

Radnor Township

Comprehensive Annual Financial Report

For the Year Ended, December 31, 2015

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MUSEUM



COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2015

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

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

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INTRODUCTORY
SECTION

PHILIP AHR
President

LUCAS A. CLARK, ESQ.
Vice-President

JAMES C. HIGGINS, ESQ.

ELAINE P. SCHAEFER

DONALD E. CURLEY

JOHN NAGLE

RICHARD F. BOOKER, ESQ.



RADNOR TOWNSHIP
301 IVEN AVENUE
WAYNE, PENNSYLVANIA 19087-5297

Phone (610) 688-5600
Fax (610) 688-1279
www.radnor.com

ROBERT A. ZIENKOWSKI
Township Manager
Township Secretary

JOHN B. RICE, ESQ.
Solicitor

JOHN E. OSBORNE
Treasurer

June 13, 2016

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, 2015. 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 Zelenkofske Axelrod LLC. Zelenkofske Axelrod LLC is a regional, independent accounting firm of certified public accountants operating in five locations in Pennsylvania and Delaware, has nearly 50 professionals, and revenues in excess of \$8 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. Davids, 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, Archbishop John Carroll High School, St. Aloysius, Country Day School of the Sacred Heart, St. Katharine 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 making Radnor a primary destination for commercial activity with some of the most valuable commercial real estate in the east coast market. 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 provides a program summary provided by each of the Township's departments:



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, sanitary sewer rent, stormwater and other significant fee 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.

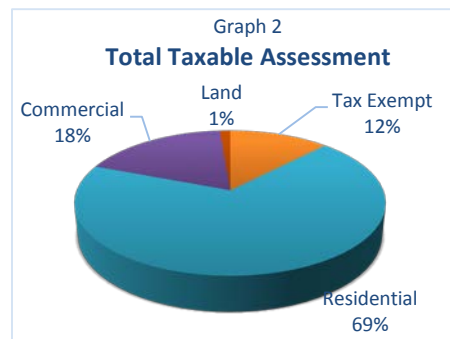
The Township has adopted several important fiscal policies aimed at creating balanced budgets, establishing appropriate levels of funding reserves, determining the appropriate use of non-reoccurring revenues, establishing annual capital funding, and establishing a funding plan for other post-employment benefits (OPEB). These policies can be found in the Township’s Administrative Code, Chapter §44 and are reviewed periodically and updated according to current needs or best practices.

RADNOR’S ECONOMY

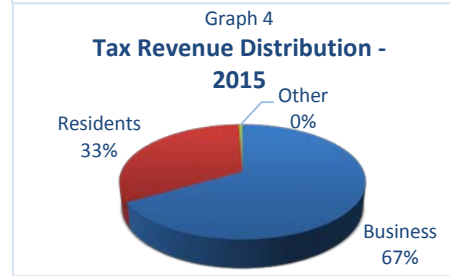
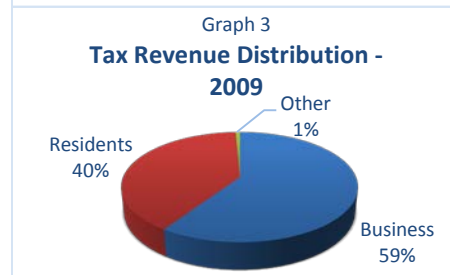
Radnor’s economy is made up of a broad spectrum of activities from the smallest family run retail store to national retail stores; from one-person professional service firms to Fortune 500 companies. As a result, Radnor’s affluence allows the local economy to be resilient. This is evidenced in the community’s 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, levied as a percentage of the sale amount on real estate transactions in Radnor, is 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 3.



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 2. 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 99, the annual assessment growth has averaged 0.88% 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 through 2015. 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 3 and 4 represent the source of the Township’s tax revenue from 2009 as compared to 2015. As depicted, the residential burden has decreased from 40% to 33%. 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: Enterprise Resource Planning (“ERP”) and Technology Improvements

The Township administration, working together with CARFAC, began working back in 2014 to evaluate the Township’s current financial and departmental operating software. The project was born out of frustration with the lack of functionality from the Township’s current software system, which has not seen a major upgrade since 2006 as well as comments from the Township auditors regarding IT security,

capital asset accounting and disaster recovery. The project kicked off during the summer of 2014 with members of the Township Finance Department presenting the CARFAC IT Subcommittee an overview of departmental level business processes and the inefficiencies in workflow and duplicative efforts caused by the Township's usage of non-integrated pieces of software. Over the next several months, Finance Department staff continued to meet with the CARFAC IT Subcommittee to discuss project objectives and goals, address audit comments and disaster recovery options, and identify potential ERP vendors. The project immediately resolved that the current system setup (or status quo) is not an option moving forward. After the need was established, the administration and CARFAC performed market research to find the very best in municipal software providers, and narrowed the search down to three providers. Each of the three providers were invited to conduct Radnor specific demonstrations of their software. Demonstrations were provided for each of the Township's departments to ensure that the appropriate level of detail was included and that the department had an opportunity for feedback. After the demonstrations, the administration and CARFAC reviewed pricing and implementation strategies with the three firms. Ultimately, the Township selected Tyler Technologies based on their ability to meet the core software objectives of the project, their pricing structure and implementation plan.

The overall objective of the project is to capitalize on advances in information technology to increase the efficiency of Township staff, improve access to information, and increase direct access to system functions by employees and constituents. Primary objectives include the implementation of an integrated system to eliminate inefficiencies such as duplicate data management, data entry, transactional processes and reconciliation, provide better and timelier information for decision making, streamline workflow, improve ability to access information for staff and constituents, eliminate the need to manually re-enter data to prepare regular and ad hoc reports, increase direct constituent access to information online and performance of online transactions, and improve security, controls, and disaster recovery.

The Board of Commissioners have supported the project from its inception, setting aside \$1,000,000 from a one-time business tax settlement dedicated to this project. Further, the Board of Commissioners adopted legislation in late November 2015 authorizing the administration and CARFAC to negotiate specifically with Tyler Technologies to develop an agreement to be brought back to the Board for final review and adoption. On May 9, 2016, the Board of Commissioners adopted a resolution entering into an agreement with Tyler Technologies to install their ERP system. The final pricing came in well under the amount allocated by the Commissioners. The Tyler ERP project kicked-off on June 1, 2016 and is expected to take approximately two years to implement. The implementation will be phased, with varying "go-live" dates for the different departmental modules being installed.

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, 2014. This was the fourth 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.

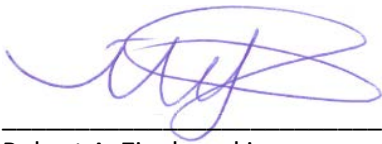
ACKNOWLEDGMENTS

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. Equally, we would like to thank the volunteer members of CARFAC for their dedication, expertise and guidance. Their contributions to this report and the overall audit process add tremendous value and are always appreciated.

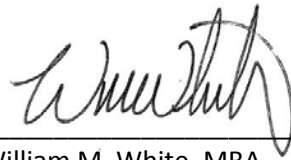
Finally, we thank the members of the Board of Commissioners for their prudent fiscal management and leadership as well as all the volunteer members of the various boards and commissions for their tireless work helping to move Radnor forward.

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
Lucas A. Clark, Esq.	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
Philip Ahr	7 th Ward Commissioner

Elected Treasurer

John E. Osborne	Treasurer, At-Large
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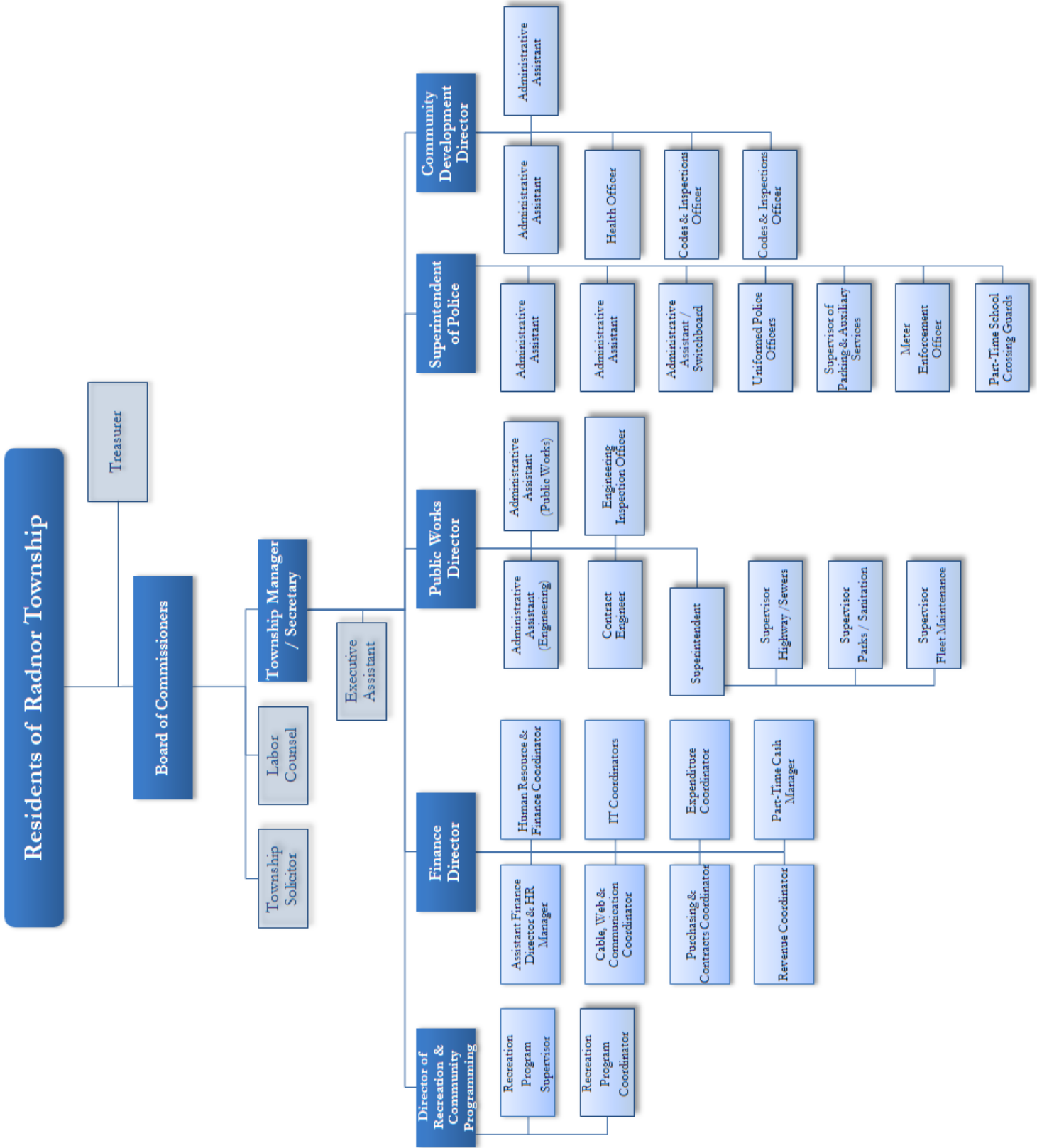
APPOINTED OFFICIALS

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

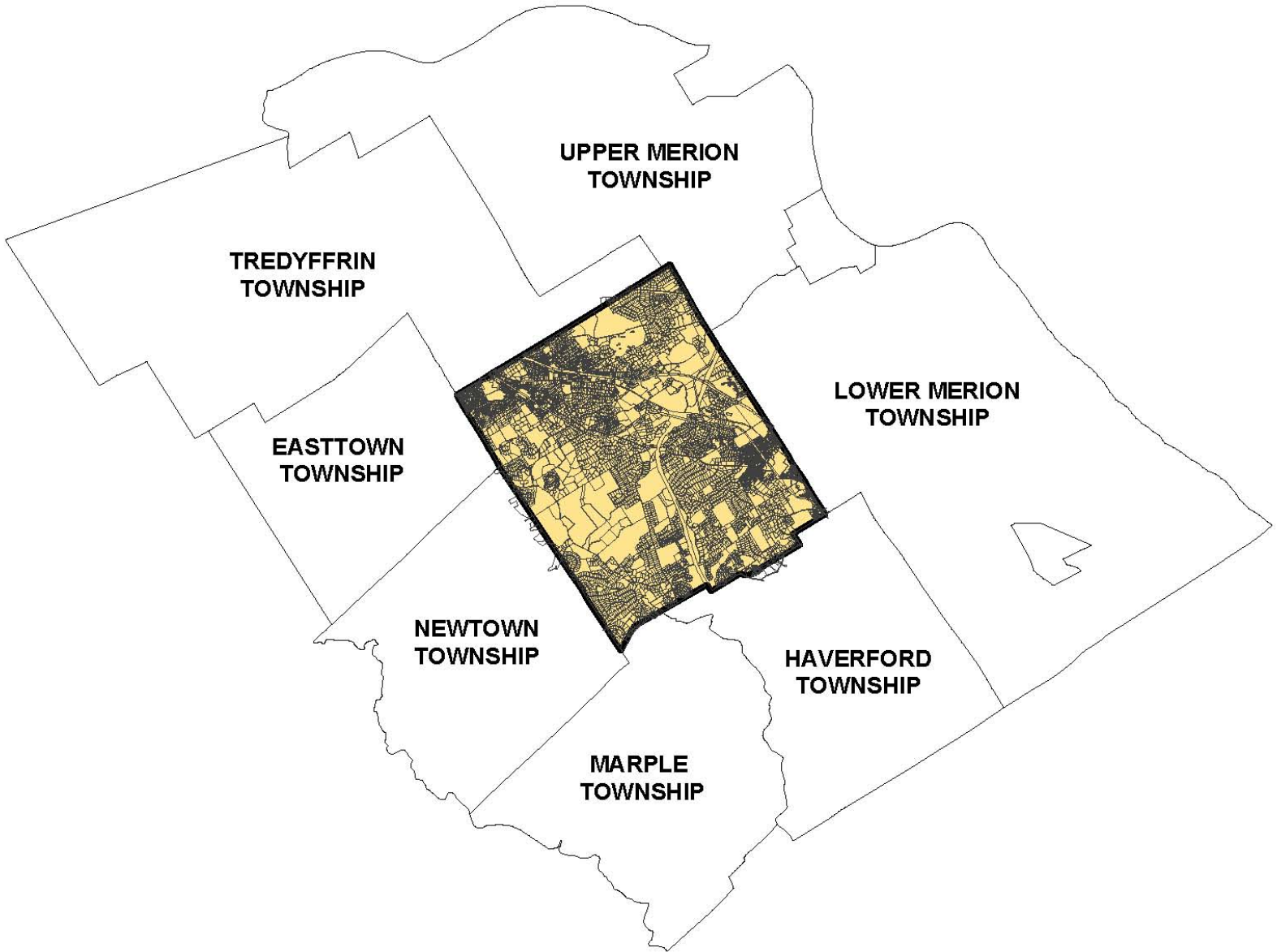
APPOINTED PROFESSIONAL FIRMS

T.D. Bank, NA	Banking Depository
Cozen O’Conner	Bond Counsel
PFM Advisors.....	Pension Plan Investment Advisor
Mockenhaupt Benefits Group.....	Pension Plan Actuary
Clark Hill, PLC	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, 2014

Executive Director/CEO

FINANCIAL
SECTION

Zelenkofske Axelrod LLC

Board of Commissioners
Township of Radnor
Wayne, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Radnor, Pennsylvania as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Radnor, Pennsylvania, as of December 31, 2015, 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.

Adoption of New GASB's

As discussed in Note 15 to the financial statements, in 2015 the Township adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Harrisburg

830 Sir Thomas Court, Suite 100
Harrisburg, PA 17109
717.561.9200 Fax 717.561.9202

Philadelphia

2370 York Road, Suite A-5
Jamison, Pa 18929
215.918.2277 Fax 215.918.2302

Pittsburgh

3800 McKnight E. Drive, Suite 3805
Pittsburgh, PA 15237
412.367.7102 Fax 412.367.7103

Greensburg

210 Tollgate Hill Road
Greensburg, PA 15601
724.834.2151 Fax 724.834.5969

Zelenkofske Axelrod LLC

Board of Commissioners
Township of Radnor
Wayne, Pennsylvania

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions – police and civilian pension plans, pension plans - schedule of investment returns, pension plans - schedule of changes in the employer's net pension liability and related ratios, schedule of funding progress and schedule of employer contributions – other postemployment benefit plans, and budgetary comparison information on pages 3-16 and 64-72 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, Pennsylvania's basic financial statements. The introductory section, other supplementary information on pages 73-92, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 them.


ZELENKOFKSKE AXELROD LCC

Jamison, Pennsylvania
June 13, 2016

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

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, 2015.

Financial Highlights

Radnor Township's government-wide net position on December 31, 2015 was (\$14,979,663), which was an improvement of \$1,979,757 from December 31, 2014, as restated. Note that the net position dated December 31, 2014 was restated to include the net pension liability as required with the adoption of GASB Statement 68. The restatement resulted in the Township's 2014 net position changing from \$4,158,225 to (\$16,959,420). Please see notes 14 and 15 in the Notes to the Financial Statements for details on the restatement. Notwithstanding the restated 2014 net position, this marks the fourth consecutive year in which the Township's net position has improved.

