department pursuant to Act 72, but not in the Township's Name	<u>19,541,778</u>
	<u><u>19,791,778</u></u>

Investments

Investments held as of December 31, 2014 are as follows:

Governmental Funds:	
Negotiable Certificates of Deposit	\$ 4,364,933
U.S. Government Agencies	3,834,013
PLGIT	<u>1,077,643</u>
	<u>9,276,589</u>
Pension Trust Funds:	
Money Funds (1)	865,733
Stocks	2,919,513
Corporate Bonds	1,383,133
Negotiable Certificates of Deposit	495,000
U.S. Treasury Notes	2,049,774
U.S. Government Agencies	16,009
Municipal Debt	163,233
Fixed Income Funds	13,646,021
Equity Mutual Funds	23,582,393
Real Estate Limited Partnership	<u>481</u>
	<u>45,121,290</u>
	<u><u>\$ 54,397,879</u></u>

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

The Township had \$1,077,643 invested in the Pennsylvania Local Government Investment Trust ("PLGIT") at December 31, 2014. 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, 2014

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, 2014, 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 average maturities of the Township’s U.S. Government Agencies, fixed income funds, corporate bonds, certificates of deposit, 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	\$ -	\$ 1,553,363	\$ 512,420	\$ -	\$ -	\$ 2,065,783
Fixed Income Funds	\$ -	\$ -	\$ 13,646,021	\$ -	\$ -	\$ 13,646,021
Corporate Bonds	\$ -	\$ 956,708	\$ 426,425	\$ -	\$ -	\$ 1,383,133
Municipal Debt	\$ -	\$ 163,233	\$ -	\$ -	\$ -	\$ 163,233
Certificates of Deposit	\$ 843,000	\$ 2,532,933	\$ 1,234,000	\$ 250,000	\$ -	\$ 4,859,933

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

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 does not have a policy related to concentration of credit risk. 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	\$ 75,821	Aa1
Corporate Bonds	135,687	Aaa
Corporate Bonds	362,977	Baa1
Corporate Bonds	444,087	A1
Corporate Bonds	271,089	A2
Corporate Bonds	93,472	A3
Municipal Debt	163,233	Aa2
US Government Agencies	3,850,022	AAA
	<u>\$ 5,396,388</u>	

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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.

The following is a schedule of interfund receivable and payables as included in the basic financial statements of the Township as of December 31, 2014:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 621,967	\$ -
Special Revenue Fund		
Park Improvements and Open Space Fund	22,500	(605,000)
Sewer Fund	-	(1,967)
Nonmajor Governmental Fund	-	(22,500)
Enterprise Fund	-	(15,000)
	<u> </u>	<u> </u>
Total	<u>\$ 644,467</u>	<u>\$ (644,467)</u>

The following is a schedule of transfers as included in the basic financial statements of the Township as of December 31, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,407,268
Special Revenue Fund		
Sewer Fund	-	368,550
Park Improvements and Open Space Fund	1,090,958	714,516
Special Assessments Fund	-	49,819
Debt Service Fund	3,805,885	-
Capital Projects Fund		
Capital Improvement Fund	2,518,310	-
Nonmajor Governmental Funds	25,000	900,000
	<u> </u>	<u> </u>
Total	<u>\$ 7,440,153</u>	<u>\$ 7,440,153</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, 2014

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2014:

	<u>2013 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2014 Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 12,303,066	\$ 11,846,558	\$ -	\$ 24,149,624
Construction in Progress	170,863	-	132,114	38,749
Total Capital Assets not being Depreciated	<u>12,473,929</u>	<u>11,846,558</u>	<u>132,114</u>	<u>24,188,373</u>
Capital Assets, being Depreciated:				
Land Improvements	2,474,568	134,909	-	2,609,477
Buildings	22,938,973	11,145	-	22,950,118
Machinery and Equipment	13,784,256	1,405,744	460,296	14,729,704
Infrastructure	17,193,311	839,403	-	18,032,714
Total Capital Assets being Depreciated	<u>56,391,108</u>	<u>2,391,201</u>	<u>460,296</u>	<u>58,322,013</u>
Less Accumulated Depreciation for:				
Land Improvements	1,578,975	113,090	-	1,692,065
Buildings	5,522,922	570,906	-	6,093,828
Machinery and Equipment	10,663,098	689,333	460,296	10,892,135
Infrastructure	8,013,882	606,823	-	8,620,705
Total Accumulated Depreciation	<u>25,778,877</u>	<u>1,980,152</u>	<u>460,296</u>	<u>27,298,733</u>
Total Capital Assets being Depreciated, Net	<u>30,612,231</u>	<u>411,049</u>	<u>-</u>	<u>31,023,280</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,086,160</u>	<u>\$ 12,257,607</u>	<u>\$ 132,114</u>	<u>\$ 55,211,653</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 4 CAPITAL ASSETS (CONTINUED)

	<u>2013 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2014 Balance</u>
Business Type Activities				
Capital Assets, being Depreciated:				
Buildings	\$ 300,000	\$ -	\$ -	\$ 300,000
Improvements	<u>160,882</u>	<u>-</u>	<u>-</u>	<u>160,882</u>
Total Capital Assets being Depreciated	<u>460,882</u>	<u>-</u>	<u>-</u>	<u>460,882</u>
Less Accumulated Depreciation for:				
Buildings	300,000	-	-	300,000
Improvements	<u>72,009</u>	<u>2,391</u>	<u>-</u>	<u>74,400</u>
Total Accumulated Depreciation	<u>372,009</u>	<u>2,391</u>	<u>-</u>	<u>374,400</u>
 Total Capital Assets being Depreciated, Net	 <u>88,873</u>	 <u>(2,391)</u>	 <u>-</u>	 <u>86,482</u>
 Business Type Activities Capital Assets, Net	 <u>\$ 88,873</u>	 <u>\$ (2,391)</u>	 <u>\$ -</u>	 <u>\$ 86,482</u>

Depreciation expense was charged to functions / programs as follows:

Governmental Activities:	
General Government	\$ 593,065
Protection to Persons and Property	237,379
Health and Sanitation	93,945
Highways	880,151
Parks and Recreation	<u>175,612</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 1,980,152</u>
Business-Type Activities:	
Willows Fund	<u>\$ 2,391</u>
Total Depreciation Expense, Business-Type Activities	<u>\$ 2,391</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 5 LOANS RECEIVABLE

The following is a summary of loans receivable at December 31, 2014:

Wayne Art Center	\$	830,000
Radnor Fire Company		285,900
		285,900
	\$	1,115,900

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 followed the repayment schedule consistent with that of the General Obligation Bonds, Series of 2004, from which the loan was funded. During 2014, the loan was renegotiated to bear interest at varying rates over the life of the bonds from 2.75% to 4.0% per annum. Interest only payments are due January 15 and July 15 of each year through January 2020. Principal and interest payments of approximately \$68,000 to \$75,600 per year extend through 2034. Principal payments are due annually on July 15, beginning in 2020.

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.

Since the loans receivable represents assets that are not available for current spending, a restricted 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 CAPITAL LEASE OBLIGATIONS

The Township acquired several pieces of equipment under the provisions of long term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized. The leases expire during 2019.

The cost and depreciation under the capital leases are as follows:

Cost	\$	717,600
Accumulated Depreciation		(46,497)
		(46,497)
Total	\$	671,103

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 6 CAPITAL LEASE OBLIGATIONS (CONTINUED)

The future minimum lease payments under the capital leases and the net present value of future minimum capital lease payments at December 31, 2014 are as follows:

<u>Year Ending December 31,</u>		
2015	\$	149,361
2016		149,361
2017		149,361
2018		149,361
2019		<u>68,932</u>
Total Minimum Lease Payments		666,376
Less: Amount Representing Interest		<u>(28,098)</u>
Present Value of Minimum Lease Payments	\$	<u><u>638,278</u></u>

NOTE 7 LONG-TERM DEBT

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.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7 LONG-TERM DEBT (CONTINUED)

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 deposited a sum of \$14,873,507 with an escrow Agent which was 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%.

In 2014 the Township issued \$9,885,000 of General Obligation Bonds, Series 2014. The proceeds of the bonds were used for the purchase of land in the Township. The Bond is dated December 16, 2014 and has a maturity of December 31, 2043 with interest rates ranging from 2% to 4%, being paid semi-annually, May 1 and November 1.

