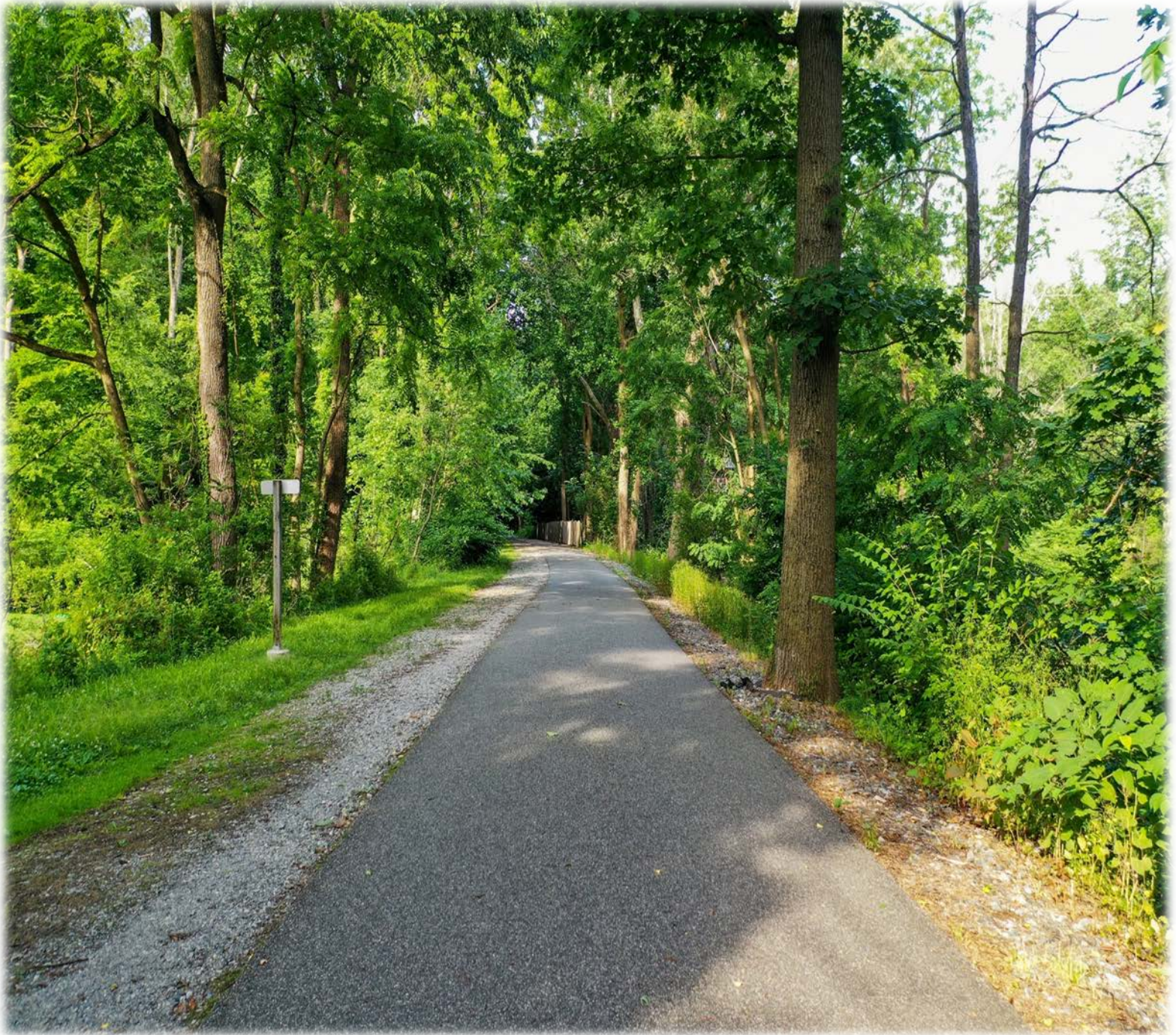


Radnor Township

Annual Comprehensive Financial Report For the Year Ended, December 31, 2021



Radnor Township
301 Iven Avenue
Wayne, PA 19087
610-688-5600
www.radnor.com



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the year ended, December 31, 2021

**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, 2021

Introductory Section

Transmittal Letter	i
Principal Officials.....	xi
Organization Chart	xii
Map of Radnor Township	xiii
Certificate of Achievement for Excellence in Financial Reporting	xiv

Financial Section

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

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities.....	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Net Position – Proprietary Fund	26
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	27
Statement of Cash Flows – Proprietary Fund	28
Statement of Fiduciary Net Position – Fiduciary Funds.....	29
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	30

Notes to the Financial Statements

1 Summary of Significant Accounting Policies	31
2 Deposits and Investments	42
3 Interfund Receivables, Payables and Transfers	47
4 Capital Assets.....	48
5 Loan Receivable	49
6 Capital Leases Obligations.....	50
7 Long-Term Debt	50
8 Defined Benefit Pension Plans.....	54
9 Postemployment Benefits Other than Pension Benefits.....	61
10 Deferred Compensation Plan	66
11 Risk Management	66
12 Radnor-Haverford-Marple Sewer Authority	67
13 Commitments and Contingencies.....	68
14 New Accounting Pronouncements.....	68
15 Combining Pension and OPEB Trust Funds.....	71
16 Excess of Expenditures over Appropriation in Major Fund.....	72
17 Risks and Uncertainties.....	73
18 Restatement of Net Position.....	73
19 Subsequent Events.....	73

TOWNSHIP OF RADNOR, PENNSYLVANIA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021