Since 2011, the Township has focused its efforts to capitalize on the growing local economy to ensure that revenue growth is invested back into improving financial position. To that end, the Township has focused its effort into three primary areas: (a) General Fund balance reserve and stabilization, (b) pension funding and (c) Other Post-Employment Benefits ("OPEB") funding. The Township has invested a significant portion of the revenue growth in establishing solid fund balance reserves in the General Fund. In fact, the Township's fund balance policy requires a minimum of fifteen percent of expenditures be held in reserve. Then, to help mitigate against fluctuations in business taxes, the policy requires an additional ten percent of expenditures in the event business tax revenue exceeds thirty percent of the total general fund revenues. As reported on the Governmental Funds Balance Sheet, the General Fund 2015 unassigned fund balance meets the target 15% at \$4,568,860, the 10% fund balance stabilization at \$3,045,907, and still has \$2,702,859 in other unassigned fund balance. The Township's fund balance policy calls for the Board of Commissioners to reinvest the other unassigned fund balance into either long-term liabilities and/or capital needs. That will be determined in 2016. Next, the Township has invested excess revenues totaling \$3,277,936 in 2012 and 2013 (see page 64) in an effort to improve pension funding ratios and pay down prior years' pension losses. Still, with a net pension liability of \$21,509,379, this will continue to be an area of focus moving forward. At the same time, the Township has established a funding plan for OPEB obligations. Since 2014, the Township has established an OPEB Trust to account for the assets and liabilities of the benefit plan and has invested excess revenues of \$4,455,955 to begin paying down the liability.

The source of funds resulting in the improved financial position has been tremendous revenue growth from the Township's Local Enabling taxes and permitting revenues; complimented by consistently strong real estate tax collections. First, the real estate tax rate remained unchanged in 2015 at 3.7511 mills. The last increase was in 2012 when the rate increased by 3% from 3.6411 mills to 3.7511 mills. Over that period, real estate taxes have been steady at roughly \$12.8 million per year with collection rates ranging from 97.48% to 99.22%. The revenue category that has continued to grow is the Local Enabling taxes which include the real estate transfer, business privilege, mercantile, and local services taxes. Real estate transfer taxes are a reflection of the local housing market. Revenues in 2015 surged by 12% over 2014 amounts. In fact, revenues have grown from \$2,099,160 in 2011 to \$3,506,820 in 2015. Next, mercantile taxes are a reflection of retail activity in Radnor, and the Township saw revenues grew by 21% in 2015 over 2014, generating \$1,437,467 in total revenues for the General Fund. Business privilege taxes reflect all other commercial activity in Radnor and represent the largest of the revenue sources in this grouping. This has also been the revenue category that has generated the most growth over the last five years. Revenues have grown from \$5,900,025 in 2011 to \$9,727,519 in 2015. A significant contributing factor to the revenue growth in mercantile and business privilege taxes has been the Township's more comprehensive compliance efforts. The Township has a full-time staff member dedicated to

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overseeing the administrative aspects of the program from discovery, to taxpayer assistance, to compliance. Local services taxes reflect employment in the Township, and 2015 saw these revenues grow by 6% over 2014, ending with \$992,829 in revenues. Finally, permitting revenue is an indicator of the development and redevelopment activity in Radnor. Strong revenue performance since 2011, where revenues have grown from \$2,142,698 to \$4,010,451, demonstrates a strong commitment from both the commercial and residential market that Radnor is a place to invest in.

Another critical element to the improved financial position has been the stormwater fee. 2015 marked the second year of the program. 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 2015 billing amount remained at \$29 per unit, resulting in little change in year over year comparisons. Still, total revenue generated continued to meet the Township's expectations at \$1,075,019. Being that the stormwater program is still evolving, most of the proceeds generated in 2014 and 2015 are still unspent, resulting in a fund balance of \$2,479,358, which is a contributing factor to the Township's improved financial position. To elaborate that point, the stormwater funds bolster the Township's capital funding by generating direct resources to fund major infrastructure projects that would have otherwise been funded from tax revenues. Without these funds, a portion of the revenues invested into General Fund balances, pension, and OPEB would have been used for this purpose.

Overview of the Financial Statements

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

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

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, public safety, community development, public works, parks and recreation, contributions to community organizations, and debt service. The business-type activities of the Township include the rental of The Willows Mansion.

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Overview of the Financial Statements (continued)

Government-Wide Financial Statements (continued)

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

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

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

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

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

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, Park and Open Space Fund, Stormwater Fund, Debt Service Fund, Special Assessment 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 Fund to demonstrate compliance with this budget on pages 73 through 82.

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

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

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

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Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The fiduciary funds of the Township are pension trust funds and agency funds. Total net position of the fiduciary funds was \$55,932,357.

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

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

The notes to the financial statements can be found on pages 28 through 63 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 64 through 72 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 73 through 92 of this report.

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 (\$14,979,663), which represents an increase of \$1,979,757 from December 31, 2014. 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 four years, it should be noted that the Township 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 (deficiency) decreased by \$3,288,882. The reduction in 2015 was the result of increases in deferred outflows of resources resulting from the accounting treatment of differences between pension assumptions and actual returns. The deficiency continues to be the result of the net pension liabilities and the current underfunding of the net OPEB obligation which totals (\$18,290,305) 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 20.

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Government-Wide Financial Analysis (continued)

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 \$4,977,068 at the end of the year. The Township of Radnor uses these capital assets to provide infrastructure and facility improvements and to provide service 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. As shown in Table 1, the increase in 2014 is the result of borrowing funds for library improvements in December 2015.

Table 1 - Township of Radnor's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 ¹	2015	2014	2015	2014
Current and Other Assets	\$ 24,894,206	\$ 25,478,120	\$ 15,792	\$ (12,697)	\$ 24,909,998	\$ 25,465,423
Capital Assets	56,731,461	55,211,653	84,091	86,482	56,815,552	55,298,135
Total Assets	81,625,667	80,689,773	99,883	73,785	81,725,550	80,763,558
Deferred Outflows of Resources	6,796,342	2,625,115	-	-	6,796,342	2,625,115
Noncurrent Liabilities	101,655,422	98,988,279	-	-	101,655,422	98,988,279
Other Liabilities	1,746,250	1,286,029	161	2,499	1,746,411	1,288,528
Total Liabilities	103,401,672	100,274,308	161	2,499	103,401,833	100,276,807
Net Position:						
Net Investment in Capital Assets	4,977,068	553,632	84,091	86,482	5,061,159	640,114
Restricted	6,852,941	6,007,738	-	-	6,852,941	6,007,738
Unrestricted (Deficiency)	(26,809,672)	(23,520,790)	15,631	(15,196)	(26,794,041)	(23,535,986)
Total Net Position	\$ (14,979,663)	\$ (16,959,420)	\$ 99,722	\$ 71,286	\$ (14,879,941)	\$ (16,888,134)

¹ Restated, See Footnote 15

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 increased by \$28,436 in 2015. 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 2015, the Township continued to evaluate proposals with no decision. Consequently, the increase in net position was the result of General Fund transfers needed to pay ongoing utility and emergency repairs to the facility during this hibernation period.

Table 2 highlights the Township's revenues and expenses for the fiscal year ended December 31, 2015. 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.

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Government-Wide Financial Analysis (continued)

Table 2 - Township of Radnor's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 13,053,112	\$ 12,025,174	\$ -	\$ -	\$ 13,053,112	\$ 12,025,174
Operating Grants and Contributions	1,417,037	2,512,484	-	-	1,417,037	2,512,484
Capital Grants and Contributions	969,036	987,703	-	-	969,036	987,703
General Revenues:						
Real Estate Taxes	11,640,796	11,844,653	-	-	11,640,796	11,844,653
Taxes Levied Under Act 511	15,705,050	14,377,967	-	-	15,705,050	14,377,967
Debt Repayment Agreements	-	130,905	-	-	-	130,905
Investment Income	393,649	162,817	11	12	393,660	162,829
Total Revenues	43,178,680	42,041,703	11	12	43,178,691	42,041,715
Expenses:						
General Government	4,138,635	5,691,986	-	-	4,138,635	5,691,986
Protection to Persons and Property	15,012,436	13,505,092	-	-	15,012,436	13,505,092
Health and Sanitation	8,816,933	8,824,642	-	-	8,816,933	8,824,642
Highways	7,010,773	6,374,657	-	-	7,010,773	6,374,657
Library	901,839	899,290	-	-	901,839	899,290
Parks and Recreation	3,318,754	3,576,358	36,575	14,663	3,355,329	3,591,021
Interest on Long-Term Debt	1,934,553	1,910,392	-	-	1,934,553	1,910,392
Total Expenses	41,133,923	40,782,417	36,575	14,663	41,170,498	40,797,080
Changes in Net Position before Transfers	2,044,757	1,259,286	(36,564)	(14,651)	2,008,193	1,244,635
Transfers	(65,000)	-	65,000	-	-	-
Changes in Net Position	1,979,757	1,259,286	28,436	(14,651)	2,008,193	1,244,635
Net Position - Beginning, as Restated	(16,959,420)	(18,218,706)	71,286	85,937	-	-
Net Position - Ending	\$ (14,979,663)	\$ (16,959,420)	\$ 99,722	\$ 71,286	\$ 2,008,193	\$ 1,244,635

As discussed earlier in this report and as shown in Table 2, the surplus in 2015 was largely the result of the continued strong performance of the taxes levied under Act 511 complimented by limited governmental activity expenses. Total revenue grew by \$1,136,977 or 3% while expenses grew by \$351,506 or 1%. Looking more closely, charges for services revenue grew in 2015 by \$1,027,938 or 9% as a result of strong permitting revenue. Operating and capital grants decreased because the Township received a one-time, \$1,000,000 grant in 2014 for the purchase of the open space at Ardrossan. As noted in the Financial Overview section of this report, the other revenue category that showed significant growth was in the taxes levied under act 511, which grew by \$1,327,083, or 9%. On the expenditure side, general government expenses decreased by \$1,553,351 due to lower spending in administration, finance, and information technology. Conversely, protection to persons and property increased by \$1,507,344, or 11% as a result of filling vacant police officers positions and increased community development inspection costs needed as a result of increased construction activity in 2015. Similarly, highway expenses increased as a result of increased engineering costs incurred to review development plans during 2015. These costs are directly offset through escrow agreements, which is why charges for services in the highway department increased as well.

Governmental Activities

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

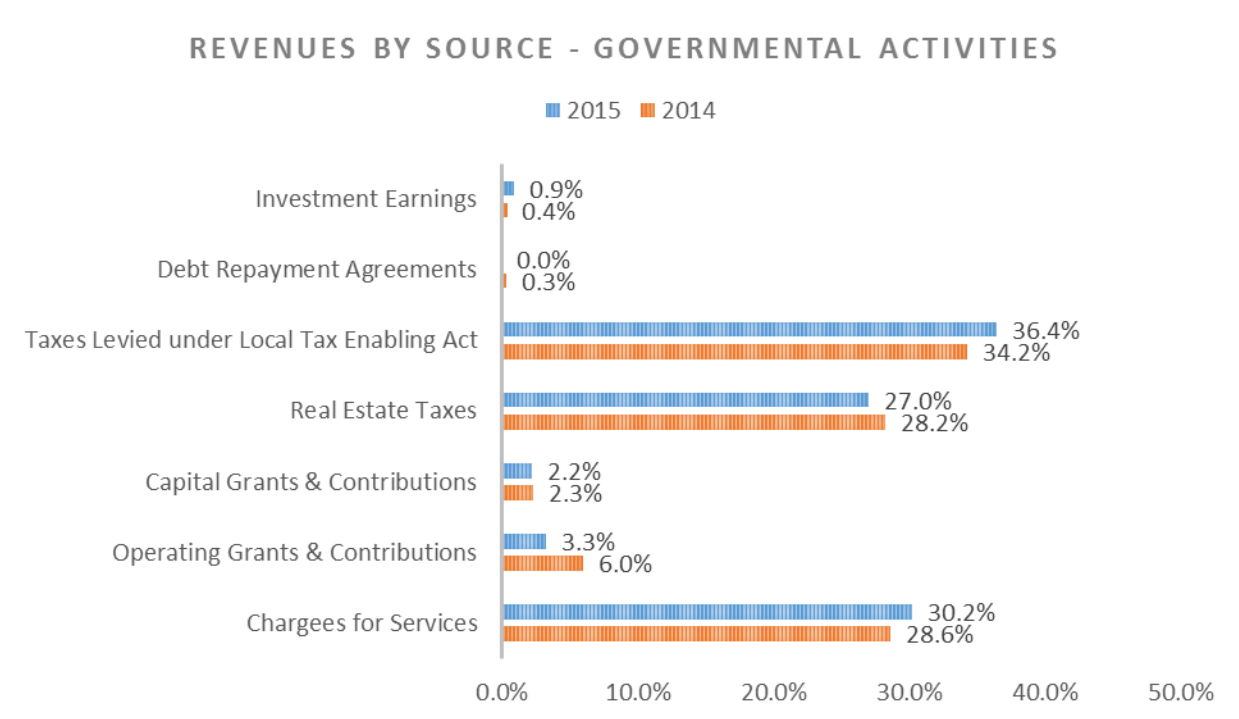
**TOWNSHIP OF RADNOR, PENNSYLVANIA
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Governmental Activities (continued)

Table 3 - Governmental Activities				
Programs	Total Cost of Services		Total Net Cost	
	2015	2014	2015	2014
General Government	4,138,635	5,691,986	(2,337,617)	(4,414,891)
Protection to Persons and Property	15,012,436	13,505,092	(10,302,821)	(8,384,867)
Health and Sanitation	8,816,933	8,824,642	(2,311,374)	(2,380,434)
Highways	7,010,773	6,374,657	(5,829,784)	(5,399,606)
Library	901,839	899,290	(901,839)	(899,290)
Parks and Recreation	3,318,754	3,576,358	(2,076,750)	(1,867,576)
Interest on Long-Term Debt	1,934,553	1,910,392	(1,934,553)	(1,910,392)
Total	\$ 41,133,923	\$ 40,782,417	\$ (25,694,738)	\$ (25,257,056)

Net cost of services remained at 62% of total cost of services in 2015. 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. This percentage has not fluctuated significantly over the past four years, indicating the Township's reliance on taxes. The Township is willing to accept this reliance given the nature of the taxes levied under Act 511, which impact the Radnor businesses. Not wanting to further burden the business sector, the Township has not pursued increases in fees which would improve the ratio of net cost to total cost.

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

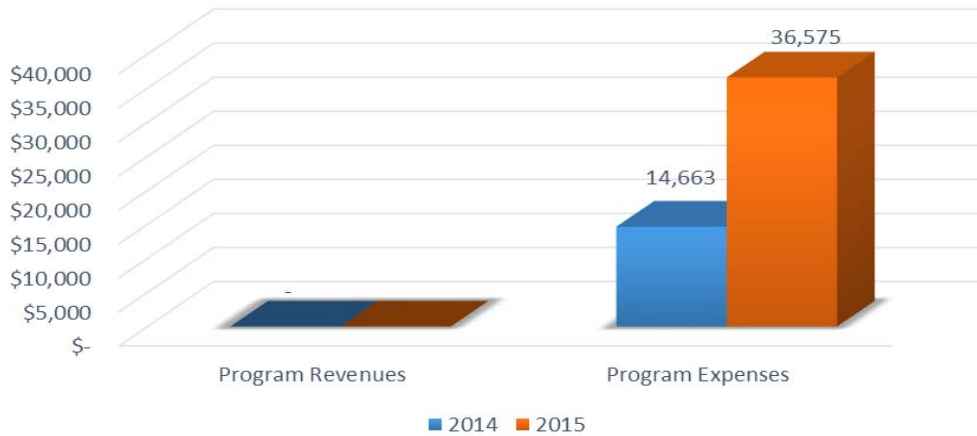


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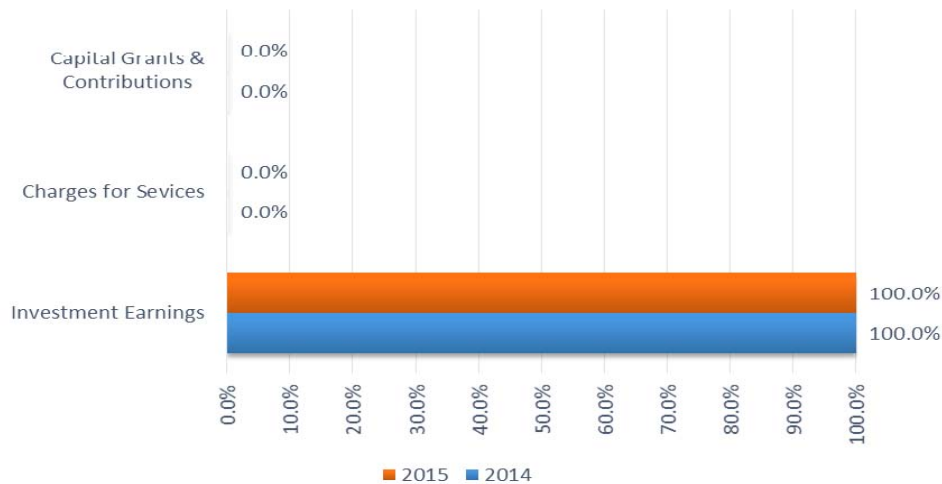
Business-Type Activities

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 \$36,575. No business-type revenues were generated in 2015 as the Township is in the process of out-sourcing the programming activity to a private caterer. This is the second year of the outsourcing process in which no revenue was generated. The graph below shows a comparison between the business-type activity expenses and program revenues.

Business-type activities showed a increase in net position of \$28,436. As noted earlier, the increase in the net position was the result of general fund transfers. The reevaluation was the result of sluggish financial performance dating back to 2001 along with mounting capital and maintenance costs needed to bring the Mansion to a serviceable level. 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.



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



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Financial Analysis of the Government's Funds

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

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

As of the end of the fiscal year 2015, the governmental funds reported combined ending fund balances of \$23,161,391, an increase of \$2,547,336 from the prior year resulting from increases in the general and capital improvement funds. Approximately 45% of this total amount or \$10,317,626 constitutes unassigned fund balance, which includes \$7,614,767 to comply with the General Fund's target fund balance policy of 15% and fund stabilization requirement of 10% of general fund expenditures. The remaining balance of \$2,702,859 is made up of unassigned other fund balances in the general fund. The next allocation of fund balance totals \$1,188,934 and is assigned for encumbered activity in 2015 carried forward into 2016. The next allocation of fund balance is restricted by constitutional provisions, enabling legislation, or constraints imposed by external factors which totaled \$7,866,251 and includes fund balances in the Sanitary Sewer Fund (\$1,451,687), Debt Service Fund (\$1,067,520), Capital Improvement Fund (\$4,641,069), Park Improvements and Open Space Fund (\$166,060) and State Liquid Fuels Tax Fund (\$539,915). The next allocation of fund balance totaled \$3,363,435 and is committed by the Board of Commissioners through ordinances or resolutions and includes balances for recreation or park impact fee purposes (\$297,149), stormwater purposes (\$2,123,486), and operational efficiency projects (\$942,800). The remainder of the fund balance is \$97,626 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 2015, the unassigned fund balance of the General Fund was \$10,317,626, which is up by \$1,451,460 over 2014. 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, plus an additional 10% to stabilize the fund balance as mitigation against sudden fluctuations in business taxes from year to year. The additional 10% is only required when business taxes exceed 30% of total revenues.