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

	Year of Final Maturity	Original Issue Amount	Balance January 1, 2014	2014 Additions	2014 Reductions	Balance December 31, 2014	Due Within One Year
Governmental Activities:							
General Obligation Debt							
2009 Issue - 1.00% - 3.70%	2026	\$ 7,695,000	\$ 5,955,000	\$ -	\$ (530,000)	\$ 5,425,000	\$ 540,000
2010 Issue - 1.50% - 4.00%	2024	13,735,000	9,035,000	-	(1,645,000)	7,390,000	2,060,000
2012 Issue - 1.50% - 4.00%	2037	16,360,000	16,325,000	-	(30,000)	16,295,000	30,000
2013 Issue - .607% - 4.00%	2034	18,210,000	18,210,000	-	(290,000)	17,920,000	5,000
2014 Issue - 2.00% - 4.00%	2043	9,885,000	-	9,885,000	-	9,885,000	5,000
Add/Less Deferred Amounts							
For Issuance Discount/Premium			735,550	114,289	(56,258)	793,581	-
Total General Obligation Debt			50,260,550	9,999,289	(2,551,258)	57,708,581	2,640,000
Capital Lease Obligations			-	717,600	(79,322)	638,278	140,448
Compensated Absences			2,990,967	1,223,684	(1,254,958)	2,959,693	929,486
Total Governmental Activities			<u>\$ 53,251,517</u>	<u>\$ 11,940,573</u>	<u>\$ (3,885,538)</u>	<u>\$ 61,306,552</u>	<u>\$ 3,709,934</u>

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 7 LONG-TERM DEBT (CONTINUED)

At December 31, 2014, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the "Act") was approximately \$98,661,000 for non-electoral debt. After deducting the non-electoral debt outstanding of \$41,605,000, the Township's remaining borrowing capacity as of December 31, 2014, was approximately \$57,056,000 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.

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	
2015	\$ 2,640,000	\$ 1,824,389	\$ 4,464,389
2016	2,425,000	1,805,713	4,230,713
2017	2,470,000	1,758,379	4,228,379
2018	2,260,000	1,713,106	3,973,106
2019	2,310,000	1,667,187	3,977,187
2020 - 2024	10,045,000	7,353,197	17,398,197
2025 - 2029	10,700,000	5,719,479	16,419,479
2030 - 2034	12,680,000	3,743,028	16,423,028
2035 - 2038	9,335,000	1,208,887	10,543,887
2039 - 2043	2,050,000	194,958	2,244,958
Total	\$ 56,915,000	\$ 26,988,323	\$ 83,903,323

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, 2014**

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	41	77
Number of Persons Receiving Benefits: Retired Employees and Beneficiaries	50	54
Terminated Employees Vested but not Receiving Benefits	2	18
Current Annual Covered Payroll	\$4,298,746	\$5,893,475
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, 2014**

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 (asset) (“NPO”) to each of the Township’s Public Employees’ Retirement Systems (“PERS”) for the current year were as follows:

	Police	Civilian
Annual Required Contribution ("ARC")	\$ 2,160,223	\$ 1,979,695
Interest on NPO(A)	(142,367)	(119,384)
Adjustment to the ARC	220,654	159,783
Annual Pension Cost ("APC")	2,238,510	2,020,094
Contributions Made	2,160,223	1,979,695
Decrease in Net Pension Asset	78,287	40,399
Net Pension Obligation (Asset) - Beginning of Year	(1,898,229)	(1,591,793)
Net Pension Obligation (Asset) - End of Year	\$ (1,819,942)	\$ (1,551,394)

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

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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 (A)</u>	<u>Civilian NPO (A)</u>
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)
2014	2,238,510	2,020,094	96.5%	98.0%	(1,819,942)	(1,551,394)

Investments that Represent Five Percent or More of Plan Net Position

At December 31, 2014, 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.

NOTE 9 GASB 67- FINANCIAL REPORTING FOR PENSION PLANS

The Township has adopted GASB Statement No. 67, Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25. The Statement enhances the Township's footnote disclosures and expands the Required Supplemental Information (RSI) data with new schedules. It was issued to improve financial reporting by state and local government pension plans. The following provides information required to be disclosed under Statement No. 67 that is not discussed as part of the information disclosed in Note 8 previously.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 9 GASB 67- FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Plan Administration

The Radnor Township Police Pension Plan and the Township of Radnor Civilian Employees Pension Plans are single-employer defined benefit pension plans. The Police Plan and Civilian Plan were established by Ordinance Nos. 936 and 934, respectively, effective January 1, 1957. The Plans were amended and restated by Ordinance Nos. 9928 and 99-29, respectively, effective January 1, 1998. The Plans are governed by the Radnor Township Board of Commissioners which may amend plan provisions, and are responsible for the management of Plan assets. The Board of Commissioners has delegated the authority to manage certain Plan assets to the Rad Township Police pension Board and the Radnor Township Civilian Employee Pension Board. The Board has retained PFM Advisors as an investment counselor, who will assist the Board in the selection of various money managers. The Police Plan and Civilian Plan are required to file Form PC-201C and PC 203C, respectively, biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2013.

Investment Policy

The Pension Fund Board is responsible for administering the investment policies of the Plans and providing oversight for the management of the Plans' assets. The investment strategy of the Plans is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy requires that all Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plans, with minimal impact on market price. The following was the Plans' adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Equities - Domestic	27.50%	37.50%
Equities - International	13.00%	23.00%
Fixed Income	36.50%	46.50%
Real Estate	0.00%	8.00%
Cash Equivalents	0.00%	10.00%

Net Pension Liability

The net pension liability of the plans as of the measurement date of December 31, 2014, was as follows:

	<u>Civilian Pension Plan</u>	<u>Police Pension Plan</u>
Total Pension Liability	\$ 31,401,391	\$ 35,878,827
Plan Fiduciary Net Position	<u>23,234,535</u>	<u>26,299,374</u>
Net Pension Liability	<u>\$ 8,166,856</u>	<u>\$ 9,579,453</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 9 GASB 67- FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Method and assumptions used to determine Net Pension Liability were as follows:

Valuation Date	January 1, 2013, projected to December 31, 2014
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Expected Long Term	
Rate of Return	7.50%, applied to all periods
Projected Salary Increases	5.00% per year, includes inflation
Cost-of-Living Adjustments	None
General Inflation	3.0% per year
Mortality Rate	RP-2000 Combined Healthy Mortality table with Blue Collar Adjustment. Rates are projected to improve with 75% of scale AA

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation and pension plan investment expense not funded through the Minimum Municipal Obligation (MMO)) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rate of return for each major asset class included in the pension plans' target asset allocation as of the December 31, 2014 measurement date are as follows:

<u>Asset Class</u>	<u>Estimated Long-Term Rates of Return</u>
Equities	6.30%
Fixed Income	2.00%
Cash and Cash Equivalents	0.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flow to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the MMO. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on the pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 9 GASB 67- FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.50%, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%), or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability - Civilian Pension Plan	\$ 11,752,445	\$ 8,166,856	\$ 5,101,433
Net Pension Liability - Police Pension Plan	\$ 13,688,298	\$ 9,579,453	\$ 6,136,637

Rate of Return on Investments

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses not funded through the MMO, for plan year 2014 was 5.63% and 6.01% for the Civilian and Police Pension Plans, respectively. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

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, 2014 valuation was 40 police retirees and 53 civilian retirees.

Expenditures for postretirement health care benefits are recognized as claims are paid by the Township in the governmental fund financial statements. In 2014, expenditures of approximately \$1,580,092 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.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Plan Description (Continued)

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, 2014, 40 police retirees and 53 civilian retirees are eligible for these postretirement life insurance benefits. In 2014, expenditures of approximately \$71,130 were recognized for postretirement life insurance benefits.

Funding Policy

Prior to 2013 the Township funded these benefits on a pay-as-you-go basis. During 2013, the Township committed approximately \$3.3 million for future funding and segregated these funds in a separate internal OPEB fund. As of December 31, 2013, no separate trust was established for these contributions; therefore they were not recognized as OPEB expenditures in the 2013 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.

During 2014, the Township created an OPEB Reserve Trust Fund and transferred the internal OPEB fund and additional contributions totaling \$3.68 million to the Trust. The OPEB Trust Fund is reported as a fiduciary fund in the Township's financial statements. The Township is continuing to pay its current OPEB costs from the General Fund.

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")	\$ 4,489,246
Interest on Net OPEB obligation	796,341
Adjustment to the ARC	<u>(1,086,413)</u>
Annual OPEB Cost (Expense)	4,199,174
Actual Contributions Made	<u>(5,331,552)</u>
Decrease in Net OPEB Obligation	(1,132,378)
Net OPEB Obligation - Beginning of Year	<u>17,696,460</u>
Net OPEB Obligation - End of Year	<u><u>\$ 16,564,082</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

The Township’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 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>
2012	\$ 4,128,126	47.98%	\$ 15,036,546
2013	4,341,774	38.74%	17,696,460
2014	4,199,174	126.97%	16,564,082

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$49,452,110. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$11,167,000 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.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

In the actuarial valuation dated January 1, 2014, the Entry Age Normal Actuarial Cost Method was used. Because the Township was funding its OPEB on a pay-as-you-go basis prior to 2014, the plan had 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 ¼% 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 11 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 12 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 2014, 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.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 12 RISK MANAGEMENT (CONTINUED)

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 dependents 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.

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, 2014, the Township earned a rate stabilization credit of \$873,961 of which the Township has chosen to utilize \$367,200 to offset 2015 premium increases.

NOTE 13 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 2014, the Township paid the RHM Sewer Authority \$3,658,572 from the Township's Sewer Fund.