Required Supplementary Information

Schedule of Employer Contributions – Police and Civilian Pension Plans	74
Schedule of Investment Returns – Police and Civilian Pension Plans.....	76
Police Pension Plan - Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	77
Civilian Pension Plan - Schedule of Changes in the Employer's Net Pension Liability And Related Ratios.....	78
Schedule of Changes in the Net OPEB Liability and Related Ratios – Last Ten Years	79
Schedule of Contributions OPEB Plan – Last Ten Years.....	80
Schedule of Investment Returns in OPEB Plan	81
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund.....	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) Sewer Fund.....	83
Budget and Actual (Budgetary Basis) Park Improvements & Open Space Fund.....	84
Budget and Actual (Budgetary Basis) Storm Water Fund.....	85
Notes to Required Supplementary Information – Budgetary Comparison Schedules	86

Other Supplementary Information

General Fund	87
Schedule of Revenues and Other Financing Sources – Budget and Actual (Budgetary Basis) – General Fund.....	88
Schedule of Functional Expenditures by Activity – Budget and Actual (Budgetary Basis) – General Fund.....	90
Debt Service Fund.....	92
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Debt Service Fund.....	93
Major Capital Project Funds with Legally Adopted Budget	94
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Capital Improvement Fund.....	95
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Special Assessment Fund	96
Nonmajor Governmental Funds	97
Combining Balance Sheet – Nonmajor Governmental Funds.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	99
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – State Liquid Fuels Tax Fund.....	100
Fiduciary Funds	101
Combining Statement of Fiduciary Net Position – Pension and OPEB Trust Funds	102
Combining Statement of Changes in Plan Net Position – Pension and OPEB Trust Funds	103

Capital Assets Used in Operation of Governmental Funds

Comparative Schedules by Source.....	104
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TOWNSHIP OF RADNOR, PENNSYLVANIA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021

Other Supplementary Information (continued)

Capital Assets Used in Operation of Governmental Funds Schedule by Function and Activity	105
Capital Assets Used in Operation of Governmental Funds Schedule of Changes by Function and Activity	105

Statistical Section

1. Net Position by Component, Last Ten Years.....	106
2. Changes in Net Position, Last Ten Years.....	107
3. Program Revenues by Function/Program, Last Ten Years.....	109
4. Fund Balances, Governmental Funds, Last Ten Years.....	110
5. Changes in Fund Balances, Governmental Funds, Last Ten Years.....	111
6. Tax Revenue by Source, Governmental Funds, Last Ten Years.....	112
7. Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years.....	113
8. Direct and Overlapping Property Tax Rates, Last Ten Years.....	114
9. Principal Property Taxpayers, Current and Nine Years Ago.....	115
10. Property Tax Levies and Collections, Last Ten Years.....	116
11. Business Privilege and Mercantile Taxes, Revenue Base and Collections, Last Ten Years.....	117
12. Principal Business Privilege and Mercantile Tax Remitters, Current and Nine Years Ago.....	118
13. Ratio of Net General Bonded Debt Outstanding, Last Ten Years.....	119
14. Direct and Overlapping Governmental Activities Debt, as of December 31, 2021	120
15. Legal Debt Margin Information, Last Ten Years.....	121
16. Demographic and Economic Statistics, Last Ten Years.....	122
17. Principal Employers, Current and Nine Years Ago	123
18. Full Time Equivalent Township Government Employees by Function/Program, Last Ten Years	124
19. Operating Indicators by Function/Program, Last Ten Years.....	125
20. Capital Asset Statistics by Function/Program, Last Ten Years	126

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INTRODUCTORY SECTION

MOIRA MULRONEY, ESQ. *Ward 5*
President

JACK LARKIN, ESQ. *Ward 1*
Vice President

MAGGY MYERS *Ward 2*

ANNAMARIE JONES *Ward 3*

LISA BOROWSKI *Ward 4*

JAKE ABEL *Ward 6*

SEAN FARHY *Ward 7*



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Township Manager
Township Secretary

JOHN B. RICE, ESQ.
Solicitor

KEN FROHLICH
Treasurer

June 30, 2022

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 Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2021. 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 ACFR. The Township management has implemented and maintains 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. The firm has 55 professionals with revenues of just over \$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:

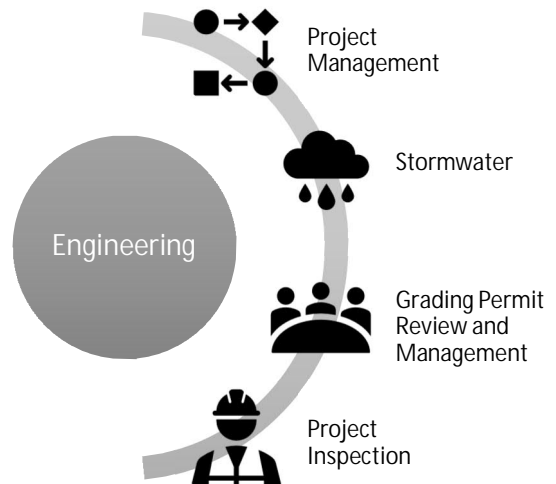
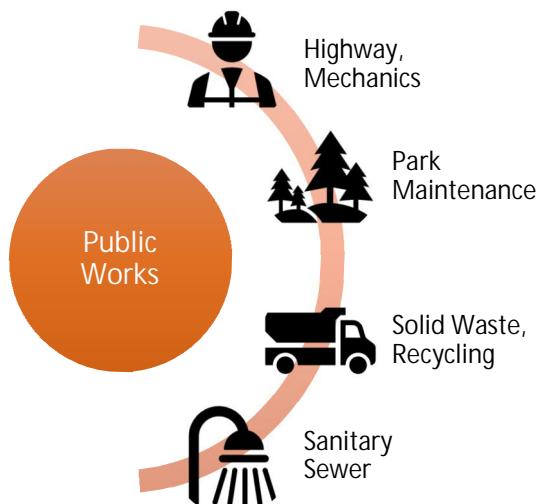
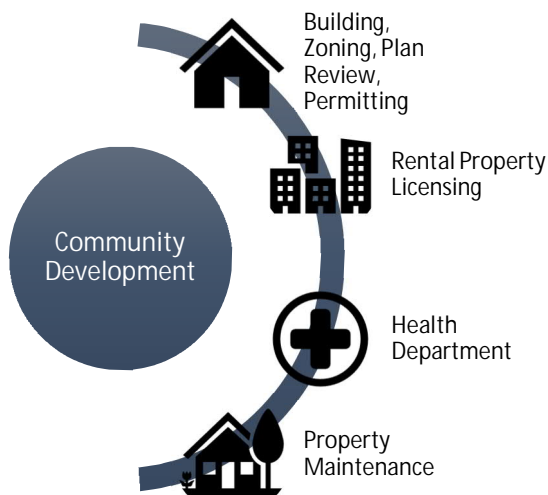
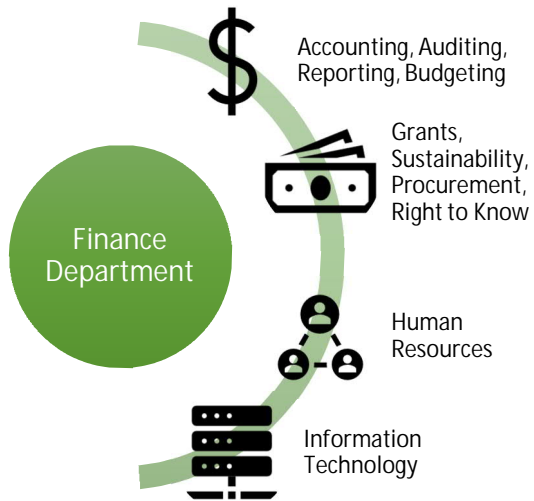
The Radnor Township community is proud of its heritage and continues to reflect many of the values of its settlers of over 300 years earlier. The Township is home to a public school system that has been rated as one of the finest in the nation and includes a vast network of lush parks, playgrounds, and 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 33,228 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 early 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 late November or 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 functional level of expense, for example, general government and protection to persons and property. All appropriations lapse at the end of the fiscal year except those that are obligated through encumbrance.

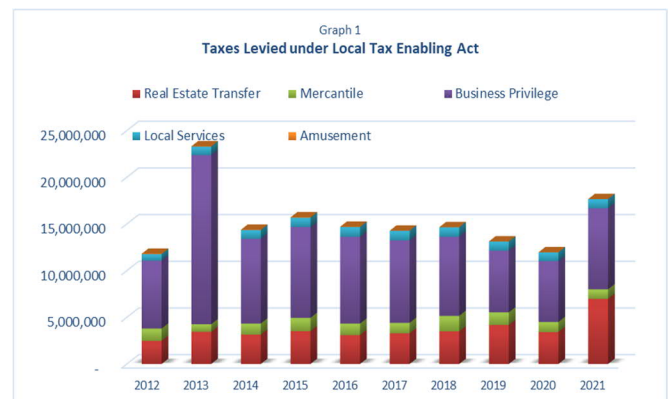
The Township has adopted several important fiscal policies aimed at creating balanced budgets, establishing appropriate levels of funding reserves, determining the appropriate use of non-reoccurring revenues, establishing annual capital funding, and establishing a funding plan for other post-employment 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 relatively strong revenue in all the Act 511 categories dating back to 2012 [Note: There was a one-time \$8 million business tax 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.

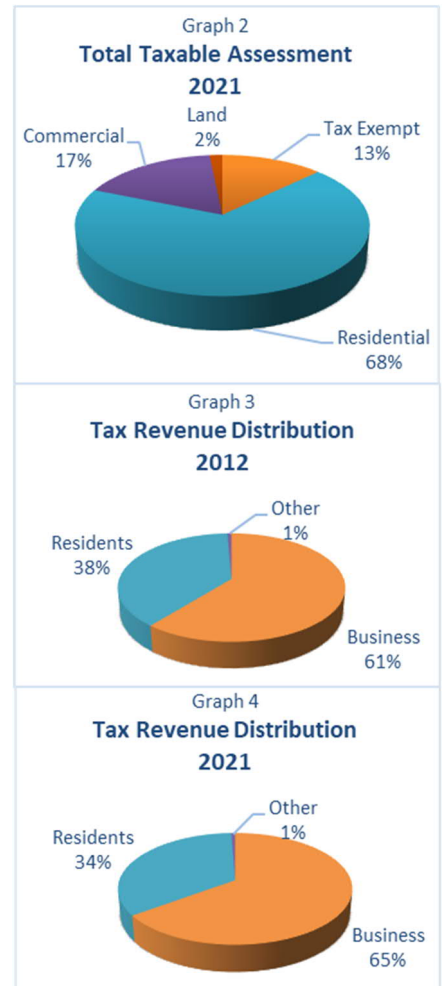
More specifically, the Act 511 taxes reveal how the real estate and business base in Radnor is doing economically. The business privilege taxes are levied on the gross receipts of commercial business activity at 3.000 mills. The performance of these revenues is a strong indication of the vitality of 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 4.