General Fund revenues, in total, increased over 2014 amounts by \$1,598,077 or 5%. Significant contributors to the revenue increase were the business privilege taxes (by \$659,687, or 7%), real estate transfer taxes (by \$271,269, or 12%), licenses and permits (by \$637,582, or 19%) due to more development, and grants (by \$189,430, or 15%). Revenues that did not perform as well in 2015 included police fines, forfeitures and costs (by \$203,919, or -27%) due to decreased parking enforcement related to a change over from parking meters to kiosk machines as well as overall police enforcement declines.

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Financial Analysis of the Government's Funds (continued)

Governmental Funds (continued)

General Fund expenditures decreased by \$1,120,016 or 4%. The reason for the decrease in 2015 is that 2014 included significant one-time contributions for OPEB and employee benefits from the Township's \$8.0 million settlement allocation. Operating departments' expenses increased by \$795,636, or 3%. Most of that increase was the result of filling vacant police officer positions in 2015 coupled with prefunding OPEB costs associated with those police hires.

The [Sanitary] Sewer special revenue fund had a total fund balance of \$1,505,897 at December 31, 2015, a decrease of \$245,289, or -14% from the prior year. The fund balance is made of non-spendable, restricted and assigned allocations totaling \$4,436, \$1,451,687, and \$49,774, 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 for the third straight year 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 31% of expenses.

The Debt Service fund had a total fund balance of \$1,067,520 which is a planned decrease of \$137,208, or 11%. The decrease is the result of management's decision to reduce fund balance since the establishment of the fund was to pay debt service and not carry fund balances. The fund balance is restricted for the sole purpose of paying debt service and related expenditures.

The Special Assessment fund, which accounts for special assessment funded projects to construct various sanitary sewer projects, ended 2015 with a fund balance of \$199,195. 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 \$286,406.

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 2015 with a restricted fund balance of \$173,060. Current activity in this fund is the annual debt service on the (voted) 2015 Series Bonds which refunded the originally issued 1996 and 2002 voted open space bonds as well as the (voted) 2014 Series Bonds issued for the acquisition of the 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, 2015 marked the second year that the Township billed 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 2015 with a committed fund balance of \$2,123,486 and \$355,872 for encumbrances carried forward for unfinished projects at year end. Also touched on earlier in this report was that stormwater projects to be funded with these balances are still being evaluated. Thus, the fund balance will continue to grow until such time as when the Township begins to invest into stormwater projects.

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Financial Analysis of the Government's Funds (continued)

Governmental Funds (continued)

The Capital Improvement fund had a fund balance of \$4,892,508, as of December 31, 2015, an increase of \$1,540,440, or 46% from 2014. The increase is the result of excess general fund balances being allocated for capital purposes for the second straight year. As stipulated in the Township's fund balance policy, excess fund balances over the required 15% and 10% need to be invested into capital and/or pension or OPEB obligations. For 2014 and 2015, the Board elected to allocate excess general fund balances to the capital fund.

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 72), 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 \$1,722,412, which was made up of the taxes levied under the local tax enabling act variance of \$1,148,780. Another significant contribution to the positive revenue variance was the licenses and permits variance of \$894,851. Actual General Fund expenditures (\$29,589,774) exceeded the final appropriation budget (\$27,712,185) by \$1,877,589. The variance was due to larger than expected legal and engineering fees, winter costs, police overtime, unbudgeted expenses associated with the Papal visit in September and Board approved transfers to the capital fund.

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, 2015, amounts to \$56,815,552 (net of accumulated depreciation). Capital assets increased by \$1,519,808, or 3% for governmental activities and decreased by 3% for business-type activities for 2015. due to the lack of any additional capital improvements to the facility, 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 Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 24,149,624	\$ 24,149,624	\$ -	\$ -	\$ 24,149,624	\$ 24,149,624
Land Improvements	2,853,282	2,609,477	-	-	2,853,282	2,609,477
Building and Improvement:	22,983,118	22,950,118	460,882	460,882	23,444,000	23,411,000
Machinery and Equipment	16,491,636	14,729,704	-	-	16,491,636	14,729,704
Infrastructure	19,600,481	18,032,714	-	-	19,600,481	18,032,714
Construction in Progress	168,800	38,749	-	-	168,800	38,749
Accumulated Depreciation	(29,515,480)	(27,298,733)	(376,791)	(374,400)	(29,892,271)	(27,673,133)
Total	\$ 56,731,461	\$ 55,211,653	\$ 84,091	\$ 86,482	\$ 56,815,552	\$ 55,298,135

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

Capital Asset and Debt Administration (Continued)

Capital Assets (continued)

Major capital asset investments during fiscal year 2015 included machinery and equipment (+12%), infrastructure improvements (+9%) and construction in progress (+336%). More specifically infrastructure investments included culvert replacements, road resurfacing projects, sanitation sewer and pumping station projects, traffic calming projects, traffic signal improvement projects, and a new parking lot at the Township Building. Machinery and equipment additions included department vehicle replacements for police, sanitation, public works, sewer and community development departments.

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

Debt - As of December 31, 2015, the Township had outstanding general obligation bonds totaling \$56,705,000. This was down from \$56,915,000 on December 31, 2014. In the current year, the Township paid \$2,700,000 in principal and \$1,683,097 in interest on outstanding debt. The reason why the principal decrease was not larger was due to the issuance of new funds totaling \$2,490,000 in Series 2015(A) General Obligation Bonds for the purpose of making improvements at the Township owned library building. Note that the Series 2015(A) issue also included the current refunding of the Series 2010 Bonds for a total issue of \$5,275,000.

Table 5 - Outstanding Debt

	Governmental Activities		Business-Type Activities		Maturity 2018, 2026, 2034, 2035, 2037, and 2043
	2015	2014	2015	2014	
General Obligation Bonds	\$ 56,705,000	\$ 56,915,000	-	-	

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 2015:

The Radnor Township economy continues its strong performance 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 34% since 2012 from \$7,262,512 to \$9,727,519 in 2015
- Real estate transfer tax (RTT), levied as a fixed percent of the value of every real estate sale transaction has grown by 41% since 2012 from \$2,480,143 to \$3,506,820 in 2015. 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 grown steadily since 2012 from \$702,954 to \$992,829 in 2015
- 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 43% since 2012 from \$2,812,427 to \$4,010,451 in 2015

**TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

In addition to the revenues already realized, there are two significant redevelopment projects that have been proposed at two sites in Radnor Township. These projects include new dormitory and retail development by Villanova on their campus and a complete redevelopment of the office site owned by Penn Medicine on King of Prussia Road. The Villanova dormitory and retail project, valued at over \$320,000,000 has received Township approval and construction began in late 2015 with an expected completion date of 2018. The Penn Medicine redevelopment project is currently going through the rezoning review process. There is no known project value or specific time table for approval as of the date of this report.

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 2013 the Board created an OPEB Trust Fund and transferred over \$3.5 million to begin setting aside assets to fund future obligations. Additionally, as reported in the 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.
- **Fund Balance Policy Improvements:** As touched on in this report, the Township has adopted a more robust fund balance policy that built in higher reserve requirements to help mitigate against sudden decreases in the business taxes. This portion of the policy was in reaction to the fiscal impact caused by the sharp decline in business taxes in 2008. Further, to assist in addressing long-term liability and capital funding needs, the fund balance policy requires the Board to direct excess fund balances to pension, OPEB and/or capital programs. Since the adoption of the policy, the Board of Commissioners have allocated significant amounts of funds to address all three of those initiatives as evidenced by the excess funding of in pension in 2012 and 2013 totaling \$3,227,936, as well as establishing \$4,455,955 in cash and investments for OPEB and increasing the capital fund balance from \$1,725,224 at the end of 2013 to \$4,892,508 at the end of 2015.
- **Five-Year Forecasting:** The Township continues to incorporate a five-year forecast into its annual Budget process. 2015 marks the fourth 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.

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, 2015**

Requests for Information

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

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION
ENDED DECEMBER 31, 2015

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 11,871,579	\$ 12,753	\$ 11,884,332
Investments	9,731,670	-	9,731,670
Receivables			
Real Estate Taxes, Net	272,027	-	272,027
Local Enabling Taxes	500,521	-	500,521
Sewer Rents and Stormwater Fees	397,529	-	397,529
Special Assessments	286,406	-	286,406
Other	756,248	-	756,248
Loans Receivable (Due Within One Year)	73,300	-	73,300
Prepaid Items	97,626	3,039	100,665
Loans Receivable (Due Beyond One Year)	907,300	-	907,300
Capital Assets			
Land and Construction in Progress	24,318,424	-	24,318,424
Other Capital Assets, Net of Depreciation	32,413,037	84,091	32,497,128
Total Capital Assets	<u>56,731,461</u>	<u>84,091</u>	<u>56,815,552</u>
Total Assets	<u>81,625,667</u>	<u>99,883</u>	<u>81,725,550</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	2,450,607	-	2,450,607
Pensions	4,345,735	-	4,345,735
Total Deferred Outflows of Resources	<u>6,796,342</u>	<u>-</u>	<u>6,796,342</u>
Liabilities			
Accounts Payable and Accrued Liabilities	694,377	161	694,538
Accrued Interest Payable	464,217	-	464,217
Unearned Revenue	587,656	-	587,656
Noncurrent Liabilities:			
Due Within One Year	4,177,544	-	4,177,544
Due in More than One Year	57,678,194	-	57,678,194
Net Pension Liability	21,509,379	-	21,509,379
Other Post Employment Benefits	18,290,305	-	18,290,305
Total Liabilities	<u>103,401,672</u>	<u>161</u>	<u>103,401,833</u>
Net Position			
Net Investment in Capital Assets	4,977,068	84,091	5,061,159
Restricted:			
Sewer Operations	1,505,897	-	1,505,897
Capital Improvements	4,641,069	-	4,641,069
Park Improvements and Open Space	166,060	-	166,060
Highways	539,915	-	539,915
Unrestricted (Deficiency)	(26,809,672)	15,631	(26,794,041)
Total Net Position	<u>\$ (14,979,663)</u>	<u>\$ 99,722</u>	<u>\$ (14,879,941)</u>

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF ACTIVITIES
ENDED DECEMBER 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 4,138,635	\$ 976,699	\$ 824,319	\$ -	\$ (2,337,617)	\$ -	\$ (2,337,617)
Protection to Persons and Property	15,012,436	4,314,933	371,508	23,174	(10,302,821)	-	(10,302,821)
Health and Sanitation	8,816,933	6,424,317	81,242	-	(2,311,374)	-	(2,311,374)
Highways	7,010,773	256,705	139,968	784,316	(5,829,784)	-	(5,829,784)
Library	901,839	-	-	-	(901,839)	-	(901,839)
Parks and Recreation	3,318,754	1,080,458	-	161,546	(2,076,750)	-	(2,076,750)
Interest on Long-Term Debt	1,934,553	-	-	-	(1,934,553)	-	(1,934,553)
Total Governmental Activities	41,133,923	13,053,112	1,417,037	969,036	(25,694,738)	-	(25,694,738)
Business-Type Activities:							
Willows Fund	36,575	-	-	-	-	(36,575)	(36,575)
Total Business-Type Activities	36,575	-	-	-	-	(36,575)	(36,575)
Total Primary Government	\$ 41,170,498	\$ 13,053,112	\$ 1,417,037	\$ 969,036	(25,694,738)	(36,575)	(25,731,313)
General revenues:							
Taxes:							
Real estate					11,640,796	-	11,640,796
Taxes Levied under Local Tax Enabling Act:							
Real Estate Transfer					3,506,820	-	3,506,820
Mercantile					1,437,467	-	1,437,467
Business Privilege					9,727,519	-	9,727,519
Emergency and Municipal Services					992,829	-	992,829
Amusement					40,415	-	40,415
Investment income					393,649	11	393,660
Transfers In/(Out)					(65,000)	65,000	-
Total general revenues and transfers					27,674,495	65,011	27,739,506
Change in Net Position					1,979,757	28,436	2,008,193
Net Position, Beginning of Year, As Restated					(16,959,420)	71,286	(16,888,134)
Net Position, Ending					\$ (14,979,663)	\$ 99,722	\$ (14,879,941)

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Major Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General	Sewer	Park Improvements and Open Space	Storm Water	Debt Service	Special Assessment		
Assets								
Cash and Cash Equivalents	\$ 2,815,970	\$ 713,694	\$ 703,448	\$ 1,293,048	\$ 86,920	\$ 199,195	\$ 5,008,647	\$ 11,871,579
Investments	7,610,126	833,544	-	1,190,000	-	-	98,000	9,731,670
Receivables, Net:								
Real Estate Taxes	272,027	-	-	-	-	-	-	272,027
Local Enabling Taxes	500,521	-	-	-	-	-	-	500,521
Sewer Rents and Stormwater Fees	-	356,650	-	40,879	-	-	-	397,529
Special Assessments	-	-	-	-	-	286,406	-	286,406
Other	632,471	-	58,907	1,737	-	-	63,133	756,248
Prepaid Items	93,190	4,436	-	-	-	-	-	97,626
Due from Other Funds	609,267	-	15,705	-	-	-	22,400	647,372
Loans Receivable	-	-	-	-	980,600	-	-	980,600
Total Assets	12,533,572	1,908,324	778,060	2,525,664	1,067,520	485,601	5,192,180	25,541,578
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts Payable and Accrued Liabilities	515,323	67,980	-	7,599	-	-	82,403	694,377
Due to Other Funds	-	2,767	605,000	-	-	-	39,605	647,372
Unearned Revenues	-	331,680	-	38,707	-	-	217,269	587,656
Total Liabilities	515,323	402,427	605,000	46,306	-	-	299,672	1,929,405
Deferred Inflows of Resources								
Unavailable Revenues	164,376	-	-	-	-	286,406	-	450,782
Total Deferred Inflows of Resources	164,376	-	-	-	-	286,406	-	450,782
Fund Balance								
Non-Spendable	93,190	4,436	-	-	-	-	-	97,626
Restricted for:								
Sewer	-	1,451,687	-	-	-	-	-	1,451,687
Debt Service	-	-	-	-	1,067,520	-	-	1,067,520
Capital Improvement	-	-	-	-	-	-	4,641,069	4,641,069
Park Improvements and Open Space	-	-	166,060	-	-	-	-	166,060
State Liquid Fuels Tax	-	-	-	-	-	-	539,915	539,915
Committed								
Recreation Fee	-	-	-	-	-	-	297,149	297,149
Storm Water	-	-	-	2,123,486	-	-	-	2,123,486
Operational Efficiency Projects	942,800	-	-	-	-	-	-	942,800
Assigned								
Subsequent Year Budget	500,257	49,774	7,000	355,872	-	-	251,439	1,188,934
Other	-	-	-	-	-	199,195	-	327,519
Unassigned								
Target 15% Fund Balance Reserve	4,568,860	-	-	-	-	-	-	4,568,860
Fund Balance Stabilization 10% Requirement	3,045,907	-	-	-	-	-	-	3,045,907
Other	2,702,859	-	-	-	-	-	-	2,702,859
Total Fund Balances	11,853,873	1,505,897	173,060	2,479,358	1,067,520	199,195	4,892,508	23,161,391
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,533,572	\$ 1,908,324	\$ 778,060	\$ 2,525,664	\$ 1,067,520	\$ 485,601	\$ 5,192,180	\$ 25,541,578

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Amounts reported for governmental activities in the statement of net position are different because:

Total Governmental Fund Balances	23,161,391
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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	86,246,941
Accumulated Depreciation	(29,515,480)
	56,731,461

Other Long-Term Receivables are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds.	450,782
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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	2,450,607
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Certain Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds:

Compensated Absences	(3,097,321)
Capital Lease	(1,035,281)
Deferred Outflows of Resources	4,345,735
Net OPEB Obligation	(18,290,305)
Net Pension Liability	(21,509,379)
Accrued Interest Payable	(464,217)
General Obligation Bonds Payable	(57,723,136)
	(97,773,904)