Summarized financial information for the RHM Sewer Authority as of December 31, 2013 and for the year then ended (the most recently available information) is shown below:

Cash and Investments	\$ 7,449,351
Receivables	363
Plant in Service	526,779
Other Assets	<u>1,079,809</u>
Total Assets	<u>\$ 9,056,302</u>
Liabilities	\$ 3,188,322
Equity	<u>5,867,980</u>
Total Liabilities and Equity	<u>\$ 9,056,302</u>
Total Revenues	<u>\$ 7,791,055</u>
Total Expenses	<u>\$ 7,318,239</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, 2014

NOTE 14 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 13, 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 expecting significant increases in the service charges it incurs from Philadelphia under a 15 year contract agreement with the City that was effective April 1, 2013.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 15 NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following statements that were implemented by the Township during the year ended December 31, 2014.

GASB Issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* – The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement was implemented for the Police and Civilian Pension Plans’ reporting period ending December 31, 2014 and the related disclosure are in Note 9.

In November 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Statement No. 70 specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. The Township has determined that Statements No. 69 and 70 have no effect on its financial statements.

The Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the Township:

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. Please refer to the pro-forma analysis on the following page for more information.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 15 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Management has performed an analysis of the effect of the adoption of this statement as of December 31, 2014. The following shows the changes in the statement of net position assuming adoption.

	Governmental Activities	
	December 31, 2014	December 31, 2014
	As Reported	Assuming GASB 68
Assets		
Other Assets	\$ 22,106,784	\$ 22,106,784
Pension Assets	3,371,336	-
Capital Assets	55,211,653	55,211,653
Total Assets	80,689,773	77,318,437
 Deferred Outflow of Resources	 2,625,115	 2,625,115
Liabilities		
Accounts Payable and Accrued Liabilities	1,285,675	1,285,675
Noncurrent Liabilities		
Due Within 1 Year	3,709,934	3,709,934
Due in More than 1 Year	57,596,618	57,596,618
Other Post Employment Benefits	16,564,082	16,564,082
Net Pension Liability (GASB 68)	-	17,396,503
Total Liabilities	79,156,309	96,552,812
 Deferred Inflow of Resources	 -	 -
Net Position		
Invested in Capital Assets	553,632	553,632
Restricted	6,007,738	6,007,738
Unrestricted	(2,403,145)	(22,104,052)
Total Net Position	\$ 4,158,225	\$ (15,542,682)

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 15 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In January 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, “which resolves transition issues in GASB Statement No.68, “Accounting and Financial Reporting for Pensions.” This statement eliminates a potential source of understatement of restated net position and expense in a government’s first year of implementing Statement No. 68. To correct this potential understatement, Statement No. 71 requires that when a government is transitioning to the new pension standards, it recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions. Statement No. 71 is effective concurrent with Statement No. 68 for the year ending December 31, 2015.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (“GASB 72”). The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and for enhancing disclosures around fair value measurements. The provisions of this Statement are effective financial statements in periods beginning after June 15, 2015. The Township has not yet completed the process of evaluating the impact of GASB 72 on its financial statements.

**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, 2014**

Year Ended December 31,	Police Annual Required Contribution	Civilian Annual Required Contribution	Police Percentage Contributed	Civilian Percentage Contributed
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%
2014	2,160,223	1,979,695	100.00%	100.00%

**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:

	<u>Police</u>	<u>Civilian</u>
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 –
PENSION PLANS – SCHEDULES OF CHANGES IN THE EMPLOYER’S
NET PENSION LIABILITY AND RELATED RATIOS CALCULATED IN ACCORDANCE
WITH GASB 67
DECEMBER 31, 2014**

	Civilian Pension Plan	Police Pension Plan
Total Pension Liability		
Service Cost	\$ 1,404,402	\$ 1,184,318
Interest	4,401,750	5,078,890
Benefit Payments	(3,224,825)	(4,161,289)
Difference Between Actual and Expected, if any	-	-
Assumption Changes	-	-
Net Change in Total Pension Liability	<u>2,581,327</u>	<u>2,101,919</u>
Total Pension Liability - Beginning	<u>28,820,064</u>	<u>33,776,908</u>
Total Pension Liability - Ending (a)	<u><u>\$ 31,401,391</u></u>	<u><u>\$ 35,878,827</u></u>
 Plan Fiduciary Net Position		
Contribution - Employer and State Aid	1,979,695	2,160,223
Contribution - Member	298,425	182,981
Net Investment Income	1,189,981	1,453,219
Miscellaneous Income	250	-
Benefit Payments	(1,609,265)	(2,090,896)
Administrative Expense	(50,237)	(61,887)
Refund of Member Contributions	<u>(5,611)</u>	<u>(15,192)</u>
Net Change in Plan Fiduciary Net Position	1,803,238	1,628,448
Plan Fiduciary Net Position - Beginning	<u>21,431,297</u>	<u>24,670,926</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 23,234,535</u></u>	<u><u>\$ 26,299,374</u></u>
 Net Pension Liability (a-b)	<u><u>\$ 8,166,856</u></u>	<u><u>\$ 9,579,453</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.99%	73.30%
 Covered Employee Payroll	\$ 5,893,475	\$ 4,298,746
 Net Pension Liability as a Percentage of Covered Employee Payroll	138.57%	222.84%
 * Actuarially Determined Contributions	\$ 1,979,695	\$ 2,160,223
 *Actual Contribution as a Percentage of Covered Employee Payroll	33.59%	50.25%
 *Actual Money Weighted Rate of Return, Net of Investment Expense	5.63%	6.01%

*Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS-
 OTHER POSTEMPLOYMENT BENEFIT PLANS
 YEAR ENDED DECEMBER 31, 2014**

Schedule of Funding Progress *(Dollars in Thousands)*:

Actuarial Valuation Date <u>January 1,</u>	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Percentage Funded <u>(1)/(2)</u>	(4) Unfunded (Overfunded) Actuarial Accrued Liability <u>(2) – (1)</u>	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll <u>(4)/(5)</u>
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%
2014	4,487	53,939	8.32%	\$ 49,452	11,167	443%

Year Ended <u>December 31,</u>	Annual Required Contribution	Percentage Contributed
2010	\$ 5,223	35.50%
2011	5,223	37.23%
2012	4,588	43.17%
2013	4,588	36.66%
2014	4,489	126.97% *

Amortization Method Level Dollar, Open

Remaining Amortization Period 30

Actuarial Assumptions:

Investment 4.5%

* Prior to 2014, the Township was funding benefits on a pay-as-you-go basis. During 2014, the Township created the OPEB Trust fund and contributed \$3.68 million for the funding of the OPEB obligation. Current benefit payments continue to be made from the General Fund.

**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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Real Estate Taxes	\$ 11,873,479	\$ 11,783,943	\$ 11,805,411	\$ 21,468
Taxes Levied Under Local Tax Enabling Act	13,030,817	12,679,017	13,798,083	1,119,066
Licenses and Permits	2,521,737	3,035,597	3,372,869	337,272
Fines, Forfeits and Costs	741,200	741,200	759,209	18,009
Interest and Rents	200,692	221,448	252,269	30,821
Grants and Gifts	1,361,175	1,357,895	1,227,607	(130,288)
Departmental Earnings	1,509,726	1,509,726	1,649,314	139,588
Refunds and Miscellaneous	231,253	231,253	292,284	61,031
Total Revenues	<u>31,470,079</u>	<u>31,560,079</u>	<u>33,157,046</u>	<u>1,596,967</u>
Expenditures				
Current:				
General Government	2,240,420	2,360,849	2,352,526	8,323
Protection to Persons and Property	10,208,706	10,568,200	10,427,729	140,471
Public Works	6,632,028	7,791,210	7,761,988	29,222
Library	867,691	888,436	899,290	(10,854)
Parks and Recreation	2,674,151	2,742,339	2,548,794	193,545
Other - Nondepartmental (Employee Benefits, Insurance, Contributions and Miscellaneous)	<u>2,886,122</u>	<u>2,476,122</u>	<u>4,166,621</u>	<u>(1,690,499)</u>
Total Expenditures	<u>25,509,118</u>	<u>26,827,156</u>	<u>28,156,948</u>	<u>(1,329,792)</u>
Excess of Revenues over (under) Expenditures	5,960,961	4,732,923	5,000,098	267,175
Other Financing Uses				
Operating Transfers Out	<u>(4,475,321)</u>	<u>(3,614,623)</u>	<u>(3,888,958)</u>	<u>(274,335)</u>
Total Other Financing Uses	<u>(4,475,321)</u>	<u>(3,614,623)</u>	<u>(3,888,958)</u>	<u>(274,335)</u>
Net Change in Fund Balance	1,485,640	1,118,300	1,111,140	(7,160)
Fund Balance - Beginning of Year				
(Budgetary Basis)	<u>8,075,297</u>	<u>8,075,297</u>	<u>8,075,297</u>	<u>-</u>
Fund Balance - End of Year				
(Budgetary Basis)	<u>\$ 9,560,937</u>	<u>\$ 9,193,597</u>	9,186,437	<u>\$ (7,160)</u>
Non-GAAP Budgetary Basis Reconciliation				
Add Other Unbudgeted General Fund Ending Fund Balance:				
\$8 Million Settlement Fund			<u>2,394,773</u>	
Fund Balance - General Fund - End of Year (GAAP Basis)			<u>\$ 11,581,210</u>	

See accompanying Notes to Required Supplementary Information.