Another economic factor to consider is the real estate assessment values year over year. Radnor Township has 9,041 tax parcels distributed into four broad categories with relative tax assessment values 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 86%. Overall, the Township's total real estate assessed value has remained strong and stable. As shown in Schedule 7 in the Statistical Section, page 113, the annual assessment growth has averaged 1.96% 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 strives 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 and then up 6% to 4.4082 in 2020. In 2021, millage rates were adjusted accordingly to account for the County wide property reassessment project. Radnor properties in the aggregate increased in assessment by just over 90% and a corresponding adjustment in the millage rate was made to comply with the State mandated "revenue neutral" result. As such, the millage rate was set 2.2837 mills for 2021 and remained unchanged for 2022. Although rates have stepped up over the five-year period prior to the reassessment, 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 2012 as compared to 2021. As depicted, the residential burden has been reduced slightly from 38% to 34%, supported by recent recovery in business tax revenue. As such, the taxes generated by the businesses continue to be a solid contributor to the Township's financial health. 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 evaluate the long-term funding plan for the OPEB obligations as well as annual funding to the Township's operating and capital requirements. In 2020, CARFAC began a comprehensive review of the OPEB funding model, analyzing and incorporating updated investment and expense assumptions to develop a more accurate picture of the OPEB liability and to recommend options for funding. Their report will be presented to the Board of Commissioners in the 3rd quarter of 2022. 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, working with CARFAC, began back in 2014 to evaluate the Township’s current financial and departmental operating software. The project was born out of necessity resulting from a lack of functionality with the Township’s current software system, which had 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 and into 2021 the Project Accounting module and the Codes and Permitting Field Inspector app was implemented. The implementation of the Business License module (contractor, rental housing, food/outdoor dining, and bathing places licenses) began in March 2020, but was delayed due to Covid-19 and the announcement from Delaware County that they would be initiating a County wide Health Department in 2021, thus alleviating the need for the Township to inspect and license food/outdoor dining establishments and bathing places. The Township anticipates the go-live of the Business License module for contractor licensing towards the end of 2022.

Right to Know Requests

Under the State of Pennsylvania's Right-to-Know Law, Act of Feb. 14, 2008, P.L. 6, No. 3 ("Act"), the Township is required to provide access to public records that documents a transaction or activity of the Township that is not exempt under section 708 of the Act, is not exempt from being disclosed under any other Federal or State law or regulation or judicial order or decree; or is not protected by a privilege. In 2010, the Township adopted a Public Records Access Policy to ensure compliance with the provisions of the Act and designated an Open Records Officer ("OOR") to oversee the management of public record requests.

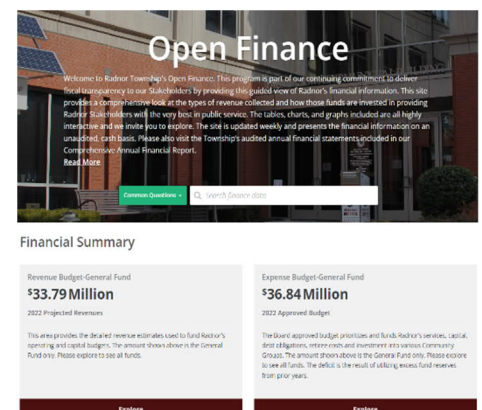
Between 2010 and 2019, the number of public record requests ("Requests") received had almost doubled from 395 to 741 and received over 800 requests by the end of 2020. As the number of requests have more than doubled since the adoption of the Public Records Access Policy, it became apparent that the current process of receiving, tracking, managing, reviewing, and responding to requests was becoming cumbersome and inefficient. In late 2020, the Board of Commissioners authorized the purchase and implementation of a public records management software from JustFIOA to allow staff to track and respond to requests more efficiently. Training and implementation of the software took place in less than two months and the Right to Know Request Portal went live to the public on January 1, 2021. For the calendar year 2021, staff responded to 1,992 police related requests and 759 other Township document requests. As of mid-2022, the township has received 681 police related requests and 233 other Township document requests. Township staff have excelled in fully utilizing the software and have significantly increased response time.

Township Website Redesign

In early 2020, the Township commenced with the redesign of its current website, which was last updated in 2014 and incorporated emergency and non-emergency communication into one software suite. With this latest redesign project, the Township wishes to continue to provide website, emergency and weather notification, and non-emergency email notification services to its citizens through an ADA compliant vendor. The goal is to provide a consolidated, fully integrated, customizable, all-in-one branded solution to its citizens; to redesign the existing website to make aesthetic improvements, reduce clutter, reorganize archived documents, and provide a more user friendly experience for all visitors; to add Government Transparency allowing for live-streaming, video indexing, document pushing and efficient minute creation; to enhance its ability to communicate with the Radnor Community by leveraging the Communication Cloud to utilize a number of outreach mediums including email, SMS/Text, RSS feeds, and social media integration seamlessly; and to add Board and Commissions software enabling real-time citizen application, appointment and tracking of term(s) to the various Township boards and commissions. Even with delays due to Covid-19, the Township unveiled its newly redesigned website and additional capabilities in the Fall of 2021.

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 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.



Sustainability

Radnor Township prides itself on its commitment to promoting and implementing steps to protect the environment. As such, on March 2, 2021, the Board of Commissioners adopted a comprehensive climate plan (Resolution 2021-32), as presented by Practical Energy Solutions and the “Green Team”. It focuses on clean energy and conservation with goals for the township to achieve 100% clean electricity by 2035 and 100% clean energy by 2050. The Plan also calls for pursuing grants and other available funding opportunities to support the clean/renewable energy initiatives and to be the Township’s primary resource for the pursuit and identification of grant opportunities that span all other aspects of the Township’s capital and/or operational needs. Accomplishing these goals required the allocation of resources for a Sustainability Coordinator however was unfunded in 2021 and not funded as part of the 2022 budget process.

Administration worked with staff and transitioned certain functional responsibilities and modified the job duties of several staff members to allow for the primary functions of the Sustainability Coordinator to be incorporated in with the Administrative Coordinator role in 2022. The first clean energy grant submission was approved by the Board on February 28, 2022, in the amount of \$400,000 to help fund the transition to electric vehicles for certain fleet assets.