Net Position of Governmental Activities	(14,979,663)
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$ 11,797,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,797,463
Taxes Levied under Local Tax Enabling Act:									
Real Estate Transfer	2,630,115	-	876,705	-	-	-	-	-	3,506,820
Mercantile	1,437,467	-	-	-	-	-	-	-	1,437,467
Business Privilege	9,727,519	-	-	-	-	-	-	-	9,727,519
Local Services	992,829	-	-	-	-	-	-	-	992,829
Amusement	40,415	-	-	-	-	-	-	-	40,415
Licenses and Permits	4,010,451	-	-	-	-	-	-	-	4,010,451
Fines, Forfeits and Costs	555,290	-	-	-	-	-	-	290,877	846,167
Interest and Rents	251,938	24,294	353	11,219	-	72,103	32,250	1,492	393,649
Grants and Gifts	1,417,037	-	100,005	-	-	-	-	869,031	2,386,073
Departmental Earnings	1,508,526	4,917,514	-	1,075,019	-	88,762	-	-	7,589,821
Debt Repayment Agreements	-	-	-	-	-	-	-	-	-
Refunds and Miscellaneous	388,806	21,325	-	6,783	-	2,206	224,617	-	643,737
Total Revenues	34,757,856	4,963,133	977,063	1,093,021	-	163,071	256,867	1,161,400	43,372,411
Expenditures:									
Current									
General Government	2,908,551	-	-	-	24,706	-	35,830	-	2,969,087
Protection to Persons and Property	10,887,007	-	-	-	-	-	116,951	20,226	11,024,184
Health and Sanitation	2,933,890	4,724,313	-	181,905	-	-	176,054	-	8,016,162
Highways	4,606,631	-	-	-	-	-	283,036	332,131	5,221,798
Library	885,496	-	-	-	-	-	16,343	-	901,839
Parks and Recreation	2,688,182	-	-	-	-	-	75,514	49,497	2,813,193
Miscellaneous									
Employee Benefits	3,164,110	-	-	-	-	-	-	-	3,164,110
OPEB Trust Contributions	772,097	-	-	-	-	-	-	-	772,097
Insurance	463,715	-	-	-	-	-	-	-	463,715
Other	294,101	-	-	-	-	-	-	-	294,101
Capital Outlay	855,288	115,559	-	47,610	-	-	2,062,275	655,823	3,736,555
Debt Service									
Principal Retirement	-	-	-	-	10,529,121	-	-	-	10,529,121
Interest	-	-	-	-	1,720,685	-	-	-	1,720,685
Bond Issue Costs	-	-	-	-	145,767	-	55,832	-	201,599
Total Expenditures	30,459,068	4,839,872	-	229,515	12,420,279	-	2,821,835	1,057,677	51,828,246
Excess of Revenues over (under) Expenditures	4,298,788	123,261	977,063	863,506	(12,420,279)	163,071	(2,564,968)	103,723	(8,455,835)
Other Financing Sources (Uses):									
Issuance of Refunding Bonds	-	-	-	-	7,750,000	-	2,490,000	-	10,240,000
Premium on Bond Issuance	-	-	-	-	224,888	-	65,832	-	290,720
Capital Lease Acquisition	-	-	-	-	-	-	537,451	-	537,451
Transfers In	-	-	-	-	4,308,183	-	1,012,125	25,000	5,345,308
Transfers Out	(4,026,125)	(368,550)	(965,814)	-	-	(49,819)	-	-	(5,410,308)
Total Other Financing Sources (Uses)	(4,026,125)	(368,550)	(965,814)	-	12,283,071	(49,819)	4,105,408	25,000	11,003,171
Net Changes in Fund Balances	272,663	(245,289)	11,249	863,506	(137,208)	113,252	1,540,440	128,723	2,547,336
Fund Balances - Beginning	11,581,210	1,751,186	161,811	1,615,852	1,204,728	85,943	3,352,068	861,257	20,614,055
Fund Balance - Ending	\$ 11,853,873	\$ 1,505,897	\$ 173,060	\$ 2,479,358	\$ 1,067,520	\$ 199,195	\$ 4,892,508	\$ 989,980	\$ 23,161,391

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Net change in fund balances - total governmental funds	<u>\$ 2,547,336</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 the 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	3,736,555
Depreciation Expense	(2,216,747)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.	(193,731)
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 of Net Position. This amount is the Principal Repayments net of Proceeds of Issuance.	210,000
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	(26,404)
Change in Compensated Absences:	
General Government	(1,958)
Protection to Persons and Property	(73,779)
Health and Sanitation	(16,740)
Highways	(45,217)
Parks and Recreation	66
	<u>(137,628)</u>
Change in OPEB Obligation:	
General Government	(162,622)
Protection to Persons and Property	(862,452)
Health and Sanitation	(53,114)
Highways	(470,503)
Parks and Recreation	(177,532)
	<u>(1,726,223)</u>
Change in Pension Benefit Expense:	
General Government	54,891
Protection to Persons and Property	291,110
Health and Sanitation	17,928
Highways	158,812
Parks and Recreation	59,924
	<u>582,665</u>
Change in Capital Lease Obligation:	(397,003)
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 Net Premiums/Discounts Exceeded the Amortization for the Current Period.	<u>(399,063)</u>
Change in net position of governmental activities	<u><u>\$ 1,979,757</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities
	Willows
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 12,753
Prepaid Expenses	3,039
Total Current Assets	15,792
Noncurrent Assets	
Capital Assets	
Buildings	300,000
Improvements	160,882
Less Accumulated Depreciation	(376,791)
Total Noncurrent Assets	84,091
Total Assets	99,883
Liabilities	
Current Liabilities	
Accounts Payable	161
Total Current Liabilities	161
Net Position	
Investment in Capital Assets	84,091
Unrestricted	15,631
Total Net Position	\$ 99,722

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities
	Willows
Operating Revenues	
Charges for Service	-
Total Operating Revenues	-
Operating Expenses	
Operations	34,184
Depreciation	2,391
Total Operating Expenses	36,575
Operating Loss	(36,575)
Nonoperating Revenues	
Investment Earnings	11
Total Nonoperating Revenues	11
Transfer In	65,000
Change in Net Position	28,436
Net Position - Beginning of Year	71,286
Net Position - End of Year	\$ 99,722

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities
	Willows
Cash Flows from Operating Activities	
Payments to Suppliers	\$ (51,811)
Payments to Employees	(447)
Net Cash Used in Operating Activities	(52,258)
Cash Flows from Noncapital Financing Activities	
Transfers from Other Fund	65,000
Net Cash Provided by Capital Financing Activities	65,000
Cash Flows from Investing Activities	
Interest Received	11
Net Cash Provided by Investing Activities	11
Increase (Decrease) in Cash and Cash Equivalents	12,753
Cash and Cash Equivalents - Beginning of Year	-
Cash and Cash Equivalents - End of Year	\$ 12,753
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (36,575)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	2,391
Change in Assets and Liabilities	
Prepaid Expenses	(736)
Due from Other Fund	(15,000)
Accounts Payable	(2,338)
Net Cash Used in Operating Activities	\$ (52,258)

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY
FUNDS DECEMBER 31, 2015

	Trust Funds	Agency
Assets:		
Cash and cash equivalents	\$ 1,358,025	\$ 2,575,603
Investments:		
Equity Mutual Funds	20,799,804	-
Fixed Income Mutual Funds	20,874,930	-
International Mutual Funds	11,187,219	-
Real Estate Limited Partnership	481	-
Certificates of Deposit	198,000	-
U.S. Government and Agency Securities	200,000	-
Life Insurance Cash Value	1,303,540	-
Receivables:		
Accrued Interest	56,678	-
Total assets	55,978,677	2,575,603
Liabilities:		
Accounts Payable	41,729	-
Refunds Payable	4,591	-
Deposits Payable	-	2,575,603
Total Liabilities	46,320	2,575,603
Net position:		
Restricted for Pensions	50,173,585	
Held in Trust for OPEB Benefits	5,758,772	
Total Net Position	\$ 55,932,357	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY
FUNDS DECEMBER 31, 2015

	<u>Trust Funds</u>
Additions:	
Contributions:	
Employer Commonwealth of Pennsylvania Portion	\$ 627,333
Employer	4,355,976
Members	<u>441,624</u>
Total contributions	<u>5,424,933</u>
Investment Earnings:	
Net Investment Income (Loss)	(25,903)
Investment Expense	<u>(20,931)</u>
Net investment earnings	(46,834)
Other Additions:	
Litigation	<u>500</u>
Total Other Additions	<u>500</u>
Total additions	<u>5,378,599</u>
Deductions:	
Benefits	3,810,211
Refund of Contributions	28,175
Administrative Expenses	<u>128,910</u>
Total deductions	<u>3,967,296</u>
Changes in net position	1,411,303
Net Position Held in Trust for Benefits:	
Beginning of Year	<u>54,521,054</u>
End of Year	<u>\$ 55,932,357</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

Financial Reporting Entity

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, 2015

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.
- **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).
- **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.
- **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, 2015

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. For external reporting purposes, the Township includes the Library Fund in the Capital Improvements Capital Projects Fund.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Township purchased the mansion in the 1970's along with the surrounding 47 acre park and operated it as an event center. Since 2012, the mansion has been shuttered while the Township solicit requests for proposals seeking a third party partner to restore the mansion and continue operations. As of the date of this report, the Board of Commissioners is evaluating various options. Once a decision is made, the Willows Fund will resume charging for services and operating as an enterprise again.

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.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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.

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).

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- 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.
- 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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, 2015, 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.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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

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 two line items that qualifies for reporting in this category that are reported in the government-wide statement of net position: deferred charge on refunding bonds and pensions. 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. Deferred outflows related to pensions are described further in Note 8. The components of deferred outflows of resources, include differences between expected and actual experience, change in assumptions, and net difference between projected and actual earnings on pension plan investments.

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.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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.

Accrued Vacation and Sick Leave

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

Unavailable Revenues

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

Real Estate Taxes

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

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

Local Enabling Taxes

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

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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.

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. The Township Commissioners passed a resolution authorizing the Township Finance Director to assign fund balances by their intended use.

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.

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, 2015**

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 9.

Use of Estimates

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

NOTE 2 DEPOSITS AND INVESTMENTS

Legal and Contractual Restrictions

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

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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, 2015 totaling \$78,810,064 are classified in the fund balance sheets/statements of net position as follows:

	Cash and Cash Equivalents	Investments	Total
General Fund	\$ 2,815,970	\$ 7,610,126	\$ 10,426,096
Special Revenue Fund			
Sewer Fund	713,694	833,544	1,547,238
Park Improvements and Open Space	703,448	-	703,448
Storm Water	1,293,048	1,190,000	2,483,048
Debt Service Fund	86,920	-	86,920
Capital Projects Fund			
Capital Improvement Fund	5,008,647	98,000	5,106,647
Special Assessment Fund	199,195	-	199,195
Nonmajor Governmental Fund	1,050,657	-	1,050,657
Enterprise Fund	12,753	-	12,753
Fiduciary Funds	3,933,628	53,260,434	57,194,062
Total	<u>\$ 15,817,960</u>	<u>\$ 62,992,104</u>	<u>\$ 78,810,064</u>

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, 2015, the Township's deposits with a carrying value of \$15,639,419 and bank balances of \$16,157,755 was exposed to custodial credit risk as follows:

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

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 (A)		15,907,755
		15,907,755
	\$	16,157,755

(A) This figure excludes petty cash and those investments recorded as cash and cash equivalents.

Investments

Investments held as of December 31, 2015 are as follows:

Governmental Funds:		
Negotiable Certificates of Deposit	\$	5,713,933
U.S. Governmental Agencies		2,939,325
PLGIT		1,078,412
		9,731,670
Pension Trust Funds:		
Money Funds (1)		177,142
Negotiable Certificates of Deposit		198,000
U.S. Governmental Agencies		200,000
Fixed Income Funds		20,874,930
International Mutual Funds		11,187,219
Equity Mutual Funds		20,799,806
Real Estate Limited Partnership		481
		53,437,578
	\$	63,169,248

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

The Township had \$1,078,412 invested in the Pennsylvania Local Government Investment Trust ("PLGIT") at December 31, 2015. 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, 2015**

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, 2015, 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	\$ -	\$ -	\$ 2,226,625	\$ 912,700	\$ -	\$ 3,139,325
Fixed Income Funds	-	1,855,903	19,019,027	-	-	20,874,930
Certificates of Deposit	1,541,933	2,482,000	1,638,000	250,000	-	5,911,933
Total	<u>\$ 1,541,933</u>	<u>\$ 4,337,903</u>	<u>\$ 22,883,652</u>	<u>\$ 1,162,700</u>	<u>\$ -</u>	<u>\$ 29,926,188</u>

There were no investments in U.S. Government Agencies subject to be called in 2015.

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 corporate bonds were rated by Moody’s as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
U.S Government Agencies	\$ 3,139,325	AAA
Fixed Income Funds	1,843,498	AAA
Fixed Income Funds	5,446,301	A
Fixed Income Funds	13,585,131	BBB

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

The Township’s Investment Policy over the police and civilian employee pension plans and other post-employment benefit obligation plan investments limits fixed income securities of any one issuer to 5% of the total fixed income portfolio at the time of purchase excluding U.S. Treasury securities and Federal Agency securities. Investments in stock of any one corporation may not exceed more than 5% of the total stock portfolio valued at market. Additionally, not more than 25% of stock valued at market may be held in any one industry category.

More than 5% of the Township’s governmental activities investments are in Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments are 10% and 7%, respectively, of the Township’s governmental activities investments.

More than 5% of the Township’s general fund investments are in Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments are 6%, 13%, and 9%, respectively, of the Township’s general fund investments.

More than 5% of the Township’s sewer fund investments are in Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments are 12%, 28%, and 30%, respectively, of the Township’s sewer fund investments.

None of the Township’s police and civilian employee pension plans and other post-employment benefit obligation plan investment concentrations exceeded 5%.

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, 2015:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 609,267	\$ -
Special Revenue Fund		
Park Improvements and Open Space Fund	15,705	605,000
Sewer Fund	-	2,767
Capital Improvements Fund	22,400	-
Nonmajor Governmental Funds	-	39,605
Total	\$ 647,372	\$ 647,372

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 3 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The following is a schedule of transfers as included in the basic financial statements of the Township as of December 31, 2015:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 4,026,125
Special Revenue Fund		
Sewer Fund	-	368,550
Park Improvements and Open Space Fund	-	965,814
Special Assessment Fund	-	49,819
Debt Service Fund	4,308,183	-
Capital Improvements Fund	1,012,125	-
Willows Fund	65,000	-
Nonmajor Governmental Funds	25,000	-
Total	<u>\$ 5,410,308</u>	<u>\$ 5,410,308</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.

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	2014 Balance	Additions	Deletions	2015 Balance
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 24,149,624	\$ -	\$ -	\$ 24,149,624
Construction in Progress	38,749	130,051	-	168,800
Total Capital Assets not being Depreciated	<u>24,188,373</u>	<u>130,051</u>	<u>-</u>	<u>24,318,424</u>
Capital Assets, being Depreciated:				
Land Improvements	2,609,477	243,805	-	2,853,282
Buildings	22,950,118	33,000	-	22,983,118
Machinery and Equipment	14,729,704	1,761,932	-	16,491,636
Infrastructure	18,032,714	1,567,767	-	19,600,481
Total Capital Assets being Depreciated	<u>58,322,013</u>	<u>3,606,504</u>	<u>-</u>	<u>61,928,517</u>
Less Accumulated Depreciation for:				
Land Improvements	1,692,065	123,596	-	1,815,661
Buildings	6,093,828	572,649	-	6,666,477
Machinery and Equipment	10,892,135	904,352	-	11,796,487
Infrastructure	8,620,705	616,150	-	9,236,855
Total Accumulated Depreciation	<u>27,298,733</u>	<u>2,216,747</u>	<u>-</u>	<u>29,515,480</u>
Total Capital Assets being Depreciated, Net	<u>31,023,280</u>	<u>1,389,757</u>	<u>-</u>	<u>32,413,037</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,211,653</u>	<u>\$ 1,519,808</u>	<u>\$ -</u>	<u>\$ 56,731,461</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 CAPITAL ASSETS (CONTINUED)

	<u>2014 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2015 Balance</u>
Business Type Activities				
Capital Assets, being Depreciated:				
Buildings	\$ 300,000	\$ -	\$ -	\$ 300,000
Improvements	160,882	-	-	160,882
Total capital Assets being Depreciated	<u>460,882</u>	<u>-</u>	<u>-</u>	<u>460,882</u>
Less Accumulated Depreciation for:				
Buildings	300,000	-	-	300,000
Improvements	74,400	2,391	-	76,791
Total Accumulated Depreciation	<u>374,400</u>	<u>2,391</u>	<u>-</u>	<u>376,791</u>
Total Capital Assets being Depreciated, Net	<u>86,482</u>	<u>(2,391)</u>	<u>-</u>	<u>84,091</u>
Business Type Activities Capital Assets, Net	<u>\$ 86,482</u>	<u>\$ (2,391)</u>	<u>\$ -</u>	<u>\$ 84,091</u>

Depreciation expense was charged to functions / programs as follows:

Governmental Activities	
General Government	\$ 644,985
Protection to Persons and Property	269,056
Health and Sanitation	179,270
Highways	923,605
Parks and Recreation	199,831
Total Depreciation Expense, Governmental Activities	<u>\$ 2,216,747</u>
Business-Type Activities	
Willow Fund	2,391
Total Deprecation Expense, Business-Type Activities	<u>\$ 2,391</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5 LOANS RECEIVABLE

The following is a summary of loans receivable at December 31, 2015:

Wayne Art Center	\$	830,000
Radnor Fire Company		150,600
		980,600
	\$	980,600

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 of equipment under the capital leases are as follows:

Cost	\$	1,255,050
Accumulated Depreciation		203,276
Total		1,051,774

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015 are as follows:

Year Ending December 31,		
2016	\$	261,725
2017		261,725
2018		261,725
2019		181,295
2020		112,364
Total Minimum Lease Payments		1,078,834
Less: Amount Representing Interest		43,553
Present Value of Minimum Lease Payments	\$	1,035,281

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, 2015

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.

In February 2015, the Township issued General Obligation Bonds, Series of 2015 in the amount of \$4,965,000. The proceeds were used to currently refund the outstanding 2009 Bonds in the amount of \$4,885,000. The Bond is dated February 18, 2015 and has a maturity of November 1, 2026 with interest rates ranging from 2% to 2.25%, being paid semi-annually, May 1 and November 1. The bonds decreased debt service payments by \$384,436 and resulted in an economic gain of \$345,100.