**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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 12,000	\$ 12,000	\$ 28,558	\$ 16,558
Departmental Earnings	5,341,331	5,054,331	4,696,663	(357,668)
Refunds and Miscellaneous	18,104	18,104	26,342	8,238
Total Revenues	5,371,435	5,084,435	4,751,563	(332,872)
Expenditures				
Current:				
Health and Sanitation	5,389,126	5,263,287	4,896,335	366,952
Total Expenditures	5,389,126	5,263,287	4,896,335	366,952
Excess of Revenues over (under) Expenditures	(17,691)	(178,852)	(144,772)	34,080
Other Financing Uses				
Operating Transfers Out	(368,550)	(368,550)	(368,550)	-
Total Other Financing Uses	(368,550)	(368,550)	(368,550)	-
Net Change in Fund Balance	(386,241)	(547,402)	(513,322)	34,080
Fund Balance - Beginning of Year (Budgetary Basis)	2,264,508	2,264,508	2,264,508	-
Fund Balance - End of Year (Budgetary Basis)	\$ 1,878,267	\$ 1,717,106	\$ 1,751,186	\$ 34,080

See accompanying Notes to Required Supplementary Information.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – PARK IMPROVEMENTS AND OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2014**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes Levied Under Local Tax Enabling Act	\$ 706,778	\$ 706,778	\$ 786,282	\$ 79,504
Interest and Rents	-	-	371	(371)
Total Revenues	706,778	706,778	786,653	79,133
Expenditures				
Parks and Recreation	-	-	63,019	(63,019)
Capital Outlay	-	-	11,846,558	(11,846,558)
Bond Issue Costs	-	-	141,427	(141,427)
Total Expenditures	-	-	12,051,004	(12,051,004)
Excess of Revenues over (under) Expenditures	706,778	706,778	(11,264,351)	(11,971,871)
Other Financing Sources				
Proceeds from Bond Issuance	-	-	9,885,000	9,885,000
Premium on Bond Issuance	-	-	114,289	114,289
Operating Transfers In	-	-	1,090,958	1,090,958
Operating Transfers Out	(714,516)	(714,516)	(714,516)	-
Total Other Financing Sources	(714,516)	(714,516)	10,375,731	11,090,247
Net Change in Fund Balance	(7,738)	(7,738)	(888,620)	(881,624)
Fund Balance - Beginning of Year (Budgetary Basis)	1,050,431	1,050,431	1,050,431	-
Fund Balance - End of Year (Budgetary Basis)	\$ 1,042,693	\$ 1,042,693	\$ 161,811	\$ (881,624)

See accompanying Notes to Required Supplementary Information.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – STORMWATER FUND
YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Rents	\$ -	\$ -	\$ 2,332	\$ 2,332
Departmental Earnings	999,208	999,208	1,072,711	73,503
Refunds and miscellaneous	-	-	3,661	3,661
Total Revenues	<u>999,208</u>	<u>999,208</u>	<u>1,078,704</u>	<u>79,496</u>
Expenditures				
Storm Water	<u>1,138,462</u>	<u>1,103,000</u>	<u>703,520</u>	<u>(399,480)</u>
Total Expenditures	<u>1,138,462</u>	<u>1,103,000</u>	<u>703,520</u>	<u>(399,480)</u>
Net Change in Fund Balance	(139,254)	(103,792)	375,184	(319,984)
Fund Balance - Beginning of Year	<u>1,240,668</u>	<u>1,240,668</u>	<u>1,240,668</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,101,414</u>	<u>\$ 1,136,876</u>	<u>\$ 1,615,852</u>	<u>\$ (319,984)</u>

See accompanying Notes to Required Supplementary Information.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES
DECEMBER 31, 2014**

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

**ADDITIONAL
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF RADNOR, PENNSYLVANIA
GENERAL FUND
DECEMBER 31, 2014

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. This fund does not have an adopted budget and has 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, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Real Estate Taxes	\$ 11,873,479	\$ 11,783,943	\$ 11,805,411	\$ 21,468
Taxes Levied under Local Tax Enabling Act:				
Real Estate Transfer	2,120,334	1,997,334	2,358,846	361,512
Mercantile	1,505,494	1,335,494	1,397,558	62,064
Business Privilege	8,395,484	8,396,684	9,067,832	671,148
Emergency and Municipal Services	972,505	912,505	936,079	23,574
Amusement	37,000	37,000	37,768	768
Total Taxes Levied under Local Tax Enabling Act	13,030,817	12,679,017	13,798,083	1,119,066
Licenses and Permits:				
Beverage	10,000	10,000	11,100	1,100
Building, Electrical and Plumbing	1,000,200	1,196,430	1,544,187	347,757
Public Works and Engineering	425,000	805,000	813,436	8,436
Rental Housing	160,000	160,000	173,340	13,340
Health and Fire Prevention	67,600	67,600	91,460	23,860
Subdivision, Design and Zoning	21,000	21,000	64,350	43,350
Cable TV Franchise	779,937	717,567	603,181	(114,386)
Certificate of Occupancy	55,000	55,000	63,930	8,930
Sewage Enforcement	3,000	3,000	7,885	4,885
Total Licenses and Permits	2,521,737	3,035,597	3,372,869	337,272
Fines and Forfeits:				
Fines Levied by Police	500,000	500,000	525,400	25,400
Fines Levied by District Justice	241,200	241,200	233,809	(7,391)
Total Fines and Forfeits	741,200	741,200	759,209	18,009
Interest and Rents:				
Interest Earned on Investments	65,104	85,860	113,877	28,017
Other	135,588	135,588	138,392	2,804
Total Interest and Rents	200,692	221,448	252,269	30,821
Revenues - Forward	\$ 28,367,925	\$ 28,461,205	\$ 29,987,841	\$ 1,526,636

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues - Forward	\$ 28,367,925	\$ 28,461,205	\$ 29,987,841	\$ 1,526,636
Grants and Gifts - Other Federal and State	1,361,175	1,357,895	1,227,607	(130,288)
Departmental Earnings:				
Parking Meter Fees	414,810	414,810	435,120	20,310
Police Extra Duty and Alarm Fees	431,416	431,416	403,267	(28,149)
Recreational Program Fees	475,000	475,000	541,919	66,919
RECT Fees	21,000	21,000	43,035	22,035
Other	167,500	167,500	225,973	58,473
Total Departmental Earnings	<u>1,509,726</u>	<u>1,509,726</u>	<u>1,649,314</u>	<u>139,588</u>
Refunds and Miscellaneous:				
Sale of Recycled Materials	35,000	35,000	16,535	(18,465)
Other	196,253	196,253	275,749	79,496
Total Refunds and Miscellaneous	<u>231,253</u>	<u>231,253</u>	<u>292,284</u>	<u>61,031</u>
Total Revenues	<u>\$ 31,470,079</u>	<u>\$ 31,560,079</u>	<u>\$ 33,157,046</u>	<u>\$ 1,596,967</u>
Total Revenues and Other Financing Sources	<u>\$ 31,470,079</u>	<u>\$ 31,560,079</u>	<u>\$ 33,157,046</u>	<u>\$ 1,596,967</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General Government:				
Administration	\$ 783,622	\$ 873,171	\$ 908,258	\$ (35,087)
Finance	1,117,072	1,139,352	1,083,646	55,706
Tax Collection	40,572	40,572	40,775	(203)
Information Technology	299,154	307,754	319,847	(12,093)
Total General Government	2,240,420	2,360,849	2,352,526	8,323
Protection to Persons and Property:				
Community Development	1,006,440	1,078,575	1,009,363	69,212
Police Protection	8,471,110	8,474,656	8,395,570	79,086
Fire Protection	731,156	796,156	803,983	(7,827)
Emergency Management	-	218,813	218,813	-
Total Protection to Persons and Property	10,208,706	10,568,200	10,427,729	140,471
Public Works:				
Solid Waste Collection	2,701,452	2,796,020	2,791,395	4,625
Engineering	567,633	1,043,598	1,137,563	(93,965)
Streets and Highways:				
General Services	1,949,697	2,125,200	2,117,222	7,978
Street Cleaning	7,000	7,000	-	7,000
Snow and Ice Removal	89,500	511,159	421,261	89,898
Traffic Signals and Signs	116,000	90,057	80,106	9,951
Street Lighting	271,500	271,500	296,507	(25,007)
Curbs and Sidewalks	4,000	4,000	3,298	702
Storm Sewers, Drainage	6,500	6,500	127	6,373
Repairs, Tools and Machinery	362,545	384,005	379,100	4,905
Road Maintenance and Repairs	14,900	14,900	11,598	3,302
Township Buildings	541,301	537,271	523,811	13,460
Total Public Works	6,632,028	7,791,210	7,761,988	29,222
Library	867,691	888,436	899,290	(10,854)
Expenditures - Forward	\$ 19,948,845	\$ 21,608,695	\$ 21,441,533	\$ 167,162