Stormwater Management

The Board of Commissioners adopted Ordinance 2013-15 on October 14, 2013, establishing a Stormwater Management Fee under Chapter 246 of the Radnor Township Code, effective for calendar year 2014. Since inception, staff developed a list of capital projects for addressing stormwater and the Board has authorized the feasibility studies and design for multiple projects. In late 2020, the Administration presented the Board with a list of priority projects with construction cost estimates ranging from ~\$200K to ~\$5MM and in early 2021 the Board authorized proceeding with going to bid on up to \$17MM of projects. Final bid specifications continued throughout 2021 with smaller projects paid from the cash available in the Fund. In early 2022, Administration finalized a \$10MM borrowing through the issuance of General Obligation Bonds for the financing of the larger projects. Click on the below link for a status of the South Wayne Avenue Flood Reduction Project that commenced in June, 2022.

<https://www.radnor.com/Home/Components/News/News/1160/14>

TAP Trails

The Radnor TAP trail was originally proposed in 2013 as part of a Radnor Greenways and Open Space Plan, providing a 5-mile north/south circuit route through almost all the Township with connectivity to Haverford Township, creating a nearly 7.6-mile on-road and off-road bicycle and pedestrian route. A portion of the TAP trail connects the Radnor Trail at Radnor Chester Road with the Radnor High School and the Radnor SEPTA Train Station. The trail enhances pedestrian and bicycle facilities, improves access to public transportation, serves a transportation purpose, offering a safe walk to school route, and promotes safety and mobility in our community. Design and engineering were completed by 2020 and construction commenced in early 2021 and completed in the Fall of 2021. Click on the attached link for the most up to date information and pictures of this project.

<https://www.radnor.com/government/departments/parks-recreation/park-trails-projects/trail-projects/radnor-tap-trail>



Comprehensive Plan and Zoning Updates

As part of the 2022 budget process, Administration recommended an allocation of funds to begin the Comprehensive Plan and Zoning update for the Township. The Township Charter cites that the Comprehensive Plan should be evaluated and updated every ten years and the Township's last update was in 2003. With a funding allocation for 2022, the process has commenced, and contract awarded with the expectation that the Plan update will be completed by 2024, followed by the Zoning and Subdivision and Land Development Ordinances update to be completed by 2026.

Fire Safety Inspection Program

Also funded as part of the 2022 budget, a Fire Safety Inspection program, headed by a fulltime resource, allows the Township to provide fire safety inspections to every business on an annual basis, thus increasing fire safety throughout the business community. With the County rolling out their own Health Department, the Board approved the reallocation of the vacated Health Inspector position to provide for the Fire Safety Inspection program with a full-time resource expected by the 3rd quarter of 2022.

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, 2020. This was the tenth year in a row that the Township had received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 is 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, 2021
RADNOR TOWNSHIP, PENNSYLVANIA

ELECTED OFFICIALS

Board of Commissioners

Jack Larkin, Esq.....	1 st Ward Commissioner
Richard F. Booker, Esq.....	2 nd Ward Commissioner
Annamarie Jones.....	3 rd Ward Commissioner
Lisa Borowski.....	4 th Ward Commissioner
Moir 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
--------------------------	---------------------

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
Ricky Foster, Jr.....	Director of Public Works
Robert V. Tate, Jr. CPA.....	Director of Finance

APPOINTED PROFESSIONAL FIRMS

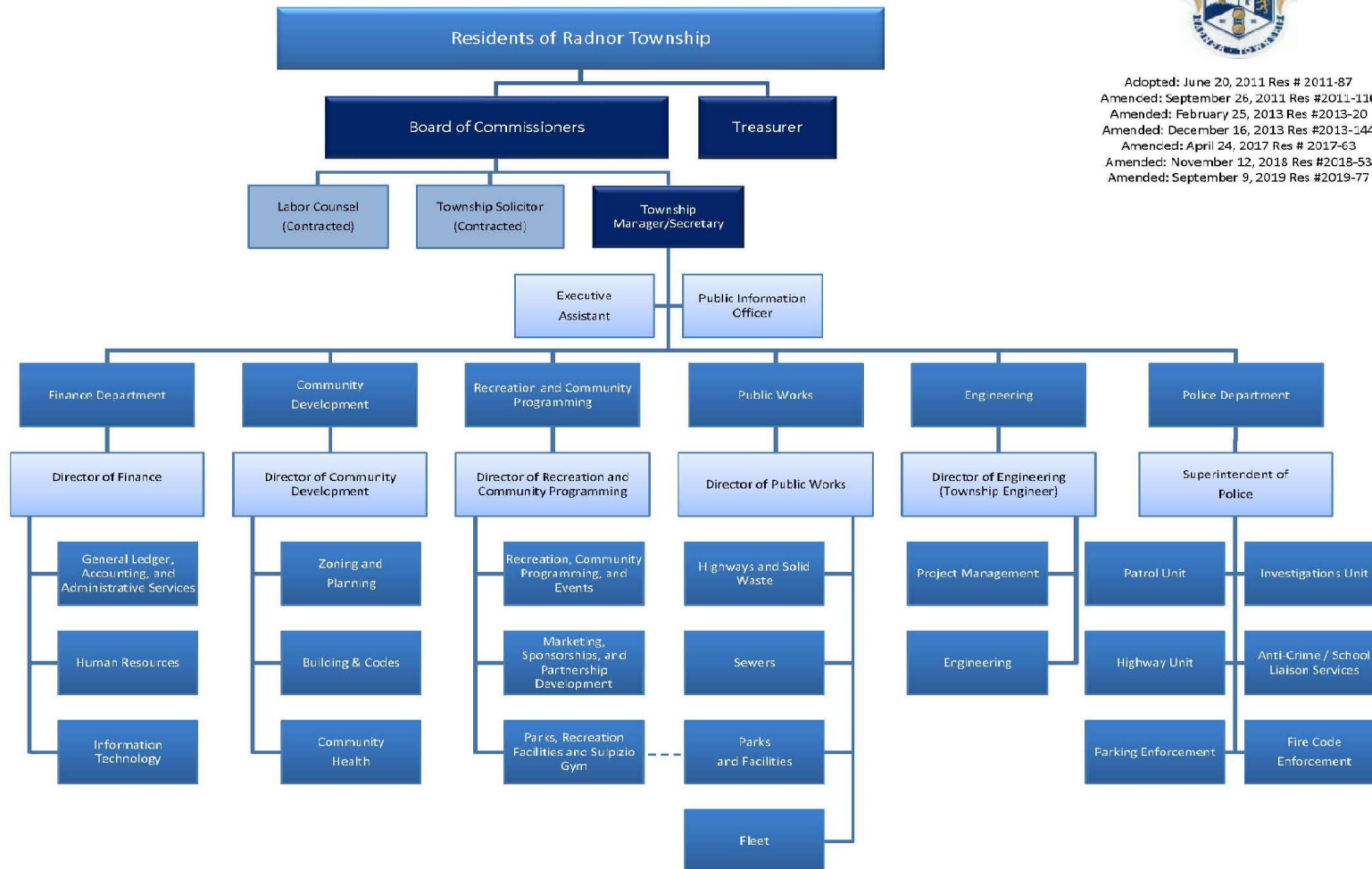
T.D. Bank, NA.....	Banking Depository
Cozen O'Conner.....	Bond Counsel
PFM Asset Management, LLC.....	Pension Plan Investment Advisor
Mockenhaupt Benefits Group.....	Pension Plan Actuary
Clark Hill, PLC.....	Labor Law Solicitor
Flamm Walton, PC.....	Business Tax Solicitor
Gannett Fleming.....	Engineering Firm

