

Radnor Township

Comprehensive Annual Financial Report
For the Year Ended, December 31, 2019



Radnor Township
301 Iven Avenue
Wayne, PA 19087
610.688.5600

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the year ended, December 31, 2019

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

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

Prepared by:
Radnor Township Finance Department
Robert V. Tate, Jr., CPA
Director of Finance

TOWNSHIP OF RADNOR, PENNSYLVANIA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

Introductory Section

Transmittal Letter	i
Principal Officials	viii
Organization Chart	ix
Maps of Radnor Township.....	x
Certificate of Achievement for Excellence in Financial Reporting.....	xi

Financial Section

Independent Auditors’ Report.....	1
Management’s Discussion and Analysis.....	4

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position.....	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	26
Statement of Cash Flows – Proprietary Fund.....	27
Statement of Fiduciary Net Position – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	29

Notes to the Financial Statements

1 Summary of Significant Accounting Policies.....	30
2 Deposits and Investments	41
3 Interfund Receivables, Payables and Transfers.....	46
4 Capital Assets.....	47
5 Loan Receivable	48
6 Capital Leases Obligations	49
7 Long-Term Debt.....	49
8 Defined Benefit Pension Plans.....	52
9 Postemployment Benefits Other than Pension Benefits.....	59
10 Deferred Compensation Plan.....	64
11 Risk Management.....	64
12 Radnor-Haverford-Marple Sewer Authority.....	65
13 Commitments and Contingencies	66
14 New Accounting Pronouncements.....	66
15 Combining Pension and OPEB Trust Funds.....	69
16 Restatement of Net Position.....	70
17 Subsequent Events	70

TOWNSHIP OF RADNOR, PENNSYLVANIA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

Required Supplementary Information

Schedule of Employer Contributions – Police and Civilian Pension Plans	71
Schedule of Investment Returns – Police and Civilian Pension Plans	73
Police Pension Plan - Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios	74
Civilian Pension Plan - Schedule of Changes in the Employer’s Net Pension Liability And Related Ratios	75
Schedule of Changes in the Net OPEB Liability and Related Ratios – Last Ten Years	76
Schedule of Contributions OPEB Plan – Last Ten Years	77
Schedule of Investment Returns in OPEB Plan	78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) Sewer Fund	80
Budget and Actual (Budgetary Basis) Park Improvements & Open Space Fund	81
Budget and Actual (Budgetary Basis) Storm Water Fund	82
Notes to Required Supplementary Information – Budgetary Comparison Schedules	83

Other Supplementary Information

General Fund	84
Schedule of Revenues and Other Financing Sources – Budget and Actual (Budgetary Basis) – General Fund	85
Schedule of Functional Expenditures by Activity – Budget and Actual (Budgetary Basis) – General Fund	87
Debt Service Fund	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Debt Service Fund	90
Major Capital Projects Funds with Legally Adopted Budget	91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Capital Improvement Fund	92
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Special Assessment Fund	93
Nonmajor Governmental Funds	94
Combining Balance Sheet – Nonmajor Governmental Funds	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – State Liquid Fuels Tax Fund	97
Fiduciary Funds	98
Combining Statement of Fiduciary Net Position – Pension and OPEB Trust Funds	99
Combining Statement of Changes in Plan Net Position – Pension and OPEB Trust Funds	100
Capital Assets Used in Operation of Governmental Funds Comparative Schedules by Source	101

**TOWNSHIP OF RADNOR, PENNSYLVANIA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019**

Other Supplementary Information (continued)

Capital Assets Used in Operation of Governmental Funds Schedule by Function and Activity	102
Capital Assets Used in Operation of Governmental Funds Schedule of Changes by Function and Activity	102

Statistical Section

1. Net Position by Component, Last Ten Years	103
2. Changes in Net Position, Last Ten Years.....	104
3. Program Revenues by Function/Program, Last Ten Years	106
4. Fund Balances, Governmental Funds, Last Ten Years	107
5. Changes in Fund Balances, Governmental Funds, Last Ten Years.....	108
6. Tax Revenue by Source, Governmental Funds, Last Ten Years	109
7. Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years.....	110
8. Direct and Overlapping Property Tax Rates, Last Ten Years	111
9. Principal Property Taxpayers, Current and Nine Years Ago	112
10. Property Tax Levies and Collections, Last Ten Years	113
11. Business Privilege and Mercantile Taxes, Revenue Base and Collections, Last Ten Years	114
12. Principal Business Privilege and Mercantile Tax Remitters, Current and Nine Years Ago	115
13. Ratio of Net General Bonded Debt Outstanding, Last Ten Years	116
14. Direct and Overlapping Governmental Activities Debt, as of December 31, 2016	117
15. Legal Debt Margin Information, Last Ten Years	118
16. Demographic and Economic Statistics, Last Ten Years.....	119
17. Principal Employers, Current and Nine Years Ago.....	120
18. Full Time Equivalent Township Government Employees by Function/Program, Last Ten Years	121
19. Operating Indicators by Function/Program, Last Ten Years.....	122
20. Capital Asset Statistics by Function/Program, Last Ten Years.....	123

**INTRODUCTORY
SECTION**



JACK LARKIN
President

LISA BOROWSKI
Vice President

JAKE ABEL

RICHARD F. BOOKER, ESQ.

DAMIEN ENDERLE

SEAN FARHY

MOIRA MULRONEY, ESQ.

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WILLIAM M. WHITE
Township Manager
Township Secretary

JOHN B. RICE, ESQ.
Solicitor

KATHRYN GARTLAND
Treasurer

July 31, 2020

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, 2019. The annual report, as required by the Township's Home Rule Charter, includes the "basic financial statements", including the accompanying footnotes. It also includes Management's Discussion and Analysis on the activity reported in the audited financial statements. These financial statements have been audited by an independent accounting firm of certified public accountants and are presented in accordance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. 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, Delaware, and Maryland has nearly 55 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:

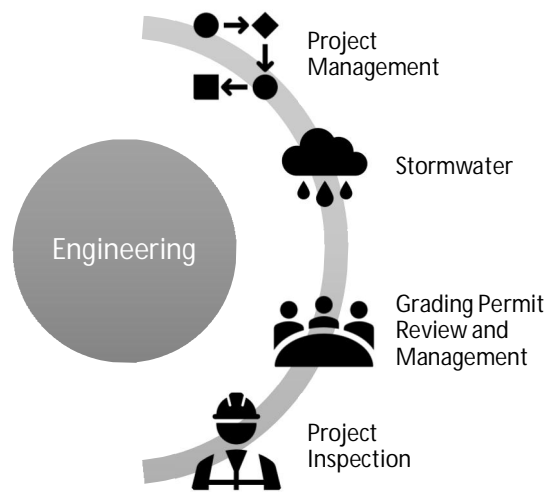
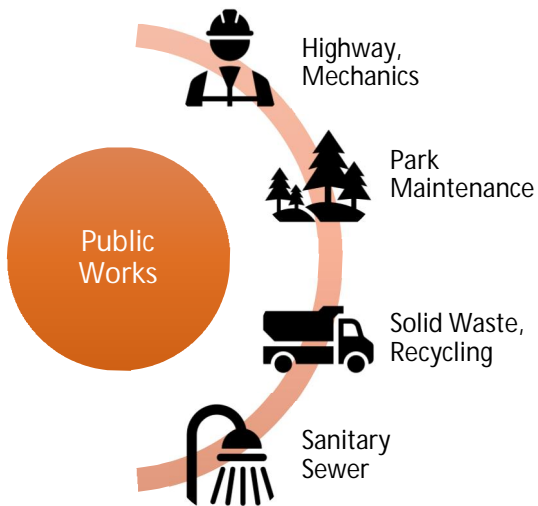
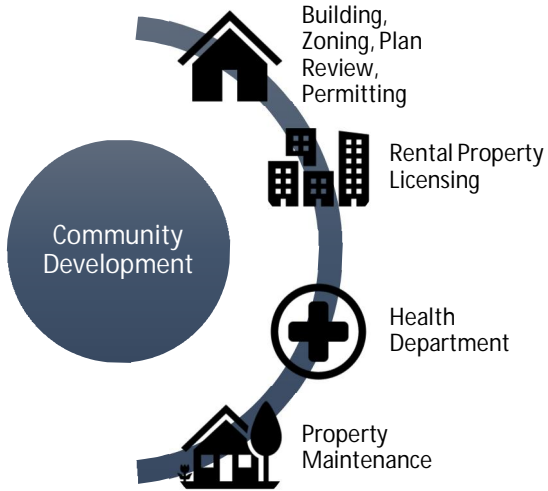
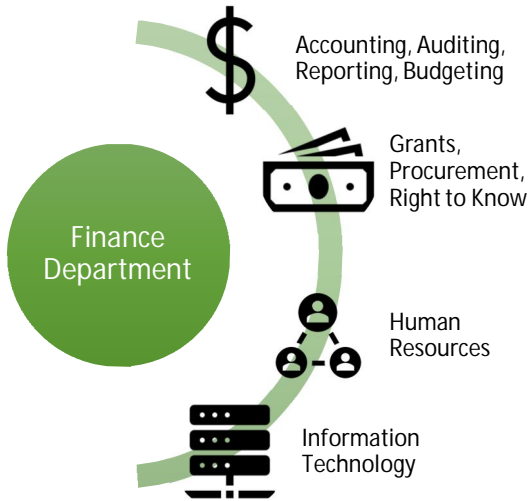
The Radnor Township community is proud of its heritage and continues to reflect many of the values of its settlers of over 300 years earlier. The Township is home to a public school system that has been rated as one of the finest in the nation and includes a vast network of lush parks, playgrounds and 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 31,743 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, 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:



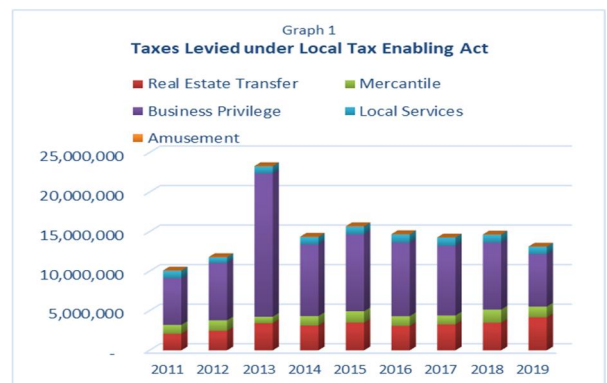
Township Budget Process Profile

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.

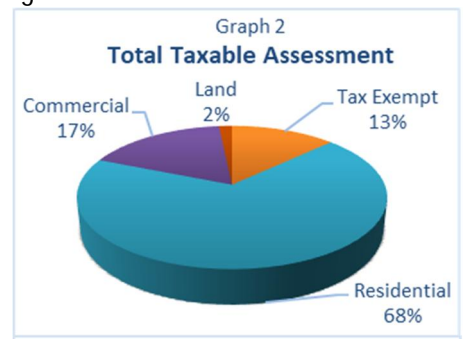
The Township has adopted several important fiscal policies aimed at creating balanced budgets, establishing appropriate levels of funding reserves, determining the appropriate use of non-reoccurring revenues, establishing annual capital funding, and establishing a funding plan for other post-employment 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

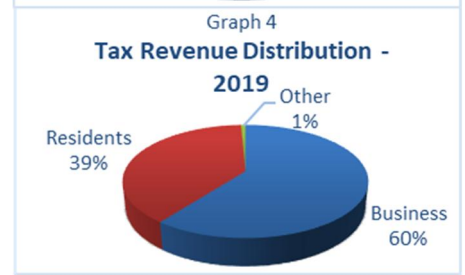
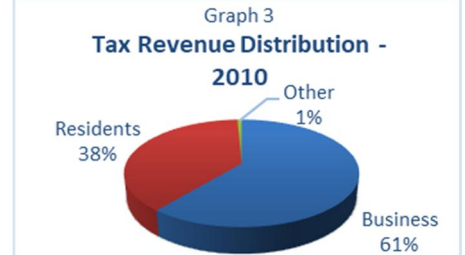
Radnor's economy is made up of a broad spectrum of activities from the smallest family run retail store to national retail stores; from one-person professional service firms to Fortune 500 companies. As a result, Radnor's affluence allows the local economy to be resilient. Graph 1 shows the consistently strong revenue in all the Act 511 categories dating back to 2011 [Note: There was a one-time \$8 million settlement in 2013]. 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 over 8,900 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 68%. Overall, the Township’s total real estate assessed value has remained strong and stable. As shown in Schedule 7 in the Statistical Section, page 110, the annual assessment growth has averaged 0.41% 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 minimizing the increases in the real estate tax rate. The real estate millage rate in Radnor was 3.7511 mills from 2012 through 2015 and increased to 3.9228 for 2016 through 2018. Taxes were increased again in 2019 to 4.1582. Although rates have stepped up over the past four years, Radnor enjoys a lower than average rate of tax as compared to surrounding municipalities. 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 has historically exceeded 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 2010 as compared to 2019. As depicted, the residential burden has been relatively stable as taxes generated by the businesses remain generally healthy. The Township will continue to foster business growth 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) have worked together to build and improve the five-year forecasting model. The model has been used to incorporate a 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

As reported in prior years, the Township administration, worked with CARFAC, began 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

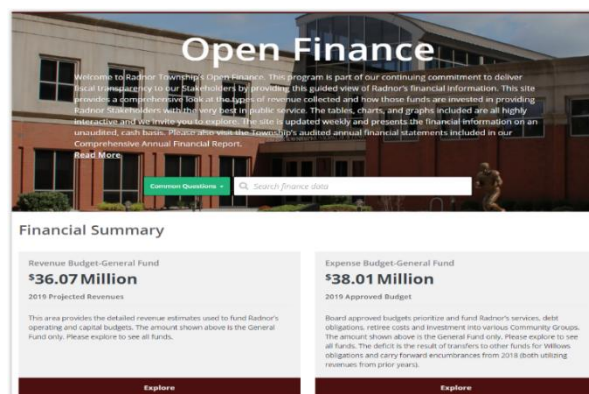
not seen a major upgrade since 2006 as well as comments from the Township auditors regarding IT security, capital asset accounting and disaster recovery. The project kicked off during the summer of 2014 with members of the Township Finance Department presenting the CARFAC IT Subcommittee an overview 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 our first go-live module, general ledger and financial reporting, occurred on July 1, 2017, followed by payroll and human resources modules going live on October 1, 2017. The Township went live with Fixed Assets in 2018 and the Codes and Permitting module was activated in early 2020. Later in 2020 is the planned addition of the Project Accounting module.

Open Finance

The Administration worked with Socrata and Tyler to develop "Open Finance", a web based financial transparency program that automatically pulls financial and payroll data from the Township's new ERP system weekly and reports that information in an interactive web program. Open Finance was finalized late in 2018 and went live in February 2019. Stakeholders have immediate, up-to-date access to Radnor's entire general ledger and can see how the Township's revenues, expenses, vendor payments, and payroll totals are stacking up.



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, 2018. This was the eighth 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.

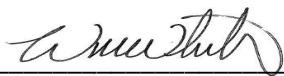
ACKNOWLEDGMENTS

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 these individuals that make Radnor Township "*The Best Place to Live, Work, Visit and Do Business on the Main Line.*"

Respectfully,



William M. White
Township Manager / Secretary



Robert V. Tate, Jr. CPA
Director of Finance

PRINCIPAL OFFICIALS
As of December 31, 2019
RADNOR TOWNSHIP, PENNSYLVANIA

ELECTED OFFICIALS

Board of Commissioners

Jack Larkin, Esq.....	1 st Ward Commissioner
Richard F. Booker, Esq	2 nd Ward Commissioner
Damien Enderle.....	3 rd Ward Commissioner
Lisa Borowski.....	4 th Ward Commissioner
Moira Mulrone, Esq	5 th Ward Commissioner
Jake Abel	6 th Ward Commissioner
Sean Farhy.....	7 th Ward Commissioner

Elected Treasurer

Kathryn A. Gartland.....	Treasurer, At-Large
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APPOINTED OFFICIALS

William M. White, MBA.....	Township Manager / Secretary
John Rice, Esq., Grim Biehn & Thatcher, PC.....	Township Solicitor
Christopher B. Flanagan.....	Superintendent of Police
Tammy Cohen	Director of Recreation and Community Programming
Kevin Kochanski, RLA, CZO.....	Director of Community Development
Stephen Norcini, P.E.	Township Engineer
Steven McNelis.....	Director of Public Works
Robert V. Tate, Jr. CPA.....	Director of Finance

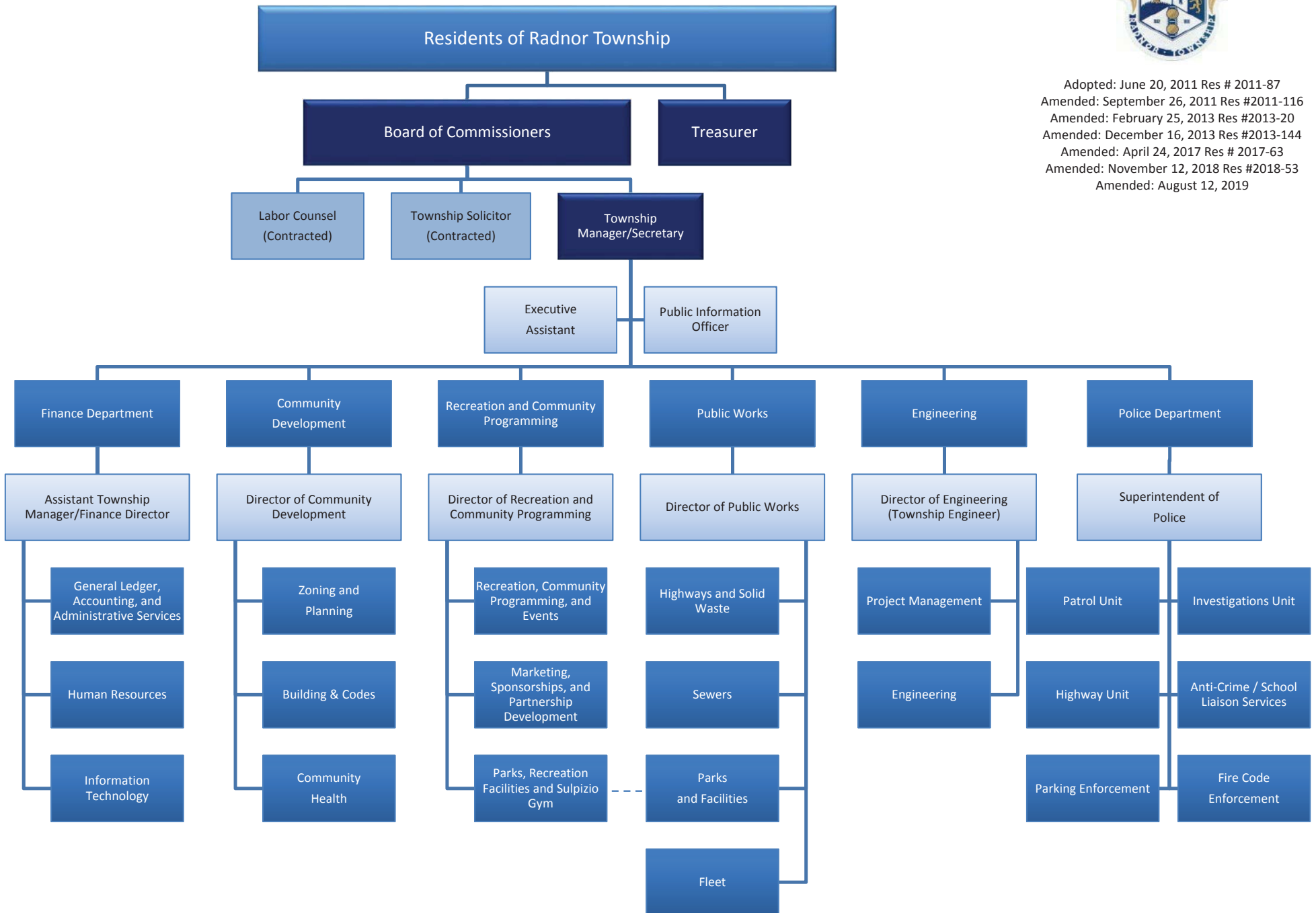
APPOINTED PROFESSIONAL FIRMS

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

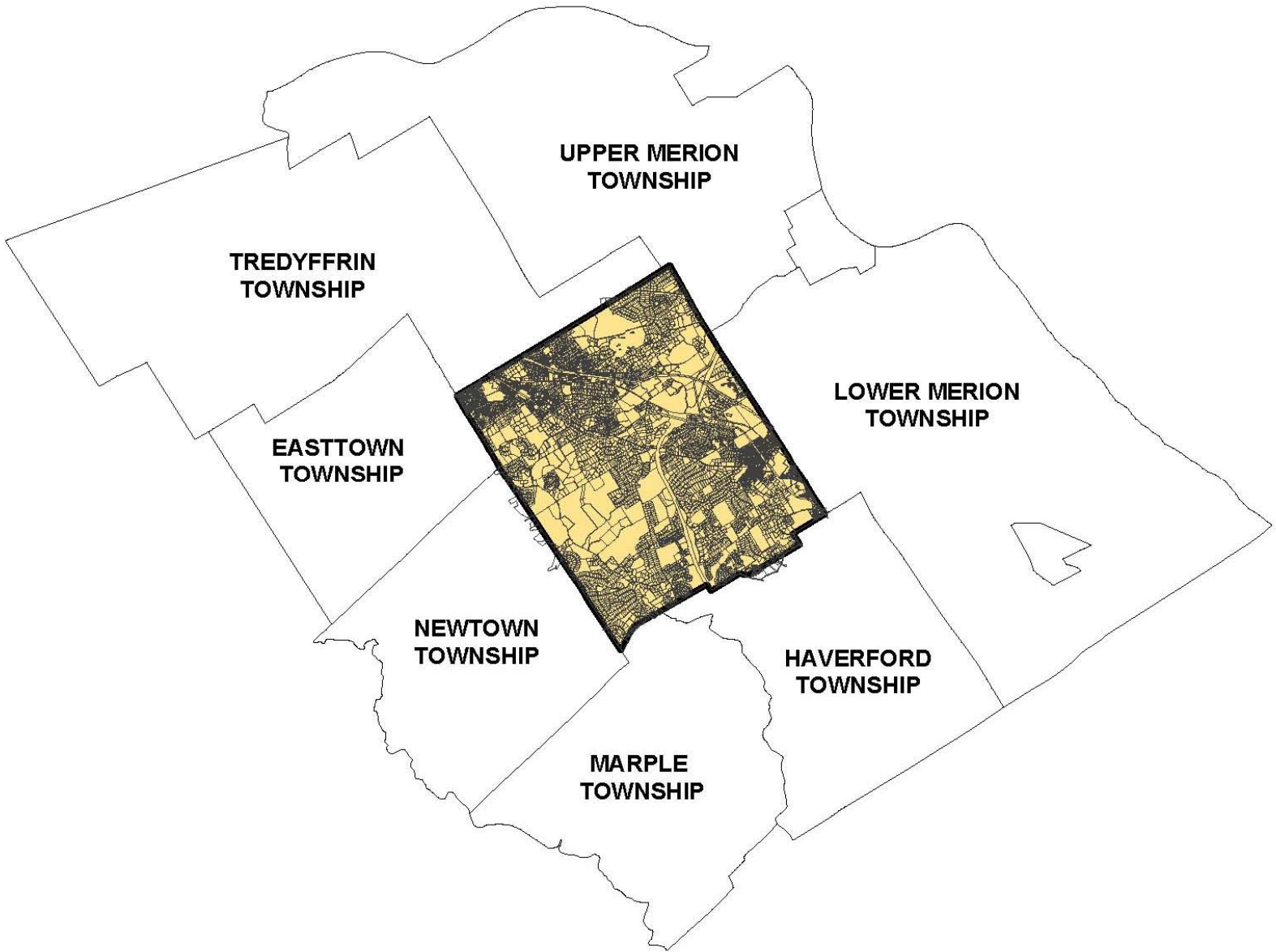
RADNOR TOWNSHIP ORGANIZATIONAL CHART



Adopted: June 20, 2011 Res # 2011-87
 Amended: September 26, 2011 Res #2011-116
 Amended: February 25, 2013 Res #2013-20
 Amended: December 16, 2013 Res #2013-144
 Amended: April 24, 2017 Res # 2017-63
 Amended: November 12, 2018 Res #2018-53
 Amended: August 12, 2019



TOWNSHIP OF RADNOR, PENNSYLVANIA
MAP OF RADNOR AND SURROUNDING COMMUNITIES





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, 2018

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Township of Radnor
Wayne, Pennsylvania

Report on the Financial Statements

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, 2019, 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, as of December 31, 2019, 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.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Adoption of New GASB Statements

As described in Note 14 to the financial statements, in 2019 the Township of Radnor adopted the provisions of Governmental Accounting Standards Board's Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, and Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

Emphasis of Matter Regarding Subsequent Events

As discussed in Note 17, subsequent events may lead the Township to have a significant impact on their operations. Management has determined that it is not possible to predict the eventual outcome of the subsequent event. The accompanying financial statements do not include any adjustments related to the subsequent event. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions – police and civilian pension plans, pension plans – schedule of investment returns, police pension plan – schedule of changes in the employer's net pension liability and related ratios, civilian pension plan – schedule of change in the employer's net pension liability and related ratios, schedule of changes in the net OPEB liability and related ratios, schedule of contributions OPEB plan, schedule of investment returns in OPEB plan, and budgetary comparison information on pages 4-18 and 71-83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Radnor's basic financial statements. The introductory section, other supplementary information, 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 was derived from and relates 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.