In November 2015, the Township issued General Obligation Bonds, Series A of 2015 in the amount of \$5,275,000. The proceeds were used to currently refund the portion of the outstanding 2010 Bonds stated to mature on June 15 of the years 2019 through and including 2024 and to finance a portion of the costs of renovations and improvements to the Radnor Memorial Library, in Wayne, PA. The Bond is dated November 12, 2015 and has a maturity of June 15, 2035 with interest rates ranging from .75% to 4%, being paid semi-annually, June 15 and December 1. The bonds decreased debt service payments by \$157,351 and resulted in an economic gain of \$138,822.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 7 LONG-TERM DEBT (CONTINUED)

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

	Year of Final Maturity	Original Issue Amount	Balance January 1, 2015	2015 Additions	2015 Reductions	Balance December 31, 2015	Due Within One Year
Governmental Activities:							
General Obligations							
2009 Issue - 1.00% - 3.70%	2026	\$ 7,695,000	\$ 5,425,000	\$ -	\$ (5,425,000)	\$ -	\$ -
2010 Issue - 1.50% - 4.00%	2018	13,735,000	7,390,000	-	(4,925,000)	2,465,000	1,005,000
2012 Issue - 1.50% - 4.00%	2037	16,360,000	16,295,000	-	(30,000)	16,265,000	35,000
2013 Issue - .607% - 4.00%	2034	18,210,000	17,920,000	-	(5,000)	17,915,000	595,000
2014 Issue - 2.00% - 4.00%	2043	9,885,000	9,885,000	-	(5,000)	9,880,000	235,000
2015 Issue - 2.00% - 3.00%	2026	4,965,000	-	4,965,000	(60,000)	4,905,000	575,000
2015 A Issue - .75% - 4.00%	2035	5,275,000	-	5,275,000	-	5,275,000	130,000
Add/Less Deferred Amounts							
For Issuance Discount/Premium			793,581	290,720	(66,165)	1,018,136	-
Total General Obligation Debt			57,708,581	10,530,720	(10,516,165)	57,723,136	2,575,000
Capital Lease Obligations			638,278	537,451	(140,448)	1,035,281	248,668
Compensated Absences			2,959,693	1,285,711	(1,148,083)	3,097,321	1,353,876
Total Governmental Activities			<u>\$ 61,306,552</u>	<u>\$ 12,353,882</u>	<u>\$ (11,804,696)</u>	<u>\$ 61,855,738</u>	<u>\$ 4,177,544</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.

At December 31, 2015, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the "Act") was approximately \$103,428,000 for non-electoral debt. After deducting the non-electoral debt outstanding of \$41,920,000, the Township's remaining borrowing capacity as of December 31, 2015, was approximately \$61,508,000 for non-electoral debt. Electoral debt (i.e., debt approved by the Township voters) is not subject to any statutory borrowing limit under the Act.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 7 LONG-TERM DEBT (CONTINUED)

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

	General Obligation		Total
	Principal	Interest	
2016	\$ 2,575,000	\$ 1,912,786	\$ 4,487,786
2017	2,580,000	1,869,388	4,449,388
2018	2,365,000	1,825,454	4,190,454
2019	2,400,000	1,686,001	4,086,001
2020	1,975,000	1,621,841	3,596,841
2021-2025	10,690,000	7,172,141	17,862,141
2026-2030	11,655,000	5,554,658	17,209,658
2031-2035	13,775,000	3,332,094	17,107,094
2035-2039	7,125,000	840,569	7,965,569
2040-2043	1,565,000	118,688	1,683,688
Total	\$ 56,705,000	\$ 25,933,620	\$ 82,638,620

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 included in the audit of the Township.

Plan Administration

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 Radnor 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, 2015.

The following table provides information concerning types of covered employees and benefit provisions for each of the Township’s Plans, from the January 1, 2015 actuarial valuation:

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

	Civilian	Police
Covered Employees	All Regular Full-Time Employees, Excluding Sworn Police Officers	All Regular, Full-Time Sworn Police Officers
Number of Covered Active Employees	76	40
Number of Persons Receiving Benefits: Inactive Employees currently receiving benefits	52	50
Inactive Employees Vested but not Receiving Benefits	18	2
Current Annual Covered Payroll	\$5,864,834	\$4,593,099
Required Employee Contributions	5% of Eligible Salary	5% of Eligible Salary, Currently Reduced to 3% (2% to retirement contribution and 1% to charity) of Eligible Salary
Normal Retirement Date	Age 62 and 5 years of service	Age 50 and 25 years of service; if hired prior to January 1, 2013, age 60 and 20 years of service, if earlier.
Retirement Benefit	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.	A monthly benefit equal to 50% of gross pay averaged over the last 36 months of employment, plus a service increment of \$100 per month for each completed year of service in excess of 25 years up to a maximum increase of \$500. The minimum benefit is \$300 per month.
Early Retirement Date	Age 55 and completion of 15 years of service.	Completion of 20 years of service.
Early Retirement Benefit	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.	The accrued benefit actuarially reduced for commencement before normal retirement.
Pre-Retirement Death Benefit	Before 10 years of service, the beneficiary receives a refund of employee contributions with interest. After 10 years of service, the surviving spouse or children receive the participant's accrued benefit payable for 120 months starting when the participant would have attained age 62. An actuarially equivalent lump-sum payment may be elected in lieu of monthly payments.	The spouse will receive 100% of the participant's accrued benefit to date, payable for life.
Postretirement Death Benefit	The Form of benefit payment in force for such participant at the time of death occurs.	The surviving spouse will receive 100% of the amount the participant was receiving or entitled to receive at death, payable for life.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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 which amounts to 5% for the Civilian Plan. For Police, the required contribution is 3% of covered payroll if hired prior to January 1, 2013. If hired on or after January 1, 2013, employees are required to contribute 5% of payroll. 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.

Net Pension Liability

The net pension liability of the plans as of the measurement date of December 31, 2015, was as follows:

CIVILIAN

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2014	\$ 31,401,391	\$ 23,234,535	\$ 8,166,856
Changes for the Year:			
Service Cost	694,479	-	694,479
Interest	2,360,239	-	2,360,239
Changes of benefit terms	-	-	-
Differences between expected and actual experience	146,376	-	146,376
Changes of assumptions	-	-	-
Contributions - employer	-	2,020,351	(2,020,351)
Contributions - employee	-	291,807	(291,807)
Net investment income	-	(9,292)	9,292
Benefit payments and refunds of employee contributions	(1,573,218)	(1,573,218)	-
Administrative expense	-	(70,039)	70,039
Other changes	-	250	(250)
Net changes	<u>1,627,876</u>	<u>659,859</u>	<u>968,017</u>
Balance at 12/31/2015	<u>\$ 33,029,267</u>	<u>\$ 23,894,394</u>	<u>\$ 9,134,873</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

POLICE

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2014	\$ 35,878,827	\$ 26,299,374	\$ 9,579,453
Changes for the Year:			
Service Cost	764,044	-	764,044
Interest	2,777,216	-	2,777,216
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,339,767	-	1,339,767
Changes of assumptions	159,012	-	159,012
Contributions - employer	-	2,190,861	(2,190,861)
Contributions - employee	-	149,817	(149,817)
Net investment income	-	(16,863)	16,863
Benefit payments and refunds of employee contributions	(2,265,169)	(2,265,169)	-
Administrative expense	-	(79,079)	79,079
Other changes	-	250	(250)
Net changes	2,774,870	(20,183)	2,795,053
Balance at 12/31/2015	\$ 38,653,697	\$ 26,279,191	\$ 12,374,506

The total pension liability was determined by an actuarial valuation as of January 1, 2015 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement. The assumptions used were based on past experience under the plan and reasonable future expectation which our best estimate of anticipated experience under the Plan. A recent actuarial experience study was not performed.

Inflation: 3.0%
Salary Increases: 5.0% including inflation
Mortality: RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with rates set forward 5 years for disabled lives. Rates are projected to improve with 75% of scale AA.

Expected Long-Term
Rate of Return: 7.5%, applied to all periods

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 plan's target asset allocation as of the December 31, 2015 measurement date are as follows:

Asset Class	Estimated Long-term Rates of Return
Equities	6.30%
Real Estate	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.

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	12,892,126	9,134,873	5,921,541
Net Pension Liability - Police Pension Plan	16,822,336	12,374,506	8,648,838

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 two Plans' financial statements are prepared on the accrual basis of accounting. Plan investments are listed at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions and pension payments are recognized in the period that they are due for both Plans. The following was the Plans' adopted asset allocation policy as of December 31, 2015:

Asset Class	Minimum	Maximum
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%

Investments that Represent Five Percent or More of Plan Net Position

At December 31, 2015, 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.

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 2015 was -0.03% and -0.07% for the Civilian and Police Pension Plans, respectively. For plan year 2014, the money-weighted rate of return 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the Township recognized pension expense of \$3,763,070. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Civilian Employees Pension Plan

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 126,046
Changes in assumptions	-
Net difference between projected and actual earnings on pension plan investments	1,401,132
Total	<u>\$ 1,527,178</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police Pension Plan

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,116,472
Changes in assumptions	132,510
Net difference between projected and actual earnings on pension plan investments	1,569,575
 Total	 \$ 2,818,557

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	Police	Civilian
Year ended December 31,		
2016	\$ 642,191	\$ 370,613
2017	642,191	370,613
2018	642,191	370,613
2019	642,190	370,613
2020	249,794	20,330
Thereafter	-	24,396

NOTE 9 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 2015, expenditures of approximately \$1,651,753 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, 2015

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (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 2015, expenditures of approximately \$67,663 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 OPEB fund. Additional funds have been contributed since 2013 into the OPEB reserve trust fund. Funding Policy is set and can be amended by the Board of Commissioners.

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.

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	\$ 4,489,246
Interest on Net OPEB Obligation	745,384
Adjustment to ARC	<u>(1,016,894)</u>
Annual OPEB Cost (Expense)	4,217,736
Actual Contributions Made	<u>(2,491,513)</u>
Decrease in Net OPEB Obligation	1,726,223
Net OPEB Obligation - Beginning of Year	<u>16,564,082</u>
Net OPEB Obligation - End of Year	<u><u>\$ 18,290,305</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015 were as follows:

<u>Years Ended December 31,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$ 4,341,774	38.74%	17,696,460
2014	4,199,174	126.97%	16,564,082
2015	4,217,736	59.07%	18,290,305

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability was approximately \$53,939,000 and the actuarial value of assets was approximately \$4,487,000 resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$49,452,000 and a funded ratio of 8.3%. 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 443 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. In the actuarial valuation dated January 1, 2014, the Entry Age Normal Actuarial Cost Method was used and a 4.5% discount rate, which approximates the expected rate of return on non-pension investments held by the Township, was utilized. 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 inflation rate is assumed to be 3%. The UAAL is being amortized as a level dollar amount over thirty years on an open period basis.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 10 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 11 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 2015, these coverages included separate policies for: general liability; public officials liability; police professional liability; vehicular liability; pension fiduciary liability; liquor liability; cyber security liability; boiler and machinery; workers compensation; bonds for the Treasurer, Chief Financial Officer, and Assistant Director of Finance; errors and omissions by volunteer fire and ambulance companies; and other policies covering volunteers participating in several different Township-sponsored programs. Premiums for these coverage's are paid directly to the insurers out of the accounts of the General and Sewer Funds. There were no significant reductions in coverage under these policies from the prior year and settlements have not exceeded coverage in the past three years.

Employee Health Benefits Plan

The Township health benefits program is a managed-care program administered by the Delaware Valley Health Insurance Trust (the "DVHIT") for all Township employees and retirees. DVHIT is a regional risk sharing pool providing health insurance benefits to employees and 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, 2015, the Township earned a rate stabilization credit of \$700,199 of which the Township has chosen to utilize \$300,000 to offset 2016 premium increases.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 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 2015, the Township paid the RHM Sewer Authority \$3,704,185 from the Township’s Sewer Fund.

Summarized financial information for the RHM Sewer Authority as of December 31, 2014 and for the year then ended (the most recently available information) is shown below:

Cash and Investments	\$ 8,673,339
Receivables	-
Plant in Service	487,584
Other Assets	1,111,395
Total Assets	<u>\$ 10,272,318</u>
Liabilities	\$ 3,841,805
Equity	6,430,513
Total Liabilities and Equity	<u>\$ 10,272,318</u>
Total Revenues	<u>\$ 7,955,621</u>
Total Expenses	<u>\$ 7,393,088</u>

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

NOTE 13 COMMITMENTS AND CONTINGENCIES

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

RHM Sewer Authority

As described in Note 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

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

RHM Sewer Authority (Continued)

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.

NOTE 14 RESTATEMENT OF NET POSITION/CHANGE IN ACCOUNTING PRINCIPLE

The following 2015 amounts have been restated due to the adoption of GASB Statements No. 68 and No. 71.

	Governmental Activities
Beginning Net Position	\$ 4,158,225
Net Pension Liability for the adoption of GASB 68	(21,117,645)
Restated Beginning Net Position	\$ (16,959,420)

TOWNSHIP OF RADNOR, PENNSYLVANIA
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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, 2015.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) 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. This Statement was implemented for the Police and Civilian Pension Plans’ reporting period ending December 31, 2015 and the related disclosures are in Note 8.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* 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.

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

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 for 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.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2016. The Township has not yet completed the process of evaluating the impact of GASB 73 on its financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
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NOTE 15 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2016. The Township has not yet completed the process of evaluating the impact of GASB 74 on its financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2017. The Township has not yet completed the process of evaluating the impact of GASB 75 on its financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2015. The Township has not yet completed the process of evaluating the impact of GASB 76 on its financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to assist the users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The provisions of this Statement are effective for financial statements in periods beginning after December 15, 2015. The Township has not yet completed the process of evaluating the impact of GASB 77 on its financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple – Employer Defined Benefit Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement are effective for financial statements in periods beginning after December 15, 2015. The Township has not yet completed the process of evaluating the impact of GASB 78 on its financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 15 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this Statement is to establish criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The provisions of this Statement are effective for financial statements in periods beginning after December 15, 2015. The Township has not yet completed the process of evaluating the impact of GASB 79 on its financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2016. The Township has not yet completed the process of evaluating the impact of GASB 80 on its financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this Statement are effective for financial statements in periods beginning after December 15, 2016. The Township has not yet completed the process of evaluating the impact of GASB 81 on its financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2017. The Township has not yet completed the process of evaluating the impact of GASB 82 on its financial statements.

NOTE 16 COMPLIANCE

Actual General Fund expenditures (\$29,589,774) exceeded the final appropriation budget (\$27,712,185) by \$1,877,589. The variance was due to larger than expected legal and engineering fees, winter costs, police overtime, unbudgeted expenses associated with the Papal visit in September and Board approved transfers to the capital fund.

NOTE 17 SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through the report issue date of June 13, 2016.

No additional events have taken place that effect the financial statements or required disclosure.

REQUIRED
SUPPLEMENTARY
INFORMATION

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS –
POLICE AND CIVILIAN PENSION PLANS
10 YEARS ENDED DECEMBER 31, 2015**

Police Pension Plan					
Valuation Date	Actuarially Determined Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions Recognized by Plan as a % of Covered Employee Payroll
2015	2,190,861	2,190,861	-	4,593,099	47.7%
2014	2,160,223	2,160,223	-	4,535,114	47.6%
2013	1,730,673	3,212,915	(1,482,242)		
2012	855,232	1,010,418	(155,186)	3,894,876	25.9%
2011	822,301	822,301	-		
2010	558,404	558,404	-	3,883,113	14.4%
2009	534,000	534,000	-	4,063,200	13.1%
2008	522,000	522,000	-		
2007	624,992	624,992	-	3,649,100	17.1%
2006	322,000	322,000	-		
2005	313,000	313,000	-	3,352,600	9.3%

Civilian Pension Plan					
Valuation Date	Actuarially Determined Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions Recognized by Plan as a % of Covered Employee Payroll
2015	2,020,351	2,020,351	-	5,864,834	34.4%
2014	1,979,695	1,979,695	-	5,893,475	33.6%
2013	1,779,371	3,214,693	(1,435,322)		
2012	1,280,125	1,435,311	(155,186)	5,532,690	25.9%
2011	1,252,960	1,252,960	-		
2010	717,342	717,342	-	5,899,799	12.2%
2009	881,500	881,500	-	6,399,700	13.8%
2008	840,000	840,000	-		
2007	985,000	985,000	-	6,747,700	14.6%
2006	744,000	744,000	-		
2005	739,000	739,000	-	6,543,900	11.3%

Actuarially determined contributions rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	12 year aggregate (Civilian); 13 years aggregate (Police)
Asset valuation method	4-year smoothing
Inflation	3.0%
Salary increases	5.0% including inflation
Investment rate of return	7.5% net of investment expenses not funded through the MMO, and including inflation

Mortality RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment with rates set forward 5 years for disabled lives

Change in assumption Effective January 1, 2015 the rates of disability incidence were updated to rates based on the 2010 Social Security Administration's projections. 20% increase assumption for pay in the final year applied to disability benefits.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS - SCHEDULE OF INVESTMENT RETURNS –
POLICE AND CIVILIAN PENSION PLANS**

Average money-weighted rate of return, net of investment expense:

	<u>Police</u>	<u>Civilian</u>
2015	-0.07%	-0.03%
2014	6.01%	5.63%

Notes to Schedule

The Township adopted GASB 67 on a prospective basis in 2014; therefore only two years are presented.