TOWNSHIP OF RADNOR, PENNSYLVANIA

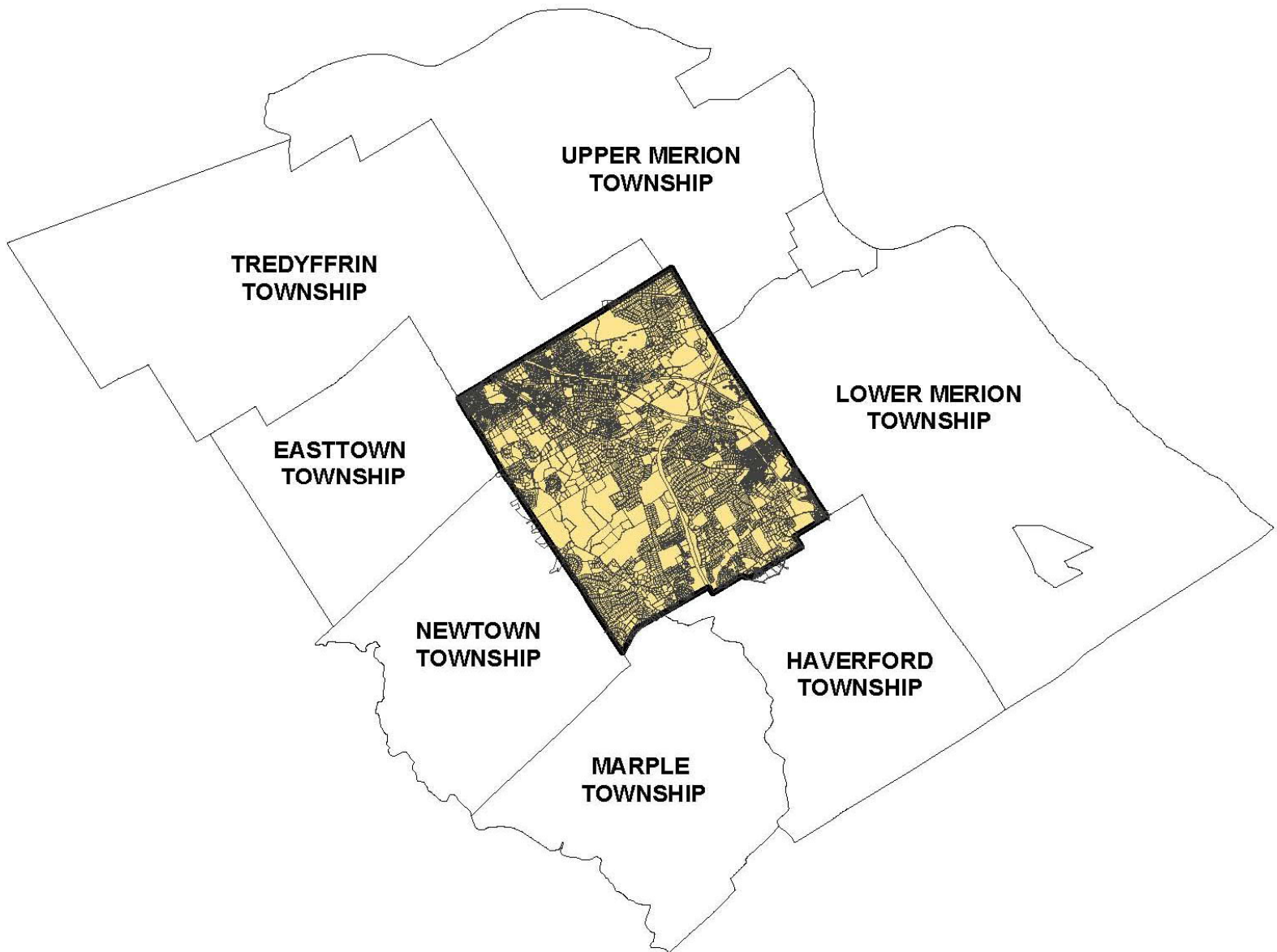
RADNOR TOWNSHIP ORGANIZATIONAL CHART



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: September 9, 2019 Res #2019-77