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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 it.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

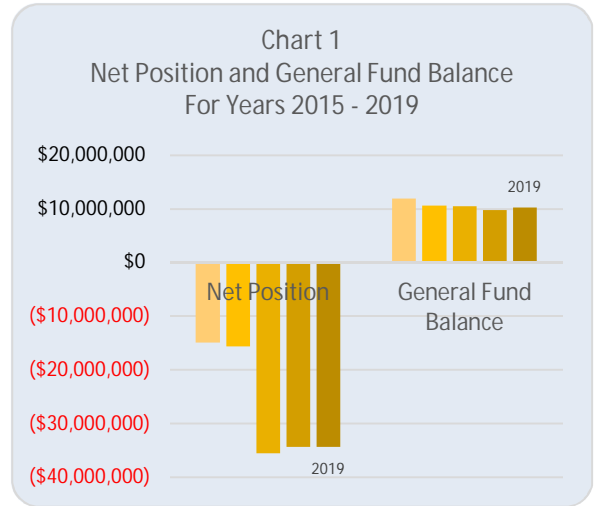
Jamison, Pennsylvania
July 31, 2020

TOWNSHIP OF RADNOR, PENNSYLVANIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2019

It is a pleasure to present the financial picture for 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, 2019.

Financial Highlights

Radnor Township's government-wide net position (deficit) on December 31, 2019 was (\$34,435,389), an increase in the deficit by \$81,280 from December 31, 2018. Graph 1 shows the Township's net position and General Fund Balance over the last five years. The Township has, for the most part, maintained its net position for the last three years; noting that the significant change in 2017 is the result of implementing the new reporting requirements for postemployment benefits other than pensions under GASB 75. The reason for the negative net position continues to be from net pension and other postemployment benefit liabilities. The net position from 2018 to 2019 remained relatively stable while the General Fund Balance improved, in part due to maintaining healthy cash balances and increased investment returns and increased real estate transfer tax revenue. Maintaining a strong General Fund balances is in line with the Township's compliance with policies that require a minimum of fifteen percent of expenditures to be held as unassigned fund balance, plus an additional ten percent of expenditures in the event business tax revenue exceeds thirty percent of the total General Fund revenue. As reported on the Governmental Funds Balance Sheet, the General Fund's 2019 unassigned fund balance met the target 15% at \$4,879,462, the 10% fund balance stabilization at \$3,252,975, and the Other Unassigned fund balance totaled \$1,477,954, an increase of \$998,217 from the 2018 balance of \$479,737. Overall the General Fund balance is a healthy 34% of expenditures, up from 32% the prior year.



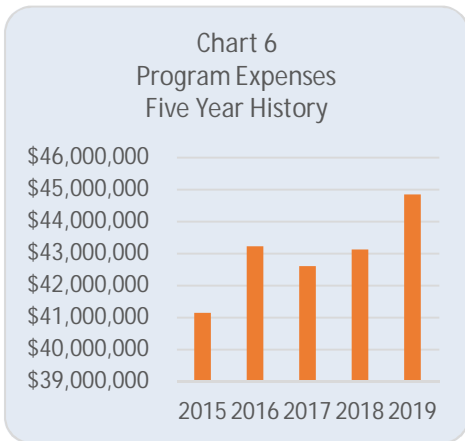
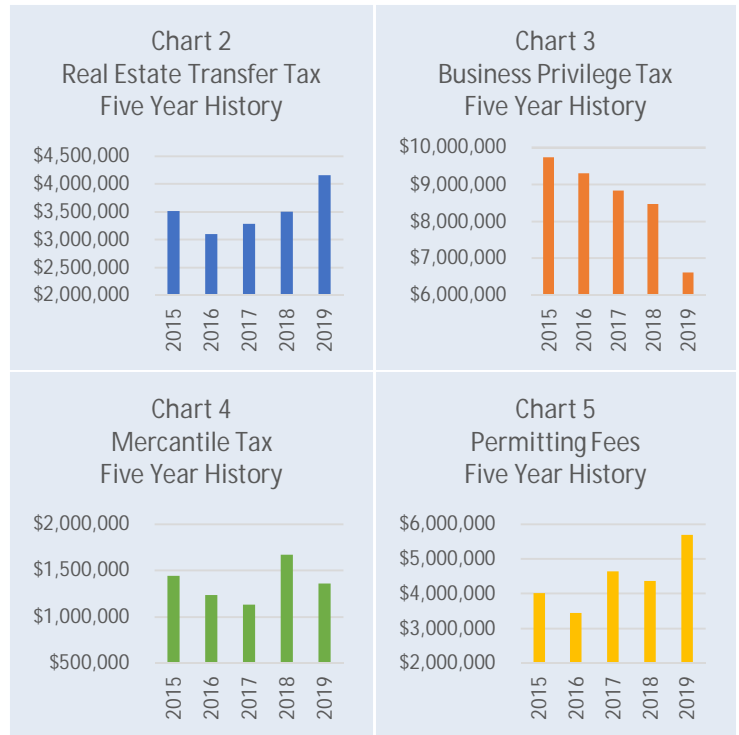
Recognizing that the net pension and OPEB liabilities represent the two primary reasons for the negative net position, the Township continues to make strides. The Township has sought to understand the problem, identify alternative funding solutions, and commit to investing funds that lead towards solutions. In certain years, the Township overfunded its calculated pension obligation and began working with its labor force to change benefits moving forward. Specifically, the Township has negotiated pension and OPEB benefits out of the civilian union labor contracts; eliminating both pension and OPEB for any employee hired after January 1, 2013. At the same time, any leave time owed at the time of retirement must be used through terminal leave versus a lump sum payment; thus, reducing pension benefits during retirement. On the funding side, the Township has adjusted actuary assumptions to better match reality starting with a reduction in the rate of return assumption from 7.50% to 7.25%. In addressing OPEB, the Township established a long-term funding plan that began in 2014. At that time, the Township established an OPEB Trust to account for the assets and liabilities of the benefit plan and has invested excess revenue when available to grow the value of the OPEB trust assets.

At December 31, 2019, the OPEB Trust assets have grown to \$8,169,461, an increase of \$1,138,107 from the prior year balance of \$7,031,354. The funding plan calls for increased investments of General Fund dollars over a ten-year period into the OPEB trust until the annual required contribution amount is being funded annually.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2019

Financial Highlights (continued)

Radnor Township's operations are funded from three primary sources: Real Estate taxes, Act 511 business taxes, and all other revenue, led by permitting fees. The largest of these three sources are the Act 511 taxes, which include Real Estate Transfer Taxes, Business Privilege Tax ("BPT"), and Mercantile Tax ("MT"). Real Estate Transfer Taxes gauge the health of the local housing market. Revenue has fluctuated from year to year, but has remained strong, netting just over \$4 million last year, an increase of over \$500,000 over each of the prior four years. BPT revenue reflects all commercial activity in Radnor, except retail, and represent the largest of the revenue sources in this grouping. Revenue has stepped down in each of the last five years despite steady license renewals and commercial expansion. Still, the revenue remains significant enough to cover operations, netting \$6.6 million. MT revenue reflects all retail activity in Radnor. The Township typically receives revenue of roughly \$1.1 million per year with 2018 revenue jumping significantly to \$1,664,576 and down slightly in 2019 to \$1,354,330. Finally, permitting revenue is an indicator of the development and redevelopment activity in Radnor and has had strong performance since 2014. For 2019, a healthy increase in revenue helped this category stay strong at \$5,675,237 with the Penn Medicine redevelopment project accounting for a significant portion of the fees in both 2019 and 2018. This comes on the heels of the revenue spike in 2017 resulting from Villanova's parking, dormitory and performing arts center development project. On the expense side, program expenses grew by 4.0%, or \$1,706,242 in 2019. This growth was primarily the result of increases in Health and Sanitation and Highways spending. Other expense growth was offset by increases in program revenue from the above-mentioned redevelopment projects.



Corresponding with the decrease in the Act 511 taxes offset in part by increases in the permitting revenue, Real Estate Tax rates increased by 6%, from 3.9228 mills in 2018 to 4.1582 for 2019. Collections were consistent at \$13.3 million. In 2016, millage rates were increased by 0.1717 mills specifically to fund the retirement of the Series 2015 and 2016 General Obligation Bonds issued for improvements at the Township Library, various parks and trails. Prior to 2016, the last millage increase was in 2012 when the millage rate was increased from 3.6411 mills to 3.7511 mills. Over that period, Real Estate Taxes have been steady at roughly \$12 million per year with collection rates ranging from 98.68% to 99.96%.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. These statements include 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 like 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, revenue and expenditures 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 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 activity of the Township includes the lease of the Willows Mansion.

The government-wide financial statements include only the activities of the Township. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the Township. The government-wide financial statements can be found on pages 19 and 20 of this report.

Fund Financial Statements - A fund is a grouping of related accounts 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 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Fund Financial Statements (continued)

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 revenue, 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 revenue, expenditures and changes in fund balances for the General Fund, Sewer Fund, Park Improvements and Open Space Fund, Storm Water Fund, Debt Service Fund, Special Assessment Fund, and the Capital Improvement Fund which are major funds. The Township has four nonmajor governmental funds, the State Liquid Fuels Tax Fund, Commemorative Shade Tree Fund, Grant Fund, and the Recreation Fee Fund.

The Township adopts an annual appropriated budget for all its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget on pages 79 through 82.

The basic governmental funds financial statements can be found on pages 21 through 24 of this report.

Proprietary Funds - The Township maintains one 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 25 through 27 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The fiduciary funds of the Township are pension and OPEB trust funds and custodial funds. Total net position of the fiduciary funds was \$78,173,188, an increase from the prior year value of \$66,247,402, due to increases in the market value of investments.

The basic fiduciary funds financial statements can be found on pages 28 and 29 of this report.

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

The notes to the financial statements can be found on pages 30 through 70 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 Funds.

The required supplementary information can be found on pages 71 through 83 of this report.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Overview of the Financial Statements (continued)

Other Information (continued)

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 84 through 102 of this report.

Government-Wide Financial Analysis

As noted earlier, net position (deficit) may serve over time as a useful indicator of a government's financial position. Table 1 reflects the governmental activities net position of (\$34,435,389), which represents a decrease of \$81,280 from December 31, 2018. A closer look shows that while the total assets increased by \$10,339,915, the total net position deficiency as stated continues to be the result of the net liabilities relating to pension (\$16,233,104) and OPEB (\$47,308,599). As noted, the Township has begun to fund OPEB through dedicated trust by way of 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 22.

Table 1 - Township of Radnor's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 32,161,554	\$ 23,072,215	\$ 566,791	\$ 627,439	\$ 32,728,345	\$ 23,699,654
Capital Assets	67,815,912	66,565,336	170,451	168,056	67,986,363	66,733,392
Total Assets	99,977,466	89,637,551	737,242	795,495	100,714,708	90,433,046
Deferred Outflows of Resources	8,553,892	11,211,617	-	-	8,553,892	11,211,617
Noncurrent Liabilities	132,562,412	131,735,584	-	-	132,562,412	131,735,584
Other Liabilities	3,093,416	1,814,899	-	2,501	3,093,416	1,817,400
Total Liabilities	135,655,828	133,550,483	-	2,501	135,655,828	133,552,984
Deferred Inflows of Resources	7,310,919	1,652,794	-	-	7,310,919	1,652,794
Net Position:						
Net Investment in Capital Assets	12,656,485	12,621,702	170,451	168,056	12,826,936	12,789,758
Restricted	387,220	941,500	-	-	387,220	941,500
Unrestricted (Deficit)	(47,479,094)	(47,917,311)	566,791	624,938	(46,912,303)	(47,292,373)
Total Net Position (Deficit)	\$ (34,435,389)	\$ (34,354,109)	\$ 737,242	\$ 792,994	\$ (33,698,147)	\$ (33,561,115)

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 \$12,656,485 at the end of 2019 as shown in Table 1 above. Radnor Township uses these capital assets to provide infrastructure and facility improvements used to provide service to its 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Government-Wide Financial Analysis (continued)

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 other events. As reported on Table 1 above, the total business-type activities' net position at December 31, 2019 was \$737,242. The growth in net position since 2017 represents assets being transferred as part of the Township obligations under a lease agreement with the Willows Park Preserve. In 2018, the Board entered into an agreement with the Willows Park Preserve, a non-profit organization who exists for the sole purpose of renovating and operating the Willows mansion. The twenty-nine year agreement allows the Willows Park Preserve to take over the operation of the mansion in a similar capacity as the Township's role from the 1970's through 2010.

Table 2 highlights the Township's revenue and expenditures for the fiscal years ended December 31, 2019 and 2018. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

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

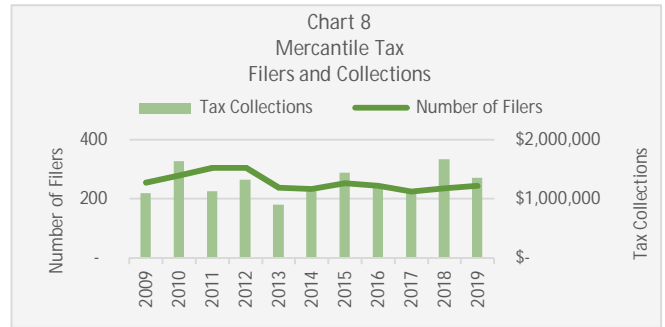
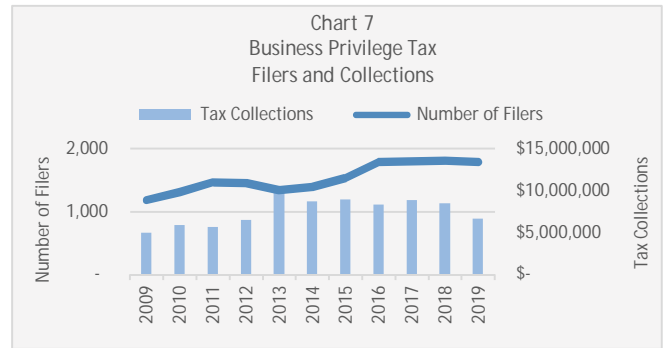
Table 2 - Township of Radnor's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue						
Program Revenues:						
Charges for Services	\$ 14,824,520	\$ 13,115,453	\$ -	\$ -	\$ 14,824,520	\$ 13,115,453
Operating Grants and Contributions	1,534,909	1,436,498	-	-	1,534,909	1,436,498
Capital Grants and Contributions	1,165,148	2,792,768	-	-	1,165,148	2,792,768
General Revenues:						
Real Estate Taxes	13,438,357	12,527,235	-	-	13,438,357	12,527,235
Taxes Levied Under Act 511	13,132,255	14,656,877	-	-	13,132,255	14,656,877
Investment Income	658,520	705,029	10,649	1,166	669,169	706,195
Total Revenues	44,753,709	45,233,860	10,649	1,166	44,764,358	45,235,026
Expenditures						
General Government	5,280,089	5,426,877	-	-	5,280,089	5,426,877
Protection to Persons and Property	16,376,945	16,669,973	-	-	16,376,945	16,669,973
Health and Sanitation	10,928,231	9,649,156	-	-	10,928,231	9,649,156
Highways	5,988,090	4,756,765	-	-	5,988,090	4,756,765
Library	992,524	928,360	-	-	992,524	928,360
Parks and Recreation	3,749,877	3,780,447	66,401	118,705	3,816,278	3,899,152
Interest on Long-Term Debt	1,519,233	1,917,169	-	-	1,519,233	1,917,169
Total Expenses	44,834,989	43,128,747	66,401	118,705	44,901,390	43,247,452
Changes in Net Position before Transfers	(81,280)	2,105,113	(55,752)	(117,539)	(137,032)	1,987,574
Transfers	-	(815,931)	-	815,931	-	-
Changes in Net Position	(81,280)	1,289,182	(55,752)	698,392	(137,032)	1,987,574
Net Position (Deficit) - Beginning	(34,354,109)	(35,643,291)	792,994	94,602	(33,561,115)	(35,548,689)
Net Position (Deficit) - Ending	\$ (34,435,389)	\$ (34,354,109)	\$ 737,242	\$ 792,994	\$ (33,698,147)	\$ (33,561,115)

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Government-Wide Financial Analysis (continued)

As shown in Table 2, the net position/(deficit) at December 31, 2019 decreased slightly from 2018 in the amount of \$137,032. In analyzing the historical trends in revenue, the Act 511 business tax revenue, primarily the Business Privilege and Mercantile Taxes, has been the largest source of governmental revenue since 2012, outpacing real estate taxes each year. In 2019, with the decline in the business tax revenue, the charges for services and real estate tax revenue has provided slightly more revenue than the Act 511, helping significantly to offset the decrease in the business taxes. Charges for services, which increased by \$1,709,067, or 13%, was due primarily to the Penn Medicine building project and redevelopment of a former industrial and office complex site. On the expenditure side, total expenses increased by \$1,653,938, or 4%. General Government expenditures decreased by \$146,788 or 4% and Protection to Persons and Property costs decreased by \$293,028, or 2%. Conversely, Health and Sanitation expenditures increased by \$1,279,075 or 13% with a significant part of the increase due to several emergency sewer repairs including Conestoga Road. Highway expenditures also increased by \$1,231,325 or 26% and primarily due to the 2018 and 2019 paving programs both completed in 2019.



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 revenue. Precisely put, net costs are costs that must be covered by local taxes, other general revenue, or transfers.

Table 3 - Governmental Activities

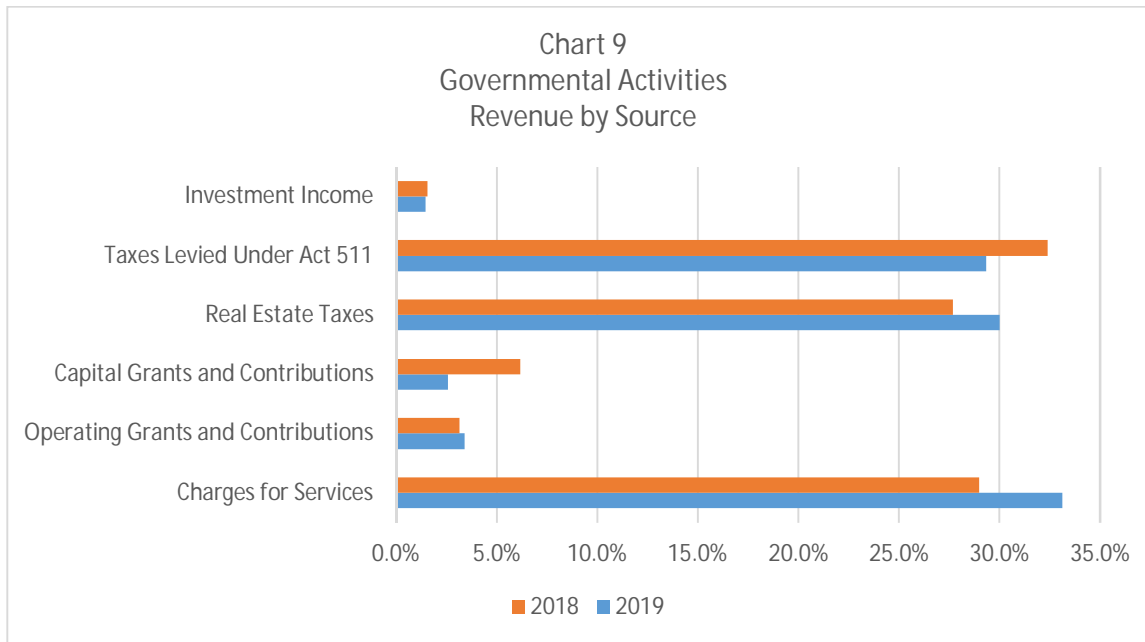
Programs	Total Cost of Services		Total Net Cost	
	2019	2018	2019	2018
General Government	\$ 5,280,089	\$ 5,426,877	\$ (1,511,680)	\$ (2,084,325)
Protection to Persons and Property	16,376,945	16,669,973	(11,176,940)	(12,831,311)
Health and Sanitation	10,928,231	9,649,156	(4,057,687)	(3,179,859)
Highways	5,988,090	4,756,765	(4,848,278)	(3,720,324)
Library	992,524	928,360	(992,524)	488,307
Parks and Recreation	3,749,877	3,780,447	(3,204,070)	(2,539,347)
Interest on Long-Term Debt	1,519,233	1,917,169	(1,519,233)	(1,917,169)
Total	\$ 44,834,989	\$ 43,128,747	\$ (27,310,412)	\$ (25,784,028)

TOWNSHIP OF RADNOR, PENNSYLVANIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2019

Governmental Activities (continued)

As discussed, with the modest increase in total expenses, offset by increases in certain revenue categories, the Township's net cost increased by \$1,526,384 in 2019. The net cost of services, which decreased from 66% in 2017 to 61% in 2018 remained stable at 61% of total cost of services in 2019. These percentages reflect that for every dollar spent to provide service, \$0.61 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. At the same time, the Township has mitigated the risk of its reliance on tax revenue by increasing fund balance requirements in the General Fund.

Finally, Chart 9 below compares the percentage of the total governmental activities' revenue allocated by each revenue type. Not surprisingly, the Township relies heavily on taxes levied under Local Enabling Act and real estate taxes, both of which represent 61%, as noted above. Chart 9 also shows the significance of the departmental revenue generated under charges for services. The year over year change is minimal from 2018 to 2019 across all types.



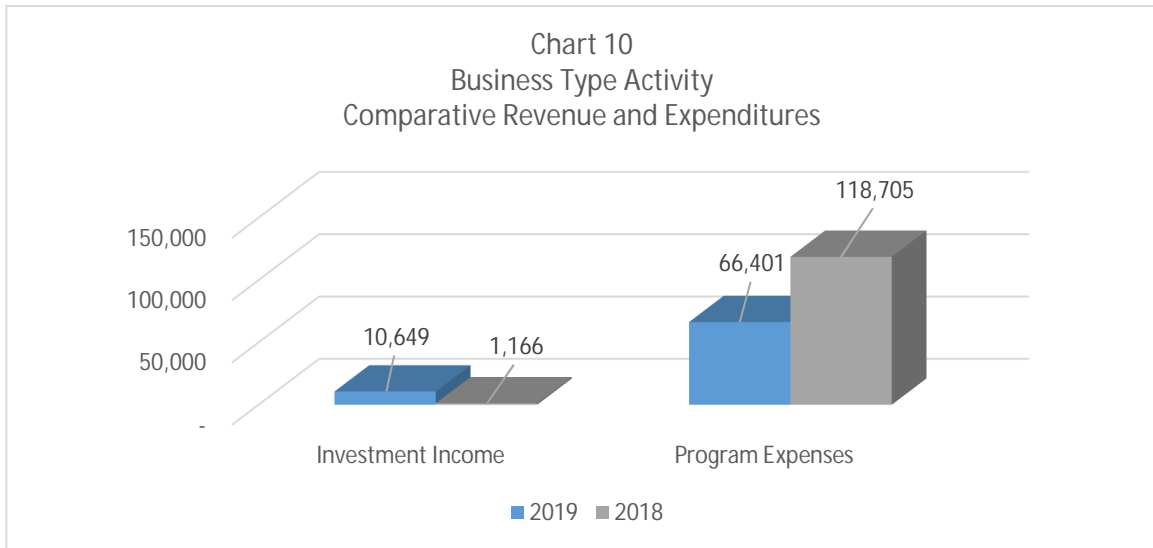
Business-Type Activities

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 \$66,401. No business-type revenue was generated again in 2019 as the Township has out-sourced the programming activity to a private non-profit organization. Instead, transfers [of cash] from government funds have provided the resources to pay for the minimal activity in the fund. In the long-term those transfers won't be necessary under the lease agreement. The graph below shows a comparison between the business-type activity expenditures and program revenue.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2019

Business-Type Activities (continued)

While not generating any programming revenue, business-type activities showed a decrease in net position of \$55,752. As noted earlier, the decrease in the net position results from the activity not producing any program revenue at this time, rather only investment income, while continuing to incur costs under an agreement with the Willows Park Preserve, in excess of the investment income. To address the long-term sustainability of the mansion, the Township has been evaluating outsourcing the programming. The business plan 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, the Township has entered into an agreement with a non-profit firm dedicated to renovating and operating the mansion going forward. In June 2018, an agreement was approved with the Willows Park Preserve which includes significant investment from both private donations and Township funds to restore the mansion followed by shifting operating activities to the Willows Park Preserve once the improvements are complete, at which point the Township will no longer have to pay for mansion costs.