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS - SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS CALCULATED IN ACCORDANCE
WITH GASB 67**

	Police		Civilian	
	2015	2014	2015	2014
Total Pension Liability				
Service Cost	\$ 764,044	\$ 606,602	\$ 694,479	\$ 719,328
Interest	2,777,216	2,577,970	2,360,239	2,248,146
Changes of Benefit Terms	-	-	-	-
Differences Between Actual and Expected, if any	1,339,767	-	146,376	-
Assumptions Changes	159,012	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,265,169)	(2,106,088)	(1,573,218)	(1,614,877)
Net change in Total Pension Liability	2,774,870	1,078,484	1,627,876	1,352,597
Total Pension Liability - Beginning	35,878,827	34,800,343	31,401,391	30,048,794
Total Pension Liability - Ending (a)	<u>\$ 38,653,697</u>	<u>\$ 35,878,827</u>	<u>\$ 33,029,267</u>	<u>\$ 31,401,391</u>
Plan Fiduciary Net Position				
Contributions - Employer and State Aid	\$ 2,190,861	\$ 2,160,223	\$ 2,020,351	\$ 1,979,695
Contributions - Member	149,817	182,981	291,807	298,425
Net Investment Income	(16,863)	1,463,674	(9,292)	1,199,517
Benefit payments	(2,265,169)	(2,106,088)	(1,573,218)	(1,614,877)
Administrative Expense	(79,079)	(72,342)	(70,039)	(59,772)
Refund of Member Contributions	250	-	250	250
Net Change in Plan Fiduciary Position	(20,183)	1,628,448	659,859	1,803,238
Plan Fiduciary Net Position - Beginning	26,299,374	24,670,926	23,234,535	21,431,297
Plan Fiduciary Net Position - Ending (b)	<u>26,279,191</u>	<u>26,299,374</u>	<u>23,894,394</u>	<u>23,234,535</u>
Net Pension Liability (a) - (b)	<u>\$ 12,374,506</u>	<u>\$ 9,579,453</u>	<u>\$ 9,134,873</u>	<u>\$ 8,166,856</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.0%	73.3%	72.3%	74.0%
Covered Employee Payroll	\$ 4,593,099	\$ 4,535,114	\$ 5,864,834	\$ 5,893,475
Net Pension Liability as a Percentage of Covered Payroll	269.4%	211.2%	155.8%	138.6%

Notes to schedule

* Actuarially Determined Contributions

* Actual Contributions as a Percentage of Covered Employee Payroll

* Actual Money Weighted Rate of Return, Net of Investment Expense

* 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, 2015**

Schedule of Funding Progress (Dollars in Thousands) :

Actuarial valuation Date January 1,	(1) Actuarial Value of Plan Assets	(2) Actuarial accrued liability	(3) Percentage Funded (1)/(2)	(4) Unfunded (Overfunded Actuarial Accrued Liability (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
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 December 31,	Annual Required Contribution	Percentage Contributed
2011	\$ 5,223	37.23%
2012	4,588	43.17%
2013	4,588	36.66%
2014	4,489	126.97% *
2015	4,489	55.51%

Amortization Method Level Dollar, Open

Remaining Amortization Period 30

Actuarial Assumptions:

Investment 4.5%

* Prior to 2013, the Township was funding benefits on pay-as-you-go basis. During 2013, the Township created the OPEB Trust Fund and contributed \$3.68 million for the funding of the OPEB obligation with additional funds contributed subsequent to 2013. 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, 2015

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Real Estate Taxes	\$ 11,850,300	\$ 11,850,300	\$ 11,797,463	\$ (52,837)
Taxes Levied Under Local Tax Enabling Act	13,679,565	13,679,565	14,828,345	1,148,780
License and Permits	3,115,600	3,115,600	4,010,451	894,851
Fines, Forfeits and Costs	844,738	844,738	547,593	(297,145)
Interest and Rents	235,000	235,000	249,860	14,860
Grants and Gifts	1,358,323	1,358,323	1,417,037	58,714
Department Earnings	1,656,143	1,656,143	1,508,526	(147,617)
Refunds and Miscellaneous	286,000	286,000	388,806	102,806
Total Revenues	33,025,669	33,025,669	34,748,081	1,722,412
Expenditures:				
Current:				
General Government	2,642,675	2,642,675	2,908,551	(265,876)
Protection to Person and Property	10,842,134	10,842,134	10,880,501	(38,367)
Public Works	6,653,930	6,653,930	7,540,521	(886,591)
Library	890,507	890,507	885,496	5,011
Parks and Recreation	2,808,005	2,808,005	2,688,182	119,823
Capital Outlay	-	-	-	-
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	3,874,934	3,880,934	4,686,523	(805,589)
Total Expenditures	27,712,185	27,718,185	29,589,774	(1,871,589)
Excess of Revenues over (under) Expenditures	5,313,484	5,307,484	5,158,307	(149,177)
Other Financing sources/(uses):				
Operating Transfers Out	(4,433,660)	(4,433,660)	(4,026,125)	407,535
Total Other Financing sources/(uses)	(4,433,660)	(4,433,660)	(4,026,125)	407,535
Net Change in Fund Balance	879,824	873,824	1,132,182	258,358
Fund Balance - Beginning of Year (Budgetary Basis)	9,560,937	9,560,937	9,186,437	(374,500)
Fund Balance - End of Year (Budgetary Basis)	\$ 10,440,761	\$ 10,434,761	\$ 10,318,619	\$ (116,142)
Non-GAAP Budgetary Basis Reconciliation				
Add Other Unbudgeted General Fund Ending Fund Balance			1,534,057	
\$8 Million Settlement Fund			1,197	
Investigation Fund			1,197	
Fund Balance - General Fund - End of Year (GAAP Basis)			\$ 11,853,873	

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, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 20,000	\$ 20,000	\$ 24,294	\$ 4,294
Department Earnings	5,269,214	5,269,214	4,917,514	(351,700)
Refunds and Miscellaneous	26,258	26,258	21,325	(4,933)
Total Revenues	5,315,472	5,315,472	4,963,133	(352,339)
Expenditures:				
Current:				
Health and Sanitation	5,837,146	5,837,146	4,724,313	1,112,833
Capital Outlay	-	-	115,559	(115,559)
Total Expenditures	5,837,146	5,837,146	4,839,872	997,274
Excess of Revenues over (under) Expenditures	(521,674)	(521,674)	123,261	644,935
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	(890,224)	(890,224)	(245,289)	644,935
Fund Balance - Beginning of Year (Budgetary Basis)	1,751,186	1,751,186	1,751,186	-
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 860,962</u>	<u>\$ 860,962</u>	<u>\$ 1,505,897</u>	<u>\$ 644,935</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) – PARK IMPROVEMENTS AND OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes Levied Under Local Tax Enabling Act	\$ 1,159,750	\$ 1,159,750	\$ 876,705	\$ (283,045)
Interest and Rents	-	-	353	353
Grants and Gifts	-	-	100,005	100,005
Total Revenues	<u>1,159,750</u>	<u>1,159,750</u>	<u>977,063</u>	<u>(182,687)</u>
Other Financing Uses:				
Operating Transfers Out	(1,279,205)	(1,279,205)	(965,814)	313,391
Total Other Financing uses	<u>(1,279,205)</u>	<u>(1,279,205)</u>	<u>(965,814)</u>	<u>313,391</u>
Net Change in Fund Balance	(119,455)	(119,455)	11,249	130,704
Fund Balance - Beginning of Year (Budgetary Basis)	<u>161,811</u>	<u>161,811</u>	<u>161,811</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 42,356</u>	<u>\$ 42,356</u>	<u>\$ 173,060</u>	<u>\$ 130,704</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) – STORMWATER FUND
YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ -	\$ -	\$ 11,219	\$ 11,219
Department Earnings	1,007,800	1,007,800	1,075,019	67,219
Refunds and Miscellaneous	2,700	2,700	6,783	4,083
Total Revenues	<u>1,010,500</u>	<u>1,010,500</u>	<u>1,093,021</u>	<u>82,521</u>
Expenditures:				
Current:				
Health and Sanitation	403,200	403,200	181,905	221,295
Capital Outlay	-	-	47,610	(47,610)
Total Expenditures	<u>403,200</u>	<u>403,200</u>	<u>229,515</u>	<u>173,685</u>
Net Change in Fund Balance	607,300	607,300	863,506	256,206
Fund Balance - Beginning of Year (Budgetary Basis)	<u>1,615,852</u>	<u>1,615,852</u>	<u>1,615,852</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>2,223,152</u>	<u>2,223,152</u>	<u>2,479,358</u>	<u>256,206</u>

See accompanying Notes to Required Supplementary Information.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES
DECEMBER 31, 2015

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

The General Fund balances include the \$8 Million Settlement Fund and Investigation Fund. These funds do not have adopted budgets and have been removed from the budget and actual statements. The table below shows the activity for those respective funds:

	<u>General</u>	<u>Investigation</u>	<u>\$8M Settlement</u>	<u>Combined</u>
Revenues				
Real Estate Taxes	11,797,463	\$ -	\$ -	\$ 11,797,463
Taxes Levied Under Local Tax Enabling Act	14,828,345	-	-	14,828,345
License and Permits	4,010,451	-	-	4,010,451
Fines, Forfeits and Costs	547,593	7,697	-	555,290
Interest and Rents	249,860	6	2,072	251,938
Grants and Gifts	1,417,037	-	-	1,417,037
Department Earnings	1,508,526	-	-	1,508,526
Refunds and Miscellaneous	388,806	-	-	388,806
Total Revenues	<u>34,748,081</u>	<u>7,703</u>	<u>2,072</u>	<u>34,757,856</u>
Expenditures:				
Current:				
General Government	2,908,551	-	-	2,908,551
Protection to Person and Property	10,880,501	6,506	-	10,887,007
Public Works	2,933,890	-	-	2,933,890
Highways	4,606,631	-	-	4,606,631
Library	885,496	-	-	885,496
Parks and Recreation	2,688,182	-	-	2,688,182
Debt Service	-	-	-	-
Capital Outlay	-	-	855,288	855,288
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	4,686,523	-	7,500	4,694,023
Total Expenditures	<u>29,589,774</u>	<u>6,506</u>	<u>862,788</u>	<u>30,459,068</u>
Excess of Revenues over (under) Expenditures	5,158,307	1,197	(860,716)	4,298,788
Other Financing sources/(uses):				
Operating Transfers Out	<u>(4,026,125)</u>	-	-	<u>(4,026,125)</u>
Total Other Financing sources/(uses)	<u>(4,026,125)</u>	-	-	<u>(4,026,125)</u>
Net Change in Fund Balance	1,132,182	1,197	(860,716)	1,124,681
Fund Balance - Beginning of Year (Budgetary Basis)	<u>9,186,437</u>	-	<u>2,394,773</u>	<u>11,581,210</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 10,318,619</u>	<u>\$ 1,197</u>	<u>\$ 1,534,057</u>	<u>\$ 11,853,873</u>

OTHER
SUPPLEMENTARY
INFORMATION

TOWNSHIP OF RADNOR, PENNSYLVANIA
GENERAL FUND
DECEMBER 31, 2015

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 \$8 Million Settlement Fund and Investigation Fund are included in the General Fund for financial statement purposes but have been removed from budget to actual schedules as these funds do not have adopted budgets.

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Real Estate Taxes	\$ 11,850,300	\$ 11,850,300	\$ 11,797,463	\$ (52,837)
Taxes Levied Under Local Tax Enabling Act				
Real Estate Transfer Tax	2,085,350	2,085,350	2,630,115	544,765
Mercantile	1,450,527	1,450,527	1,437,467	(13,060)
Business Privilege	9,170,188	9,170,188	9,727,519	557,331
Emergency Municipal Services	936,500	936,500	992,829	56,329
Amusement	37,000	37,000	40,415	3,415
Total Taxes Levies Under Local Tax Enabling Act	13,679,565	13,679,565	14,828,345	1,148,780
License and Permits				
Beverage	12,000	12,000	11,550	(450)
Building, Electrical and Plumbing	1,734,000	1,734,000	2,671,383	937,383
Public Works and Engineering	257,000	257,000	170,226	(86,774)
Rental Housing	183,000	183,000	176,885	(6,115)
Health and Fire Prevention	81,000	81,000	95,805	14,805
Subdivision, Design and Zoning	29,000	29,000	49,575	20,575
Cable TV Franchise	747,600	747,600	767,117	19,517
Certificate of Occupancy	64,000	64,000	63,410	(590)
Sewage Enforcement	8,000	8,000	4,500	(3,500)
Total License and Permits	3,115,600	3,115,600	4,010,451	894,851
Fines, Forfeits and Costs				
Fines Levied by Police	614,100	614,100	347,179	(266,921)
Fines Levied by District Justice	230,638	230,638	200,414	(30,224)
Total Fines, Forfeits and Costs	844,738	844,738	547,593	(297,145)
Interest and Rents				
Interest Earned on Investments	100,000	100,000	148,737	48,737
Other	135,000	135,000	101,123	(33,877)
Total Interest and Rents	235,000	235,000	249,860	14,860
Revenues - Forward	\$ 29,725,203	\$ 29,725,203	\$ 31,433,712	\$ 1,708,509

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues - Forward	\$ 29,725,203	\$ 29,725,203	\$ 31,433,712	\$ 1,708,509
Grants and Gifts - Other Federal and State	1,358,323	1,358,323	1,417,037	58,714
Department Earnings				
Parking Meter Fees	482,344	482,344	405,438	(76,906)
Police Extra Duty and Alarm Fees	370,500	370,500	336,449	(34,051)
Recreational Program Fees	475,000	475,000	426,962	(48,038)
Other	328,299	328,299	339,677	11,378
Total Departmental Earnings	1,656,143	1,656,143	1,508,526	(147,617)
Refunds and Miscellaneous				
Sale of Recycled Materials	25,000	25,000	3,225	(21,775)
Other	261,000	261,000	385,581	124,581
Total Refunds and Miscellaneous	286,000	286,000	388,806	102,806
Total Revenues	33,025,669	33,025,669	34,748,081	1,722,412
Total Revenues and Other Financing Sources	\$ 33,025,669	\$ 33,025,669	\$ 34,748,081	\$ 1,722,412

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General Government				
Administration	\$ 703,208	\$ 703,208	\$ 841,815	\$ 138,607
Finance	1,075,226	1,075,226	1,159,743	84,517
Tax Collection	41,371	41,371	32,686	(8,685)
Information Technology	299,725	299,725	312,627	12,902
Township Buildings	523,145	523,145	561,680	38,535
Total General Government	2,642,675	2,642,675	2,908,551	265,876
Protection to Person and Property				
Community Development	1,059,701	1,059,701	1,099,298	39,597
Police Protection	8,985,326	8,985,326	8,886,313	(99,013)
Fire Protection	797,107	797,107	780,627	(16,480)
Emergency Management	-	-	114,263	114,263
Total Protection to Person and Property	10,842,134	10,842,134	10,880,501	38,367
Public Works				
Solid Waste Collection	3,049,424	3,049,424	2,933,890	(115,534)
Engineering	777,374	777,374	1,289,520	512,146
Streets and Highways:				
General Services	1,814,910	1,814,910	2,154,735	339,825
Street Cleaning	7,000	7,000	4,650	(2,350)
Snow and Ice Removal	89,500	89,500	242,412	152,912
Traffic Signals and Signs	74,500	74,500	99,238	24,738
Street Lighting	252,500	252,500	272,754	20,254
Curbs and Sidewalks	4,000	4,000	3,014	(986)
Storm Sewers, Drainage	3,700	3,700	7,503	3,803
Repairs, Tools and Machinery	548,122	548,122	408,742	(139,380)
Road Maintenance and Repairs	32,900	32,900	124,063	91,163
Total Public Works	6,653,930	6,653,930	7,540,521	886,591
Library	890,507	890,507	885,496	(5,011)
Expenditures - Forward	\$ 21,029,246	\$ 21,029,246	\$ 22,215,069	\$ 1,185,823

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY –
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with
	Original	Final		Final Budget
Expenditures - Forward	\$ 21,029,246	\$ 21,029,246	\$ 22,215,069	\$ 1,185,823
Parks and Recreation				
Administration	333,633	333,633	330,999	(2,634)
Parks Maintenance	1,976,951	1,976,951	1,826,767	(150,184)
Shade Trees	10,000	10,000	112,930	102,930
Recreation Programs	438,721	438,721	378,152	(60,569)
Sulpizio Gym	48,700	48,700	39,334	(9,366)
Total Parks and Recreation	<u>2,808,005</u>	<u>2,808,005</u>	<u>2,688,182</u>	<u>(119,823)</u>
Debt Service	6,000	6,000	-	6,000
Capital Outlay	-	-	-	-
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	3,868,934	3,868,934	4,686,523	(817,589)
Total Expenditures	<u>27,712,185</u>	<u>27,712,185</u>	<u>29,589,774</u>	<u>254,411</u>
Other Financing sources/(uses):				
Operating Transfers Out	4,433,660	4,433,660	(4,026,125)	(8,459,785)
Total Other Financing sources/(uses)	<u>4,433,660</u>	<u>4,433,660</u>	<u>(4,026,125)</u>	<u>(8,459,785)</u>
Total Expenditures and Other Financing Uses	<u>32,145,845</u>	<u>32,145,845</u>	<u>25,563,649</u>	<u>(8,205,374)</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2015**

The Debt Service Fund is comprised of restricted funds used to account for the accumulation of financial resources for, and payment of, debt interest and principal payments on the outstanding long-term debt obligations of the Township.