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Township of Radnor
Wayne, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Radnor Township (the "Township"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Township's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The



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risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 4-19 and 74-86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining statements, budgetary comparison for certain major and nonmajor funds, and capital assets used in operation of governmental funds ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2022 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania
July 21, 2022

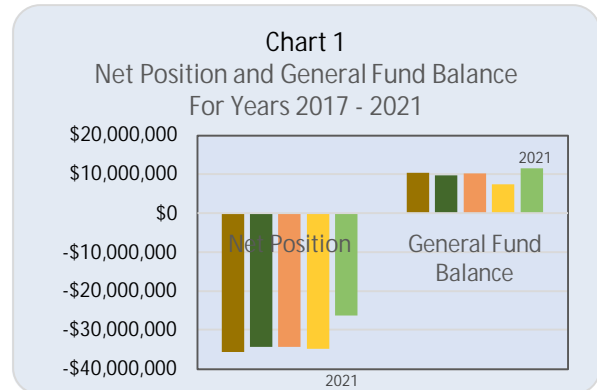
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TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

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, 2021.

Financial Highlights

Radnor Township's government-wide net position (deficit) on December 31, 2021 was (\$26,392,925), an improvement in the deficit balance by \$10,187,811 from December 31, 2020 balance of (\$36,580,736). 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 four years. While the negative net position is primarily due to the reporting of net pension and other postemployment benefit liabilities, the improvement in the deficit was primarily the result of a reduction in the 2021 net pension and OPEB liability. The General Fund Balance increased by \$4,061,496, primarily due to a moderate recovery in business tax revenues, a healthy level of activity and revenue from real estate transfers, modest increase in license and permit revenue related to development activity, and federal grant funds realized through the American Rescue Plan Act. Maintaining a strong General Fund balance is in line with the Township's compliance with policies that require a minimum of fifteen percent of budgeted operating expenditures to be held as unassigned fund balance, plus an additional ten percent of budgeted operating 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 2021 unassigned fund balance met the target 15% at \$4,823,630, the 10% fund balance stabilization at \$3,215,753, and a surplus remaining of 8.8% or \$2,822,383 in the Other Unassigned fund balance. The surplus in the Other Unassigned category results in an overall General Fund balance of 33.8%, a healthy recovery from prior year balance of 24% of expenditures, and close to the pre-pandemic level of 34% in 2019.



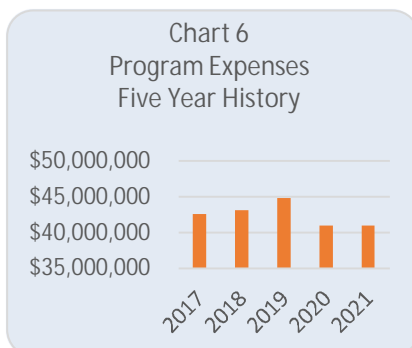
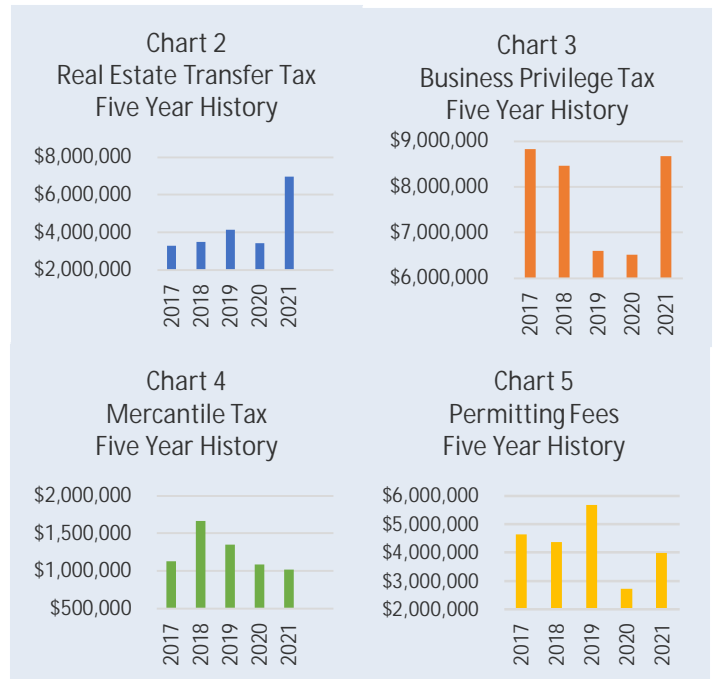
Recognizing that the net pension and OPEB liabilities represent the two primary reasons for the negative net position, the Township continues to make strides in managing this significant liability. The Township has sought to understand the problem, identify alternative solutions for funding and debt reduction, and commit to exploring options on how best to manage the OPEB liabilities and improve the Township's net position. In prior years, the Township overfunded its calculated pension obligation and began working with its labor force to change benefits moving forward. Specifically, the Township negotiated the defined benefit pension plan and OPEB benefits out of the civilian union labor contract, eliminating both benefits for employees hired after January 1, 2013. At the same time, leave time accrued and payable at the time of retirement is paid out over time through the terminal leave provisions versus a lump sum payment; thus, reducing pension benefits during retirement. On the funding side, for both the Uniform and Non-Uniform pension plans, the Township adjusted the actuarial assumptions to better match market returns with a reduction in the rate of return assumption from 7.50% to 7.25% for the 2017 valuation, and further reduced this assumption down to 7.0% for the 2021 valuation. Also, for 2021, the salary adjustment assumption has been reduced from 5% down to 4.5%. 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. The OPEB Trust Fund established the rate of return assumption conservatively at 4.25%.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Financial Highlights (continued)

On December 31, 2021 the OPEB Trust assets have increased as a result of investment gains in the fund, resulting in a balance of \$10,228,951, an increase of \$815,421 from the prior year balance of \$9,413,530. The original funding plan adopted in 2014 called 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. With the decline in business tax revenues in 2020, the OPEB funding, other than current annual premium costs, was suspended for 2020. At that time, the Board of Commissioners tasked the Citizen's Audit Review and Financial Advisory Committee (CARFAC) to delve into the OPEB funding plan and reevaluate options for managing the liability.