Note that all revenue in both 2019 and 2018 came from investment earnings. The Willows did not generate any program income but did realize interest earnings from invested transfers.

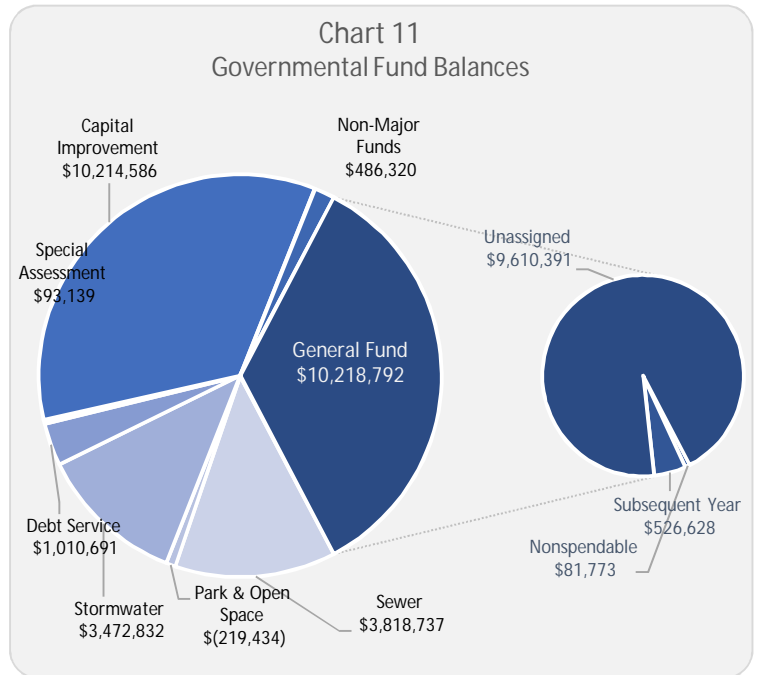
TOWNSHIP OF RADNOR, PENNSYLVANIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2019

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. For example, unassigned 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 2019, the governmental funds reported combined ending fund balances of \$29,095,663, an increase of \$7,788,083 from the prior year. The increase is primarily a result of the increases in the Capital Improvement Fund and the Sewer Fund from the restricted bond proceeds designated for specific capital improvements. Approximately 33% of this total amount or



or \$9,111,615 constitutes unassigned fund balance, which includes \$8,132,437 to comply with the General Fund's target fund balance policy of 15% and fund stabilization requirement of 10% of general fund expenditures. The next allocation of fund balance totals \$724,753 and is assigned for special assessment or other special revenue fund activity as well as encumbered activity in 2019 carried forward into 2020. The next allocation of fund balance is restricted by constitutional provisions, enabling legislation, or constraints imposed by external factors which totaled \$15,673,014 and includes fund balances in the Sewer Fund (\$3,803,575), Debt Service Fund (\$1,010,691), Capital Improvement Fund (\$10,214,586), Park Improvements and Open Space Fund (\$256,942) and State Liquid Fuels Fund (\$387,220). The next allocation of fund balance totaled \$3,489,346 and is committed by the Board of Commissioners through ordinances or resolutions and includes balances for recreation or park impact fee purposes (\$16,514) and storm water purposes (\$3,472,832). The remainder of the fund balance is \$96,935 and is nonspendable to pay for future legal or contractual obligations which include prepaid items.

The General Fund is the chief operating fund of the Township. It includes all 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 2019, the unassigned fund balance of the General Fund was \$9,610,391, an increase of \$1,589,116 over the 2018 balance of \$8,021,275. 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Financial Analysis of the Government's Funds (continued)

Governmental Funds (continued)

General Fund revenue increased by \$588,593 or 1.7%. Within the revenue types, there were mixed results. Real estate taxes were higher than the prior year as a result of the 6% rate increase and Radnor's strong real estate market and collections. As noted earlier in this report, taxes levied under the Local Tax Enabling Act decreased by \$1,753,762 or 12.7%. Alternatively, departmental earnings increased by \$208,195, or 14%. Similarly, license and permitting revenue increased by \$1,313,316, or 30% as mentioned earlier from the continued expansion of Villanova University's dormitory project and the redevelopment of the Penn Medicine site.

General Fund expenditures decreased slightly by \$110,995 or less than 1%. While this appears to be negligible, 2018 expenditures were higher than normal in part due to filling vacant positions and large one-time leave time payouts for police retirements. In 2019 the Township is realizing a full year of salary and benefit costs for new hires and the increased capital improvements expenses for the 2018 and 2019 paving programs, completed in 2019. Still, the Township continues to realize savings from a revamped civilian high-deductible health plan as employee benefit costs of \$2.8 million continue to be less than under the old program when expenses were \$3.2 million per year. Also, General Fund transfers to fund Township other obligations, including the Willows Park Preserve, have decreased from a high in 2018 of \$5.7 million down to \$4.6 million.

The Sewer Fund exists to account for the administration of the Township's sanitary sewer system. At December 31, 2019 the Sewer Fund had a total fund balance of \$3,818,737, an increase of \$2,899,255 over the prior year. The fund balance increase is a result of proceeds realized from notes and bonds issued of just over \$8 million less transfers out to the capital improvement fund for the intended projects and debt service funds. The fund does not have any unassigned balance remaining. Not the counting the bond and note proceeds, the sewer fund has generally declined as a result of the combination of lower than necessary sewer rent rates, increasing downstream costs, and lower than expected water consumption levels, which is the basis of the sewer rent fee. The Board of Commissioners is committed to developing a comprehensive, long-term plan to correct the fund's financial standing.

The Debt Service Fund houses the activity surrounding the issuance and payment of Township debt and had a fund balance of \$1,010,691 which is a slight increase of \$103,893, or approximately 1%. 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 2019 with a fund balance of \$93,139. 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 \$244,671.

The Park Improvements 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 2019 with a negative fund balance of \$219,434. That balance will continue to be covered by General Fund transfers in 2020, as budgeted by the Board with the adoption of the 2020 Budget. 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Financial Analysis of the Government's Funds (continued)

Governmental Funds (continued)

The real estate transfer revenue increased by \$229,140, or 25%. The planned voted millage has not been enacted by the Board of Commissioners. Instead, given the strong fund balance in the General Fund, the Board has elected to fund the shortfall in this fund with future General Fund transfers.

The Storm Water Management Fund was established in 2012 to account for the Township's ongoing storm water management and regulatory requirements. 2019 marked the sixth year that the Township billed for storm water management. The Storm Water Fund ended 2019 with a committed fund balance of \$3,472,832 with the Board of Commissioners focused on identifying priority projects. The shift from evaluating flooding areas to beginning projects continued through 2019 with over \$600,000 expended on capital projects.

The Capital Improvement Fund had a fund balance of \$10,214,586 as of December 31, 2019, an increase of \$5,556,086, more than doubling the fund balance from 2018. The increase is the result of both bond and note proceeds realized on 2019 borrowings less funds expended on the planned spend-down of bond proceeds from the Series 2016 General Obligation Bonds borrowed to fund park improvements and trail improvements.

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, the Schedule of Revenue, Expenditures and Changes in Fund Balance for the General Fund (Budgetary Basis) (page 79) shows that actual revenue fell short of expectations by just under \$1 million. Although total revenue was strong in the aggregate, in the category of taxes levied under local enabling act there was a sharp decrease in 2019 with revenue falling short of budget by \$2,293,270. As mentioned earlier, this shortfall was offset in part by higher than expected permitting revenue. Actual General Fund expenditures of \$29,956,847 came in under the final appropriation budget of \$32,529,746. The positive variance of \$2,572,899 was due to savings realized in the Highways category and Other category which includes insurance and employee benefit costs. In terms of General Fund budgeted revenue and expenditures, the favorable variance of \$1,625,411, is consistent with the understandings of the various major contributing factors discussed throughout this discussion and analysis.

Capital Asset and Debt Administration

Capital Assets - The Township's total investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$67,986,363 (net of accumulated depreciation). Capital assets increased by \$1,250,576, or 1.9% for governmental activities and increased by \$2,395, or 1.4% for business-type activities.

Major capital asset investments during fiscal year 2019 included infrastructure improvements, primarily road resurfacing projects, emergency sanitation sewer projects, traffic calming projects, and traffic signal improvement projects, which constituted 67% of all capital additions in 2019.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Capital Asset and Debt Administration (continued)

Capital Assets (continued)

Land improvements primarily are park projects completed and capitalized in 2019 and includes projects still in progress, representing 13% of the 2019 capital additions. Building improvements and machinery and equipment represent the remaining 20% of capitalized asset acquisitions in 2019.

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

Table 4 - Capital Assets

Programs	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 24,149,624	\$ 24,149,624	\$ -	\$ -	\$ 24,149,624	\$ 24,149,624
Land Improvements	6,146,368	5,491,721	-	-	6,146,368	5,491,721
Building and Improvement:	29,046,250	28,998,973	465,614	460,882	29,511,864	29,459,855
Machinery and Equipment	18,361,917	19,601,791	-	-	18,361,917	19,601,791
Infrastructure	29,069,696	25,705,317	-	-	29,069,696	25,705,317
Construction in Progress	621,722	870,930	91,084	91,084	712,806	962,014
Accumulated Depreciation	(39,579,665)	(38,253,020)	(386,247)	(383,910)	(39,965,912)	(38,636,930)
Total	\$ 67,815,912	\$ 66,565,336	\$ 170,451	\$ 168,056	\$ 67,986,363	\$ 66,733,392

Debt - As of December 31, 2019, the Township had outstanding general obligation bonds totaling \$62,898,205, an increase from the balance of 55,225,000 at December 31, 2018. In the current year, the Township issued bonds in the amount of \$4,165,000 for which the proceeds were used to refund the balance of the 2018 bonds. The Township also issued bonds in the amount of \$7,148,205 with the proceeds to be used for various building and road improvements and construction of various streetscapes, sidewalks and parks and trails. At the same time the Township paid \$3,020,000 in principal, excluding the refunding, and \$1,860,749 in interest on outstanding debt. Additional information about the Township's long-term debt can be found in Note 7 to the financial statements.

Table 5 - Outstanding Debt

	Governmental Activities		Business-Type Activities		Maturity
	2019	2018	2018	2017	
General Obligation Bonds	\$ 62,898,205	\$ 55,225,000	\$ -	\$ -	2026, 2028, 2034, 2035 2037, 2039, and 2043

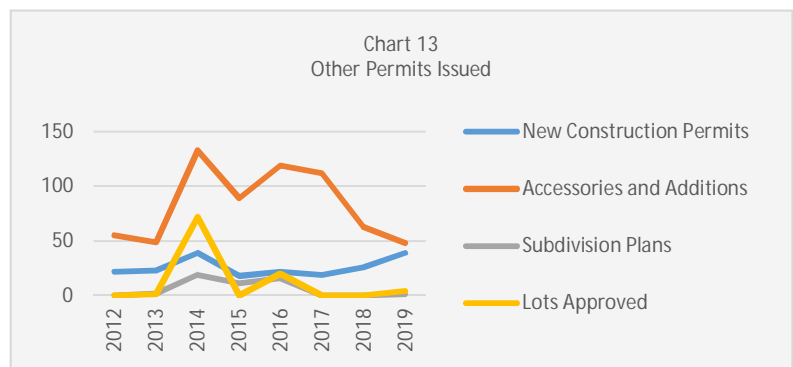
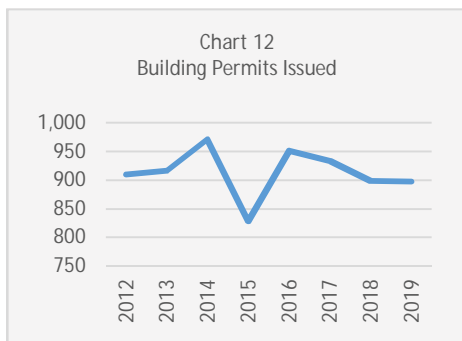
TOWNSHIP OF RADNOR, PENNSYLVANIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2019

Economic Factors and Major Initiatives

The Radnor Township economy continues to demonstrate a healthy combination of revitalization and commercial redevelopment coupled with healthy mix of retail businesses and professional organizations. Complemented with a solid foundation of real estate values, Radnor continues to be a community where individuals and families choose to live and work. As touched on throughout this report, there are indicators of economic health in Radnor Township, each of which highlights different aspects of the economy:

- Business Privilege and Mercantile Tax levied on the gross receipts of commercial and retail business activity has averaged just over \$10 million per year since 2010. Realizing significant growth since 2012 [post-recession], revenue grew from a low of just over \$7.1 million to a high of just over \$11 million, not counting a one-time \$8 million settlement from a business tax audit. Due in part to turnover in commercial office space of several large businesses, 2019 saw a dip in the business tax revenue down to \$7.9 million yet the number of tax filers has increased by 33% over the past ten years. Despite the drop in 2019, business taxes continued to provide a significant benefit to the residents of Radnor, allowing the Township to keep real estate tax rates lower than our neighbors but still offer the same level of exceptional services.
- Real Estate Transfer Tax levied as a fixed percent of the value of every real estate transaction has grown by 69% since 2012 from \$2,480,143 to \$4,181,527 in 2019. Further, transactional analysis shows that these revenue increases are the result of increased values *and* increased transactions, with 395 recorded real estate transfer transactions in 2019.
- Local Services Tax paid as a fixed amount by each employee working in Radnor Township has grown steadily since 2012 from \$702,954 to \$977,938 in 2019. This demonstrates an expanding work base despite the decrease in the economic indicators provided by the business privilege tax performance over the last two years.
- 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 revenue increased by 102% since 2012 from \$2,812,427 to \$5,675,237 in 2019. The annual permitting revenue has been strong in the past eight years, floating between \$3.5 and \$4.5 million per year and reaching a peak in 2019 of just over \$5.6 million.

Other permitting and plan data that serves as an indicator of the Radnor economy include the following:



TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Economic Factors and Major Initiatives (continued)

The Administration with the support of the Board of Commissioners continues to focus on the long-term financial health and well-being of the Township. With the onset of the COVID-19 pandemic earlier this year, the Board of Commissioners worked with the Administration and Emergency Management Team and moved quickly to support the adoption of safety protocols and relief measures for the employees, residents and businesses in the Township. Recognizing that the health, safety and welfare of all interested parties and constituents was priority one, the Administration and Board initiatives that followed, as outlined below, served to protect the health of the Township and minimize, where possible, the financial impacts of the pandemic on our community.

Date	Initiative	Summary
March 9	All Staff Meeting	Manager meets with all staff to discuss Township's efforts regarding the virus
March 12	Emergency Disaster Declaration	Emergency declaration signed by the President of the Board
March 13	Contingency Planning	Emergency Management Team and departments develop contingency plans for continuity of services in preparation of interruption or suspension of normal operations
March 16	Municipal Building Closure	Contingency plans implemented with office staff working from home and Police and Public Works modified schedules in place
March 19	Business Closure	Governor orders closure of all non-life sustaining businesses
March 25	Tax Payment Relief	Commissioners hold special meeting and adopt resolutions to extend tax payment deadlines for real estate taxes and business taxes to July 15
April 13	Extended Tax Payment Relief	Commissioners adopt resolution to further extend business tax filing and payment deadline to September 15 and provide for a reduction in the estimated tax prepayment
April 19	OEM Updated Protocols	OEM updates protocols for employees working in the Administration building
April 27	Soft Reopening	Administration building reopened to the public with 50% staffing while work at home continues as needed with full safety measures in place and all staff provided PPE equipment
June 29	Green Phase	Normal operations resume in Administration building

Despite the pandemic of 2020, 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 to improve the overall business activity of the Township.

Requests for Information

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

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 19,813,480	\$ 310,382	\$ 20,123,862
Investments	9,227,639	249,000	9,476,639
Receivables			
Real Estate Taxes, Net	351,227	-	351,227
Sewer Rents and Stormwater Fees	465,968	-	465,968
Special Assessments	244,671	-	244,671
Other	1,131,634	350	1,131,984
Prepaid Items	96,935	7,059	103,994
Loan Receivable (Due Beyond One Year)	830,000	-	830,000
Capital Assets			
Land and Construction in Progress	24,771,346	91,084	24,862,430
Other Capital Assets, Net of Depreciation	43,044,566	79,367	43,123,933
Total Capital Assets	<u>67,815,912</u>	<u>170,451</u>	<u>67,986,363</u>
Total Assets	<u>99,977,466</u>	<u>737,242</u>	<u>100,714,708</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	2,351,167	-	2,351,167
OPEB	2,789,332	-	2,789,332
Pensions	3,413,393	-	3,413,393
Total Deferred Outflows of Resources	<u>8,553,892</u>	<u>-</u>	<u>8,553,892</u>
Liabilities			
Accounts Payable and Accrued Liabilities	1,753,774	-	1,753,774
Accrued Interest Payable	512,746	-	512,746
Unearned Revenue	826,896	-	826,896
Noncurrent Liabilities:			
Due Within One Year	4,844,555	-	4,844,555
Due in More than One Year	64,176,154	-	64,176,154
Net Pension Liability	16,233,104	-	16,233,104
Net OPEB Liability	47,308,599	-	47,308,599
Total Liabilities	<u>135,655,828</u>	<u>-</u>	<u>135,655,828</u>
Deferred Inflows of Resources			
OPEB	2,988,196	-	2,988,196
Pensions	4,322,723	-	4,322,723
Total Deferred Inflows of Resources	<u>7,310,919</u>	<u>-</u>	<u>7,310,919</u>
Net Position			
Net Investment in Capital Assets	12,656,485	170,451	12,826,936
Restricted:			
Highways	387,220	-	387,220
Unrestricted (Deficit)	(47,479,094)	566,791	(46,912,303)
Total Net Position (Deficit)	<u>\$ (34,435,389)</u>	<u>\$ 737,242</u>	<u>\$ (33,698,147)</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

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	\$ 5,280,089	\$ 2,525,724	\$ 992,685	\$ 250,000	\$ (1,511,680)	\$ -	\$ (1,511,680)
Protection to Persons and Property	16,376,945	4,878,218	321,787	-	(11,176,940)	-	(11,176,940)
Health and Sanitation	10,928,231	6,870,544	-	-	(4,057,687)	-	(4,057,687)
Highways	5,988,090	4,227	220,437	915,148	(4,848,278)	-	(4,848,278)
Library	992,524	-	-	-	(992,524)	-	(992,524)
Parks and Recreation	3,749,877	545,807	-	-	(3,204,070)	-	(3,204,070)
Interest on Long-Term Debt	1,519,233	-	-	-	(1,519,233)	-	(1,519,233)
Total Governmental Activities	<u>44,834,989</u>	<u>14,824,520</u>	<u>1,534,909</u>	<u>1,165,148</u>	<u>(27,310,412)</u>	<u>-</u>	<u>(27,310,412)</u>
Business-Type Activities:							
Willows Fund	66,401	-	-	-	-	(66,401)	(66,401)
Total Business-Type Activities	<u>66,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,401)</u>	<u>(66,401)</u>
Total Primary Government	<u>\$ 44,901,390</u>	<u>\$ 14,824,520</u>	<u>\$ 1,534,909</u>	<u>\$ 1,165,148</u>	<u>(27,310,412)</u>	<u>(66,401)</u>	<u>(27,376,813)</u>
General revenues:							
Taxes:							
Real Estate					13,438,357	-	13,438,357
Taxes Levied under Local Tax Enabling Act:							
Real Estate Transfer					4,181,527	-	4,181,527
Mercantile					1,354,330	-	1,354,330
Business Privilege					6,602,570	-	6,602,570
Emergency and Municipal Services					977,938	-	977,938
Amusement					15,890	-	15,890
Interest and Rents					703,703	10,649	714,352
Loss on disposal of capital assets					(45,183)	-	(45,183)
Total general revenues					<u>27,229,132</u>	<u>10,649</u>	<u>27,239,781</u>
Change in Net Position					(81,280)	(55,752)	(137,032)
Net Position (Deficit), Beginning of Year					(34,354,109)	792,994	(33,561,115)
Net Position (Deficit), Ending					<u>\$ (34,435,389)</u>	<u>\$ 737,242</u>	<u>\$ (33,698,147)</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Major Funds							Nonmajor Governmental Funds	Total Governmental Funds
	General	Sewer	Park Improvements and Open Space	Storm Water	Debt Service	Special Assessment	Capital Improvement		
Assets									
Cash and Cash Equivalents	\$ 3,083,064	\$ 3,434,887	\$ 215,893	\$ 1,181,463	\$ 180,691	\$ 88,139	\$ 11,120,423	\$ 508,920	\$ 19,813,480
Investments	6,303,294	501,345	-	2,325,000	-	-	98,000	-	9,227,639
Receivables, Net:									
Real Estate Taxes	351,227	-	-	-	-	-	-	-	351,227
Sewer Rents and Stormwater Fees	-	403,569	-	62,399	-	-	-	-	465,968
Special Assessments	-	-	-	-	-	244,671	-	-	244,671
Other	960,425	-	169,673	220	-	-	1,316	-	1,131,634
Prepaid Items	81,773	15,162	-	-	-	-	-	-	96,935
Due from Other Funds	605,000	-	-	-	-	-	22,400	-	627,400
Loans Receivable	-	-	-	-	830,000	-	-	-	830,000
Total Assets	\$ 11,384,783	\$ 4,354,963	\$ 385,566	\$ 3,569,082	\$ 1,010,691	\$ 332,810	\$ 11,242,139	\$ 508,920	\$ 32,788,954
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts Payable and Accrued Liabilities	\$ 661,791	\$ 145,405	\$ -	\$ 33,851	\$ -	\$ -	\$ 912,527	\$ 200	\$ 1,753,774
Due to Other Funds	-	-	605,000	-	-	-	-	22,400	627,400
Unearned Revenues	258,650	390,821	-	62,399	-	-	115,026	-	826,896
Total Liabilities	920,441	536,226	605,000	96,250	-	-	1,027,553	22,600	3,208,070
Deferred Inflows of Resources									
Unavailable Revenues	245,550	-	-	-	-	239,671	-	-	485,221
Total Deferred Inflows of Resources	245,550	-	-	-	-	239,671	-	-	485,221
Fund Balance									
Nonspendable	81,773	15,162	-	-	-	-	-	-	96,935
Restricted for:									
Sewer	-	3,803,575	-	-	-	-	-	-	3,803,575
Debt Service	-	-	-	-	1,010,691	-	-	-	1,010,691
Capital Improvement	-	-	-	-	-	-	10,214,586	-	10,214,586
Park Improvements and Open Space	-	-	256,942	-	-	-	-	-	256,942
State Liquid Fuels Tax	-	-	-	-	-	-	-	387,220	387,220
Committed									
Recreation Fee	-	-	-	-	-	-	-	16,514	16,514
Storm Water	-	-	-	3,472,832	-	-	-	-	3,472,832
Assigned									
Subsequent Year Budget	526,628	-	-	-	-	30,339	-	58,825	615,792
Other	-	-	-	-	-	62,800	-	46,161	108,961
Unassigned									
Target 15% Fund Balance Reserve	4,879,462	-	-	-	-	-	-	-	4,879,462
Fund Balance Stabilization 10% Requirement	3,252,975	-	-	-	-	-	-	-	3,252,975
Other	1,477,954	-	(476,376)	-	-	-	-	(22,400)	979,178
Total Fund Balances (Deficit)	10,218,792	3,818,737	(219,434)	3,472,832	1,010,691	93,139	10,214,586	486,320	29,095,663
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,384,783	\$ 4,354,963	\$ 385,566	\$ 3,569,082	\$ 1,010,691	\$ 332,810	\$ 11,242,139	\$ 508,920	\$ 32,788,954

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
DECEMBER 31, 2019

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

Total Governmental Fund Balances	\$	29,095,663
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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		107,395,577
Accumulated Depreciation		(39,579,665)
		67,815,912