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, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Debt Repayment Agreements	\$ 113,201	\$ 113,201	\$ -	\$ (113,201)
Total Revenues	<u>113,201</u>	<u>113,201</u>	<u>-</u>	<u>(113,201)</u>
Expenditures:				
Current:				
General Government	-	-	24,706	(24,706)
Debt Service				
Principle Retirement	2,635,000	2,635,000	10,529,121	(7,894,121)
Interest	1,542,590	1,542,590	1,720,685	(178,095)
Bond Issue Costs	-	-	145,767	(145,767)
Total Expenditures	<u>4,177,590</u>	<u>4,177,590</u>	<u>12,420,279</u>	<u>(8,242,689)</u>
Excess of Revenues over (under) Expenditures	(4,064,389)	(4,064,389)	(12,420,279)	(8,355,890)
Other Financing Sources:				
Proceeds from Bond Issuance	-	-	7,750,000	7,750,000
Premium on Bond Issuance	-	-	224,888	224,888
Operating Transfers In	4,066,961	4,066,961	4,308,183	241,222
Total Other Financing Sources	<u>4,066,961</u>	<u>4,066,961</u>	<u>12,283,071</u>	<u>8,216,110</u>
Net Change in Fund Balance	2,572	2,572	(137,208)	(139,780)
Fund Balance - Beginning of Year (Budgetary Basis)	<u>1,204,728</u>	<u>1,204,728</u>	<u>1,204,728</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 1,207,300</u>	<u>\$ 1,207,300</u>	<u>\$ 1,067,520</u>	<u>\$ (139,780)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
MAJOR CAPITAL PROJECT FUNDS WITH LEGALLY ADOPTED BUDGET
YEAR ENDED DECEMBER 31, 2015

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 of 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
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 6,000	\$ 6,000	\$ 32,250	\$ 26,250
Refunds and Miscellaneous	180,000	180,000	224,617	44,617
Total Revenues	<u>186,000</u>	<u>186,000</u>	<u>256,867</u>	<u>70,867</u>
Expenditures:				
Current:				
General Government	-	-	35,830	(35,830)
Protection to Person and Property	-	-	116,951	(116,951)
Public Works	-	-	176,054	(176,054)
Highways	-	-	283,036	(283,036)
Library	-	-	16,343	(16,343)
Parks and Recreation	-	-	75,514	(75,514)
Capital Outlay	2,198,125	2,198,125	2,062,275	135,850
Debt Service				
Bond Issue Costs	-	-	55,832	(55,832)
Total Expenditures	<u>2,198,125</u>	<u>2,198,125</u>	<u>2,821,835</u>	<u>(623,710)</u>
Excess of Revenues over (under) Expenditures	(2,012,125)	(2,012,125)	(2,564,968)	(552,843)
Other Financing sources/(uses):				
Proceeds from Bond Issuance	-	-	2,490,000	2,490,000
Premium on Bond Issuance	-	-	65,832	65,832
Capital Lease Acquisition	-	-	537,451	537,451
Operating Transfers In	1,012,125	1,012,125	1,012,125	-
Operating Transfers Out	-	-	-	-
Total Other Financing sources/(uses)	<u>1,012,125</u>	<u>1,012,125</u>	<u>4,105,408</u>	<u>3,093,283</u>
Net Change in Fund Balance	(1,000,000)	(1,000,000)	1,540,440	2,540,440
Fund Balance - Beginning of Year (Budgetary Basis)	<u>3,352,068</u>	<u>3,352,068</u>	<u>3,352,068</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 2,352,068</u>	<u>\$ 2,352,068</u>	<u>\$ 4,892,508</u>	<u>\$ 2,540,440</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (BUDGETARY BASIS) – SPECIAL ASSESSMENT FUND
YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ -	\$ -	\$ 72,103	\$ 72,103
Department Earnings	1,700,800	1,700,800	88,762	(1,612,038)
Refunds and Miscellaneous	2,700	2,700	2,206	(494)
Total Revenues	<u>1,703,500</u>	<u>1,703,500</u>	<u>163,071</u>	<u>(1,540,429)</u>
Other Financing sources/(uses):				
Operating Transfers Out	-	-	(49,819)	(49,819)
Total Other Financing sources/(uses)	<u>-</u>	<u>-</u>	<u>(49,819)</u>	<u>(49,819)</u>
Net Change in Fund Balance	1,703,500	1,703,500	113,252	(1,590,248)
Fund Balance - Beginning of Year (Budgetary Basis)	<u>85,943</u>	<u>85,943</u>	<u>85,943</u>	<u>-</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 1,789,443</u>	<u>\$ 1,789,443</u>	<u>\$ 199,195</u>	<u>\$ (1,590,248)</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015**

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 the 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, 2015

	State Liquid Fuels Tax	Commemorative Shade Tree Fund	Trail Grant Fund	Police K-9 Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 539,915	\$ 171,852	\$ 66,320	\$ 2,136	\$ 270,434	\$ 1,050,657
Receivables, Net:						
Other	-	-	-	-	-	-
Total Assets	<u>\$ 539,915</u>	<u>\$ 171,852</u>	<u>\$ 66,320</u>	<u>\$ 2,136</u>	<u>\$ 270,434</u>	<u>\$ 1,050,657</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and Accrued Liabilities	\$ -	\$ 20,800	\$ -	\$ 272	\$ -	\$ 21,072
Due to Other Funds	-	-	39,605	-	-	39,605
Total Liabilities	<u>-</u>	<u>20,800</u>	<u>39,605</u>	<u>272</u>	<u>-</u>	<u>60,677</u>
Fund Balances						
Restricted:						
State Liquid Fuels Tax	539,915	-	-	-	-	539,915
Committed						
Recreation Fee	-	-	26,715	-	270,434	297,149
Assigned						
Subsequent Year Budget	-	22,728	-	1,864	-	24,592
Other	-	128,324	-	-	-	128,324
Total Fund Balances	<u>539,915</u>	<u>151,052</u>	<u>26,715</u>	<u>1,864</u>	<u>270,434</u>	<u>989,980</u>
Total Liabilities and Fund Balances	<u>\$ 539,915</u>	<u>\$ 171,852</u>	<u>\$ 66,320</u>	<u>\$ 2,136</u>	<u>\$ 270,434</u>	<u>\$ 1,050,657</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	State Liquid Fuels Tax	Commemorative Shade Tree Fund	Trail Grant Fund	Police K-9 Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Revenues						
Fines, Forfeits and Costs	\$ -	\$ 60,250	\$ -	\$ -	\$ 230,627	\$ 290,877
Interest and Rents	880	91	418	7	96	1,492
Grants and Gifts	784,316	20,550	40,991	23,174	-	869,031
Total revenues	<u>785,196</u>	<u>80,891</u>	<u>41,409</u>	<u>23,181</u>	<u>230,723</u>	<u>1,161,400</u>
Expenditures						
Protection to Persons and Property	-	-	-	20,226	-	20,226
Highways	332,131	-	-	-	-	332,131
Parks and Recreation	-	28,005	21,492	-	-	49,497
Capital Outlay	655,823	-	-	-	-	655,823
Total Expenditures	<u>987,954</u>	<u>28,005</u>	<u>21,492</u>	<u>20,226</u>	<u>-</u>	<u>1,057,677</u>
Excess of Revenues Over (Under) Expenditures	(202,758)	52,886	19,917	2,955	230,723	103,723
Other Financing Sources (Uses)						
Operating Transfers In	-	25,000	-	-	-	25,000
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net Changes in Fund Balances	(202,758)	77,886	19,917	2,955	230,723	128,723
Fund Balance - Beginning 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>
Fund Balance - End of Year	<u>\$ 539,915</u>	<u>\$ 151,052</u>	<u>\$ 26,715</u>	<u>\$ 1,864</u>	<u>\$ 270,434</u>	<u>\$ 989,980</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, 2015

	State Liquid Fuels Tax		
	Budget	Actual	Variance
Revenues			
Interest and Rents	\$ 982	\$ 880	\$ (102)
Grants and Gifts	562,018	784,316	222,298
Total Revenues	<u>563,000</u>	<u>785,196</u>	<u>222,196</u>
Expenditures:			
Highways	1,013,000	332,131	680,869
Capital Outlay	-	655,823	(655,823)
Total Expenditures	<u>1,013,000</u>	<u>987,954</u>	<u>25,046</u>
Net Change in Fund Balance	(450,000)	(202,758)	247,242
Fund Balance - Beginning of Year	<u>742,673</u>	<u>742,673</u>	-
Fund Balance - End of Year	<u>\$ 292,673</u>	<u>\$ 539,915</u>	<u>\$ 247,242</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2015

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, 2015**

	Pension Trust Funds				Total Trust Fund
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Fund	OPEB Reserve Trust Fund	
Assets					
Cash and Cash Equivalents	\$ 668,879	\$ 674,955	\$ 1,343,834	\$ 14,191	\$ 1,358,025
Investments	25,582,007	23,236,663	48,818,670	4,441,764	53,260,434
Life Insurance Cash Value	-	-	-	1,303,540	1,303,540
Receivables	54,689	1,989	56,678	-	56,678
Total Assets	26,305,575	23,913,607	50,219,182	5,759,495	55,978,677
Liabilities					
Accounts Payable	26,384	14,622	41,006	723	41,729
Refunds Payable	-	4,591	4,591	-	4,591
Total Liabilities	26,384	19,213	45,597	723	46,320
Net Position					
Restricted for Pensions	26,279,191	23,894,394	50,173,585		50,173,585
Held in Trust for OPEB Benefits	-	-	-	5,758,772	5,758,772
Total Fund Balances	\$ 26,279,191	\$ 23,894,394	\$ 50,173,585	\$ 5,758,772	\$ 55,932,357

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2015

	Pension Trust Funds			OPEB Reserve Trust Fund	Total Trust Fund
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Fund		
Additions:					
Contributions:					
Commonwealth of Pennsylvania	\$ 321,508	\$ 305,825	\$ 627,333	\$ -	\$ 627,333
Employer	1,869,353	1,714,526	3,583,879	772,097	4,355,976
Members	149,817	291,807	441,624	-	441,624
Total contributions	<u>2,340,678</u>	<u>2,312,158</u>	<u>4,652,836</u>	<u>772,097</u>	<u>5,424,933</u>
Investment Earning Losses):					
Investment Gain (Loss)	(516,823)	(439,127)	(955,950)	-	(955,950)
Investment Expense	(10,915)	(10,016)	(20,931)	-	(20,931)
Net Investment Earnings (Losses)	<u>(527,738)</u>	<u>(449,143)</u>	<u>(976,881)</u>	<u>-</u>	<u>(976,881)</u>
Other Additions:					
Litigation and Other	250	250	500	-	500
Interest Earnings	499,959	429,835	929,794	253	930,047
Total Other Additions	<u>500,209</u>	<u>430,085</u>	<u>930,294</u>	<u>253</u>	<u>930,547</u>
Total Additions	2,313,149	2,293,100	4,606,249	772,350	5,378,599
Deductions:					
Benefit Payments	2,242,068	1,568,143	3,810,211	-	3,810,211
Refund of Contributions	23,100	5,075	28,175	-	28,175
Administrative Expenses	68,164	60,023	128,187	723	128,910
Total Deductions	<u>2,333,332</u>	<u>1,633,241</u>	<u>3,966,573</u>	<u>723</u>	<u>3,967,296</u>
Changes in Plan Net Position	(20,183)	659,859	639,676	771,627	1,411,303
Net Position Held in Trust for Benefits:					
Beginning 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>
End of Year	<u>\$ 26,279,191</u>	<u>\$ 23,894,394</u>	<u>\$ 50,173,585</u>	<u>\$ 5,758,772</u>	<u>\$ 55,932,357</u>

**TOWNSHIP OF RADNOR, PENNSYLVANIA
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
 AGENCY FUND
 YEAR ENDED DECEMBER 31, 2015**

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Escrow Fund				
Assets				
Cash and Cash Equivalents	\$ 2,173,033	\$ 2,095,982	\$ 1,693,412	\$ 2,575,603
Liabilities				
Accounts Payable	\$ 800	\$ -	\$ 800	\$ -
Deposits Payable	2,172,233	2,095,982	1,692,612	2,575,603
	<u>\$ 2,173,033</u>	<u>\$ 2,095,982</u>	<u>\$ 1,693,412</u>	<u>\$ 2,575,603</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2015

Governmental Funds Capital Assets	
Land	\$ 24,149,624
Land Improvements	2,853,282
Buildings	22,983,118
Infrastructure	19,600,481
Machinery and Equipment	16,491,636
Construction in Progress	<u>168,800</u>
Total Governmental Funds Capital Assets	\$ 86,246,941
Less: Accumulated Depreciation	<u>(29,515,480)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 56,731,461</u></u>
Investment in Governmental Funds Capital Assets by Source	
General Fund	\$ 1,345,672
Special Revenue Funds	29,937,868
Capital Projects Funds	52,509,465
Sewer Fund	115,559
Storm Water Fund	47,610
Donations	<u>2,290,767</u>
Total Governmental Funds Capital Assets	\$ 86,246,941
Less: Accumulated Depreciation	<u>(29,515,480)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 56,731,461</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2015

Function and Activity	Land		Buildings	Infrastructure	Machinery and Equipment	Total
	Land	Improvements				
General Government	\$ -	\$ -	\$ 15,948,366	\$ 256,358	\$ 2,067,586	\$ 18,272,310
Protection to Persons and Property	-	-	-	-	4,561,376	4,561,376
Health and Sanitation	-	-	-	771,590	2,410,147	3,181,737
Highways	-	-	4,746,352	18,224,446	6,265,281	29,236,079
Library	-	-	1,195,247	-	-	1,195,247
Parks and Recreation	24,149,624	2,853,282	1,093,153	348,087	1,187,246	29,631,392
Total Governmental Funds Capital Assets	24,149,624	2,853,282	22,983,118	19,600,481	16,491,636	86,078,141
Less: Accumulated Depreciation	-	(1,815,661)	(6,666,477)	(11,508,285)	(9,525,057)	(29,515,480)
Total	\$ 24,149,624	\$ 1,037,621	\$ 16,316,641	\$ 8,092,196	\$ 6,966,579	56,562,661
Construction in Progress						168,800
Net Governmental Funds Capital Assets						\$ 56,731,461

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2015

Function and Activity	Balance at January 1, 2015		Increases	Decreases	Balance at December 31, 2015	
General Government	\$ 17,521,247	\$ 751,063	\$ -	\$ -	\$ 18,272,310	
Protection to Persons and Property	4,255,787	305,589	-	-	4,561,376	
Health and Sanitation	2,952,369	229,368	-	-	3,181,737	
Highways	27,717,751	1,518,328	-	-	29,236,079	
Library	1,195,247	-	-	-	1,195,247	
Parks and Recreation	28,829,236	802,156	-	-	29,631,392	
Total Governmental Funds Capital Assets	82,471,637	3,606,504	-	-	86,078,141	
Construction in Progress	38,749	130,051	-	-	168,800	
Less: Accumulated Depreciation	(27,298,733)	(2,216,747)	-	-	(29,515,480)	
Net Governmental Funds Capital Assets	\$ 55,211,653	\$ 1,519,808	\$ -	\$ -	\$ 56,731,461	

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Government activities										
Net Investment in Capital Assets	\$ 190,764	\$ 474,838	\$ 843,265	\$ 1,695,503	\$ 3,350,750	\$ 3,738,196	\$ 5,047,878	\$ (5,322,939)	\$ 553,632	\$ 4,977,068
Restricted	-	-	-	-	-	5,636,058	6,723,380	5,399,445	6,007,738	6,852,941
Unrestricted (deficiency)	<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>	<u>(26,809,672)</u>
Total Net Position, governmental activities	\$ (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	\$ (14,979,663)
Business-type activities										
Net Investment in Capital Assets	\$ 52,500	\$ 45,000	\$ 37,500	\$ 30,000	\$ 22,500	\$ 92,609	\$ 98,764	\$ 88,873	\$ 86,482	\$ 84,091
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficiency)	<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>	<u>15,631</u>
Total Net Position, business-type activities	\$ 69,850	\$ 6,345	\$ (41,603)	\$ 59,640	\$ 33,722	\$ 158,056	\$ 167,727	\$ 85,937	\$ 71,286	\$ 99,722
Primary government										
Net Investment in Capital Assets	\$ 243,264	\$ 519,838	\$ 880,765	\$ 1,725,503	\$ 3,373,250	\$ 3,830,805	\$ 5,146,642	\$ (5,234,066)	\$ 640,114	\$ 5,061,159
Restricted	-	-	-	-	-	5,636,058	6,723,380	5,399,445	6,007,738	6,852,941
Unrestricted (deficiency)	<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>	<u>(26,794,041)</u>
Total Net Position, primary government	\$ (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	\$ (14,879,941)

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Government activities										
General government	\$ 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	\$ 4,138,635
Protection to persons and property	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	15,012,436
Health and sanitation	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	8,816,933
Highways	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	7,010,773
Library	797,503	823,625	847,382	847,382	815,650	733,821	818,443	849,850	899,290	901,839
Parks and recreation	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	3,318,754
Interest on long-term debt	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	1,934,553
Total governmental activities net assets	\$ 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	\$ 41,133,923
Business-type activities										
The Willows	125,379	131,345	114,246	91,835	248,307	94,912	82,902	64,090	14,663	36,575
Total business-type activities net assets	\$ 125,379	\$ 131,345	\$ 114,246	\$ 91,835	\$ 248,307	\$ 94,912	\$ 82,902	\$ 64,090	\$ 14,663	\$ 36,575
Total primary government expenses	\$ 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	\$ 41,170,498
Program revenues										
Government activities										
Charges for services:										
General government	\$ 420,699	\$ 464,676	\$ 567,017	\$ 589,028	\$ 1,381,391	\$ 875,742	\$ 1,080,385	\$ 1,179,348	\$ 1,133,685	\$ 1,332,990
Protection to persons and property	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	4,314,993
Health and sanitation	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	6,459,830
Highways	211,283	222,087	125,792	79,468	59,196	87,765	95,777	92,817	128,600	258,197
Parks and recreation	499,880	532,376	581,365	722,357	699,190	702,057	684,126	647,417	730,164	1,080,811
Operating grants and contributions	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	1,417,037
Capital grants and contributions	384,831	426,670	367,312	89,563	263,001	169,571	210,897	257,099	987,703	969,036
Total governmental activities program revenues	\$ 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	\$ 15,832,894
Business-type activities										
The Willows	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	\$ 125,507	\$ 114,576	\$ 113,137	\$ 103,002	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069	\$ -	\$ -
Total primary government program revenues	\$ 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	\$ 15,832,894