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Expenditures - Forward	\$ 19,948,845	\$ 21,608,695	\$ 21,441,533	\$ 167,162
Parks and Recreation:				
Administration	323,308	330,833	319,184	11,649
Parks Maintenance	1,792,305	1,821,418	1,712,297	109,121
Shade Trees	82,000	129,450	116,335	13,115
Recreation Programs	437,838	421,938	367,373	54,565
Sulpizio Gym	38,700	38,700	33,605	5,095
Total Parks and Recreation	<u>2,674,151</u>	<u>2,742,339</u>	<u>2,548,794</u>	<u>193,545</u>
Other - Nondepartmental:				
Contributions to Agencies	239,880	239,880	185,880	54,000
Pension Plan Contributions	-	-	1,526,315	(1,526,315)
OPEB Trust Contributions	181,989	181,989	381,989	(200,000)
Workers' Compensation, Liability and Unemployment Insurance	400,000	400,000	406,843	(6,843)
Group Life and Disability Insurance	58,753	58,753	71,130	(12,377)
Employee Health Benefits and Prescription Drug Claims	2,000,000	1,590,000	1,582,895	7,105
Other	5,500	5,500	11,569	(6,069)
Total Other - Nondepartmental	<u>2,886,122</u>	<u>2,476,122</u>	<u>4,166,621</u>	<u>(1,690,499)</u>
Total Expenditures	25,509,118	26,827,156	28,156,948	(1,329,792)
Other Financing Uses:				
Operating Transfers Out	4,475,321	3,614,623	3,888,958	(274,335)
Total Other Financing Uses	<u>4,475,321</u>	<u>3,614,623</u>	<u>3,888,958</u>	<u>(274,335)</u>
Total Expenditures and Other Financing Uses	<u>\$ 29,984,439</u>	<u>\$ 30,441,779</u>	<u>\$ 32,045,906</u>	<u>\$ (1,604,127)</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, 2014

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Debt Repayment Agreements	\$ 113,201	\$ 113,201	\$ 130,905	\$ 17,704
Total Revenues	<u>113,201</u>	<u>113,201</u>	<u>130,905</u>	<u>17,704</u>
Expenditures				
Debt Service:				
Principal Retirement	2,495,000	2,495,000	2,495,000	-
Interest	<u>1,683,097</u>	<u>1,683,097</u>	<u>1,683,097</u>	<u>-</u>
Total Expenditures	<u>4,178,097</u>	<u>4,178,097</u>	<u>4,178,097</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(4,064,896)	(4,064,896)	(4,047,192)	17,704
Other Financing Sources				
Operating Transfers In	<u>4,064,896</u>	<u>4,064,896</u>	<u>3,805,885</u>	<u>(259,011)</u>
Total Other Financing Sources	<u>4,064,896</u>	<u>4,064,896</u>	<u>3,805,885</u>	<u>(259,011)</u>
Net Change in Fund Balance	-	-	(241,307)	(241,307)
Fund Balance - Beginning of Year (Budgetary Basis)	<u>1,446,035</u>	<u>1,446,035</u>	<u>1,446,035</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 1,446,035</u>	<u>\$ 1,446,035</u>	<u>\$ 1,204,728</u>	<u>\$ (241,307)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
MAJOR CAPITAL PROJECT FUNDS WITH LEGALLY ADOPTED BUDGET
YEAR ENDED DECEMBER 31, 2014

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, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 1,285	\$ 1,285	\$ 7,253	\$ 5,968
Grants and Gifts	634,594	106,831	595,537	488,706
Refunds and Miscellaneous	20,000	20,000	45,402	25,402
Total Revenues	<u>655,879</u>	<u>128,116</u>	<u>648,192</u>	<u>520,076</u>
Expenditures				
Current:				
Capital Outlay	<u>1,742,026</u>	<u>3,509,653</u>	<u>2,257,258</u>	<u>1,252,395</u>
Total Expenditures	<u>1,742,026</u>	<u>3,509,653</u>	<u>2,257,258</u>	<u>1,252,395</u>
Excess of Revenues over (under) Expenditures	(1,086,147)	(3,381,537)	(1,609,066)	1,772,471
Other Financing Uses				
Proceeds from Capital Lease Obligations	-	-	717,600	717,600
Operating Transfers In	<u>1,518,310</u>	<u>1,975,922</u>	<u>2,518,310</u>	<u>542,388</u>
Total Other Financing Uses	<u>1,518,310</u>	<u>1,975,922</u>	<u>3,235,910</u>	<u>1,259,988</u>
Net Change in Fund Balance	432,163	(1,405,615)	1,626,844	3,032,459
Fund Balance - Beginning of Year (Budgetary Basis)	<u>1,725,224</u>	<u>1,725,224</u>	<u>1,725,224</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 2,157,387</u>	<u>\$ 319,609</u>	<u>\$ 3,352,068</u>	<u>\$ 3,032,459</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, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest and Rents	\$ 4,978	\$ 4,978	\$ 6,657	\$ 1,679
Departmental Earnings	13,799	11,817	42,301	28,502
Total Revenues	<u>18,777</u>	<u>16,795</u>	<u>48,958</u>	<u>30,181</u>
Expenditures				
Total Expenditures	-	-	-	-
Excess of Revenues over Expenditures	18,777	16,795	48,958	30,181
Other Financing Uses				
Operating Transfers Out	(49,819)	(49,819)	(49,819)	-
Total Other Financing (Uses)	<u>(49,819)</u>	<u>(49,819)</u>	<u>(49,819)</u>	<u>-</u>
Net Change in Fund Balance	(31,042)	(33,024)	(861)	30,181
Fund Balance - Beginning of Year	<u>86,804</u>	<u>86,804</u>	<u>86,804</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 55,762</u>	<u>\$ 53,780</u>	<u>\$ 85,943</u>	<u>\$ 30,181</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014**

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.

- 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 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.
- The Recreational Fee Fund derives its revenues from fees collected from land development to insure adequate park and recreational areas and facilities to serve the future residents of the Township.

TOWNSHIP OF RADNOR, PENNSYLVANIA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	State Liquid Fuels Tax	Commemorative Shade Tree Fund	Grant Fund	Police K-9 Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 742,673	\$ 73,166	\$ 29,298	\$ -	39,711	\$ 884,848
Receivables, Net:						
Other	-	-	-	483	-	483
Total Assets	<u>\$ 742,673</u>	<u>\$ 73,166</u>	<u>\$ 29,298</u>	<u>\$ 483</u>	<u>\$ 39,711</u>	<u>\$ 885,331</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 1,574	\$ -	\$ 1,574
Due to Other Funds	-	-	22,500	-	-	22,500
Total Liabilities	-	-	22,500	1,574	-	24,074
Fund Balances						
Restricted						
Encumbrances	470,772	-	-	-	-	470,772
Other	271,901	-	-	-	-	271,901
Committed	-	-	-	-	39,711	39,711
Assigned						
Encumbrances	-	-	6,798	1,950	-	8,748
Other	-	73,166	-	(3,041)	-	70,125
Total Fund Balances	<u>742,673</u>	<u>73,166</u>	<u>6,798</u>	<u>(1,091)</u>	<u>39,711</u>	<u>861,257</u>
Total Liabilities and Fund Balances	<u>\$ 742,673</u>	<u>\$ 73,166</u>	<u>\$ 29,298</u>	<u>\$ 483</u>	<u>\$ 39,711</u>	<u>\$ 885,331</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	State Liquid Fuels Tax	Commemorative Shade Tree Fund	Grant Fund	Police K-9 Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Revenues						
Fines, Forfeits and Costs	\$ -	\$ 7,000	\$ -	\$ -	\$ 39,684	\$ 46,684
Interest and Rents	895	53	46	8	27	1,029
Grants and Gifts	<u>633,360</u>	<u>17,995</u>	<u>956,277</u>	<u>72,074</u>	<u>-</u>	<u>1,679,706</u>
Total Revenues	<u>634,255</u>	<u>25,048</u>	<u>956,323</u>	<u>72,082</u>	<u>39,711</u>	<u>1,727,419</u>
Expenditures						
Protection to Persons and Property	-	-	88,283	94,543	-	182,826
Highways	566,912	-	-	-	-	566,912
Parks and Recreation	-	<u>26,291</u>	-	-	-	<u>26,291</u>
Total Expenditures	<u>566,912</u>	<u>26,291</u>	<u>88,283</u>	<u>94,543</u>	<u>-</u>	<u>776,029</u>
Excess of Revenues Over (Under) Expenditures	67,343	(1,243)	868,040	(22,461)	39,711	951,390
Other Financing Sources (Uses)						
Operating Transfers In	-	25,000	-	-	-	25,000
Operating Transfers Out	-	-	<u>(900,000)</u>	-	-	<u>(900,000)</u>
Total Other Financing Sources(Uses)	<u>-</u>	<u>25,000</u>	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>(875,000)</u>
Net Change in Fund Balance	67,343	23,757	(31,960)	(22,461)	39,711	76,390
Fund Balance - Beginning of Year	<u>675,330</u>	<u>49,409</u>	<u>38,758</u>	<u>21,370</u>	<u>-</u>	<u>784,867</u>
Fund Balance - End of Year	<u>\$ 742,673</u>	<u>\$ 73,166</u>	<u>\$ 6,798</u>	<u>\$ (1,091)</u>	<u>\$ 39,711</u>	<u>\$ 861,257</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – STATE LIQUID FUELS TAX FUND
YEAR ENDED DECEMBER 31, 2014