Other Long-Term Receivables are not Available to Pay for Current-Period Expenditures and, therefore, are Deferred in the Funds.		485,221
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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		2,351,167
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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		(3,646,696)
Capital Lease		(1,154,770)
Deferred Outflows of Resources - Pension		3,413,393
Deferred Outflows of Resources - OPEB		2,789,332
Deferred Inflows of Resources - Pension		(4,322,723)
Deferred Inflows of Resources - OPEB		(2,988,196)
Net OPEB Liability		(47,308,599)
Net Pension Liability		(16,233,104)
Accrued Interest Payable		(512,746)
General Obligation Bonds Payable		(64,219,243)
		(134,183,352)

Net Position (Deficit) of Governmental Activities	\$	(34,435,389)
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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
YEAR ENDED DECEMBER 31, 2019

	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	\$ 13,335,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,335,783
Taxes Levied under Local Tax Enabling Act:									
Real Estate Transfer	3,050,752	-	1,130,775	-	-	-	-	-	4,181,527
Mercantile	1,354,330	-	-	-	-	-	-	-	1,354,330
Business Privilege	6,602,570	-	-	-	-	-	-	-	6,602,570
Local Services	977,938	-	-	-	-	-	-	-	977,938
Amusement	15,890	-	-	-	-	-	-	-	15,890
Licenses and Permits	5,675,237	-	-	-	-	-	-	-	5,675,237
Fines, Forfeits and Costs	422,305	-	-	-	-	-	-	9,921	432,226
Interest and Rents	382,292	77,536	2,495	73,748	30,909	2,838	120,908	12,977	703,703
Grants and Gifts	1,534,909	-	-	-	-	-	507,705	944,368	2,986,982
Departmental Earnings	1,645,959	5,533,124	-	1,078,377	-	4,724	-	-	8,262,184
Refunds and Miscellaneous	109,823	19,792	-	653	-	-	37,680	-	167,948
Total Revenues	35,107,788	5,630,452	1,133,270	1,152,778	30,909	7,562	666,293	967,266	44,696,318
Expenditures:									
Current									
General Government	3,047,655	-	-	4,609	-	-	523,073	-	3,575,337
Protection to Persons and Property	12,077,045	-	-	-	-	-	38,297	-	12,115,342
Health and Sanitation	3,235,477	5,472,348	-	1,242,558	-	-	10,360	-	9,960,743
Highways	3,427,702	-	-	-	-	-	894,520	97,583	4,419,805
Library	970,327	-	-	-	-	-	22,197	-	992,524
Parks and Recreation	2,579,408	-	-	-	-	-	425,663	99,570	3,104,641
Miscellaneous									
Employee Benefits	2,864,941	-	-	-	-	-	-	-	2,864,941
OPEB Trust Contributions	1,259,209	-	-	-	-	-	-	-	1,259,209
Insurance	212,158	-	-	-	-	-	-	-	212,158
Other	240,299	-	-	-	-	-	-	-	240,299
Capital Outlay	140,937	239,193	-	635,086	-	-	2,366,585	1,381,783	4,763,584
Debt Service									
Principal Retirement	-	-	-	-	7,185,000	-	-	-	7,185,000
Interest	-	-	-	-	1,860,749	-	-	-	1,860,749
Bond Issue Costs	-	-	-	-	-	-	95,725	-	95,725
Total Expenditures	30,055,158	5,711,541	-	1,882,253	9,045,749	-	4,376,420	1,578,936	52,650,057
Excess of Revenues over (under) Expenditures	5,052,630	(81,089)	1,133,270	(729,475)	(9,014,840)	7,562	(3,710,127)	(611,670)	(7,953,739)
Other Financing Sources (Uses):									
Proceeds from Note Issuance	-	3,545,000	-	-	-	-	-	-	3,545,000
Proceeds from Refunding Bond Issuance	-	4,165,000	-	-	-	-	7,148,205	-	11,313,205
Premium on Bond Issuance	-	302,573	-	-	-	-	253,929	-	556,502
Capital Lease Acquisition	-	-	-	-	-	-	327,115	-	327,115
Transfers In	29,480	-	180,000	-	9,118,733	-	1,536,964	25,000	10,890,177
Transfers Out	(4,571,569)	(5,032,229)	(1,056,328)	-	-	(44,664)	-	(185,387)	(10,890,177)
Total Other Financing Sources (Uses)	(4,542,089)	2,980,344	(876,328)	-	9,118,733	(44,664)	9,266,213	(160,387)	15,741,822
Net Changes in Fund Balances	510,541	2,899,255	256,942	(729,475)	103,893	(37,102)	5,556,086	(772,057)	7,788,083
Fund Balances (Deficit) - Beginning	9,708,251	919,482	(476,376)	4,202,307	906,798	130,241	4,658,500	1,258,377	21,307,580
Fund Balances (Deficit) - Ending	\$ 10,218,792	\$ 3,818,737	\$ (219,434)	\$ 3,472,832	\$ 1,010,691	\$ 93,139	\$ 10,214,586	\$ 486,320	\$ 29,095,663

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 OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net changes in fund balances - total governmental funds	<u>\$ 7,788,083</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 Capital Outlay exceeds Depreciation in the Current Period:	
Capital Outlay	4,763,584
Depreciation Expense	(3,467,825)
Loss on Disposal of Capital Assets	(45,183)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.	102,574
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 Proceeds of Issuance exceeding the Principal Payments.	
	(7,673,205)
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	(79,835)
Change in Deferred Charge on Refunding	324,111
Change in Compensated Absences:	
General Government	10,996
Protection to Persons and Property	(228,929)
Health and Sanitation	27,230
Highways	(20,469)
Parks and Recreation	(24,196)
	(235,368)
Change in OPEB Obligation:	
General Government	(134,787)
Protection to Persons and Property	(725,990)
Health and Sanitation	(196,974)
Highways	(145,953)
Parks and Recreation	(156,177)
	(1,359,881)
Change in Pension Benefit Expense:	
General Government	49,147
Protection to Persons and Property	(79,845)
Health and Sanitation	71,822
Highways	53,219
Parks and Recreation	56,947
	151,290
Change in Capital Lease Obligation:	109,637
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>(459,262)</u>
Change in net position of governmental activities	<u>\$ (81,280)</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2019

	Business-Type Activities
	Willows
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 310,382
Investments	249,000
Prepaid Expenses	7,059
Accounts Receivable	350
Total Current Assets	566,791
Noncurrent Assets	
Capital Assets	
Construction In Progress	91,084
Buildings and Improvements	465,614
Less Accumulated Depreciation	(386,247)
Total Noncurrent Assets	170,451
Total Assets	737,242
Net Position	
Investment in Capital Assets	170,451
Unrestricted	566,791
Total Net Position	\$ 737,242

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Business-Type Activities Willows
Operating Revenues	
Charges for Service	\$ -
Total Operating Revenues	-
Operating Expenses	
Operations	64,064
Depreciation	2,337
Total Operating Expenses	66,401
Operating Loss	(66,401)
Nonoperating Revenues	
Investment Income	10,649
Total Nonoperating Revenues	10,649
Change in Net Position	(55,752)
Net Position - Beginning of Year	792,994
Net Position - End of Year	\$ 737,242

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, 2019

	Business-Type Activities Willows
Cash Flows from Operating Activities	
Payments to Suppliers	\$ (68,265)
Net Cash Used in Operating Activities	(68,265)
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Property and Equipment	(4,732)
Net Cash Used in Capital and Related Financing Activities	(4,732)
Cash Flows from Investing Activities	
Maturities of Certificates of Deposit	249,000
Interest Received	10,649
Net Cash Provided by Investing Activities	259,649
Increase (Decrease) in Cash and Cash Equivalents	186,652
Cash and Cash Equivalents - Beginning of Year	123,730
Cash and Cash Equivalents - End of Year	\$ 310,382
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (66,401)
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation	2,337
Change in Assets and Liabilities	
Prepaid Expenses	(1,350)
Accounts Receivable	(350)
Accounts Payable	(2,501)
Net Cash Used in Operating Activities	\$ (68,265)

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2019

	Component Unit Trust Funds	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 4,481,042	\$ 2,729,309
Investments:		
Equity Mutual Funds	37,934,971	-
Fixed Income Mutual Funds	27,375,822	-
International Mutual Funds	6,350,681	-
Certificates of Deposit	628,000	-
Life Insurance Cash Surrender Value	1,406,701	-
Receivables:		
Accrued Interest	45,780	-
Total assets	78,222,997	2,729,309
Liabilities:		
Accounts Payable	49,809	-
Total Liabilities	49,809	-
Net position:		
Net Position Restricted for Pensions	70,003,727	-
Net Position Restricted for OPEB	8,169,461	-
Net Position Restricted for Individuals and Other Organizations	-	2,729,309
Total Net Position	\$ 78,173,188	\$ 2,729,309

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Component Unit	
	Trust Funds	Custodial Funds
Additions:		
Contributions:		
Commonwealth of Pennsylvania	\$ 788,557	\$ -
Employer	5,111,751	-
Members	477,803	-
Total contributions	6,378,111	-
Investment Earnings:		
Net Investment Gain	10,202,048	-
Interest Earnings	1,801,748	8,441
Investment Expense	(17,988)	-
Net investment earnings	11,985,808	8,441
Other Additions:		
Miscellaneous	55,161	772,315
Total Other Additions	55,161	772,315
Total additions	18,419,080	780,756
Deductions:		
Benefits	6,182,954	-
Refund of Contributions	86,618	-
Administrative Expenses	223,722	-
Refunds	-	1,580,866
Total deductions	6,493,294	1,580,866
Change in net position	11,925,786	(800,110)
Net Position:		
Net Position Restricted for Pensions, beginning of year	59,216,048	-
Net Position Restricted for OPEB, beginning of year	7,031,354	-
Net Position Restricted for Individuals and Other Organizations, beginning of year	-	3,529,419
Total beginning net position, as restated (Note 16)	66,247,402	3,529,419
Net Position Restricted for Pensions, end of year	70,003,727	-
Net Position Restricted for OPEB, end of year	8,169,461	-
Net Position Restricted for Individuals and Other Organizations, end of year	-	2,729,309
Total ending net position	\$ 78,173,188	\$ 2,729,309

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 12 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 (CONTINUED)
DECEMBER 31, 2019

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, \$8 Million Settlement Fund, Department of Justice Equitable Sharing Fund, and Police K-9 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* – 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* – 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 (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

- *Special Assessment Fund* – 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, General Obligation 2019 Fund, and Park & Trail Improvement Fund in the Capital Improvement 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 the 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 to Administrative Code Chapter 263. Any revenues collected will be a dedicated source of funds to be used for planting trees.

- The Trail Grant Fund is 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 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 (CONTINUED)
DECEMBER 31, 2019

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 solicits 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:

- *Component Unit Trust Funds* – Account for Township and employee pension and OPEB plan contributions and provide for the payment of retirement and other postemployment benefits.
- *Custodial Funds* – The Township's Custodial Fund includes the Escrow Fund. Custodial Funds account for Developer Fees held by the Township and are custodial in nature.

Fiduciary Component Units

The Township's Employee Police and Civilian Pension Plans and OPEB Plan (the "Plans") were established to provide retirement, disability, death benefits, and health insurance benefits to eligible retirees of the Township. The Plans are included in the financial reporting entity as fiduciary component units because the Plans are (1) considered to be a separate legal entities, (2) the Township Board of Commissioners function as the governing board of the plans, and (3) the plans impose a financial burden on the Township as it is legally obligated to make contributions to the Plans.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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 pensions, other postemployment benefits, compensated absences, and claims and judgments, are recorded only when payment is due or matured.

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

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

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 fund 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Improvement, Special Assessments, Storm Water, Debt Service, and Park Improvements and Open Space Funds. Budgets for each of these Funds are prepared on the modified accrual basis of accounting. Debt service revenues, primarily real estate taxes dedicated for debt retirement, are included in the General Fund budget and debt service expenditures are included in the budget of the individual fund responsible for debt retirement.
- At least 90 days before the end of each fiscal year, the Township Manager is required to submit to the Board a minimum 3-year capital improvement plan (a five-year capital plan has been submitted since 1994).
- At least 60 days before the end of each fiscal year, the Township Manager is required to submit to the Board a proposed operating budget for the next fiscal year, comprising the funds listed above. The proposed budget must be accompanied by a budget message; and contain 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- The Township Manager and Chief Financial Officer may transfer part or all of any unexpended appropriation balance among programs within a given department without further approval by the Board. The Board approves by ordinance any transfer of unused appropriations from one function to another function.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

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

Investments

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

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

Interfund Transactions

In connection with financing its operations, the Township conducts interfund transactions. Accordingly, to the extent that certain interfund transactions have not been paid or received as of the end of the year, 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 Expenses/Expenditures

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

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

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

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 three line items that qualify for reporting in this category that are reported in the government-wide statement of net position: deferred charge on refunding, pensions, and OPEB. 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 and OPEB are described further in Note 8 and Note 9. 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 and OPEB investments.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and balance sheet – governmental funds report 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 two line items that qualify for reporting in this category on the statement of net position; pensions and OPEB. The Township has certain items that qualify for reporting in this category on the balance sheet – governmental funds including the unavailable revenues related to real estate tax, business privilege tax and special assessments that are reported as deferred inflows of resources

Long-Term Obligations

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

Bond Discounts and Premiums

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

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 Fund. 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Real Estate Taxes

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

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

Local Enabling Taxes

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

Unearned Revenues

In the governmental fund financial statements, unearned revenues 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:

Nonspendable – 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Unassigned – Residual net resources. If after the annual audit, prior committed or assigned fund balances cause 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 balances 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.

Net Position

Net position represents 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. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements require governments to recognize a liability and an expense under the accrual basis for annual required other postemployment benefits contributions, regardless of amounts paid.

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 of resources, liabilities and deferred inflows of resources 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

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.

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, 2019 totaling \$110,507,027 are classified in the fund balance sheets/statements of net position as follows:

	Cash and Cash Equivalents	Investments	Total
General Fund	\$ 3,083,064	\$ 6,303,294	\$ 9,386,358
Special Revenue Funds			
Sewer Fund	3,434,887	501,345	3,936,232
Park Improvements and Open Space	215,893	-	215,893
Storm Water	1,181,463	2,325,000	3,506,463
Debt Service Fund	180,691	-	180,691
Capital Projects Funds			
Capital Improvement Fund	11,120,423	98,000	11,218,423
Special Assessment Fund	88,139	-	88,139
Nonmajor Governmental Fund	508,920	-	508,920
Enterprise Fund	310,382	249,000	559,382
Fiduciary Funds	7,210,351	73,696,175	80,906,526
Total	<u>\$ 27,334,213</u>	<u>\$ 83,172,814</u>	<u>\$ 110,507,027</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's deposit policy for custodial credit risk is to have uninsured deposits collateralized, pursuant to Pennsylvania Act 72 of 1971, as amended. As of December 31, 2019, the Township's deposits with a carrying value of \$27,334,213 and bank balances of \$27,464,575 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000
Uninsured, Collateral Held by Pledging Bank's Trust Department pursuant to Act 72, but not in the Township's Name (A)	27,214,575
Total Deposits	<u>\$ 27,464,575</u>

(A) This figure excludes petty cash.

Investments

Investments held as of December 31, 2019 are as follows:

Governmental Funds:

Negotiable Certificates of Deposit	\$ 6,701,000
U.S. Governmental Agencies	2,440,000
PLGIT	86,639
	<u>9,227,639</u>

Business-Type Funds:

Negotiable Certificates of Deposit	249,000
	<u>249,000</u>

Trust Funds:

Money Funds (1)	1,885,037
Negotiable Certificates of Deposit	628,000
Fixed Income Funds	27,375,822
International Mutual Funds	6,350,681
Equity Mutual Funds	37,934,971
Life Insurance Cash Surrender Value	1,406,701
	<u>75,581,212</u>
	<u>\$ 85,057,851</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

The Township categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Township has ability to access.

Level 2 – Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in active markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Township has the following recurring fair value measurements as of December 31, 2019:

	12/31/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Fixed Income Mutual Funds	\$ 27,375,822	\$ 27,375,822	\$ -	\$ -
U.S. Government Agencies	2,440,000	2,440,000	-	-
Total debt securities	<u>29,815,822</u>	<u>29,815,822</u>	<u>-</u>	<u>-</u>
Equity securities				
Other mutual funds	44,372,291	44,372,291	-	-
Negotiable Certificate of Deposit	7,578,000	7,578,000	-	-
Total equity securities	<u>51,950,291</u>	<u>51,950,291</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 81,766,113</u>	<u>\$ 81,766,113</u>	<u>\$ -</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Participation in External Investment Pools.

The Pennsylvania Local Government Investment Trust (PLGIT) I-Class is a 2a7-like pool. The Township's investment in PLGIT is reported at amortized cost, which approximates fair value. The Township has no regulatory oversight for the pool, which is governed by the Board of Trustees and is administered by PFM Asset Management, LLC. The pool is audited annually by Ernst & Young, LLP. The pool is rated AAAM by Standard & Poor's. PLGIT issues separate financial statements available at www.plgit.com.

Restrictions on Qualified Investment Pool Withdrawals. The Township is limited to two withdrawals per calendar month from the PLGIT account.

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, 2019, 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, and certificates of deposit are as follows:

	Average Maturities (in years)					Total
	Less than 1	1-5	6-10	11-15	More than 15	
U.S Government Agencies	\$ 250,000	\$ -	\$ 850,000	\$ 1,340,000	\$ -	\$ 2,440,000
Fixed Income Funds	-	-	27,375,822	-	-	27,375,822
Certificates of Deposit	2,391,000	2,957,000	1,730,000	500,000	-	7,578,000
Total	\$ 2,641,000	\$ 2,957,000	\$ 29,955,822	\$ 1,840,000	\$ -	\$ 37,393,822

There were no investments in U.S. Government Agencies subject to be called in 2019.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
U.S Government Agencies	\$ 2,440,000	AAA
Fixed Income Funds	23,507,627	AA
Fixed Income Funds	3,868,195	A

Concentration of Credit Risk – Investments

The Township’s Investment Policy over the police and civilian employee pension plans and other postemployment 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 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% or more of the Township’s governmental activities investments are in Federal Home Loan Bank and Federal National Mortgage Association. These investments are 12%, and 6%, respectively, of the Township’s governmental activities investments.

More than 5% of the Township’s General Fund investments are in Federal Home Loan Bank and Federal National Mortgage Association. These investments are 18% and 9%, respectively, of the Township’s General Fund investments.

More than 5% of the Township’s Storm Water Fund investments are in Federal Home Loan Bank. These investments are 11% of the Township’s Storm Water Fund investments.

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 3 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances result from the time lag between the dates that (1) interfund 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, 2019:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 605,000	\$ -
Special Revenue Fund		
Park Improvements and Open Space Fund	-	605,000
Capital Improvements Fund	22,400	-
Nonmajor Governmental Funds	-	22,400
Total	\$ 627,400	\$ 627,400

The following is a schedule of transfers as included in the basic financial statements of the Township as of December 31, 2019:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 29,480	\$ 4,571,569
Special Revenue Fund		
Sewer Fund	-	5,032,229
Park Improvements and Open Space Fund	180,000	1,056,328
Special Assessment Fund	-	44,664
Debt Service Fund	9,118,733	-
Recreation Fee Fund	-	150,000
Shade Tree Fund	25,000	-
Trail Grant Fund	-	35,387
Capital Improvements Fund	1,536,964	-
Total	10,890,177	10,890,177

Transfers from the general fund are used to move unrestricted revenues 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, (2) for debt service payments made out of the debt service fund, and (3) to fund various capital projects of the Township. The Township's sewer fund, park improvements and open space fund, special assessment fund, and nonmajor governmental funds transferred funds for debt service payments made out of the debt service fund.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	<u>2018 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2019 Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 24,149,624	\$ -	\$ -	\$ 24,149,624
Construction in Progress	870,930	-	249,208	621,722
Total Capital Assets not being Depreciated	<u>25,020,554</u>	<u>-</u>	<u>249,208</u>	<u>24,771,346</u>
Capital Assets, being Depreciated:				
Land Improvements	5,491,721	654,647	-	6,146,368
Buildings	28,998,973	47,277	-	29,046,250
Machinery and Equipment	19,601,791	946,489	2,186,363	18,361,917
Infrastructure	<u>25,705,317</u>	<u>3,364,379</u>	<u>-</u>	<u>29,069,696</u>
Total Capital Assets being Depreciated	<u>79,797,802</u>	<u>5,012,792</u>	<u>2,186,363</u>	<u>82,624,231</u>
Less Accumulated Depreciation for:				
Land Improvements	2,374,847	233,989	-	2,608,836
Buildings	8,820,833	992,907	-	9,813,740
Machinery and Equipment	15,435,788	1,224,823	2,141,180	14,519,431
Infrastructure	<u>11,621,552</u>	<u>1,016,106</u>	<u>-</u>	<u>12,637,658</u>
Total Accumulated Depreciation	<u>38,253,020</u>	<u>3,467,825</u>	<u>2,141,180</u>	<u>39,579,665</u>
Total Capital Assets being Depreciated, Net	<u>41,544,782</u>	<u>1,544,967</u>	<u>45,183</u>	<u>43,044,566</u>
Governmental Activities Capital Assets, Net	<u>\$ 66,565,336</u>	<u>\$ 1,544,967</u>	<u>\$ 294,391</u>	<u>\$ 67,815,912</u>
	<u>2018 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2019 Balance</u>
Business Type Activities				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 91,084	\$ -	\$ -	\$ 91,084
Total Capital Assets not being Depreciated	<u>91,084</u>	<u>-</u>	<u>-</u>	<u>91,084</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	<u>460,882</u>	<u>4,732</u>	<u>-</u>	<u>465,614</u>
Total Capital Assets being Depreciated	<u>460,882</u>	<u>4,732</u>	<u>-</u>	<u>465,614</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	<u>383,910</u>	<u>2,337</u>	<u>-</u>	<u>386,247</u>
Total Accumulated Depreciation	<u>383,910</u>	<u>2,337</u>	<u>-</u>	<u>386,247</u>
Total Capital Assets being Depreciated, Net	<u>76,972</u>	<u>2,395</u>	<u>-</u>	<u>79,367</u>
Business Type Activities Capital Assets, Net	<u>\$ 168,056</u>	<u>\$ 2,395</u>	<u>\$ -</u>	<u>\$ 170,451</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions / programs as follows:

Governmental Activities	
General Government	\$ 1,272,009
Protection to Persons and Property	229,659
Health and Sanitation	177,304
Highways	1,396,091
Parks and Recreation	<u>392,762</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 3,467,825</u>
Business-Type Activities	
Willow Fund	<u>\$ 2,337</u>
Total Depreciation Expense, Business-Type Activities	<u>\$ 2,337</u>

NOTE 5 LOAN RECEIVABLE

The following is a summary of loans receivable at December 31, 2019:

Wayne Art Center	<u>\$ 830,000</u>
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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 extending through 2034. Principal payments are due annually on July 15, beginning in 2020.

Since the loan receivable represents assets that are not available for current spending, a restricted fund balance that includes the outstanding loan balance of \$830,000 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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 2024.

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

Cost	\$ 2,907,473
Accumulated Depreciation	1,531,121
Total	<u>\$ 1,376,352</u>

The future minimum lease payments under the capital leases and the net present value of future minimum capital lease payments at December 31, 2019 are as follows:

Year Ending December 31,	
2020	\$ 460,939
2021	348,576
2022	219,917
2023	113,174
2024	70,844
Total Minimum Lease Payments	<u>1,213,450</u>
Less: Amount Representing Interest	58,680
Present Value of Minimum Lease Payments	<u>\$ 1,154,770</u>

NOTE 7 LONG-TERM DEBT

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

In 2013, the Township incurred \$3,860,000 of federally taxable non-electoral debt and \$14,350,000 of tax-exempt non-electoral debt through the issuance of General Obligation Notes Series 2013A and 2013B, respectively. The 2013A Note was issued to finance the payment of a termination payment pursuant to the terms of the Interest Rate Management Agreement related to the 2004 Bonds (the "Swap Agreement") with Lehman Brothers Special Financing, Inc. as a result of Swap Agreement by the Township and the payment of costs of issuing the 2013A Notes. The 2013B Note was issued to finance the advance refunding of a portion of the Township's General Obligation Bonds, Series of 2004 and the payment of the costs of issuing the 2013B Notes. The Township 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

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 7 LONG-TERM DEBT (CONTINUED)

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 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 2.00% to 3.00%, being paid semi-annually, May 1 and November 1.

In 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.

In February 2016 the Township issued \$5,765,000 of General Obligation Bonds, Series 2016. The proceeds of the bonds will be used to finance upgrades and improvements to parks and trails located throughout the Township. The Bond is dated February 23, 2016 and has a maturity of December 31, 2035 with interest rates ranging from 2% to 3%, being paid semi-annually, June 15 and December 15.