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Government activities	\$ (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)	\$ (25,301,089)
Business-type activities	<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>	<u>(36,575)</u>
Total primary government net expense	<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>	<u>\$ (25,337,664)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Real estate taxes	\$ 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	\$ 11,640,796
Taxes levied under Local Tax Enabling Act	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	15,705,050
Investment earnings	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	-	-	-	-	-	-	-	-	-	-
Debt repayment agreements	-	-	-	-	-	-	95,933	60,175	130,905	-
Transfers	<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>	<u>(65,000)</u>
Total governmental activities	<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>	<u>\$ 27,280,846</u>
Business-type activities										
Investment earnings	\$ 3,030	\$ 332	\$ 247	\$ 76	\$ 236	\$ 192	\$ 66	\$ 42	\$ 12	\$ 11
Transfers	<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>	<u>65,000</u>
Total business-type activities	<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>	<u>\$ 65,011</u>
Total primary government	<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>	<u>\$ 27,345,857</u>
Changes in Net Position										
Governmental activities	\$ 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	\$ 1,979,757
Business-type activities	<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>	<u>28,436</u>
Total primary government	<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>	<u>\$ 2,008,193</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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
General government	\$ 488,248	\$ 581,067	\$ 679,916	\$ 689,331	\$ 1,583,408	\$ 1,116,029	\$ 1,309,789	\$ 1,451,142	\$ 1,277,095	\$ 2,157,309
Protection to persons and property	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	4,709,615
Health and sanitation	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	6,541,072
Highways	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	1,182,481
Library	500	-	-	-	-	-	-	-	-	-
Parks and recreation	665,930	748,859	846,644	874,235	912,595	1,187,461	770,393	737,705	1,708,782	1,242,357
Subtotal governmental activities	\$ 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	\$ 15,832,834
Business-type activities										
The Willows	125,507	114,576	113,137	103,002	229,058	212,400	74,230	24,069	-	-
Subtotal business-type activities	\$ 125,507	\$ 114,576	\$ 113,137	\$ 103,002	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069	\$ -	\$ -
Total primary government	\$ 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	\$ 15,832,834

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

	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 13,803	\$ 7,927	\$ 67,619	\$ 3,913	\$ 166,186	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	93,190
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	7,332,240	1,450,000	942,800
Assigned	-	-	-	-	-	3,480,206	4,413,634	389,941	1,183,474	500,257
Unassigned	-	-	-	-	-	3,486,688	3,652,753	7,600,641	8,866,166	10,317,626
Subtotal governmental activities	\$ 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	\$ 11,853,873
All Other Governmental Funds										
Reserved	2,099,700	2,715,352	2,100,059	1,967,548	1,495,210	-	-	-	-	-
Unreserved, reported in:										
Special revenues funds	3,434,575	2,682,851	2,767,121	2,968,678	2,985,713	-	-	-	-	-
Capital projects funds	2,829,766	7,851,632	3,067,776	2,164,361	2,749,497	-	-	-	-	-
Debt service funds	14,482	101,014	197,759	318,098	155,079	-	-	-	-	-
Non-Spendable	-	-	-	-	-	1,332,548	1,199,900	1,120,391	3,818	4,436
Restricted	-	-	-	-	-	4,281,553	5,493,285	5,399,445	7,208,648	7,866,251
Committed	-	-	-	-	-	-	-	980,528	1,390,911	2,420,635
Assigned	-	-	-	-	-	1,010,277	1,058,497	908,632	429,468	1,016,196
Unassigned	-	-	-	-	-	61,485	-	189,541	-	-
Total all other governmental funds	\$ 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	\$ 11,307,518

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes (see Schedule 6)	\$ 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	\$ 27,502,513
Licenses, fees and permits	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	4,010,451
Fines and penalties	371,611	435,119	520,589	527,847	551,277	642,010	617,297	619,889	805,893	846,167
Charges for services	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	7,589,821
Intergovernmental	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	2,386,073
Interest and rents	1,088,473	1,321,614	685,129	311,439	216,666	222,633	225,382	255,334	301,202	393,649
Other revenues	241,677	362,618	419,591	139,655	836,758	407,866	577,425	574,657	498,594	643,737
Total revenues	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	43,372,411
Expenditures										
General government	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	2,969,087
Protection to persons and property	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	11,024,184
Health and sanitation	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	8,016,162
Highways	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	5,221,798
Library	765,771	791,893	815,650	815,650	815,650	753,297	818,443	849,850	899,290	901,839
Parks and recreation	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	2,813,193
Miscellaneous:										
Employee benefits	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	3,164,110
OPEB Trust Contributions	-	-	-	-	-	-	-	-	3,680,330	772,097
Insurance	911,145	709,240	710,136	761,026	659,096	387,594	346,368	363,948	406,843	463,715
Other	335,978	402,634	342,379	269,280	304,344	247,269	250,041	425,783	197,450	294,101
Capital outlay	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	3,736,555
Debt service										
Interest	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	1,720,685
Principal	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	10,529,121
Bond Issue Costs	-	-	-	-	-	-	149,726	197,034	141,427	201,599
Payment to Redeem Bonds	-	-	-	-	-	-	15,890,000	-	-	-
Total expenditures	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	51,828,246
Other Financing Sources										
Bonds issued	-	15,752,734	-	-	-	-	16,048,046	-	9,885,000	10,240,000
Premium on Bond Issuance	-	-	-	-	-	-	-	-	114,289	290,720
Capital Lease Acquisition	-	-	-	-	-	-	-	-	717,600	537,451
Swaption proceeds	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	18,883,901	-	-
Payments to escrow agent	-	-	-	-	-	-	-	(18,680,462)	-	-
Transfers in	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	5,845,308
Transfers out	(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)	(5,910,308)
Total other financing sources (uses)	56,708	15,799,802	185,543	83,686	425,808	(6,654)	16,029,769	245,250	10,716,889	11,003,171
Net change in fund balance	\$ (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)	\$ 2,547,336
Debt service as a percentage of noncapital expenditures	13.7%	14.1%	15.3%	14.8%	16.3%	13.7%	8.9%	11.2%	9.9%	25.5%

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	
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
2015	11,797,463	11,164,986	3,506,820	1,033,244	27,502,513
Changes					
2006 - 2015	29.5%	60.5%	6.9%	-20.4%	33.2%

(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
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%
2015	446,358,268	2,496,459,218	651,319,891	46,624,817	3,194,403,926	3.7511	3,194,403,926	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
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
2015	2.821	0.930	3.7511	22.1247	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

<u>Taxpayer</u>		2015			2006		
		Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value
Radnor Properties	Commercial Real Estate	\$ 171,550,465	1	5.4%	-		
Trustees of University of PA	Healthcare	32,918,600	2	1.0%	16,307,600	6	0.5%
S. W. Bajus & Associates, LTD	Commercial Real Estate	31,609,020	3	1.0%	12,340,630	9	0.4%
Radwyn Apartments	Apartment Complex	22,149,000	4	0.7%	23,186,980	3	0.8%
KMO 361 Realty Associates	Commercial Real Estate	17,850,410	5	0.6%	17,850,410	5	0.6%
Home Properties	Apartments	17,470,500	6	0.5%	-		
Linda Sposato Trust ETAL	Apartments	14,205,000	7	0.4%	-		
Enrico Partners	Commercial Real Estate	13,949,250	8	0.4%	-		
Fidelity Mutual Trust	Commercial Real Estate	13,843,140	9	0.4%	13,843,100	8	0.5%
G&I II Radnor Crossing LP	Apartments	12,271,030	10	0.4%	12,271,000	10	0.4%
Brandywine Realty Trust	Radnor Corporate Center & Radnor Financial Center	-		0.0%	243,850,290	1	8.0%
Radcliffe House	Apartments	-		0.0%	82,588,000	2	2.7%
Albert Levin & Associates	Apartment Complex	-		0.0%	19,166,600	4	0.6%
Montgomery-Scott Associates	Private residential/agricultural	-		0.0%	15,618,250	7	0.5%
Total		<u>\$ 347,816,415</u>		<u>10.9%</u>	<u>\$ 457,022,860</u>		<u>14.9%</u>

Notes:

(1) Total taxable assessed value, all real property in Radnor Township, December 31, 2015 was \$3,194,403,926 and at December 31, 2006 was \$3,063,987,254.

(2) Upon County-wide reassessment, effective January 1, 2000, taxable assessed value theoretically equaled market values;

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

Year Ended December 31	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
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%	89,381	11,803,142	99.98%
2013	11,826,420	11,652,931	98.53%	91,607	11,744,538	99.31%
2014	11,913,632	11,636,427	97.67%	68,657	11,705,084	98.25%
2015	11,894,911	11,735,097	98.66%	-	11,735,097	98.66%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business Privilege (2)										
- Number of Filers	1,232	1,234	1,082	1,180	1,309	1,463	1,452	1,340	1,390	1,531
- Tax Collections	\$ 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	\$ 8,903,082
- Taxable Services	\$ 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	\$ 2,967,694,000
- 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	338	315	240	256	278	305	304	238	233	254
- Tax Collections	\$ 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	\$ 1,302,523
- Taxable Services	\$ 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	\$ 434,174,333
- 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	\$ 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	\$ 10,205,605

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

<i>Taxpayer's Business</i>	2015		2006	
	Rank	Percentage of Total	Rank	Percentage of Total
Investment	1	6.2%	4	4.6%
Investment	2	5.1%	5	2.2%
Industrial Gas	3	4.2%		0.0%
Investment Advisors	4	3.7%		0.0%
Laboratory Supply & Distribution	5	3.0%		0.0%
Digital Cable Products	6	2.9%		0.0%
Real Estate Investment Trust	7	2.2%		0.0%
Publisher	8	2.2%		0.0%
Information Technology	9	2.0%		0.0%
Investment	10	1.7%	8	1.9%
Consulting			1	19.4%
Management			2	6.2%
Legal			3	4.8%
Management			6	2.0%
Retail Sales - Autos			7	2.0%
Management			9	1.8%
Retail Sales - Food			10	<u>1.5%</u>
Percentage of Total Gross Collections		<u>33.1%</u>		<u>46.4%</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>General Obligation Bonds (1)</u>										
<u>Year</u>	Electoral	Non Electoral	Unamortized Bond Premium	Capital Lease Debt	Total	Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (4)	Population (3)	Net General Obligation Bonds Per Capita
2006	8,630,000	36,860,000	229,194	-	45,719,194	3,084,742,872	1.48%	3.70%	30,878	1,481
2007	8,240,000	50,980,000	436,957	-	59,656,957	3,099,811,360	1.92%	4.82%	30,878	1,932
2008	7,835,000	49,130,000	417,764	-	57,382,764	3,112,600,046	1.84%	3.79%	30,878	1,858
2009	7,695,000	47,225,000	556,690	-	55,476,690	3,131,318,978	1.77%	3.60%	30,878	1,797
2010	7,465,000	44,965,000	994,178	-	53,424,178	3,131,330,705	1.71%	3.36%	31,531	1,694
2011	6,970,000	43,055,000	932,509	-	50,957,509	3,124,938,680	1.63%	3.21%	31,531	1,616
2012	6,465,000	41,575,000	571,359	-	48,611,359	3,147,305,184	1.54%	3.06%	31,531	1,542
2013	5,955,000	43,570,000	735,550	-	50,260,550	3,176,036,786	1.58%	3.49%	31,531	1,594
2014	15,310,000	41,605,000	793,581	638,278	58,346,859	3,172,257,981	1.84%	3.49%	31,531	1,850
2015	14,785,000	41,920,000	1,018,136	1,035,281	58,758,417	3,194,403,926	1.84%	3.49%	31,531	1,864

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 - 2015 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, 2015

Governmental Unit	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Radnor Township School District	\$ 102,083,343	100.00%	\$ 102,083,343
Delaware County	\$ 319,599,000	10.488%	<u>33,521,089</u>
Sub-Total, Overlapping Debt			135,604,432
Township of Radnor Direct Debt		100.00%	<u>58,758,417</u>
Total Direct and Overlapping Debt			<u>\$ 194,362,849</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, 2015 is based on the ratio of Radnor Township's assessed valuation to Delaware County's 2015 assessed valuation.

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

	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Three Year Average Revenues(2),(3)	\$ 23,992	\$ 29,327	\$ 30,074	\$ 29,381	\$ 29,411	\$ 29,461	\$ 31,767	\$ 36,961	\$ 39,478	\$ 41,371
Debt limit (1)	\$ 59,980	\$ 73,318	\$ 75,185	\$ 73,453	\$ 73,528	\$ 73,653	\$ 79,418	\$ 92,403	\$ 98,695	\$ 103,428
Total net debt applicable to limit	\$ 36,860	\$ 50,980	\$ 49,130	\$ 47,225	\$ 44,965	\$ 43,055	\$ 41,575	\$ 43,570	\$ 41,605	\$ 41,920
Legal debt margin	\$ 23,120	\$ 22,338	\$ 26,055	\$ 26,228	\$ 28,563	\$ 30,598	\$ 37,843	\$ 48,833	\$ 57,090	\$ 61,508
Total net debt applicable to the limit as a percentage of debt limit	61.45%	69.53%	65.35%	64.29%	61.15%	58.46%	52.35%	47.15%	42.16%	40.53%

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 borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Economic Development. Under the Radnor Township Home Rule Charter, any new debt in excess of 250% of the borrowing base must be approved by the electorate.
- (3) Borrowing Base Revenues represent total revenues less Enterprise Fund operating revenues, interest, State and Federal grants, proceeds from the sale of assets and loan proceeds.

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

<u>Year</u>	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Unemployment Rate (3)
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%
2015	31,531	1,701,601,946	53,966	4.2%

Sources:

- (1) US Census 2010, 2000, 1990 and PA Center for Workforce Information and Analysis
- (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>		2015			2006		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Villanova University	Higher Education	3,139	1	14.0%	3,423	1	15.6%
Radnor Township School District	Education	837	2	3.7%	940	2	4.3%
Eastern University	Higher Education	754	3	3.4%	828	3	3.8%
Lincoln National Life Insurance	Insurance / Financial Investments	427	4	1.9%	-	-	-
Pathfinders, Inc	Staffing Solutions	394	5	1.8%	-	-	-
University of Pennsylvania	Medical Services	390	6	1.7%	346	8	1.6%
Jefferson Health System	Medical Services	376	7	1.7%	338	9	1.5%
VWR Management Services	Research Supply & Distribution	352	8	1.6%	-	-	-
Cabrini College	Higher Education	323	9	1.4%	518	5	2.4%
Green Apple Manegement Company	Consulting	307	10	1.4%	-	-	-
Centocor	Biotechnology	-	-	-	660	4	3.0%
News America Publications, Inc	Publisher	-	-	-	514	6	2.3%
Bearing Point, Inc	Business Consulting	-	-	-	350	7	1.6%
Sovereign Bank	Banking	-	-	-	252	10	1.2%
Total		<u>7,299</u>		<u>32.5%</u>	<u>8,169</u>		<u>37.3%</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	7	4.5	5	3	4	2	2	2	2	2
Finance	7	5	5	2	3	4	6	6	6	6
Community Development	7	8	8	5	6	5	6	6	6	6
Engineering	4	3	3	3	3	2	2	2	2	2
Information Technology	-	3	3	3	3	3	2	2	2	2
Police										
Officers	42	46	45	43	40	41	36	38	41	40
Civilian	8	6.5	6.0	6	6	5	5	5	4	4
Refuse Collection	30	28	27	26	25	22	20	17	19	21
Other Public Works										
Highways	20	19	19	19	18	18	19	18	17	17
Sewer	6	5	4	4	4	4	4	4	4	4
Park maintenance	17	17	17	17	17	14	13	13	13	13
Other	2	1	2	2	1	1	1	1	1	1
Parks and recreation	<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>	<u>3</u>
Total	<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>120</u>	<u>121</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

Function/Program	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Business Tax Audits	46	57	49	72	74	85	41	35	32	44
Collections from audits (rounded in thousands)	\$ 1,425	\$ 349	\$ 679	\$ 1,349	\$ 971	\$ 310	\$ 826	\$ 8,984	\$ 421	\$ 959
Business Tax Licenses Issued	1,570	1,550	1,203	1,289	1,237	1,282	1,282	1,655	1,768	1,785
Protection to persons and property										
Building permits issued	914	744	705	675	785	831	910	916	971	828
New construction	43	29	12	19	7	8	22	23	39	18
Accessories and additions	156	112	149	117	104	104	55	49	133	89
Subdivision plans	11	9	9	4	1	2	-	2	19	11
Lots approved	2	1	6	2	-	4	-	1	72	-
Zoning appeals	53	35	59	35	35	54	28	22	26	34
Design review	55	70	89	67	53	90	67	87	70	70
Vehicle violations	23,129	23,728	26,503	28,277	23,371	28,445	30,322	31,576	32,414	20,682
Vehicle accidents	1,307	1,295	1,285	1,136	1,209	1,207	1,214	1,235	1,190	1,103
Nuisance and non-criminal	10,808	11,608	11,861	11,306	10,972	10,579	12,590	15,537	15,298	7,758
Serious crimes	438	436	413	384	433	423	428	396	331	321
Secondary offenses	1,378	986	902	827	784	733	828	672	613	849
Alarm signals	1,950	1,483	1,671	1,551	1,674	1,568	1,664	1,730	1,729	985
Animal complaints	715	685	773	705	784	616	646	518	259	291
Health and sanitation										
Refuse collected (tons)	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	7,055.5
Curbside recycling (tons)	5,568	5,919	4,919	6,306	5,738	2,898	6,646	6,629	6,563	6,604
Other Public Works										
Streets resurfaced (sq yds)	83,778	53,219	63,878	42,430	37,224	50,610	-	41,636	41,563	101,089
Parks and recreation										
Number of programs	214	219	221	225	220	187	145	125	125	195
Events held at Willows	151	132	124	118	120	122	117	22	5	-
Wastewater										
New sanitary sewer connections	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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Protection to persons and property										
Marked vehicles	13	13	13	13	13	13	13	13	14	14
Unmarked vehicles	9	9	9	8	7	7	7	7	7	7
Health and sanitation										
Recycling trucks	6	6	6	6	6	6	-	-	-	-
Refuse collection trucks	12	12	12	12	12	12	-	-	-	-
Recycling & Refuse Trucks	-	-	-	-	-	-	12	12	12	13
Other Public Works										
Streetlights	1,402	1,402	1,402	1,402	1,402	1,406	1,406	1,406	1,406	1,406
Traffic signals	43	44	44	44	44	44	44	44	44	45
Parks and recreation										
Acres of open space	441.84	441.84	441.84	441.84	441.84	441.84	441.84	441.84	512.84	512.84
Parks, playgrounds, athletic fields	26	26	23	23	23	23	23	23	23	26
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