	State Liquid Fuels Tax		
	Budget	Actual	Variance
Revenues			
Fines, Forfeits and Costs	\$ -	\$ -	\$ -
Interest and Rents	580	895	315
Grants and Gifts	562,018	633,360	71,342
Total Revenues	562,598	634,255	71,657
Expenditures			
Protection to Persons and Property	-	-	-
Highways	574,598	566,912	7,686
Parks and Recreation	-	-	-
Total Expenditures	574,598	566,912	7,686
Excess of Revenues			
Over (Under) Expenditures	(12,000)	67,343	79,343
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers Out	12,000	-	12,000
Total Other Financing Sources (Uses)	12,000	-	12,000
Net Change in Fund Balance	-	67,343	91,343
Fund Balance - Beginning of Year	675,330	675,330	-
Fund Balance - End of Year	<u>\$ 675,330</u>	<u>\$ 742,673</u>	<u>\$ 91,343</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2014

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.
 - OPEB Trust fund accounts for contributions made by the Township to fund OPEB obligations.
- 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, 2014**

	Pension Trust Funds				Total Trust Funds
	Police Pension Trust Fund	Civilian Employees Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	
Assets					
Cash and Cash Equivalents	\$ 2,076,075	\$ 3,099,937	\$ 5,176,012	\$ 3,683,605	\$ 8,859,617
Investments	24,126,830	20,128,757	44,255,587	-	44,255,587
Life Insurance Cash Value	-	-	-	1,303,540	1,303,540
Receivables	98,662	16,630	115,292	-	115,292
Total Assets	26,301,567	23,245,324	49,546,891	4,987,145	54,534,036
Liabilities					
Accounts Payable	1,460	1,242	2,702	-	2,702
Refunds Payable	733	9,547	10,280	-	10,280
Total Liabilities	2,193	10,789	12,982	-	12,982
Net Position					
Net Position Held in Trust for Pension Benefits	<u>\$ 26,299,374</u>	<u>\$ 23,234,535</u>	<u>\$ 49,533,909</u>	<u>\$ 4,987,145</u>	<u>\$ 54,521,054</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2014

	Pension Trust Funds				
	Police Pension Trust Fund	Civilian Employees Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	Total Trust Funds
Additions:					
Contributions:					
Commonwealth of Pennsylvania	\$ 309,814	\$ 305,942	\$ 615,756	\$ -	\$ 615,756
Employer	1,850,409	1,673,753	3,524,162	3,680,330	7,204,492
Members	182,981	298,425	481,406	-	481,406
Other	-	-	-	1,303,540	1,303,540
Total Contributions	2,343,204	2,278,120	4,621,324	4,983,870	9,605,194
Investment Earnings (Losses):					
Investment Gain (Loss)	1,463,674	1,199,516	2,663,190	-	2,663,190
Investment Expense	(10,455)	(9,535)	(19,990)	-	(19,990)
Net Investment Earnings (Losses)	1,453,219	1,189,981	2,643,200	-	2,643,200
Other Additions:					
Litigation and Other	-	250	250	-	250
Interest Earnings	-	-	-	3,275	3,275
Total Other Additions	-	250	250	3,275	3,525
Total Additions	3,796,423	3,468,351	7,264,774	4,987,145	12,251,919
Deductions:					
Benefit Payments	2,090,896	1,609,265	3,700,161	-	3,700,161
Refund of Contributions	15,192	5,611	20,803	-	20,803
Administrative Expenses	61,887	50,237	112,124	-	112,124
Total Deductions	2,167,975	1,665,113	3,833,088	-	3,833,088
Change in Plan Net Position	1,628,448	1,803,238	3,431,686	4,987,145	8,418,831
Net Position Held in Trust for Pension Benefits:					
Beginning of Year	24,670,926	21,431,297	46,102,223	-	46,102,223
End of Year	<u>\$ 26,299,374</u>	<u>\$ 23,234,535</u>	<u>\$ 49,533,909</u>	<u>\$ 4,987,145</u>	<u>\$ 54,521,054</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 AGENCY FUND
 YEAR ENDED DECEMBER 31, 2014**

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Escrow Fund				
Assets				
Cash and Cash Equivalents	<u>\$ 1,717,961</u>	<u>\$ 2,415,233</u>	<u>\$ 1,960,161</u>	<u>\$ 2,173,033</u>
Liabilities				
Accounts Payable	\$ -	\$ 800	\$ -	\$ 800
Deposits Payable	<u>1,717,961</u>	<u>2,414,433</u>	<u>1,960,161</u>	<u>2,172,233</u>
	<u>\$ 1,717,961</u>	<u>\$ 2,415,233</u>	<u>\$ 1,960,161</u>	<u>\$ 2,173,033</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2014

Governmental Funds Capital Assets	
Land	\$ 24,149,624
Land Improvements	2,609,477
Buildings	22,950,118
Infrastructure	18,032,714
Machinery and Equipment	14,729,704
Construction in Progress	<u>38,749</u>
Total Governmental Funds Capital Assets	82,510,386
Less: Accumulated Depreciation	<u>(27,298,733)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 55,211,653</u></u>
Investment in Governmental Funds Capital Assets by Source	
General Fund	\$ 490,384
Special Revenue Funds	29,282,045
Capital Projects Funds	50,447,190
Donations	<u>2,290,767</u>
Total Governmental Funds Capital Assets	82,510,386
Less: Accumulated Depreciation	<u>(27,298,733)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 55,211,653</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2014

Function and Activity	Land	Land	Buildings	Infrastructure	Machinery	Total
		Improvements			and Equipment	
General Government	\$ -	\$ -	\$ 15,948,366	\$ 19,476	\$ 1,526,039	\$ 17,493,881
Protection to Persons and Property	-	-	-	-	4,255,787	4,255,787
Health and Sanitation	-	-	-	654,780	2,297,585	2,952,365
Highways	-	-	4,746,352	17,358,458	5,612,941	27,717,751
Library	-	-	1,195,247	-	-	1,195,247
Parks and Recreation	24,149,624	2,609,477	1,060,153	-	1,037,352	28,856,606
Total Governmental Funds Capital Assets	24,149,624	2,609,477	22,950,118	18,032,714	14,729,704	82,471,637
Less: Accumulated Depreciation	-	(1,692,065)	(6,093,828)	(8,620,705)	(10,892,135)	(27,298,733)
Total	\$ 24,149,624	\$ 917,412	\$ 16,856,290	\$ 9,412,009	\$ 3,837,569	55,172,904
Construction in Progress						38,749
Net Governmental Funds Capital Assets						\$ 55,211,653

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2014

Function and Activity	Balance at	Increases	Decreases	Balance at
	January 1, 2014			December 31, 2014
General Government	\$ 17,462,325	\$ 58,922	\$ -	\$ 17,521,247
Protection to Persons and Property	4,076,846	319,924	(140,983)	4,255,787
Health and Sanitation	1,785,582	1,346,100	(179,313)	2,952,369
Highways	27,359,847	497,904	(140,000)	27,717,751
Library	1,195,247	-	-	1,195,247
Parks and Recreation	16,814,323	12,014,913	-	28,829,236
Total Governmental Funds Capital Assets	68,694,170	14,237,763	(460,296)	82,471,637
Construction in Progress	170,863	-	(132,114)	38,749
Less: Accumulated Depreciation	(25,778,877)	(1,980,152)	460,296	(27,298,733)
Net Governmental Funds Capital Assets	\$ 43,086,156	\$ 12,257,611	\$ (132,114)	\$ 55,211,653

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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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Government activities										
Net Investment in Capital Assets	\$ 533,735	\$ 190,764	\$ 474,838	\$ 843,265	\$ 1,695,503	\$ 3,350,750	\$ 3,738,196	\$ 5,047,878	\$ (5,322,939)	\$ 553,632
Restricted	-	-	-	-	-	-	5,636,058	6,723,380	5,399,445	6,007,738
Unrestricted (deficiency)	<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>	<u>(2,403,145)</u>
Total Net Position, governmental activities	\$ (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	\$ 4,158,225
Business-type activities										
Net Investment in Capital Assets	\$ 60,000	\$ 52,500	\$ 45,000	\$ 37,500	\$ 30,000	\$ 22,500	\$ 92,609	\$ 98,764	\$ 88,873	\$ 86,482
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficiency)	<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>	<u>(15,196)</u>
Total Net Position, business-type activities	\$ 123,400	\$ 69,850	\$ 6,345	\$ (41,603)	\$ 59,640	\$ 33,722	\$ 158,056	\$ 167,727	\$ 85,937	\$ 71,286
Primary government										
Net Investment in Capital Assets	\$ 593,735	\$ 243,264	\$ 519,838	\$ 880,765	\$ 1,725,503	\$ 3,373,250	\$ 3,830,805	\$ 5,146,642	\$ (5,234,066)	\$ 640,114
Restricted	-	-	-	-	-	-	5,636,058	6,723,380	5,399,445	6,007,738
Unrestricted (deficiency)	<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>	<u>(2,418,341)</u>
Total Net Position, primary government	\$ (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	\$ 4,229,511