In December 2018 the Township issued \$4,545,000 of General Obligation Note, Series 2018. This Note is issued for the purpose of financing various capital projects and to pay the cost of issuing the Note. Through December 31, 2019, the Township has drawn down the remaining \$3,545,000, and refunded the Note.

In 2019, the Township issued General Obligation Bonds, Series of 2019 in the amount of \$4,165,000. The proceeds were used to currently refund the outstanding General Obligation Note, Series 2018 in the amount of \$4,165,000. The Bond is dated August 23, 2019 and has a maturity date of April 1, 2028 with interest rates ranging from 2% to 4%, being paid semi-annually, April 1 and October 1. As a result of the refunding transaction the Township incurred \$95,725 in issuance costs and resulted in an estimated cash flows savings of \$247,813 and an estimated economic gain of \$249,235.

In 2019, the Township issued General Obligation Bonds, Series A of 2019 in the amount of \$7,148,205. The proceeds will be used to finance capital projects, including construction of and improvements to various Township buildings, roads, streetscape, sidewalks, parks and trails. The Bond is dated August 30, 2019 and has a maturity of April 1, 2039 with interest rates ranging from 2% to 4%, being paid semi-annually on April 1 and October 1.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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, 2019	2019 Additions	2019 Reductions	Balance December 31, 2019	Due Within One Year
Governmental Activities:							
General Obligations							
2012 Issue - 1.50% - 4.00%	2037	\$ 16,360,000	\$ 16,160,000	\$ -	\$ (35,000)	\$ 16,125,000	\$ 35,000
2013 Issue - .607% - 4.00%	2034	18,210,000	15,545,000	-	(1,195,000)	14,350,000	735,000
2014 Issue - 2.00% - 4.00%	2043	9,885,000	9,160,000	-	(255,000)	8,905,000	260,000
2015 Issue - 2.00% - 3.00%	2026	4,965,000	3,365,000	-	(390,000)	2,975,000	395,000
2015 A Issue - .75% - 4.00%	2035	5,275,000	4,955,000	-	(525,000)	4,430,000	550,000
2016 Issue - 2.00% - 3.00%	2035	5,765,000	5,040,000	-	(240,000)	4,800,000	250,000
2018 Issue - 3.25%	2028	4,545,000	1,000,000	3,545,000	(4,545,000)	-	-
2019 Issue - 2.00% - 4.00%	2028	4,165,000		4,165,000	-	4,165,000	390,000
2019 A Issue - 2.00% - 4.00%	2039	7,148,205		7,148,205	-	7,148,205	245,000
Add/Less Deferred Amounts							
For Issuance Discount/Premium			861,776	556,502	(97,240)	1,321,038	-
Total General Obligation Debt			56,086,776	15,414,707	(7,282,240)	64,219,243	2,860,000
Capital Lease Obligations			1,264,407	327,115	(436,752)	1,154,770	438,214
Compensated Absences			3,411,328	275,730	(40,362)	3,646,696	1,546,341
Total Governmental Activities			<u>\$ 60,762,511</u>	<u>\$ 16,017,552</u>	<u>\$ (7,759,354)</u>	<u>\$ 69,020,709</u>	<u>\$ 4,844,555</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, 2019, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the "Act") was approximately \$100,008,000 for non-electoral debt. After deducting the non-electoral debt outstanding of \$51,013,204, the Township's remaining borrowing capacity as of December 31, 2019, was approximately \$48,994,796 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 (CONTINUED)
 DECEMBER 31, 2019

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 capital lease obligations and compensated absences:

	General Obligation		Total
	Principal	Interest	
2020	\$ 2,860,000	\$ 2,006,963	\$ 4,866,963
2021	2,995,000	1,988,766	4,983,766
2022	3,080,000	1,897,001	4,977,001
2023	3,180,000	1,803,911	4,983,911
2024	3,275,000	1,707,062	4,982,062
2025-2029	16,415,000	7,110,320	23,525,320
2030-2034	16,995,000	4,450,688	21,445,688
2035-2039	12,048,205	1,383,706	13,431,911
2040-2043	2,050,000	194,956	2,244,956
Total	<u>\$ 62,898,205</u>	<u>\$ 22,543,373</u>	<u>\$ 85,441,578</u>

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. 99-28 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 is 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 Pennsylvania Department of Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2019.

The following table provides information concerning types of covered employees and benefit provisions for each of the Township's Plans, from the January 1, 2019 actuarial valuations:

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

	Civilian	Police
	All Regular Full-Time Employees, Excluding Sworn Police Officers	All Regular, Full-Time Sworn Police Officers
Covered Employees		
Number of Covered Active Employees	61	44
Number of Persons Receiving Benefits: Inactive Employees currently receiving benefits	61	55
Inactive Employees Vested but not Receiving Benefits	16	-
Current Annual Covered Payroll	\$5,262,943	\$5,067,215
Required Employee Contributions	5% of Eligible Salary	3% of Eligible Salary if hired prior to January 1, 2013 and 5% if hired on or after January 1, 2013.
Normal Retirement Date	Age 62 and 5 years of service	Age 50 and 25 years of service; if hired prior to January 1, 2007, age 60 and 20 years of service.
Retirement Benefit	A monthly benefit payable for life 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 actuarial 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 (CONTINUED)
DECEMBER 31, 2019

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. These contributions are governed by the Plans' governing ordinances and collective bargaining agreements. 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, 2019, was as follows:

Changes in the Net Pension Liability (Civilian)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	* \$ 38,749,962	\$ 28,368,894	\$ 10,381,068
Changes for the Year:			
Service Cost	634,982	-	634,982
Interest	2,733,375	-	2,733,375
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(770,389)	-	(770,389)
Changes of assumptions	-	-	-
Contributions - employer	-	1,587,000	(1,587,000)
Contributions - employee	-	271,134	(271,134)
Net investment income	-	5,184,451	(5,184,451)
Benefit payments and refunds of employee contributions	(1,858,165)	(1,858,165)	-
Administrative expense	-	(84,449)	84,449
Other changes	-	21,462	(21,462)
Net changes	739,803	5,121,433	(4,381,630)
Balance at 12/31/2019	\$ 39,489,765	\$ 33,490,327	\$ 5,999,438

* Values at 12/31/2018 were increased \$21,462 to reflect a change in benefit payment accrual

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

Changes in the Net Pension Liability (Police)	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	* \$ 44,752,617	\$ 30,847,154	\$ 13,905,463
Changes for the Year:			
Service Cost	913,217	-	913,217
Interest	3,253,376	-	3,253,376
Changes of benefit terms	-	-	-
Differences between expected and actual experience	541,311	-	541,311
Changes of assumptions	-	-	-
Contributions - employer	-	2,455,000	(2,455,000)
Contributions - employee	-	206,669	(206,669)
Net investment income	-	5,779,879	(5,779,879)
Benefit payments and refunds of employee contributions	(2,713,455)	(2,713,455)	-
Administrative expense	-	(95,546)	95,546
Other changes	-	33,699	(33,699)
Net changes	<u>1,994,449</u>	<u>5,666,246</u>	<u>(3,671,797)</u>
Balance at 12/31/2019	<u>\$ 46,747,066</u>	<u>\$ 36,513,400</u>	<u>\$ 10,233,666</u>

* Values at 12/31/2018 were increased \$33,699 to reflect a change in benefit payment accrual

The total pension liability was determined by an actuarial valuation as of January 1, 2019 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 Plans and reasonable future expectation which is the best estimate of anticipated experience under the Plans. A recent actuarial experience study was not performed.

Inflation:	2.75%
Salary Increases (Civilian):	5.0% including inflation
Salary Increases (Police):	5.0% including inflation, with an additional increase of 30% in the final year of employment if hired prior to January 1, 2013, or an additional increase of 5% in the final year of employment if hired on or after January 1, 2013.
Mortality (Civilian):	RP-2014 Mortality Table. Rates are projected to improve with rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.
Mortality (Police):	RP-2014 Mortality Table, with rates set forward 5 years for disabled lives. Mortality improvement based on the Long-Range Demographic Assumptions for the SSA's Trustee Report.
Expected Long-Term Rate of Return:	7.25%, (applied to all periods) net of investment expenses not funded though the MMO, including inflation

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability (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 plans' target asset allocation as of the December 31, 2019 measurement date are as follows:

Asset Class	Estimated Long-term Rates of Return
Equities	5.0% - 7.0%
Fixed Income	1.0% - 3.0%
Cash and Cash Equivalents	0.0% -1.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the plan will continue to be funded based on the MMO in accordance with Act 205. Based on those assumptions, the pension Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments 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 7.25%, as well as what each Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%), or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability - Civilian Pension Plan	\$ 10,463,508	\$ 5,999,438	\$ 2,189,163
Net Pension Liability - Police Pension Plan	15,800,336	10,233,666	5,600,640

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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. 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, 2019:

Asset Class	Minimum	Maximum
Equities - Domestic	27.5%	37.5%
Equities - International	13.0%	23.0%
Fixed Income	36.5%	46.5%
Real Estate	0.0%	8.0%
Cash Equivalents	0.0%	10.0%

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The plans place no limit on the amount that may be invested in any one issuer.

At December 31, 2019, the Plans 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 Plans' Fiduciary 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 2019 was 18.56% and 18.97% for the Civilian and Police Pension Plans, respectively. For plan year 2018, the money-weighted rate of return was (4.65%) and (4.79%) 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended December 31, 2019, the Township recognized pension expense of \$3,890,710. At December 31, 2019, 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>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,726	\$ 1,396,915
Changes in assumptions	1,443,883	-
Net difference between projected and actual earnings on pension plan investments	-	1,106,115
Total	<u>\$ 1,488,609</u>	<u>\$ 2,503,030</u>

Police Pension Plan

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 680,023	\$ 490,993
Changes in assumptions	1,244,761	-
Net difference between projected and actual earnings on pension plan investments	-	1,328,700
Total	<u>\$ 1,924,784</u>	<u>\$ 1,819,693</u>
Aggregate Total	<u>\$ 3,413,393</u>	<u>\$ 4,322,723</u>

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

	<u>Police</u>	<u>Civilian</u>
Year ending December 31,		
2020	\$ 287,119	\$ (141,577)
2021	(35,380)	(215,732)
2022	366,310	140,622
2023	(631,369)	(703,125)
2024	84,580	(94,609)
Thereafter	33,831	-

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Plan Description

The Township contributes to a single employer defined benefit plan to eligible retirees for health insurance benefits. The plan is reported as the OPEB Reserve Component Unit Trust Fund in the accompanying financial statements, and does not issue stand-alone statements.

Plan Administration

The plan is governed by the Radnor Township Board of Commissioners which may amend plan provisions, and is responsible for the management of plan assets. The Board has retained PFM Advisors as an investment counselor, who will assist the Board in the selection of various money managers.

Plan Membership

At December 31, 2019, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	89
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	103
Total	192

Benefits Provided

The Township provides postemployment health care benefits (including 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 postemployment health care benefits receive the same level of benefits in retirement that they were eligible for as active employees.

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 postemployment life insurance benefits are recognized as expenditures when due in the governmental fund financial statement. In 2019, there were no expenditures recognized for postemployment life insurance benefits.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONTINUED)

Contributions

All employees are required to contribute 7% of the total premium. Police retirees who were hired before January 1, 2013 are not required to pay any portion of the premium for the benefits provided. Police retirees who were hired on or after January 1, 2013 will contribute an amount capped at the flat dollar amount the office was required to pay at the time of retirement. Civilian retirees hired between January 1, 2007 and December 31, 2013 shall pay premiums equal to the same rate as active employees hired between January 1, 2007 and December 31, 2013 are required to pay. The contributions are governed by the plan's governing ordinances and collective bargaining agreements. Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the plan and funded through plan earnings.

Investments

The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners. It is the policy of the Board of Commissioners to pursue an investment strategy that reduces risk through diversification of the portfolio by investing in several mutual funds. The following is the plan's target asset allocation as of December 31, 2019:

Asset Class	Minimum	Maximum
Equities - Domestic	27.5%	37.5%
Equities - International	13.0%	23.0%
Fixed Income	36.5%	46.5%
Real Estate	0.0%	8.0%
Cash Equivalents	0.0%	10.0%

For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 19.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note 2 to the financial statements for additional details on the plan's investments.

Net OPEB Liability

The components of the net OPEB liability of the plan at December 31, 2019, were as follows:

Total OPEB Liability	\$ 55,478,060
Plan fiduciary net position	<u>8,169,461</u>
Township's net OPEB liability	<u>\$ 47,308,599</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>14.73%</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019 and update procedures were used to roll forward the plan's total net OPEB liability to December 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.75%
Salary Increases:	2.75%, average, including inflation
Investment Rate of Return:	4.25%, net of OPEB plan investment expense, including inflation
Long-Term Expected Rate of Return	6.25%
Healthcare Cost Trend Rates:	
Medical/Vision	(3.00%) for Police and Civilian increasing to 5.00% in 2026 and beyond
Prescription Drugs	(3.00%) for Police and Civilian increasing to 5.00% in 2026 and beyond
Dental	(3.00%) for Police and Civilian increasing to 3.00% in 2026 and beyond
Mortality:	RP-2014 Mortality Table Adjustment and rates set forward 5 years for disabled lives. (Police) RP-2014 Mortality Table (Civilian)

The actuarial assumptions used in the January 1, 2019 valuation were based on historical results, as a recent experience study was not completed.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) 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 rates of return for each major asset class included in the target asset allocation as of January 1, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity	6.0%
Fixed Income	2.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the plan's total OPEB liability was 4.25%. This is a single rate that reflects the long-term expected rate of return on assets expected to be available to finance projected benefits, and the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher applied to projected benefits thereafter. Based on the observed funding policy, the OPEB Plan's fiduciary net position is projected to be available to fund 18 years of future benefit payments.

Changes in the Net OPEB Liability:

Changes in the Township's net OPEB liability for the plan for the year ended December 31, 2019 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2018	\$ 53,773,057	\$ 7,031,354	\$ 46,741,703
Changes for the Year:			
Service Cost	1,347,907	-	1,347,907
Interest	2,297,896	-	2,297,896
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(3,479,616)	-	(3,479,616)
Changes of assumptions	3,296,483	-	3,296,483
Contributions - employer	-	1,858,308	(1,858,308)
Contributions - employee	-	-	-
Net investment income	-	1,039,466	(1,039,466)
Benefit payments	(1,757,667)	(1,757,667)	-
Administrative expense	-	(2,000)	2,000
Other changes	-	-	-
Net changes	1,705,003	1,138,107	566,896
Balance at 12/31/2019	\$ 55,478,060	\$ 8,169,461	\$ 47,308,599

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 3.25%	Current Discount Rate 4.25%	1% Increase 5.25%
Net OPEB Liability	\$ 57,094,539	\$ 47,308,599	\$ 39,593,667

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or 1-percentage-point lower than the current healthcare cost trend rates:

	1% Decrease (-4.0% increasing to 4.0%)	Current Trend Rates (-3.0% increasing to 5.0%)	1% Increase (-2.0% increasing to 6.0%)
Net OPEB Liability	\$ 39,395,965	\$ 47,308,599	\$ 57,569,025

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended December 31, 2019, the Township recognized OPEB expense of \$3,218,189. At December 31, 2019, the Township reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,944,290
Changes in assumptions	2,789,332	-
Net difference between projected and actual earnings on OPEB plan investments	-	43,906
Total	\$ 2,789,332	\$ 2,988,196

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

Year ending June 30:	
2020	\$ (2,019)
2021	(2,019)
2022	(2,018)
2023	(150,550)
2024	(28,175)
Thereafter	(14,083)
Total	\$ (198,864)

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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 2019, 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 coverages 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, 2019, the Township accumulated \$910,386 in stabilization credits of which \$332,176 was earned in the current year. The Township chose to utilize \$564,605 of their available credits to offset 2019 premium increases.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

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 2019, the Township paid the RHM Sewer Authority \$3,713,458 from the Township's Sewer Fund.

Summarized financial information for the RHM Sewer Authority as of December 31, 2018 and for the year then ended (the most recently available information) is shown below:

Cash and Investments	\$ 11,241,808
Receivables	265,577
Plant in Service	602,057
Other Assets	1,151,598
Total Assets	<u>\$ 13,261,040</u>
Liabilities	<u>\$ 3,878,158</u>
Equity	<u>9,382,882</u>
Total Liabilities and Equity	<u>\$ 13,261,040</u>
Total Revenues	<u>\$ 9,100,062</u>
Total Expenses	<u>\$ 8,230,925</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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

Under an agreement 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 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, 2019.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to address the accounting and financial reporting for certain asset retirement obligations (AROs). The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2018. The adoption of Statement No. 83 had no impact on the Township's financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial purposes and how those activities should be reported. The adoption of this statement changed the presentation of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as well as resulted in restatement of the custodial funds net position (See Note 16).

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The adoption of Statement No. 88 had no impact on the Township's financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The adoption of Statement No. 90 had no impact on the Township's financial statements.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The provisions of this statement are effective immediately. The Township did not delay the adoption of GASB 84 as allowed by GASB 95.

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

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Township is required to adopt statement No. 87 for its calendar year 2022 financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this Statement are effective for financial statements in periods beginning after December 15, 2020. The Township has not yet completed the process of evaluating the impact on GASB 89 on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021. The Township has not yet completed the process of evaluating the impact on GASB 91 on its financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021. The Township has not yet completed the process of evaluating the impact on GASB 92 on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021. The Township has not yet completed the process of evaluating the impact on GASB 93 on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The provisions of this Statement are effective for reporting periods beginning after June 15, 2022. The Township has not yet completed the process of evaluating the impact on GASB 94 on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The provisions of this Statement are effective for reporting periods beginning after June 15, 2022. The Township has not yet completed the process of evaluating the impact of GASB 96 on its financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021. The Township has not yet completed the process of evaluating the impact of GASB 96 on its financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 15 COMBINING PENSION AND OPEB TRUST FUNDS

The following is a combining schedule of Fiduciary Net Position and Fiduciary Changes in Net Position for the Township's Pension and OPEB Trust Funds:

	Pension Trust Funds				
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	Total Trust Fund
Assets					
Cash and Cash Equivalents	\$ 1,782,967	\$ 1,885,562	\$ 3,668,529	\$ 812,513	\$ 4,481,042
Investments	34,739,309	31,622,661	66,361,970	5,927,504	72,289,474
Life Insurance Cash Value	-	-	-	1,406,701	1,406,701
Receivables	18,450	2,566	21,016	24,764	45,780
Total Assets	36,540,726	33,510,789	70,051,515	8,171,482	78,222,997
Liabilities					
Accounts Payable	27,326	20,462	47,788	2,021	49,809
Total Liabilities	27,326	20,462	47,788	2,021	49,809
Net Position					
Net Position Restricted for Pensions	36,513,400	33,490,327	70,003,727	-	70,003,727
Net Position Restricted for OPEB	-	-	-	8,169,461	8,169,461
Total Fund Balances	\$ 36,513,400	\$ 33,490,327	\$ 70,003,727	\$ 8,169,461	\$ 78,173,188
Fiduciary Changes in Net Position					
Pension Trust Funds					
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	Total Trust Fund
Additions:					
Contributions:					
Commonwealth of Pennsylvania Employer	\$ 450,604	\$ 337,953	\$ 788,557	\$ -	\$ 788,557
Members	2,004,396	1,249,047	3,253,443	1,858,308	5,111,751
Total contributions	206,669	271,134	477,803	-	477,803
	2,661,669	1,858,134	4,519,803	1,858,308	6,378,111
Investment Earning (Losses):					
Investment Gain (Loss)	4,933,956	4,415,745	9,349,701	852,347	10,202,048
Interest Earnings	845,923	768,706	1,614,629	187,119	1,801,748
Investment Expense	(8,444)	(7,544)	(15,988)	(2,000)	(17,988)
Net Investment Earnings (Losses)	5,771,435	5,176,907	10,948,342	1,037,466	11,985,808
Other Additions:					
Miscellaneous	33,699	21,462	55,161	-	55,161
Total Other Additions	33,699	21,462	55,161	-	55,161
Total Additions	8,466,803	7,056,503	15,523,306	2,895,774	18,419,080
Deductions:					
Benefit Payments	2,631,812	1,854,069	4,485,881	1,697,073	6,182,954
Refund of Contributions	81,643	4,096	85,739	879	86,618
Administrative Expenses	87,102	76,905	164,007	59,715	223,722
Total Deductions	2,800,557	1,935,070	4,735,627	1,757,667	6,493,294
Changes in Plan Net Position	5,666,246	5,121,433	10,787,679	1,138,107	11,925,786
Net Position Restricted for Pension and OPEB Benefits:					
Beginning of Year	30,847,154	28,368,894	59,216,048	7,031,354	66,247,402
End of Year	\$ 36,513,400	\$ 33,490,327	\$ 70,003,727	\$ 8,169,461	\$ 78,173,188

TOWNSHIP OF RADNOR, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 16 RESTATEMENT OF NET POSITION

The following restatement was necessary to reflect the adoption of the provisions of GASB Statement No. 84, *Fiduciary Activities* in which the Township changed its presentation of custodial funds in its fiduciary fund financial statements.

	Custodial Funds
Net Position, as previously stated	\$ -
Understatement due to previously classified as an agency fund	3,529,419
Net Position, as restated	\$ 3,529,419

NOTE 17 SUBSEQUENT EVENTS

In February 2020, the Township issued General Obligation Bonds, Series of 2020 in the amount of \$9,145,000. The proceeds of the bond issuance will be to currently refund the Township's outstanding General Obligation Bonds, Series of 2014 and to pay the costs of issuing the bonds.

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of the Township's operations. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, State and Federal tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by local municipalities to fund specific projects. In addition, the Township's own source revenue or derived revenues could be affected negatively. Overall, decreased funding could result in the Township having to curtail or eliminate some services.

The Township has evaluated all subsequent events through the report issue date of July 31, 2020.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS -
 POLICE AND CIVILIAN PENSION PLANS
 10 YEARS ENDED DECEMBER 31, 2019

Police Pension Plan

Valuation Date	Actuarially Determined Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Payroll	Contributions Recognized by Plan as a % of Covered Employee Payroll
2019	\$ 2,455,000	\$ 2,455,000	\$ -	\$ 5,067,215	48.4%
2018	2,440,000	2,440,042	(42)	5,204,052	46.9%
2017	2,322,459	2,322,459	-	5,127,356	45.3%
2016	2,292,575	2,292,575	-	5,045,453	45.4%
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%

Civilian Pension Plan

Valuation Date	Actuarially Determined Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Payroll	Contributions Recognized by Plan as a % of Covered Employee Payroll
2019	\$ 1,587,000	\$ 1,587,000	\$ -	\$ 5,262,943	30.2%
2018	1,580,000	1,580,042	(42)	5,359,596	29.5%
2017	1,852,440	1,852,440	-	5,615,678	33.0%
2016	1,845,031	1,845,031	-	5,499,334	33.6%
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%

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, 2019
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	8 year aggregate (Civilian); 9 years aggregate (Police)
Asset valuation method	4-year smoothing
Inflation	2.75%
Salary increases (Civilian)	5.0% including inflation (Civilian), 5.0% including inflation
Salary increases (Police)	5.0% including inflation, with an additional increase of 30% in the final year of employment if hired prior to January 1, 2013, or an additional increase of 5% in the final year of employment if hired on or after January 1, 2013.
Investment rate of return	7.25% net of investment expenses not funded through the MMO, and including inflation

TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS -
 POLICE AND CIVILIAN PENSION PLANS
 10 YEARS ENDED DECEMBER 31, 2019

Mortality (Civilian)	RP-2014 Mortality Table. Rates are projected to improve with rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.
Mortality (Police)	RP-2014 Mortality Table, with rates set forward 5 years for disabled lives. Mortality improvement based on the Long-Range Demographic Assumptions for the SSA's Trustee Report.
Change in Assumptions	<p>Effective January 1, 2009 the maximum cap on the AVA was increased 130% per Act 44.</p> <p>Effective January 1, 2011 the interest rate was lowered from 8.0% to 7.5%, salary scale was lowered to 5.0% with 20% increase in last year of pay, mortality assumption was updated and retirement rates were introduced, and pre-retirement load was eliminated.</p> <p>Effective January 1, 2015 the rates of disability incidence was 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.</p> <p>Effective January 1, 2017 the inflation lowered to 2.75%; interest rate lowered from 7.50% to 7.25%; mortality assumption updated to RP-2014 mortality improvement based on the Social Security Administration's 2015 Demographic Assumptions; extended retirement rates from 100% at age 56 to 100% at age 60, salary increase assumption increased from 20% to 30% in the final year of employment if hired prior to January 1, 2013 and decreased from 20% to 5% in the final year of employment if hired on or after January 1, 2013.</p>
Changes to Benefits	<p>Effective January 1, 2009 the service increment was increased from \$100 for completion of 26 years or more to an additional \$100 for service in excess of 25 year to a maximum increment of \$500.</p> <p>Effective January 1, 2013 the Collective Bargaining Agreement eliminated the killed-in-service benefits and increased the contribution rate to 5% for all participants hired after 1/1/2013.</p>

Notes to Schedule

* Actuarial valuation not performed during this period, as such information is not available.

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

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

	Police	Civilian
2019	18.97%	18.56%
2018	-4.79%	-4.65%
2017	14.96%	14.54%
2016	6.14%	5.96%
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 six years are presented.

TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION -
 POLICE PENSION PLAN - SCHEDULE OF CHANGES IN THE EMPLOYER'S
 NET PENSION LIABILITY AND RELATED RATIOS

	Police				
	2019 *	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 913,217	\$ 904,801	\$ 895,831	\$ 802,246	\$ 764,044
Interest	3,253,376	3,108,530	2,997,932	2,876,638	2,777,216
Changes of Benefit Terms	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	541,311	-	(998,914)	-	1,339,767
Assumptions Changes	-	-	2,478,529	-	159,012
Benefit Payments, Including Refunds of Employee Contributions	(2,713,455)	(2,488,244)	(2,270,060)	(2,242,068)	(2,265,169)
Net change in Total Pension Liability	<u>1,994,449</u>	<u>1,525,087</u>	<u>3,103,318</u>	<u>1,436,816</u>	<u>2,774,870</u>
Total Pension Liability - Beginning	44,752,617	43,193,831	40,090,513	38,653,697	35,878,827
Total Pension Liability - Ending (a)	<u>\$ 46,747,066</u>	<u>\$ 44,718,918</u>	<u>\$ 43,193,831</u>	<u>\$ 40,090,513</u>	<u>\$ 38,653,697</u>
Plan Fiduciary Net Position					
Contributions - Employer and State Aid	\$ 2,455,000	\$ 2,440,042	\$ 2,322,459	\$ 2,292,575	\$ 2,190,861
Contributions - Member	206,669	192,062	135,856	165,078	149,817
Net Investment Income	5,779,879	(1,534,509)	4,148,892	1,618,766	(16,863)
Benefit Payments	(2,713,455)	(2,488,244)	(2,270,060)	(2,242,068)	(2,265,169)
Administrative Expense	(95,546)	(73,235)	(74,649)	(75,281)	(79,079)
Miscellaneous	33,699	-	10,029	250	250
Net Change in Plan Fiduciary Position	<u>5,666,246</u>	<u>(1,463,884)</u>	<u>4,272,527</u>	<u>1,759,320</u>	<u>(20,183)</u>
Plan Fiduciary Net Position - Beginning	30,847,154	32,311,038	28,038,511	26,279,191	26,299,374
Plan Fiduciary Net Position - Ending (b)	<u>\$ 36,513,400</u>	<u>\$ 30,847,154</u>	<u>\$ 32,311,038</u>	<u>\$ 28,038,511</u>	<u>\$ 26,279,191</u>
Net Pension Liability (a) - (b)	<u>\$ 10,233,666</u>	<u>\$ 13,871,764</u>	<u>\$ 10,882,793</u>	<u>\$ 12,052,002</u>	<u>\$ 12,374,506</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.1%	69.0%	74.8%	69.9%	68.0%
Covered Payroll	\$ 5,067,215	\$ 5,204,052	\$ 5,127,356	\$ 5,045,453	\$ 4,593,099
Net Pension Liability as a Percentage of Covered Payroll	202.0%	266.6%	212.2%	238.9%	269.4%

Notes to schedule

Assumption changes:

Inflation lowered from 3.0% to 2.75%; interest rate lowered from 7.5% to 7.25%; mortality assumption updated from RP-2000 Combined Healthy mortality with Blue Collar adj. and 75% Scale AA to RP-2014 mortality and mortality improvement based on the Social Security Administration's 2015 Demographic Assumptions; extended retirement rates from 100% at age 56 to 100% at age 60, salary increase assumption increased from 20% to 30% in the final year of employment if hired prior to January 1, 2013 and decreased from 20% to 5% in the final year of employment if hired on or after January 1, 2013.

*Values at December 31, 2018 were increased by \$33,699 to reflect change in benefit payment accrual

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 -
 CIVILIAN PENSION PLAN - SCHEDULE OF CHANGES IN THE EMPLOYER'S
 NET PENSION LIABILITY AND RELATED RATIOS

	Civilian				
	2019 *	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 634,982	\$ 645,327	\$ 632,230	\$ 639,178	\$ 694,479
Interest	2,733,375	2,678,666	2,577,028	2,466,118	2,360,239
Changes of Benefit Terms	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	(770,389)	-	(1,454,118)	-	146,376
Assumptions Changes	-	-	2,756,503	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,858,165)	(1,763,700)	(1,875,268)	(1,602,731)	(1,573,218)
Net change in Total Pension Liability	<u>739,803</u>	<u>1,560,293</u>	<u>2,636,375</u>	<u>1,502,565</u>	<u>1,627,876</u>
Total Pension Liability - Beginning	<u>38,749,962</u>	<u>37,168,207</u>	<u>34,531,832</u>	<u>33,029,267</u>	<u>31,401,391</u>
Total Pension Liability - Ending (a)	<u>\$ 39,489,765</u>	<u>\$ 38,728,500</u>	<u>\$ 37,168,207</u>	<u>\$ 34,531,832</u>	<u>\$ 33,029,267</u>
Plan Fiduciary Net Position					
Contributions - Employer and State Aid	\$ 1,587,000	\$ 1,580,042	\$ 1,852,440	\$ 1,845,031	\$ 2,020,351
Contributions - Member	271,134	276,577	285,314	293,274	291,807
Net Investment Income	5,184,451	(1,356,672)	3,708,161	1,429,380	(9,292)
Benefit Payments	(1,858,165)	(1,763,700)	(1,875,268)	(1,602,731)	(1,573,218)
Administrative Expense	(84,449)	(64,889)	(67,076)	(65,649)	(70,039)
Refund of Member Contributions	-	-	16	250	250
Miscellaneous	21,462	-	-	-	-
Net Change in Plan Fiduciary Position	<u>5,121,433</u>	<u>(1,328,642)</u>	<u>3,903,587</u>	<u>1,899,555</u>	<u>659,859</u>
Plan Fiduciary Net Position - Beginning	<u>28,368,894</u>	<u>29,697,536</u>	<u>25,793,949</u>	<u>23,894,394</u>	<u>23,234,535</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,490,327</u>	<u>\$ 28,368,894</u>	<u>\$ 29,697,536</u>	<u>\$ 25,793,949</u>	<u>\$ 23,894,394</u>
Net Pension Liability (a) - (b)	<u>\$ 5,999,438</u>	<u>\$ 10,359,606</u>	<u>\$ 7,470,671</u>	<u>\$ 8,737,883</u>	<u>\$ 9,134,873</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.8%	73.3%	79.9%	74.7%	72.3%
Covered Payroll	\$ 5,262,943	\$ 5,359,596	\$ 5,615,678	\$ 5,499,334	\$ 5,864,834
Net Pension Liability as a Percentage of Covered Payroll	114.0%	193.3%	133.0%	158.9%	155.8%

Notes to schedule

Assumption changes:

Inflation lowered from 3.0% to 2.75%; interest rate lowered from 7.5% to 7.25%; mortality assumption updated from RP-2000 Combined Healthy mortality with Blue Collar adjustment and 75% Scale AA to RP-2014 mortality and mortality improvement based on the Social Security Administration's 2015 Demographic Assumptions.

* Values at December 31, 2018 were increased by \$21,462 to reflect change in benefit payment accrual

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 CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 LAST 10 YEARS

	2019	2018	2017
Total OPEB Liability			
Service Cost	\$ 1,347,907	\$ 1,211,553	\$ 1,179,127
Interest	2,297,896	2,600,445	2,496,102
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(3,479,616)	-	-
Changes of Assumptions	3,296,483	-	-
Benefit Payments	(1,757,667)	(1,652,436)	(1,589,903)
Net Change in Total OPEB Liability	<u>1,705,003</u>	<u>2,159,562</u>	<u>2,085,326</u>
Total OPEB Liability - Beginning	53,773,057	51,613,495	49,528,169
Total OPEB Liability - Ending (a)	<u>\$ 55,478,060</u>	<u>\$ 53,773,057</u>	<u>\$ 51,613,495</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,858,308	\$ 1,451,171	\$ 1,226,963
Net Investment Income	1,039,466	(278,406)	724,221
Benefit Payments	(1,757,667)	(1,652,436)	(1,589,903)
Administrative Expense	(2,000)	(2,000)	(2,000)
Net Change in Plan Fiduciary Net Position	<u>1,138,107</u>	<u>(481,671)</u>	<u>359,281</u>
Plan Fiduciary Net Position - Beginning	7,031,354	7,513,025	7,153,744
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,169,461</u>	<u>\$ 7,031,354</u>	<u>\$ 7,513,025</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 47,308,599</u>	<u>\$ 46,741,703</u>	<u>\$ 44,100,470</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.73%	13.08%	14.56%
Covered Payroll	\$ 9,905,811	\$ 9,667,870	\$ 9,667,870
Net OPEB Liability as a Percentage of Covered Payroll	477.58%	483.47%	456.15%

Notes to Schedule

Assumption changes:

Discount rate lowered from 5.0% to 4.25%. Medical and Rx trend updated. Mortality assumption for Police was updated to remove Blue-Collar Adjustment.

* 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 CONTRIBUTIONS OPEB PLAN
 LAST 10 YEARS

	2019	2018	2017
Actuarially Determined Contribution	\$ -	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution	1,858,308	1,451,171	2,042,281
Contribution Deficiency (Excess)	<u>\$ 1,858,308</u>	<u>\$ 1,451,171</u>	<u>\$ 2,042,281</u>
Covered Payroll	<u>\$ 9,905,811</u>	<u>\$ 9,667,870</u>	<u>\$ 9,667,870</u>
Contributions as a Percentage of Covered Payroll	18.76%	15.01%	21.12%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution 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 Cost Method	Entry Age Normal
Amortization Method	Level percentage of salary
Asset Valuation Method	Market Value
Inflation	2.75%
Healthcare Cost Trend Rates	
Medical/Vision	(3.00%) increasing to 5.00% for Police and Civilian
Prescription Drugs	(3.00%) increasing to 5.00% for Police and Civilian
Dental	(3.00%) increasing to 3.00% for Police and Civilian
Salary Increases	2.75%
Investment Rate of Return	4.25%
Retirement Age	50 and 25 years of service (Police) 62 and 5 years of service (Civilian)
Mortality	RP-2014 Mortality Table and rates set forward 5 years for disabled lives. (Police) RP-2014 Mortality Table (Civilian)

Notes to Schedule

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 INVESTMENT RETURNS IN OPEB PLAN

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense:	19.27%	-4.33%	15.26%

Notes to Schedule

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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Real Estate Taxes	\$ 13,487,070	\$ 13,487,070	\$ 13,335,783	\$ (151,287)
Taxes Levied Under Local Tax Enabling Act	14,294,750	14,294,750	12,001,480	(2,293,270)
License and Permits	3,377,950	4,237,950	5,675,237	1,437,287
Fines, Forfeits and Costs	507,500	507,500	410,058	(97,442)
Interest and Rents	370,000	370,000	379,253	9,253
Grants and Gifts	1,461,720	1,461,720	1,534,909	73,189
Department Earnings	1,446,500	1,446,500	1,645,959	199,459
Refunds and Miscellaneous	234,500	234,500	109,823	(124,677)
Total Revenues	<u>35,179,990</u>	<u>36,039,990</u>	<u>35,092,502</u>	<u>(947,488)</u>
Expenditures:				
Current:				
General Government	2,873,489	3,086,371	2,949,344	137,027
Protection to Person and Property	11,900,303	11,963,698	12,077,045	(113,347)
Public Works	3,137,142	3,158,125	3,235,477	(77,352)
Highways	3,714,791	4,709,908	3,427,702	1,282,206
Library	965,400	974,880	970,327	4,553
Parks and Recreation	2,306,345	2,373,954	2,579,408	(205,454)
Capital Outlay	-	-	140,937	(140,937)
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	6,272,810	6,262,810	4,576,607	1,686,203
Total Expenditures	<u>31,170,280</u>	<u>32,529,746</u>	<u>29,956,847</u>	<u>2,572,899</u>
Excess of Revenues over (under) Expenditures	4,009,710	3,510,244	5,135,655	1,625,411
Other Financing sources/(uses):				
Transfers In	29,480	29,480	29,480	-
Transfers Out	(5,292,791)	(5,292,791)	(4,571,569)	721,222
Total Other Financing sources/(uses)	<u>(5,263,311)</u>	<u>(5,263,311)</u>	<u>(4,542,089)</u>	<u>721,222</u>
Net Change in Fund Balance	(1,253,601)	(1,753,067)	593,566	2,346,633
Fund Balance - Beginning of Year (Budgetary Basis)	<u>17,757,227</u>	<u>17,397,395</u>	<u>9,360,098</u>	<u>(8,037,297)</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 16,503,626</u>	<u>\$ 15,644,328</u>	\$ 9,953,664	<u>\$ (5,690,664)</u>
Non-GAAP Budgetary Basis Reconciliation				
Add Other Unbudgeted General Fund Ending Fund Balance				
\$8 Million Settlement Fund			255,669	
Investigation Fund			8,930	
Police K-9 Fund			529	
Fund Balance - General Fund - End of Year (GAAP Basis)			<u>\$ 10,218,792</u>	

TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - SEWER FUND
 YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 29,501	\$ 29,501	\$ 77,536	\$ 48,035
Department Earnings	5,626,963	5,626,963	5,533,124	(93,839)
Refunds and Miscellaneous	34,972	34,972	19,792	(15,180)
Total Revenues	5,691,436	5,691,436	5,630,452	(60,984)
Expenditures:				
Current:				
Health and Sanitation	7,127,649	7,896,556	5,472,348	2,424,208
Capital Outlay	-	-	239,193	(239,193)
Total Expenditures	7,127,649	7,896,556	5,711,541	2,185,015
Excess of Revenues over (under) Expenditures	(1,436,213)	(2,205,120)	(81,089)	2,124,031
Other Financing Sources (Uses):				
Proceeds from Note Issuance	-	-	3,545,000	3,545,000
Proceeds from Bond Issuance	-	-	4,165,000	4,165,000
Premium on Bond Issuance	3,535,250	3,535,250	302,573	(3,232,677)
Transfers Out	(648,230)	(648,230)	(5,032,229)	(4,383,999)
Total Other Financing Uses	2,887,020	2,887,020	2,980,344	93,324
Net Change in Fund Balance	1,450,807	681,900	2,899,255	2,217,355
Fund Balance - Beginning of Year (Budgetary Basis)	495,143	323,553	919,482	595,929
Fund Balance - End of Year (Budgetary Basis)	\$ 1,945,950	\$ 1,005,453	\$ 3,818,737	\$ 2,813,284

TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - PARK IMPROVEMENTS AND OPEN SPACE FUND
 YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes Levied Under Local Tax Enabling Act	\$ 873,250	\$ 873,250	\$ 1,130,775	\$ 257,525
Interest and Rents	2,500	2,500	2,495	(5)
Total Revenues	<u>875,750</u>	<u>875,750</u>	<u>1,133,270</u>	<u>257,520</u>
Other Financing Uses:				
Transfers In	180,000	180,000	180,000	-
Transfers Out	<u>(1,056,328)</u>	<u>(1,056,328)</u>	<u>(1,056,328)</u>	-
Total Other Financing uses	<u>(1,056,328)</u>	<u>(1,056,328)</u>	<u>(876,328)</u>	-
Net Change in Fund Balance	(180,578)	(180,578)	256,942	257,520
Fund Balance - Beginning of Year (Budgetary Basis)	<u>1,030,420</u>	<u>1,023,420</u>	<u>(476,376)</u>	<u>(1,499,796)</u>
Fund Balance - End of Year (Budgetary Basis)	<u><u>\$ 849,842</u></u>	<u><u>\$ 842,842</u></u>	<u><u>\$ (219,434)</u></u>	<u><u>\$ (1,242,276)</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - STORM WATER FUND
 YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 20,000	\$ 20,000	\$ 73,748	\$ 53,748
Department Earnings	1,100,000	1,100,000	1,078,377	(21,623)
Refunds and Miscellaneous	15,000	15,000	653	(14,347)
Total Revenues	<u>1,135,000</u>	<u>1,135,000</u>	<u>1,152,778</u>	<u>17,778</u>
Expenditures:				
Current:				
General Government	1,000	1,000	4,609	(3,609)
Health and Sanitation	2,273,788	4,133,724	1,242,558	2,891,166
Capital Outlay	-	-	635,086	(635,086)
Total Expenditures	<u>2,274,788</u>	<u>4,134,724</u>	<u>1,882,253</u>	<u>2,252,471</u>
Net Change in Fund Balance	(1,139,788)	(2,999,724)	(729,475)	2,270,249
Fund Balance - Beginning of Year (Budgetary Basis)	<u>3,397,567</u>	<u>3,041,695</u>	<u>4,202,307</u>	<u>1,160,612</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 2,257,779</u>	<u>\$ 41,971</u>	<u>\$ 3,472,832</u>	<u>\$ 3,430,861</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY COMPARISON SCHEDULES
YEAR ENDED DECEMBER 31, 2019

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, Police K-9 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:

	General	Investigation	\$8M Settlement	Police K-9 Fund	Combined
Revenues					
Real Estate Taxes	\$ 13,335,783	\$ -	\$ -	\$ -	\$ 13,335,783
Taxes Levied Under Local Tax Enabling Act	12,001,480	-	-	-	12,001,480
License and Permits	5,675,237	-	-	-	5,675,237
Fines, Forfeits and Costs	410,058	12,247	-	-	422,305
Interest and Rents	379,253	30	3,009	-	382,292
Grants and Gifts	1,534,909	-	-	-	1,534,909
Department Earnings	1,645,959	-	-	-	1,645,959
Refunds and Miscellaneous	109,823	-	-	-	109,823
Total Revenues	<u>35,092,502</u>	<u>12,277</u>	<u>3,009</u>	<u>-</u>	<u>35,107,788</u>
Expenditures:					
Current:					
General Government	2,949,344	12,838	85,473	-	3,047,655
Protection to Person and Property	12,077,045	-	-	-	12,077,045
Public Works	3,235,477	-	-	-	3,235,477
Highways	3,427,702	-	-	-	3,427,702
Library	970,327	-	-	-	970,327
Parks and Recreation	2,579,408	-	-	-	2,579,408
Capital Outlay	140,937	-	-	-	140,937
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	4,576,607	-	-	-	4,576,607
Total Expenditures	<u>29,956,847</u>	<u>12,838</u>	<u>85,473</u>	<u>-</u>	<u>30,055,158</u>
Excess of Revenues over (under) Expenditures	5,135,655	(561)	(82,464)	-	5,052,630
Other Financing Sources (Uses):					
Transfers In	29,480	-	-	-	29,480
Transfers Out	(4,571,569)	-	-	-	(4,571,569)
Total Other Financing uses	<u>(4,542,089)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,542,089)</u>
Net Change in Fund Balance	593,566	(561)	(82,464)	-	510,541
Fund Balance - Beginning of Year (Budgetary Basis)	<u>9,360,098</u>	<u>9,491</u>	<u>338,133</u>	<u>529</u>	<u>9,708,251</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 9,953,664</u>	<u>\$ 8,930</u>	<u>\$ 255,669</u>	<u>\$ 529</u>	<u>\$ 10,218,792</u>

**OTHER
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF RADNOR, PENNSYLVANIA
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

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, Investigation Fund, and Police K-9 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, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Real Estate Taxes	\$ 13,487,070	\$ 13,487,070	\$ 13,335,783	\$ (151,287)
Taxes Levied Under Local Tax Enabling Act				
Real Estate Transfer Tax	2,620,500	2,620,500	3,050,752	430,252
Mercantile	1,716,250	1,716,250	1,354,330	(361,920)
Business Privilege	8,848,000	8,848,000	6,602,570	(2,245,430)
Emergency Municipal Services	1,090,000	1,090,000	977,938	(112,062)
Amusement	20,000	20,000	15,890	(4,110)
Total Taxes Levies Under Local Tax Enabling Act	14,294,750	14,294,750	12,001,480	(2,293,270)
License and Permits				
Beverage	14,250	14,250	15,300	1,050
Building, Electrical and Plumbing	2,106,000	2,966,000	4,465,496	1,499,496
Public Works and Engineering	58,700	58,700	134,294	75,594
Rental Housing	175,000	175,000	173,010	(1,990)
Health and Fire Prevention	91,250	91,250	77,417	(13,833)
Subdivision, Design and Zoning	170,750	170,750	178,475	7,725
Cable TV Franchise	752,000	752,000	629,695	(122,305)
Sewage Enforcement	10,000	10,000	1,550	(8,450)
Total License and Permits	3,377,950	4,237,950	5,675,237	1,437,287
Fines, Forfeits and Costs				
Fines Levied by Police	342,500	342,500	204,359	(138,141)
Fines Levied by District Justice	165,000	165,000	205,699	40,699
Total Fines, Forfeits and Costs	507,500	507,500	410,058	(97,442)
Interest and Rents				
Interest Earned on Investments	230,000	230,000	255,948	25,948
Other	140,000	140,000	123,305	(16,695)
Total Interest and Rents	370,000	370,000	379,253	9,253
Revenues - Forward	\$ 32,037,270	\$ 32,897,270	\$ 31,801,811	\$ (1,095,459)

TOWNSHIP OF RADNOR, PENNSYLVANIA
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
 YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues - Forward	\$ 32,037,270	\$ 32,897,270	\$ 31,801,811	\$ (1,095,459)
Grants and Gifts - Other Federal and State	1,461,720	1,461,720	1,534,909	73,189
Department Earnings				
Parking Meter Fees	450,000	450,000	444,229	(5,771)
Police Extra Duty and Alarm Fees	230,000	230,000	461,518	231,518
Recreational Program Fees	565,000	565,000	524,607	(40,393)
Other	201,500	201,500	215,605	14,105
Total Departmental Earnings	<u>1,446,500</u>	<u>1,446,500</u>	<u>1,645,959</u>	<u>199,459</u>
Refunds and Miscellaneous				
Sale of Recycled Materials	2,500.00	2,500.00	2,769	269
Other	232,000	232,000	107,054	(124,946)
Total Refunds and Miscellaneous	<u>234,500</u>	<u>234,500</u>	<u>109,823</u>	<u>(124,677)</u>
Total Revenues	<u>35,179,990</u>	<u>36,039,990</u>	<u>35,092,502</u>	<u>(947,488)</u>
All Other Financing Sources:				
Transfers In	<u>29,480</u>	<u>29,480</u>	<u>29,480</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 35,209,470</u>	<u>\$ 36,069,470</u>	<u>\$ 35,121,982</u>	<u>\$ (947,488)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
General Government				
Administration	870,520	961,581	950,918	\$ 10,663
Finance	1,067,929	1,089,354	1,089,800	(446)
Tax Collection	40,993	40,993	34,755	6,238
Information Technology	422,838	427,668	424,336	3,332
Township Buildings	471,209	566,775	449,535	117,240
Total General Government	2,873,489	3,086,371	2,949,344	137,027
Protection to Person and Property				
Community Development	1,077,386	1,091,443	977,168	114,275
Police Protection	9,644,312	9,693,262	9,890,770	(197,508)
Fire Protection	1,178,605	1,178,993	1,209,107	(30,114)
Total Protection to Person and Property	11,900,303	11,963,698	12,077,045	(113,347)
Public Works				
Solid Waste Collection	3,137,142	3,158,125	3,235,477	(77,352)
Engineering	1,008,908	1,925,024	908,930	1,016,094
Streets and Highways:				
General Services	1,745,762	1,760,247	1,196,811	563,436
Street Cleaning	7,500	8,374	30,137	(21,763)
Snow and Ice Removal	217,000	220,078	238,127	(18,049)
Traffic Signals and Signs	76,500	77,717	209,931	(132,214)
Street Lighting	220,000	238,094	203,248	34,846
Curbs and Sidewalks	5,000	5,000	44,539	(39,539)
Storm Sewers, Drainage	5,000	6,354	109,963	(103,609)
Repairs, Tools and Machinery	377,378	380,395	393,884	(13,489)
Road Maintenance and Repairs	51,743	88,625	92,132	(3,507)
Total Public Works	6,851,933	7,868,033	6,663,179	1,204,854
Library	965,400	974,880	970,327	4,553
Expenditures - Forward	\$ 22,591,125	\$ 23,892,982	\$ 22,659,895	\$ 1,233,087