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Government activities										
General government	\$ 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	\$ 5,691,986
Protection to persons and property	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	13,505,092
Health and sanitation	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	8,824,642
Highways	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	6,374,657
Library	797,896	797,503	823,625	847,382	847,382	815,650	733,821	818,443	849,850	899,290
Parks and recreation	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	3,576,358
Interest on long-term debt	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	1,910,392
Total governmental activities net assets	\$ 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	\$ 40,782,417
Business-type activities										
The Willows	114,093	125,379	131,345	114,246	91,835	248,307	94,912	82,902	64,090	14,663
Total business-type activities net assets	\$ 114,093	\$ 125,379	\$ 131,345	\$ 114,246	\$ 91,835	\$ 248,307	\$ 94,912	\$ 82,902	\$ 64,090	\$ 14,663
Total primary government expenses	\$ 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	\$ 40,797,080
Program revenues										
Government activities										
Charges for services:										
General government	\$ 314,746	\$ 420,699	\$ 464,676	\$ 567,017	\$ 589,028	\$ 1,381,391	\$ 875,742	\$ 1,080,385	\$ 1,179,348	\$ 1,133,685
Protection to persons and property	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	4,352,438
Health and sanitation	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	5,680,287
Highways	162,031	211,283	222,087	125,792	79,468	59,196	87,765	95,777	92,817	128,600
Parks and recreation	485,697	499,880	532,376	581,365	722,357	699,190	702,057	684,126	647,417	730,164
Operating grants and contributions	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	2,512,484
Capital grants and contributions	36,391	384,831	426,670	367,312	89,563	263,001	169,571	210,897	257,099	987,703
Total governmental activities program revenues	\$ 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	\$ 15,525,361
Business-type activities										
The Willows	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	\$ 150,165	\$ 125,507	\$ 114,576	\$ 113,137	\$ 103,002	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069	\$ -
Total primary government program revenues	\$ 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	\$ 15,525,361

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Government activities	\$ (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)	\$ (25,257,056)
Business-type activities	<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>	<u>(14,663)</u>
Total primary government net expense	<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>	<u>\$ (25,271,719)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Real estate taxes	\$ 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	\$ 11,844,653
Taxes levied under Local Tax Enabling Act	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	14,377,967
Investment earnings	735,636	1,072,634	1,318,835	672,546	289,683	(198,428)	658,671	103,117	128,039	162,817
Special item - loss on demolition of building	(892,217)	-	-	-	-	-	-	-	-	-
Debt repayment agreements	-	-	-	-	-	-	-	95,933	60,175	130,905
Transfers	<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>	<u>-</u>
Total governmental activities	<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>	<u>\$ 26,516,342</u>
Business-type activities										
Investment earnings	\$ 3,418	\$ 3,030	\$ 332	\$ 247	\$ 76	\$ 236	\$ 192	\$ 66	\$ 42	\$ 12
Transfers	<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>	<u>-</u>
Total business-type activities	<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>	<u>\$ 12</u>
Total primary government	<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>	<u>\$ 26,516,354</u>
Changes in Net Position										
Governmental activities	\$ (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	\$ 1,259,286
Business-type activities	<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>	<u>(14,651)</u>
Total primary government	<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>	<u>\$ 1,244,635</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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
General government	\$ 404,638	\$ 488,248	\$ 581,067	\$ 679,916	\$ 689,331	\$ 1,583,408	\$ 1,116,029	\$ 1,309,789	\$ 1,451,142	\$ 1,277,095
Protection to persons and property	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	5,120,225
Health and sanitation	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	6,444,208
Highways	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	975,051
Library	21,000	500	-	-	-	-	-	-	-	-
Parks and recreation	660,847	665,930	748,859	846,644	874,235	912,595	1,187,461	770,393	737,705	1,708,782
Subtotal governmental activities	\$ 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	\$ 15,525,361
Business-type activities										
The Willows	150,165	125,507	114,576	113,137	103,002	229,058	212,400	74,230	24,069	-
Subtotal business-type activities	\$ 150,165	\$ 125,507	\$ 114,576	\$ 113,137	\$ 103,002	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069	\$ -
Total primary government	\$ 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	\$ 15,525,361

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

	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 215,259	\$ 13,803	\$ 7,927	\$ 67,619	\$ 3,913	\$ 166,186	\$ -	\$ -	\$ -	\$ -
Unreserved	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	81,570
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	7,332,240	1,450,000
Assigned	-	-	-	-	-	-	3,480,206	4,413,634	389,941	1,183,474
Unassigned	-	-	-	-	-	-	3,486,688	3,652,753	7,600,641	8,866,166
Subtotal governmental activities	\$ 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	\$ 11,581,210
All Other Governmental Funds										
Reserved	2,213,100	2,099,700	2,715,352	2,100,059	1,967,548	1,495,210	-	-	-	-
Unreserved, reported in:										
Special revenues funds	3,159,957	3,434,575	2,682,851	2,767,121	2,968,678	2,985,713	-	-	-	-
Capital projects funds	9,939,554	2,829,766	7,851,632	3,067,776	2,164,361	2,749,497	-	-	-	-
Debt service funds	100,672	14,482	101,014	197,759	318,098	155,079	-	-	-	-
Non-Spendable	-	-	-	-	-	-	1,332,548	1,199,900	1,120,391	3,818
Restricted	-	-	-	-	-	-	4,281,553	5,493,285	5,399,445	7,208,648
Committed	-	-	-	-	-	-	-	-	980,528	1,390,911
Assigned	-	-	-	-	-	-	1,010,277	1,058,497	908,632	429,468
Unassigned	-	-	-	-	-	-	61,485	-	189,541	-
Total all other governmental funds	\$ 15,413,283	\$ 8,378,523	\$ 13,350,849	\$ 8,132,715	\$ 7,418,685	\$ 7,385,499	\$ 6,685,863	\$ 7,751,682	\$ 8,598,537	\$ 9,032,845

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes (see Schedule 6)	\$ 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	\$ 26,389,776
Licenses, fees and permits	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	3,372,869
Fines and penalties	307,689	371,611	435,119	520,589	527,847	551,277	642,010	617,297	619,889	805,893
Charges for services	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	7,460,989
Intergovernmental	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	3,502,850
Interest and rents	749,085	1,088,473	1,321,614	685,129	311,439	216,666	222,633	225,382	255,334	301,202
Other revenues	335,434	241,677	362,618	419,591	139,655	836,758	407,866	577,425	574,657	498,594
Total revenues	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	42,332,173
Expenditures										
General government	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	2,876,337
Protection to persons and property	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	10,610,555
Health and sanitation	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	8,391,250
Highways	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	5,013,694
Library	762,559	765,771	791,893	815,650	815,650	815,650	753,297	818,443	849,850	899,290
Parks and recreation	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	2,761,898
Miscellaneous:										
Employee benefits	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	3,180,340
OPEB Trust Contributions	-	-	-	-	-	-	-	-	-	3,680,330
Insurance	804,903	911,145	709,240	710,136	761,026	659,096	387,594	346,368	363,948	406,843
Other	312,797	335,978	402,634	342,379	269,280	304,344	247,269	250,041	425,783	197,450
Capital outlay	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	14,103,816
Debt service										
Interest	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	1,683,097
Principal	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	2,495,000
Bond Issue Costs	-	-	-	-	-	-	-	149,726	197,034	141,427
Payment to Redeem Bonds	-	-	-	-	-	-	-	15,890,000	-	-
Total expenditures	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	56,441,327
Other Financing Sources										
Bonds issued	-	-	15,752,734	-	-	-	-	16,048,046	-	9,885,000
Premium on Bond Issuance	-	-	-	-	-	-	-	-	-	114,289
Capital Lease Acquisition	-	-	-	-	-	-	-	-	-	717,600
Swaption proceeds	1,040,000	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	18,883,901	-
Payments to escrow agent	-	-	-	-	-	-	-	-	(18,680,462)	-
Transfers in	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	7,440,153
Transfers out	(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)	(7,440,153)
Total other financing sources (uses)	1,105,256	56,708	15,799,802	185,543	83,686	425,808	(6,654)	16,029,769	245,250	10,716,889
Net change in fund balance	\$ (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	\$ (3,392,265)
Debt service as a percentage of noncapital expenditures	14.3%	13.7%	14.1%	15.3%	14.8%	16.3%	13.7%	8.9%	11.2%	9.9%

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	
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
2014	11,805,411	10,465,390	3,145,128	973,847	26,389,776
Changes					
2005 - 2014	40.6%	142.5%	-8.9%	-12.8%	52.7%

(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
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%
2014	445,530,608	2,476,283,310	653,004,104	42,970,567	3,172,257,981	3.7511	3,172,257,981	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
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
2014	2.819	0.932	3.7511	21.8227	5.604