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Expenditures - Forward	\$ 22,591,125	\$ 23,892,982	\$ 22,659,895	\$ 1,233,087
Parks and Recreation				
Administration	373,090	373,090	384,904	(11,814)
Parks Maintenance	1,520,701	1,566,792	1,873,483	(306,691)
Recreation Programs	339,554	341,552	292,998	48,554
Sulpizio Gym	73,000	92,520	28,023	64,497
Total Parks and Recreation	<u>2,306,345</u>	<u>2,373,954</u>	<u>2,579,408</u>	<u>(205,454)</u>
Capital Outlay	-	-	140,937	(140,937)
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	6,272,810	6,262,810	4,576,607	1,686,203
Total Expenditures	<u>31,170,280</u>	<u>32,529,746</u>	<u>29,956,847</u>	<u>2,572,899</u>
Other Financing Uses:				
Transfers Out	5,292,791	5,292,791	4,571,569	(721,222)
Total Other Financing Uses	<u>5,292,791</u>	<u>5,292,791</u>	<u>4,571,569</u>	<u>(721,222)</u>
Total Expenditures and Other Financing Uses	<u>\$ 36,463,071</u>	<u>\$ 37,822,537</u>	<u>\$ 34,528,416</u>	<u>\$ 1,851,677</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2019

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 BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 30,463	\$ 30,463	\$ 30,909	\$ 446
Total Revenues	30,463	30,463	30,909	446
Expenditures:				
Debt Service				
Principal Retirement	2,640,000	2,640,000	7,185,000	(4,545,000)
Interest	2,124,806	2,124,806	1,860,749	264,057
Total Expenditures	4,764,806	4,764,806	9,045,749	(4,280,943)
Excess of Revenues over (under) Expenditures	(4,734,343)	(4,734,343)	(9,014,840)	(4,280,497)
Other Financing Sources:				
Operating Transfers In	4,734,734	4,734,734	9,118,733	4,383,999
Total Other Financing Sources	4,734,734	4,734,734	9,118,733	4,383,999
Net Change in Fund Balance	391	391	103,893	103,502
Fund Balance - Beginning of Year (Budgetary Basis)	905,915	905,915	906,798	883
Fund Balance - End of Year (Budgetary Basis)	\$ 906,306	\$ 906,306	\$ 1,010,691	\$ 104,385

TOWNSHIP OF RADNOR, PENNSYLVANIA
MAJOR CAPITAL PROJECT FUNDS WITH LEGALLY ADOPTED BUDGET
YEAR ENDED DECEMBER 31, 2019

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 Improvement 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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 94,133	\$ 94,133	\$ 120,908	\$ 26,775
Grants and Gifts	3,050,102	2,660,898	507,705	(2,153,193)
Refunds and Miscellaneous	20,000	20,000	37,680	17,680
Total Revenues	<u>3,164,235</u>	<u>2,775,031</u>	<u>666,293</u>	<u>(2,108,738)</u>
Expenditures:				
Current:				
General Government	556,926	579,507	523,073	56,434
Protection to Person and Property	458,600	464,028	38,297	425,731
Public Works	-	10,360	10,360	-
Highways	3,224,483	3,994,128	894,520	3,099,608
Parks and Recreation	6,021,771	5,619,645	425,663	5,193,982
Library	5,945,134	5,945,134	22,197	5,922,937
Capital Outlay	-	-	2,366,585	(2,366,585)
Debt Service				
Bond Issue Costs	95,725	95,725	95,725	-
Total Expenditures	<u>16,302,639</u>	<u>16,708,527</u>	<u>4,376,420</u>	<u>12,332,107</u>
Excess of Revenues over (under) Expenditures	(13,138,404)	(13,933,496)	(3,710,127)	10,223,369
Other Financing sources/(uses):				
Proceeds from Bond Issuance	-	13,053,317	7,148,205	(5,905,112)
Premium on Bond Issuance	-	-	253,929	253,929
Capital Lease Acquisition	-	-	327,115	327,115
Transfers In	1,825,985	1,825,985	1,536,964	(289,021)
Total Other Financing sources/(uses)	<u>2,125,985</u>	<u>14,879,302</u>	<u>9,266,213</u>	<u>(5,613,089)</u>
Net Change in Fund Balance	(11,012,419)	945,806	5,556,086	4,610,280
Fund Balance - Beginning of Year (Budgetary Basis)	<u>(4,586,765)</u>	<u>(4,761,505)</u>	<u>4,658,500</u>	<u>9,420,005</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ (15,599,184)</u>	<u>\$ (3,815,699)</u>	<u>\$ 10,214,586</u>	<u>\$ 14,030,285</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS) - SPECIAL ASSESSMENT FUND
 YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 4,500	\$ 4,500	\$ 2,838	\$ (1,662)
Department Earnings	2,820	2,820	4,724	1,904
Total Revenues	<u>7,320</u>	<u>7,320</u>	<u>7,562</u>	<u>242</u>
Other Financing Uses:				
Operating Transfers Out	(44,664)	(44,664)	(44,664)	-
Total Other Financing Uses	<u>(44,664)</u>	<u>(44,664)</u>	<u>(44,664)</u>	<u>-</u>
Net Change in Fund Balance	(37,344)	(37,344)	(37,102)	242
Fund Balance - Beginning of Year (Budgetary Basis)	<u>201,712</u>	<u>201,712</u>	<u>130,241</u>	<u>(71,471)</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 164,368</u>	<u>\$ 164,368</u>	<u>\$ 93,139</u>	<u>\$ (71,229)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

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 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, 2019

	State Liquid Fuels Tax Fund	Commemorative Shade Tree Fund	Trail Grant Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 387,220	\$ 105,186	\$ -	\$ 16,514	\$ 508,920
Total Assets	<u>\$ 387,220</u>	<u>\$ 105,186</u>	<u>\$ -</u>	<u>\$ 16,514</u>	<u>\$ 508,920</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ -	\$ 200	\$ -	\$ -	\$ 200
Due to Other Funds	-	-	22,400	-	22,400
Total Liabilities	<u>-</u>	<u>200</u>	<u>22,400</u>	<u>-</u>	<u>22,600</u>
Fund Balances					
Restricted:					
State Liquid Fuels Tax	387,220	-	-	-	387,220
Committed					
Recreation Fee	-	-	-	16,514	16,514
Assigned					
Subsequent Year Budget	-	58,825	-	-	58,825
Other	-	46,161	-	-	46,161
Unassigned					
Other	-	-	(22,400)	-	(22,400)
Total Fund Balances (Deficit)	<u>387,220</u>	<u>104,986</u>	<u>(22,400)</u>	<u>16,514</u>	<u>486,320</u>
Total Liabilities and Fund Balances	<u>\$ 387,220</u>	<u>\$ 105,186</u>	<u>\$ -</u>	<u>\$ 16,514</u>	<u>\$ 508,920</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2019

	State Liquid Fuels Tax Fund	Commemorative Shade Tree Fund	Trail Grant Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Revenues					
Fines, Forfeits and Costs	\$ -	\$ -	\$ -	\$ 9,921	\$ 9,921
Interest and Rents	9,938	2,067	178	794	12,977
Grants and Gifts	915,148	29,220	-	-	944,368
Total revenues	<u>925,086</u>	<u>31,287</u>	<u>178</u>	<u>10,715</u>	<u>967,266</u>
Expenditures					
Highways	97,583	-	-	-	97,583
Parks and Recreation	-	99,570	-	-	99,570
Capital Outlay	1,381,783	-	-	-	1,381,783
Total Expenditures	<u>1,479,366</u>	<u>99,570</u>	<u>-</u>	<u>-</u>	<u>1,578,936</u>
Excess of Revenues Over (Under) Expenditures	(554,280)	(68,283)	178	10,715	(611,670)
Other Financing Sources (Uses)					
Transfers In	-	25,000	-	-	25,000
Transfers Out	-	-	(35,387)	(150,000)	(185,387)
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,000</u>	<u>(35,387)</u>	<u>(150,000)</u>	<u>(160,387)</u>
Net Changes in Fund Balances	(554,280)	(43,283)	(35,209)	(139,285)	(772,057)
Fund Balance - Beginning of Year	<u>941,500</u>	<u>148,269</u>	<u>12,809</u>	<u>155,799</u>	<u>1,258,377</u>
Fund Balance - End of Year	<u>\$ 387,220</u>	<u>\$ 104,986</u>	<u>\$ (22,400)</u>	<u>\$ 16,514</u>	<u>\$ 486,320</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, 2019

	State Liquid Fuels Tax		
	Budget	Actual	Variance
Revenues			
Interest and Rents	\$ 8,000	\$ 9,938	\$ 1,938
Grants and Gifts	900,000	915,148	15,148
Total Revenues	<u>908,000</u>	<u>925,086</u>	<u>17,086</u>
Expenditures:			
Highways	2,026,536	97,583	1,928,953
Capital Outlay	-	1,381,783	(1,381,783)
Total Expenditures	<u>2,026,536</u>	<u>1,479,366</u>	<u>547,170</u>
Net Change in Fund Balance	(1,118,536)	(554,280)	564,256
Fund Balance - Beginning of Year	(630,946)	941,500	(1,572,446)
Fund Balance - End of Year	<u>\$ (1,749,482)</u>	<u>\$ 387,220</u>	<u>\$ (1,008,190)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2019

Component unit 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 three such funds, the Police Pension Trust, the Civilian Employees Pension Trust, and the OPEB Reserve Trust Fund.
 - 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.
- Custodial 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 COMPONENT UNIT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION AND OPEB TRUST FUNDS
 DECEMBER 31, 2019

	Pension Trust Funds			OPEB Reserve Trust Fund	Total Trust Funds
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds		
Assets					
Cash and Cash Equivalents	\$ 1,782,967	\$ 1,885,562	\$ 3,668,529	\$ 812,513	\$ 4,481,042
Investments	34,739,309	31,622,661	66,361,970	5,927,504	72,289,474
Life Insurance Cash Value	-	-	-	1,406,701	1,406,701
Receivables	18,450	2,566	21,016	24,764	45,780
Total Assets	36,540,726	33,510,789	70,051,515	8,171,482	78,222,997
Liabilities					
Accounts Payable	27,326	20,462	47,788	2,021	49,809
Total Liabilities	27,326	20,462	47,788	2,021	49,809
Net Position					
Net Position Restricted for Pensions	36,513,400	33,490,327	70,003,727	-	70,003,727
Net Position Restricted for OPEB	-	-	-	8,169,461	8,169,461
Total Fund Balances	\$ 36,513,400	\$ 33,490,327	\$ 70,003,727	\$ 8,169,461	\$ 78,173,188

TOWNSHIP OF RADNOR, PENNSYLVANIA
 FIDUCIARY COMPONENT UNIT
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
 PENSION AND OPEB TRUST FUNDS
 YEAR ENDED DECEMBER 31, 2019

	Pension Trust Funds			OPEB Reserve Trust Fund	Total Trust Funds
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds		
Additions:					
Contributions:					
Commonwealth of Pennsylvania	\$ 450,604	\$ 337,953	\$ 788,557	\$ -	\$ 788,557
Employer	2,004,396	1,249,047	3,253,443	1,858,308	5,111,751
Members	206,669	271,134	477,803	-	477,803
Total contributions	<u>2,661,669</u>	<u>1,858,134</u>	<u>4,519,803</u>	<u>1,858,308</u>	<u>6,378,111</u>
Investment Earning (Losses):					
Investment Gain	4,933,956	4,415,745	9,349,701	852,347	10,202,048
Interest Earnings	845,923	768,706	1,614,629	187,119	1,801,748
Investment Expense	(8,444)	(7,544)	(15,988)	(2,000)	(17,988)
Net Investment Earnings (Losses)	<u>5,771,435</u>	<u>5,176,907</u>	<u>10,948,342</u>	<u>1,037,466</u>	<u>11,985,808</u>
Other Additions:					
Miscellaneous	33,699	21,462	55,161	-	55,161
Total Other Additions	<u>33,699</u>	<u>21,462</u>	<u>55,161</u>	<u>-</u>	<u>55,161</u>
Total Additions	<u>8,466,803</u>	<u>7,056,503</u>	<u>15,523,306</u>	<u>2,895,774</u>	<u>18,419,080</u>
Deductions:					
Benefit Payments	2,631,812	1,854,069	4,485,881	1,697,073	6,182,954
Refund of Contributions	81,643	4,096	85,739	879	86,618
Administrative Expenses	87,102	76,905	164,007	59,715	223,722
Total Deductions	<u>2,800,557</u>	<u>1,935,070</u>	<u>4,735,627</u>	<u>1,757,667</u>	<u>6,493,294</u>
Changes in Plan Net Position	5,666,246	5,121,433	10,787,679	1,138,107	11,925,786
Net Position Restricted for Pension and OPEB Benefits:					
Beginning of Year	<u>30,847,154</u>	<u>28,368,894</u>	<u>59,216,048</u>	<u>7,031,354</u>	<u>66,247,402</u>
End of Year	<u>\$ 36,513,400</u>	<u>\$ 33,490,327</u>	<u>\$ 70,003,727</u>	<u>\$ 8,169,461</u>	<u>\$ 78,173,188</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 DECEMBER 31, 2019

Governmental Funds Capital Assets	
Land	\$ 24,149,624
Land Improvements	6,146,368
Buildings	29,046,250
Infrastructure	29,069,696
Machinery and Equipment	18,361,917
Construction in Progress	621,722
Total Governmental Funds Capital Assets	107,395,577
Less: Accumulated Depreciation	(39,579,665)
Net Governmental Funds Capital Assets	\$ 67,815,912

Investment in Governmental Funds Capital Assets by Source	
General Fund	\$ 3,337,384
Special Revenue Funds	32,271,816
Capital Projects Funds	64,866,067
Sewer Fund	3,050,129
Storm Water Fund	1,579,414
Donations	2,290,767
Total Governmental Funds Capital Assets	107,395,577
Less: Accumulated Depreciation	(39,579,665)
Net Governmental Funds Capital Assets	\$ 67,815,912

TOWNSHIP OF RADNOR, PENNSYLVANIA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 YEAR ENDED DECEMBER 31, 2019

Function and Activity	Land	Land Improvements	Buildings	Infrastructure	Machinery and Equipment	Total
	General Government	\$ -	\$ -	\$ 16,599,848	\$ 256,358	\$ 2,225,607
Protection to Persons and Property	-	-	-	-	4,247,126	4,247,126
Health and Sanitation	-	-	-	3,877,438	2,472,173	6,349,611
Highways	-	26,863	4,775,281	23,875,991	7,186,826	35,864,961
Library	-	-	6,561,085	-	-	6,561,085
Parks and Recreation	24,149,624	6,119,505	1,110,036	1,059,909	2,230,185	34,669,259
Total Governmental Funds Capital Assets	24,149,624	6,146,368	29,046,250	29,069,696	18,361,917	106,773,855
Less: Accumulated Depreciation	-	(2,608,836)	(9,813,740)	(12,637,658)	(14,519,431)	(39,579,665)
Total	\$ 24,149,624	\$ 3,537,532	\$ 19,232,510	\$ 16,432,038	\$ 3,842,486	67,194,190
Construction in Progress						621,722
Net Governmental Funds Capital Assets						\$ 67,815,912

TOWNSHIP OF RADNOR, PENNSYLVANIA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 YEAR ENDED DECEMBER 31, 2019

Function and Activity	Balance at January 1, 2019	Increases	Decreases	Balance at December 31, 2019
	General Government	\$ 19,489,604	\$ 18,348	\$ (426,139)
Protection to Persons and Property	5,083,301	389,727	(1,225,902)	4,247,126
Health and Sanitation	5,413,306	1,137,277	(200,972)	6,349,611
Highways	33,732,463	2,384,710	(252,212)	35,864,961
Library	6,561,085	-	-	6,561,085
Parks and Recreation	33,667,667	1,082,730	(81,138)	34,669,259
Total Governmental Funds Capital Assets	103,947,426	5,012,792	(2,186,363)	106,773,855
Construction in Progress	870,930	-	(249,208)	621,722
Less: Accumulated Depreciation	(38,253,020)	(3,467,825)	2,141,180	(39,579,665)
Net Governmental Funds Capital Assets	\$ 66,565,336	\$ 1,544,967	\$ (294,391)	\$ 67,815,912

**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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government activities										
Net Investment in Capital Assets	\$ 3,350,750	\$ 3,738,196	\$ 5,047,878	\$ (5,322,939)	\$ 553,632	\$ 4,977,068	\$ 6,590,900	\$ 7,590,283	\$ 12,621,702	\$ 12,656,485
Restricted	-	5,636,058	6,723,380	5,399,445	6,007,738	6,852,941	662,321	847,611	941,500	387,220
Unrestricted (deficiency)	<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>	<u>(22,949,045)</u>	<u>(23,120,472)</u>	<u>(47,917,311)</u>	<u>(47,479,094)</u>
Total Net Position, governmental activities	\$ (10,617,793)	\$ (8,769,071)	\$ (6,461,064)	\$ 2,898,939	\$ 4,158,225	\$ (14,979,663)	\$ (15,695,824)	\$ (14,682,578)	\$ (34,354,109)	\$ (34,435,389)
Business-type activities										
Net Investment in Capital Assets	\$ 22,500	\$ 92,609	\$ 98,764	\$ 88,873	\$ 86,482	\$ 84,091	\$ 81,700	\$ 79,309	\$ 168,056	\$ 170,451
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficiency)	<u>11,222</u>	<u>65,447</u>	<u>68,963</u>	<u>(2,936)</u>	<u>(15,196)</u>	<u>15,631</u>	<u>(320)</u>	<u>15,293</u>	<u>624,938</u>	<u>566,791</u>
Total Net Position, business-type activities	\$ 33,722	\$ 158,056	\$ 167,727	\$ 85,937	\$ 71,286	\$ 99,722	\$ 81,380	\$ 94,602	\$ 792,994	\$ 737,242
Primary government										
Net Investment in Capital Assets	\$ 3,373,250	\$ 3,830,805	\$ 5,146,642	\$ (5,234,066)	\$ 640,114	\$ 5,061,159	\$ 6,672,600	\$ 7,669,592	\$ 12,789,758	\$ 12,826,936
Restricted	-	5,636,058	6,723,380	5,399,445	6,007,738	6,852,941	662,321	847,611	941,500	387,220
Unrestricted (deficiency)	<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>	<u>(22,949,365)</u>	<u>(23,105,179)</u>	<u>(47,292,373)</u>	<u>(46,912,303)</u>
Total Net Position, primary government	\$ (10,584,071)	\$ (8,611,015)	\$ (6,293,337)	\$ 2,984,876	\$ 4,229,511	\$ (14,879,941)	\$ (15,614,444)	\$ (14,587,976)	\$ (33,561,115)	\$ (33,698,147)

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Government activities										
General government	\$ 3,884,263	\$ 4,267,630	\$ 4,110,480	\$ 4,027,041	\$ 5,691,986	\$ 4,138,635	\$ 5,094,200	\$ 4,685,891	\$ 5,426,877	\$ 5,280,089
Protection to persons and property	11,148,431	10,697,442	11,313,565	12,745,479	13,505,092	15,012,436	16,165,836	16,072,269	16,669,973	16,376,945
Health and sanitation	7,744,284	7,703,327	8,188,645	8,733,554	8,824,642	8,816,933	9,448,343	9,224,984	9,649,156	10,928,231
Highways	4,639,667	4,700,904	4,819,026	6,021,919	6,374,657	7,010,773	5,914,620	5,968,439	4,756,765	5,988,090
Library	815,650	733,821	818,443	849,850	899,290	901,839	896,770	1,436,935	928,360	992,524
Parks and recreation	3,275,958	3,067,398	3,046,785	3,725,915	3,576,358	3,318,754	3,724,807	3,237,902	3,780,447	3,749,877
Interest on long-term debt	2,341,738	2,046,102	1,968,757	1,812,689	1,910,392	1,934,553	1,978,241	1,978,936	1,917,169	1,519,233
Total governmental activities net assets	\$ 33,849,991	\$ 33,216,624	\$ 34,265,701	\$ 37,916,447	\$ 40,782,417	\$ 41,133,923	\$ 43,222,817	\$ 42,605,356	\$ 43,128,747	\$ 44,834,989
Business-type activities										
The Willows	248,307	94,912	82,902	64,090	14,663	36,575	33,375	56,900	118,705	66,401
Total business-type activities net assets	\$ 248,307	\$ 94,912	\$ 82,902	\$ 64,090	\$ 14,663	\$ 36,575	\$ 33,375	\$ 56,900	\$ 118,705	\$ 66,401
Total primary government expenses	\$ 34,098,298	\$ 33,311,536	\$ 34,348,603	\$ 37,980,537	\$ 40,797,080	\$ 41,170,498	\$ 43,256,192	\$ 42,662,256	\$ 43,247,452	\$ 44,901,390
Program revenues										
Government activities										
Charges for services:										
General government	\$ 1,381,391	\$ 875,742	\$ 1,080,385	\$ 1,179,348	\$ 1,133,685	\$ 1,332,990	\$ 1,186,839	\$ 1,349,278	\$ 2,340,584	\$ 2,525,724
Protection to persons and property	2,581,873	3,117,019	3,697,080	3,552,696	4,352,438	4,314,993	4,173,747	4,797,268	3,540,161	4,878,218
Health and sanitation	4,495,789	5,023,688	5,144,615	5,029,173	5,680,287	6,459,830	6,125,471	6,340,433	6,469,297	6,870,544
Highways	59,196	87,765	95,777	92,817	128,600	258,197	56,808	32,184	8,413	4,227
Library	-	-	-	-	-	-	-	500,000	-	-
Parks and recreation	699,190	702,057	684,126	647,417	730,164	1,080,811	924,738	665,978	756,998	545,807
Operating grants and contributions	1,842,782	3,413,688	1,937,762	2,092,665	2,512,484	1,417,037	1,472,579	1,504,600	1,436,498	1,534,909
Capital grants and contributions	263,001	169,571	210,897	257,099	987,703	969,036	915,986	1,195,276	2,792,768	1,165,148
Total governmental activities program revenues	\$ 11,323,222	\$ 13,389,530	\$ 12,850,642	\$ 12,851,215	\$ 15,525,361	\$ 15,832,894	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577
Business-type activities										
The Willows	107,036	100,823	74,230	24,069	-	-	-	-	-	-
Capital grants and contributions	122,022	111,577	-	-	-	-	-	-	-	-
Total business-type activities program revenues	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government program revenues	\$ 11,552,280	\$ 13,601,930	\$ 12,924,872	\$ 12,875,284	\$ 15,525,361	\$ 15,832,894	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Government activities	\$ (22,526,769)	\$ (19,827,094)	\$ (21,415,059)	\$ (25,065,232)	\$ (25,257,056)	\$ (25,301,029)	\$ (28,366,649)	\$ (26,220,339)	\$ (25,784,028)	\$ (27,310,412)
Business-type activities	(19,249)	117,488	(8,672)	(40,021)	(14,663)	(36,575)	(33,375)	(56,900)	(118,705)	(66,401)
Total primary government net expense	<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>\$ (25,337,604)</u>	<u>\$ (28,366,649)</u>	<u>\$ (26,277,239)</u>	<u>\$ (25,902,733)</u>	<u>\$ (27,376,813)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Real estate taxes	\$ 10,428,058	\$ 10,915,977	\$ 11,734,189	\$ 11,843,737	\$ 11,844,653	\$ 11,640,796	\$ 12,487,084	\$ 12,510,474	\$ 12,527,235	\$ 13,438,357
Taxes levied under Local Tax Enabling Act	10,484,186	10,107,822	11,808,104	23,308,687	14,377,967	15,705,050	14,699,271	14,282,369	14,656,877	13,132,255
Investment earnings	(198,428)	658,671	103,117	128,039	162,817	-	479,133	510,742	-	-
Special item - loss on demolition of building	-	-	-	-	-	-	-	-	-	-
Debt repayment agreements	-	-	95,933	60,175	130,905	-	-	-	-	-
Interest and Rents	-	-	-	-	-	-	-	-	705,029	703,703
Transfers	(40,071)	(6,654)	(18,277)	41,811	-	(65,000)	(15,000)	(70,000)	(815,931)	(45,183)
Total governmental activities	<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>	<u>\$ 27,650,488</u>	<u>\$ 27,233,585</u>	<u>\$ 27,073,210</u>	<u>\$ 27,229,132</u>
Business-type activities										
Investment earnings	\$ 236	\$ 192	\$ 66	\$ 42	\$ 12	\$ 11	\$ 33	\$ 122	\$ -	\$ -
Interest and Rents	-	-	-	-	-	-	-	-	1,166	10,649
Transfers	40,071	6,654	18,277	(41,811)	-	65,000	15,000	70,000	815,931	-
Total business-type activities	<u>\$ 40,307</u>	<u>\$ 6,846</u>	<u>\$ 18,343</u>	<u>\$ (41,769)</u>	<u>\$ 12</u>	<u>\$ 65,011</u>	<u>\$ 15,033</u>	<u>\$ 70,122</u>	<u>\$ 817,097</u>	<u>\$ 10,649</u>
Total primary government	<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>	<u>\$ 27,665,521</u>	<u>\$ 27,303,707</u>	<u>\$ 27,890,307</u>	<u>\$ 27,239,781</u>
Changes in Net Position										
Governmental activities	\$ (1,853,024)	\$ 1,848,722	\$ 2,308,007	\$ 10,317,217	\$ 1,259,286	\$ 1,979,817	\$ (716,161)	\$ 1,013,246	\$ 1,289,182	\$ (81,280)
Business-type activities	21,058	124,334	9,671	(81,790)	(14,651)	28,436	(18,342)	13,222	698,392	(55,752)
Total primary government	<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>\$ 2,008,253</u>	<u>\$ (734,503)</u>	<u>\$ 1,026,468</u>	<u>\$ 1,987,574</u>	<u>\$ (137,032)</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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
General government	\$ 1,583,408	\$ 1,116,029	\$ 1,309,789	\$ 1,451,142	\$ 1,277,095	\$ 2,157,309	\$ 2,190,774	\$ 2,446,890	\$ 3,342,552	\$ 3,768,409
Protection to persons and property	2,866,539	4,211,647	4,345,358	4,356,925	5,120,225	4,709,615	4,538,478	5,120,842	3,838,662	5,200,005
Health and sanitation	4,894,094	5,846,443	5,356,070	5,183,809	6,444,208	6,541,072	6,125,471	6,340,433	6,469,297	6,870,544
Highways	1,066,586	1,027,950	1,069,032	1,121,634	975,051	1,182,481	973,620	968,498	1,036,441	1,139,812
Library	-	-	-	-	-	-	-	833,333	1,416,667	-
Parks and recreation	912,595	1,187,461	770,393	737,705	1,708,782	1,242,357	1,027,825	675,021	1,241,100	545,807
Subtotal governmental activities	\$ 11,323,222	\$ 13,389,530	\$ 12,850,642	\$ 12,851,215	\$ 15,525,361	\$ 15,832,834	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577
Business-type activities										
The Willows	229,058	212,400	74,230	24,069	-	-	-	-	-	-
Subtotal business-type activities	\$ 229,058	\$ 212,400	\$ 74,230	\$ 24,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 11,552,280	\$ 13,601,930	\$ 12,924,872	\$ 12,875,284	\$ 15,525,361	\$ 15,832,834	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577

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

	Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 166,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,248,097	-	-	-	-	-	-	-	-	-
Non-Spendable	-	21,957	30,195	84,961	81,570	93,190	49,386	93,369	85,169	81,773
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	7,332,240	1,450,000	942,800	428,270	-	-	-
Assigned	-	3,480,206	4,413,634	389,941	1,183,474	500,257	1,210,408	972,140	1,601,807	526,628
Unassigned	-	3,486,688	3,652,753	7,600,641	8,866,166	10,317,626	8,928,807	9,352,993	8,021,275	9,610,391
Subtotal governmental activities	\$ 5,414,283	\$ 6,988,851	\$ 8,096,582	\$ 15,407,783	\$ 11,581,210	\$ 11,853,873	\$ 10,616,871	\$ 10,418,502	\$ 9,708,251	\$ 10,218,792
All Other Governmental Funds										
Reserved	1,495,210	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenues funds	2,985,713	-	-	-	-	-	-	-	-	-
Capital projects funds	2,749,497	-	-	-	-	-	-	-	-	-
Debt service funds	155,079	-	-	-	-	-	-	-	-	-
Non-Spendable	-	1,332,548	1,199,900	1,120,391	3,818	4,436	2,121	4,498	4,039	15,162
Restricted	-	4,281,553	5,493,285	5,399,445	7,208,648	7,866,251	12,110,138	4,153,019	5,255,847	15,673,014
Committed	-	-	-	980,528	1,390,911	2,420,635	2,762,335	3,795,612	1,751,885	3,489,346
Assigned	-	1,010,277	1,058,497	908,632	429,468	1,016,196	907,940	4,401,501	5,063,934	198,125
Unassigned	-	61,485	-	189,541	-	-	-	(1,285,593)	(476,376)	(498,776)
Total all other governmental funds	\$ 7,385,499	\$ 6,685,863	\$ 7,751,682	\$ 8,598,537	\$ 9,032,845	\$ 11,307,518	\$ 15,782,534	\$ 11,069,037	\$ 11,599,329	\$ 18,876,871

Footnote:

1. Effective for the year ended December 31, 2011, the Township implemented GASB Statement No. 54 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, Committed, 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes (see Schedule 6)	\$ 20,989,999	\$ 21,545,023	\$ 23,427,514	\$ 35,049,838	\$ 26,389,776	\$ 27,502,513	\$ 27,218,340	\$ 26,757,027	\$ 27,214,067	\$ 26,468,038
Licenses, fees and permits	1,947,935	2,142,698	2,812,427	2,790,072	3,372,869	4,010,451	3,436,339	4,629,018	4,361,921	5,675,237
Fines and penalties	551,277	642,010	617,297	619,889	805,893	846,167	584,172	469,009	580,536	432,226
Charges for services	6,345,349	6,776,691	6,795,987	6,617,950	7,460,989	7,589,821	7,669,326	7,565,890	7,646,517	8,262,184
Intergovernmental	1,819,193	3,359,486	1,975,832	2,207,993	3,502,850	2,386,073	2,482,894	3,442,942	4,452,878	2,986,982
Interest and rents	216,666	222,633	225,382	255,334	301,202	393,649	479,133	510,742	705,029	703,703
Other revenues	836,758	407,866	577,425	574,657	498,594	643,737	716,372	280,989	309,112	167,948
Total revenues	32,707,177	35,096,407	36,431,864	48,115,733	42,332,173	43,372,411	42,586,576	43,655,617	45,270,060	44,696,318
Expenditures										
General government	2,059,662	2,395,825	2,757,849	2,675,320	2,876,337	2,969,087	4,173,194	3,402,777	3,604,548	3,575,337
Protection to persons and property	5,651,576	7,912,433	9,265,977	9,549,766	10,610,555	11,024,184	11,312,811	11,069,012	12,413,958	12,115,342
Health and sanitation	5,470,263	6,550,912	7,302,854	7,662,617	8,391,250	8,016,162	8,387,682	8,005,260	8,525,672	9,960,743
Highways	2,647,479	3,890,896	3,590,319	4,603,647	5,013,694	5,221,798	4,245,780	4,542,305	3,146,822	4,419,805
Library	815,650	753,297	818,443	849,850	899,290	901,839	896,770	1,436,935	928,360	992,524
Parks and recreation	1,868,826	2,116,237	2,387,673	2,590,004	2,761,898	2,813,193	3,114,950	2,549,760	2,943,634	3,104,641
Miscellaneous:										
Employee benefits	6,047,229	3,696,967	2,000,964	5,817,123	3,180,340	3,164,110	3,156,271	2,610,257	2,717,860	2,864,941
OPEB Trust Contributions	-	-	-	-	3,680,330	772,097	1,033,759	859,209	1,059,209	1,259,209
Insurance	659,096	387,594	346,368	363,948	406,843	463,715	390,072	354,011	357,652	212,158
Other	304,344	247,269	250,041	425,783	197,450	294,101	268,616	272,315	220,771	240,299
Capital outlay	626,438	1,822,352	1,129,643	1,082,351	14,103,816	3,736,555	3,951,611	9,171,222	5,448,582	4,763,584
Debt service										
Interest	2,479,444	2,036,039	1,943,226	1,845,484	1,683,097	1,720,685	1,936,905	1,926,058	1,860,830	1,860,749
Principal	2,490,000	2,405,000	2,455,000	2,540,000	2,495,000	10,529,121	2,835,000	2,810,000	2,600,000	7,185,000
Bond Issue Costs	-	-	149,726	197,034	141,427	201,599	100,332	-	-	95,725
Payment to Redeem Bonds	-	-	15,890,000	-	-	-	-	-	-	-
Total expenditures	31,120,007	34,214,821	50,288,083	40,202,927	56,441,327	51,828,246	45,803,753	49,009,121	45,827,898	52,650,057
Other Financing Sources										
Proceeds from Note Issuance	-	-	-	-	-	-	-	-	1,000,000	3,545,000
Proceeds from Bond Issuance	-	-	16,048,046	-	9,885,000	10,240,000	5,765,000	-	-	11,313,205
Premium on Bond Issuance	-	-	-	-	114,289	290,720	85,332	-	-	556,502
Capital Lease Acquisition	-	-	-	-	717,600	537,451	619,859	511,638	193,810	327,115
Refunding bonds issued	-	-	-	18,883,901	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(18,680,462)	-	-	-	-	-	-
Transfers in	5,773,203	4,993,458	6,978,065	6,370,376	7,440,153	5,845,308	6,922,744	7,993,274	7,461,841	10,890,177
Transfers out	(5,347,395)	(5,000,112)	(6,996,342)	(6,328,565)	(7,440,153)	(5,910,308)	(6,937,744)	(8,063,274)	(8,277,772)	(10,890,177)
Total other financing sources (uses)	425,808	(6,654)	16,029,769	245,250	10,716,889	11,003,171	6,455,191	441,638	377,879	15,741,822
Net change in fund balance	\$ 2,012,978	\$ 874,932	\$ 2,173,550	\$ 8,158,056	\$ (3,392,265)	\$ 2,547,336	\$ 3,238,014	\$ (4,911,866)	\$ (179,959)	\$ 7,788,083
Debt service as a percentage of noncapital expenditures										
	16.3%	13.7%	8.9%	11.2%	9.9%	25.5%	11.4%	11.9%	11.0%	18.9%

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

<u>Year</u>	Local Enabling Tax (Act 511) (b)				Total
	Property (a)	Business Privilege & Mercantile	Realty Transfer	Other	
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
2016	12,519,069	10,523,110	3,098,459	1,077,702	27,218,340
2017	12,474,658	9,954,225	3,282,548	1,045,596	26,757,027
2018	12,557,190	10,129,423	3,492,685	1,034,769	27,214,067
2019	13,335,783	7,956,900	4,181,527	993,828	26,468,038

Changes

2010 - 2019	28.7%	5.9%	99.2%	-2.2%	26.1%
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(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)	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
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%
2016	449,155,488	2,511,862,686	669,662,901	47,501,830	3,229,027,417	3.9228	3,229,027,417	100.0%
2017	452,240,125	2,511,835,640	669,662,901	45,620,478	3,227,119,019	3.9228	3,227,119,019	100.0%
2018	467,529,185	2,520,068,437	668,800,001	57,025,856	3,245,894,294	4.1582	3,245,894,294	100.0%
2019	479,231,695	2,528,204,985	638,409,891	59,392,620	3,226,007,496	4.4082	3,226,007,496	100.0%

Source: County of Delaware, Pennsylvania, Board of Assessments

Notes:

(a) Includes agricultural and vacant land

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
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	21.7122	5.604
2015	2.821	0.930	3.7511	22.1247	5.604
2016	2.951	0.972	3.9228	23.6199	5.604
2017	2.468	1.455	3.9228	23.6199	5.604
2018	2.533	1.390	3.9228	24.1867	5.604
2019	2.733	1.425	4.1582	24.9181	5.461

Source: County of Delaware, Pennsylvania, Board of Assessments
 Source: Radnor Township School District Website, School Tax Information

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>		2019			2010		
		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	\$ 107,362,755	1	3.3%	Comprehensive Annual Financial Report not prepared as of December 31, 2010. Accurate data for this schedule not available to be presented		
Radnor Center Associates	Commercial Real Estate	68,954,300	2	2.1%			
Robuca Associates/Radnor Hotel	Commercial Real Estate	31,609,020	3	1.0%			
Trustees of University of PA	Healthcare	21,181,110	4	0.7%			
Radwyn Apartments	Apartment Complex	22,149,000	5	0.7%			
KMO 361 Realty Associates	Commercial Real Estate	17,850,410	6	0.6%			
Bryn Mawr Lantern Owner LLC	Apartment Complex	16,644,570	7	0.5%			
Enrico Partners	Commercial Real Estate	16,424,610	8	0.5%			
Villanova University	Higher Education	14,762,400	9	0.5%			
Sposato, Richard	Apartments	14,245,000	10	0.4%			
Total		<u>\$ 331,183,175</u>		<u>10.3%</u>			

Notes:

- (1) Total taxable assessed value, all real property in Radnor Township, December 31, 2019 was \$3,226,007,496.
- (2) Upon County-wide reassessment, effective January 1, 2001, taxable assessed value theoretically equaled market values;

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

<i>Year Ended December 31</i>	Taxes Levied for the Year	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	92,122	11,805,883	100.00%
2013	11,826,420	11,652,931	98.53%	94,142	11,747,073	99.33%
2014	11,913,632	11,636,427	97.67%	119,834	11,756,261	98.68%
2015	11,894,911	11,735,097	98.66%	107,053	11,842,150	99.56%
2016	12,525,627	12,265,983	97.93%	93,683	12,359,666	98.68%
2017	12,662,075	12,510,474	98.80%	103,791	12,614,265	99.62%
2018	12,654,589	12,557,190	99.23%	92,443	12,649,633	99.96%
2019	13,492,038	13,335,783	98.84%	-	13,335,783	98.84%

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business Privilege (2)										
- Number of Filers	1,309	1,463	1,452	1,340	1,390	1,531	1,789	1,802	1,808	1,791
- Tax Collections	\$ 5,882,082	\$ 5,635,035	\$ 6,489,709	\$ 10,123,991	\$ 8,652,138	\$ 8,903,082	\$ 8,300,777	\$ 8,826,166	\$ 8,002,332	\$ 6,602,570
- Taxable Services	\$ 1,960,694,000	\$ 1,878,345,000	\$ 2,163,236,333	\$ 3,374,663,667	\$ 2,884,046,000	\$ 2,967,694,000	\$ 2,766,925,663	\$ 2,942,055,333	\$ 2,667,444,000	\$ 2,200,856,613
- 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	278	305	304	238	233	254	244	224	236	244
- Tax Collections	\$ 1,632,452	\$ 1,212,563	\$ 1,195,293	\$ 716,109	\$ 1,397,556	\$ 1,302,523	\$ 1,212,260	\$ 1,126,438	\$ 1,592,670	\$ 1,354,330
- Taxable Sales	\$ 544,150,667	\$ 404,187,667	\$ 398,431,000	\$ 238,703,000	\$ 465,852,000	\$ 434,174,333	\$ 404,086,827	\$ 375,479,333	\$ 530,890,000	\$ 451,443,333
- 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	\$ 7,514,534	\$ 6,847,598	\$ 7,685,002	\$ 10,840,100	\$ 10,049,694	\$ 10,205,605	\$ 9,513,037	\$ 9,952,604	\$ 9,595,002	\$ 7,956,900

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

<u>Taxpayer's Business</u>	Tax Paid	2019		2010		
		Rank	Percentage of Total	Rank	Percentage of Total	
Laboratory Supply & Distribution	566,928	1	7.1%			
Investment	309,081	2	3.9%			
Automotive Dealer	283,108	3	3.6%			
Investments	229,352	4	2.9%			
Insurance & Investments	220,000	5	2.8%		Comprehensive Annual Financial Report not prepared as of December 31, 2010. Accurate data for this schedule not available to be presented	
Pharmaceuticals	210,978	6	2.7%			
Insurance	195,800	7	2.5%			
Commercial Real Estate	140,307	8	1.8%			
Financial Planning	129,726	9	1.6%			
Retail	115,128	10	1.4%			
Percentage of Total Gross Collections			<u>30.2%</u>			

Source: Township of Radnor Finance Department

Note:

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

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

General Obligation Bonds (1)

<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
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
2016	13,975,000	45,660,000	1,022,904	1,406,471	62,064,375	3,229,027,417	1.92%	3.51%	31,531	1,968
2017	13,150,000	43,675,000	942,340	1,545,605	59,312,945	3,227,119,019	1.84%	3.35%	31,884	1,860
2018	12,525,000	42,700,000	861,776	1,264,407	57,351,183	3,245,894,294	1.77%	3.26%	31,884	1,799
2019	11,880,000	51,018,205	1,321,038	1,154,770	65,374,013	3,226,007,496	2.03%	3.67%	31,743	2,059

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 - 2019 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, 2019

	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Radnor Township School District	\$ 85,641,000	100.00%	\$ 85,641,000
Delaware County	\$ 259,932,980	11.678%	<u>30,356,218</u>
Sub-Total, Overlapping Debt			115,997,218
Township of Radnor Direct Debt		100.00%	<u>65,374,013</u>
Total Direct and Overlapping Debt			<u><u>\$ 181,371,231</u></u>

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

Note:

(1) Proportionate share of Delaware County's existing debt as of December 31, 2018 is based on the ratio of Radnor Township's assessed valuation to Delaware County's 2018 assessed valuation.

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

	Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Three Year Average Revenues(2),(3)	\$ 29,411	\$ 29,461	\$ 31,767	\$ 36,961	\$ 39,478	\$ 41,371	\$ 39,506	\$ 40,182	\$ 40,003	\$ 40,414
Debt limit (1)	\$ 73,528	\$ 73,653	\$ 79,418	\$ 92,403	\$ 98,695	\$ 103,428	\$ 98,765	\$ 100,455	\$ 100,008	\$ 101,035
Total net debt applicable to limit	\$ 44,965	\$ 43,055	\$ 41,575	\$ 43,570	\$ 41,605	\$ 41,920	\$ 45,660	\$ 43,675	\$ 42,700	\$ 51,018
Legal debt margin	\$ 28,563	\$ 30,598	\$ 37,843	\$ 48,833	\$ 57,090	\$ 61,508	\$ 53,105	\$ 56,780	\$ 57,308	\$ 50,016
Total net debt applicable to the limit as a percentage of debt limit	61.15%	58.46%	52.35%	47.15%	42.16%	40.53%	46.23%	43.48%	42.70%	50.50%

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)
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%
2016	31,531	1,769,109,817	56,107	4.2%
2017	31,884	1,900,095,096	59,594	4.1%
2018	31,884	1,760,028,684	55,201	3.7%
2019	31,743	1,781,385,417	56,119	3.7%

Sources:

- (1) US Census 2017, 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>Taxpayer</u>		2019			2010		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Villanova University	Higher Education	5,068	1	20.3%			
Radnor Township School District	Education	837	2	3.4%			
Cabrini University	Higher Education	833	3	3.3%			
Eastern University	Higher Education	624	4	2.5%			
Jefferson Home Care	Medical Services	505	5	2.0%			
EMoney Advisor Holdings LLC	Financial Services	504	6	2.0%			
VWR Management Services	Research Supply & Distribution	440	7	1.8%			
Trustees of the University of Pennsylvania	Healthcare Services	405	8	1.6%			
Pathfinders	Human Capital	403	9	1.6%			
Main Line Services, Inc.	Healthcare Services	317	10	1.3%			
Total		9,936		39.86%			Comprehensive Annual Financial Report not prepared as of December 31, 2010. Accurate data for this schedule not available to be presented

Source: Township of Radnor Finance Department

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

Function/Program	Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	4	2	2	2	2	2	2	2	2	3
Finance	3	4	6	6	6	6	6	6	6	8
Community Development	6	5	6	6	6	6	6	8	6	6
Engineering	3	2	2	2	2	2	1	3	3	4
Information Technology	3	3	2	2	2	2	2	2	2	2
Police										
Officers	40	41	36	38	41	40	43	43	45	44
Civilian	6	5	5	5	4	4	4	3	3	5
Refuse Collection	25	22	20	17	19	21	20	20	22	21
Other Public Works										
Highways/Mechanics	18	18	19	18	17	17	16	15	16	16
Sewer	4	4	4	4	4	4	4	4	4	3
Park Maintenance	17	14	13	13	13	13	11	13	13	13
Other	1	1	1	1	1	1	1	-	-	-
Parks and recreation	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>
Total	<u>132</u>	<u>124</u>	<u>119</u>	<u>117</u>	<u>120</u>	<u>121</u>	<u>119</u>	<u>122</u>	<u>125</u>	<u>129</u>

Source: Township of Radnor Finance Department

Notes:

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

Part Time employees work schedule is less than 29 hours per week and count as 1/2 FTE in above numbers. Seasonal employees not included and part-time

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

Function/Program	Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Business Tax Audits	74	85	41	35	32	44	28	6	28	-
Collections from audits (rounded in thousands)	\$ 971	\$ 310	\$ 826	\$ 8,984	\$ 421	\$ 959	\$ 1,010	\$ -	\$ 534	\$ 80
Business Tax Licenses Issued	1,237	1,282	1,282	1,655	1,768	1,785	1,785	2,003	2,035	1,845
Protection to persons and property										
Building permits issued	785	831	910	916	971	828	951	933	899	898
New construction	7	8	22	23	39	18	22	19	26	39
Accessories and additions	104	104	55	49	133	89	119	112	63	48
Subdivision plans	1	2	-	2	19	11	16	-	-	1
Lots approved	-	4	-	1	72	-	20	-	-	4
Zoning appeals	35	54	28	22	26	34	17	28	23	27
Design review	53	90	67	87	70	70	59	54	47	61
Vehicle violations	23,371	28,445	30,322	31,576	32,414	20,682	19,295	19,998	18,052	19,101
Vehicle accidents	1,209	1,207	1,214	1,235	1,190	1,103	964	1,027	1,042	1,049
Nuisance and non-criminal	10,972	10,579	12,590	15,537	15,298	7,758	16,958	15,366	15,541	15,890
Serious crimes	433	423	428	396	331	321	333	530	921	1,030
Secondary offenses	784	733	828	672	613	849	632	487	401	551
Alarm signals	1,674	1,568	1,664	1,730	1,729	985	1,610	1,474	1,306	1,563
Animal complaints	784	616	646	518	259	291	174	177	365	381
Health and sanitation										
Refuse collected (tons)	8,774.0	7,838.8	7,838.8	7,251.0	7,176.8	7,055.5	7,012.0	6,994.3	7,474.3	7,115.8
Curbside recycling (tons)	5,738	2,898	6,646	6,629	6,563	6,604	6,439	6,544	6,261	6,477
Other Public Works										
Streets resurfaced (sq yds)	37,224	50,610	-	41,636	41,563	101,089	118,526	26,075	38,344	60,500
Parks and recreation										
Number of programs & events	220	187	145	125	125	195	200	190	190	200
Events held at Willows Mansion	120	122	117	22	5	-	-	-	-	-
Wastewater										
New sanitary sewer connections	18	3	4	2	2	-	-	-	13	24

Source: Various Departments, Township of Radnor

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

Function/Program	Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Protection to persons and property										
Marked vehicles	13	13	13	13	14	13	13	13	12	14
Motorcycles	-	-	-	4	4	4	4	4	4	6
Unmarked vehicles	7	7	7	7	7	8	9	9	9	9
SWAT Vehicle	-	-	-	-	-	-	1	1	1	1
Townwatch Vehicle	-	-	-	1	1	1	1	1	1	1
Parking Enforcement vehicles										3
Drug Task Force undercover										3
Health and sanitation										
Recycling trucks	6	6	-	-	-	-	-	-	-	-
Refuse collection trucks	12	12	-	-	-	-	-	-	-	-
Recycling & Refuse Trucks	-	-	12	12	12	13	13	13	13	13
Other Public Works										
Streetlights	1,402	1,406	1,406	1,406	1,406	1,406	1,407	1,407	1,407	1,407
Traffic signals	44	44	44	44	44	45	45	46	46	46
Parks and recreation										
Acres of open space	441.84	441.84	441.84	441.84	512.84	512.84	512.84	512.84	512.84	512.84
Parks	23	23	23	23	23	26	26	26	26	26
Wastewater										
Sanitary sewers (linear feet)	719,810	719,810	719,810	719,810	719,810	719,810	719,810	719,810	720,210	720,210
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

Notes:

- (1) Motorcycles and related upfit equipment acquired in 2013 and paid 100% by donations.
- (2) SWAT vehicle owned by Delaware County is insured and maintained by Radnor Township and supports SWAT activity for all of Delaware County.
- (3) Townwatch vehicle is a former patrol car decommissioned in 2012 and utilized in 2013 for Town Watch activities.