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

<i>Taxpayer</i>		2014			2005		
		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	\$ 188,161,465	1	6.0%	-		
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%
KMO 361 Realty Associates	St. Davids Square Shopping Center	17,850,410	4	0.6%	17,850,410	6	0.6%
Home Properties	Apartment Complex	17,470,500	5	0.6%	-		
University of PA Trust	Penn Medicine at Radnor	16,307,600	6	0.5%	16,307,600	7	0.5%
Linda Sposato Trust ETAL	Apartment Complex	14,205,000	7	0.5%	-		
Fidelity Court Associates	Corporate Office Complex	13,843,140	8	0.4%	13,843,100	9	0.5%
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	-		0.0%	15,618,250	8	0.5%
Total		\$ 345,488,665		11.0%	\$ 540,714,610		18.2%

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
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%	83,040	11,796,801	99.92%
2013	11,826,420	11,651,442	98.52%	39,039	11,690,481	98.85%
2014	11,913,632	11,613,022	97.48%	-	11,613,022	97.48%

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business Privilege (2)										
- Number of Filers	1,116	1,232	1,234	1,082	1,180	1,309	1,463	1,452	1,340	1,390
- Tax Collections	\$ 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	\$ 8,652,138
- Taxable Services	\$ 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	\$ 2,884,046,000
- 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	309	338	315	240	256	278	305	304	238	233
- Tax Collections	\$ 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	\$ 1,397,556
- Taxable Services	\$ 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	\$ 465,852,000
- 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	\$ 4,315,515	\$ 6,955,432	\$ 6,198,782	\$ 7,937,249	\$ 6,018,989	\$ 7,514,534	\$ 6,847,598	\$ 7,685,002	\$ 10,840,100	\$ 10,049,694

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

<i>Taxpayer's Business</i>	2014		2005	
	Rank	Percentage of Total	Rank	Percentage of Total
Investment	1	6.7%	1	11.5%
Investment	2	5.7%	2	3.7%
Investment Advisors	3	3.6%		0.0%
Information Technology	4	2.7%		0.0%
Laboratory Supply & Distribution	5	2.6%		0.0%
Industrial Gas	6	2.5%		0.0%
Real Estate Investment Trust	7	2.2%		0.0%
Vehicle Leasing	8	2.0%		0.0%
Insurance	9	1.9%		0.0%
Investment	10	1.7%		0.0%
Vehicle Dealership		0.0%	3	2.5%
Grocery Store		0.0%	4	2.4%
Retail Computer Sales & Service		0.0%	5	2.3%
Insurance		0.0%	6	1.6%
Designer / Builder		0.0%	7	1.3%
Retail Pharmacy		0.0%	8	1.2%
Investment		0.0%	9	1.1%
Department Store		<u>0.0%</u>	10	<u>0.9%</u>
Percentage of Total Gross Collections		<u>31.7%</u>		<u>28.6%</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					
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
2014	5,445,000	51,470,000	56,915,000	3,172,257,981	1.79%	3.49%	31,531	1,805

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, 2014

Governmental Unit	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Radnor Township School District	\$ 101,415,000	100.00%	\$ 101,415,000
Delaware County	\$ 319,599,000	10.467%	<u>33,452,660</u>
Sub-Total, Overlapping Debt			134,867,660
Township of Radnor Direct Debt		100.00%	<u>56,915,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 191,782,660</u></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, 2014 is based on the ratio of Radnor Township's assessed valuation to Delaware County's 2014 assessed valuation.

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

	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Three Year Average Revenues(2),(3)	\$ 22,852	\$ 23,992	\$ 29,327	\$ 30,074	\$ 29,381	\$ 29,411	\$ 29,461	\$ 31,767	\$ 36,961	\$ 39,570
Debt limit (1)	\$ 57,130	\$ 59,980	\$ 73,318	\$ 75,185	\$ 73,453	\$ 73,528	\$ 73,653	\$ 79,418	\$ 92,403	\$ 98,925
Total net debt applicable to limit	\$ 38,595	\$ 36,860	\$ 50,980	\$ 49,130	\$ 47,225	\$ 44,965	\$ 43,055	\$ 41,575	\$ 43,060	\$ 50,450
Legal debt margin	\$ 18,535	\$ 23,120	\$ 22,338	\$ 26,055	\$ 26,228	\$ 28,563	\$ 30,598	\$ 37,843	\$ 49,343	\$ 48,475
Total net debt applicable to the limit as a percentage of debt limit	67.56%	61.45%	69.53%	65.35%	64.29%	61.15%	58.46%	52.35%	46.60%	51.00%

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 unit 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)
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%
2014	31,531	1,615,175,475	51,225	4.9%

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><i>Taxpayer</i></u>		2014			2005		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Villanova University	Higher Education	3,198	1	15.2%	3,539	1	16.7%
Radnor Township School District	Education	862	2	4.1%	810	2	3.8%
Eastern University	Higher Education	787	3	3.7%	489	5	2.3%
Lincoln National Life Insurance	Insurance / Financial Investments	669	4	3.2%	-	-	-
University of Pennsylvania	Medical Services	375	5	1.8%	-	-	-
Jefferson Health System	Medical Services	335	6	1.6%	-	-	-
Cabrini College	Higher Education	302	7	1.4%	503	4	2.4%
Rovi Corporation	Digital Entertainment	268	8	1.3%	-	-	-
Agnes Irwin School	Education	253	9	1.2%	-	-	-
VWR Management Services	Research Supply & Distribution	221	10	1.1%	-	-	-
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>7,270</u>		<u>34.6%</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	7	7	4.5	5	3	4	2	2	2	2
Finance	7	7	5	5	2	3	4	6	6	6
Community Development	7	7	8	8	5	6	5	6	6	6
Engineering	4	4	3	3	3	3	2	2	2	2
Information Technology	-	-	3	3	3	3	3	2	2	2
Police										
Officers	45	42	46	45	43	40	41	36	38	41
Civilian	9	8	6.5	6.0	6	6	5	5	5	4
Refuse Collection	32	30	28	27	26	25	22	20	17	17
Other Public Works										
Highways	20	20	19	19	19	18	18	19	18	18
Sewer	6	6	5	4	4	4	4	4	4	4
Park maintenance	17	17	17	17	17	17	14	13	13	13
Other	3	2	1	2	2	1	1	1	1	1
Parks and recreation	<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>	<u>3</u>
Total	<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>	<u>119</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Business Tax Audits	14	46	57	49	72	74	85	41	35	32
Collections from audits (rounded in thousands)	\$ 226	\$ 1,425	\$ 349	\$ 679	\$ 1,349	\$ 971	\$ 310	\$ 826	\$ 8,984	\$ 421
Business Tax Licenses Issued	1,425	1,570	1,550	1,203	1,289	1,237	1,282	1,282	1,655	1,768
Protection to persons and property										
Building permits issued	812	914	744	705	675	785	831	910	916	971
New construction	33	43	29	12	19	7	8	22	23	39
Accessories and additions	145	156	112	149	117	104	104	55	49	133
Subdivision plans	34	11	9	9	4	1	2	-	2	19
Lots approved	5	2	1	6	2	-	4	-	1	72
Zoning appeals	42	53	35	59	35	35	54	28	22	26
Design review	44	55	70	89	67	53	90	67	87	70
Vehicle violations	21,122	23,129	23,728	26,503	28,277	23,371	28,445	30,322	31,576	32,414
Vehicle accidents	1,352	1,307	1,295	1,285	1,136	1,209	1,207	1,214	1,235	1,190
Nuisance and non-criminal	10,125	10,808	11,608	11,861	11,306	10,972	10,579	12,590	15,537	15,298
Serious crimes	415	438	436	413	384	433	423	428	396	331
Secondary offenses	1,367	1,378	986	902	827	784	733	828	672	613
Alarm signals	1,952	1,950	1,483	1,671	1,551	1,674	1,568	1,664	1,730	1,729
Animal complaints	512	715	685	773	705	784	616	646	518	259
Health and sanitation										
Refuse collected (tons)	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	7,176.8
Curbside recycling (tons)	3,218	5,568	5,919	4,919	6,306	5,738	2,898	6,646	6,629	6,563
Other Public Works										
Streets resurfaced (sq yds)	57,506	83,778	53,219	63,878	42,430	37,224	50,610	-	41,636	41,563
Parks and recreation										
Number of programs	212	214	219	221	225	220	187	145	125	125
Events held at Willows	159	151	132	124	118	120	122	117	22	5
Wastewater										
New sanitary sewer connections	34	45	34	29	28	18	3	4	2	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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Protection to persons and property										
Marked vehicles	13	13	13	13	13	13	13	13	13	14
Unmarked vehicles	9	9	9	9	8	7	7	7	7	7
Health and sanitation										
Recycling trucks	6	6	6	6	6	6	6	-	-	-
Refuse collection trucks	12	12	12	12	12	12	12	-	-	-
Recycling & Refuse Trucks	-	-	-	-	-	-	-	12	12	12
Other Public Works										
Streetlights	1,377	1,402	1,402	1,402	1,402	1,402	1,406	1,406	1,406	1,406
Traffic signals	41	43	44	44	44	44	44	44	44	44
Parks and recreation										
Acres of open space	441.66	441.84	441.84	441.84	441.84	441.84	441.84	441.84	441.84	512.84
Parks, playgrounds, athletic fields	25	26	26	23	23	23	23	23	23	23
Wastewater										
Sanitary sewers (linear feet)	719,810	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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