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 historically have been the Act 511 taxes, which include Real Estate Transfer Taxes, Business Privilege Tax ("BPT"), Mercantile Tax ("MT") and Local Services Tax ("LST"). Real Estate Transfer Taxes are an indication of the health of the local housing market. Although revenue will fluctuate from year to year, this year saw a significant recovery from 2020 with over \$6.9 million in transfer tax revenue, a sharp increase from just over \$3.4 million in the prior year. BPT revenue reflects all commercial activity in Radnor, except retail, and represent the largest of the revenue sources in this grouping. Revenue, while declining in each of the prior five years, showed a healthy recovery in 2021, netting over \$8.6 million, up from \$6.5 million in 2020. 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, down slightly in 2019 to \$1,354,330 and further decreased to just over \$1 million in 2020 and 2021. Finally, permitting revenue is an indicator of the economic development and redevelopment activity in Radnor and has had strong performance since 2014, notably in 2017 with Villanova's parking, dormitory and performing arts center development project and in 2018 and 2019 with the Penn Medicine redevelopment project. The decline we saw in the 2020 economic activity, consistent with the decline in business taxes related to the pandemic, has been partially offset by a modest recovery in 2021 economic activity, with license and permit revenue totaling just over \$3.9 million.



As part of the American Rescue Plan Act of 2021, the Township's revenue was further bolstered by the first of two installments of Federal recovery funding in the amount of \$1,668,166. The federal funding has helped the Township in restoring the General Fund balance in compliance with fund balance and excess fund balance policy targets.

Program expenses across all functions and programs of the governmental activities, remained in line with the 2021 budget, further supporting the recovery of the Township's fund balance.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Financial Highlights (continued)

At the beginning of 2021, while still grappling with the effects of the pandemic, the County wide property reassessment project was finalized, and Radnor properties were reassessed with overall aggregate values increasing approximately 90%. The Township adjusted the 2020 millage rate from 4.4082 down to 2.2837 in accordance with State law to achieve a revenue neutral result in real estate billing. Over the past ten years, there were minor adjustments in the millage rates and corresponding tax increases. Taxes increased 6%, from 4.1582 mills in 2019 to 4.4082 in 2020. 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. During the last ten years, Real Estate Taxes have been steady at roughly \$14.2 million and \$14.1 million in 2021 and 2020 per year with collection rates in the initial year of the levy ranging from 97.67% to 99.24%.

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 20 and 21 of this report.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

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.

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, Trail Grant Fund, and the Recreation Fee Fund.

The Township adopts an annual appropriated budget for certain funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund, major Special Revenue Funds, and the State Liquid Fuels Fund to demonstrate compliance with this budget on pages 82 through 85 and page 100.

The basic governmental funds financial statements can be found on pages 22 through 25 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 26 through 28 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 (fiduciary component units) and custodial funds. Total net position of the fiduciary funds was \$99,859,770, an increase from the prior year value of \$90,206,828 and primarily a result of actively managed funds and allocations that helped support the increase in the market value of investments.

The basic fiduciary funds financial statements can be found on pages 29 and 30 of this report.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

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 31 through 73 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 74 through 86 of this report.

Other supplementary information is presented immediately following the notes to the financial statements and the required supplementary information. Other supplementary information can be found on pages 87 through 105 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 (\$26,392,925), a reduction in the deficit of \$10,187,811 from December 31, 2020. Total assets and liabilities both increased in 2021 as the total net position deficiency as stated continues to be the result of the net liabilities relating to pension (\$2,353,867) and OPEB (\$43,700,035). As noted, the Township initially funded OPEB by establishing a dedicated trust 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 23.

Table 1 - Township of Radnor's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 27,778,079	\$ 25,306,077	\$ 463,689	\$ 507,598	\$ 28,241,768	\$ 25,813,675
Capital Assets	71,911,561	69,438,262	165,777	168,114	72,077,338	69,606,376
Total Assets	99,689,640	94,744,339	629,466	675,712	100,319,106	95,420,051
Deferred Outflows of Resources	6,075,892	7,027,939	-	-	6,075,892	7,027,939
Noncurrent Liabilities	112,603,851	123,179,475	-	-	112,603,851	123,179,475
Other Liabilities	2,220,766	2,087,546	-	-	2,220,766	2,087,546
Total Liabilities	114,824,617	125,267,021	-	-	114,824,617	125,267,021
Deferred Inflows of Resources	17,333,840	11,365,993	-	-	17,333,840	11,365,993
Net Position:						
Net Investment in Capital Assets	15,016,535	12,843,217	165,777	168,114	15,182,312	13,011,331
Restricted	981,258	354,751	-	-	981,258	354,751
Unrestricted (Deficit)	(42,390,718)	(48,058,704)	463,689	507,598	(41,927,029)	(47,551,106)
Total Net Position (Deficit)	\$ (26,392,925)	\$ (34,860,736)	\$ 629,466	\$ 675,712	\$ (25,763,459)	\$ (34,185,024)

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 \$15,016,535 at the end of 2021 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Government-Wide Financial Analysis (continued)

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.

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 included the rental of the facility for special events, weddings, birthday parties, social gatherings, school district events and other events. As reported on Table 1 above, the total business-type activities' net position on December 31, 2021 was \$629,466. 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, 2021 and 2020. This table utilizes the full accrual method of accounting.

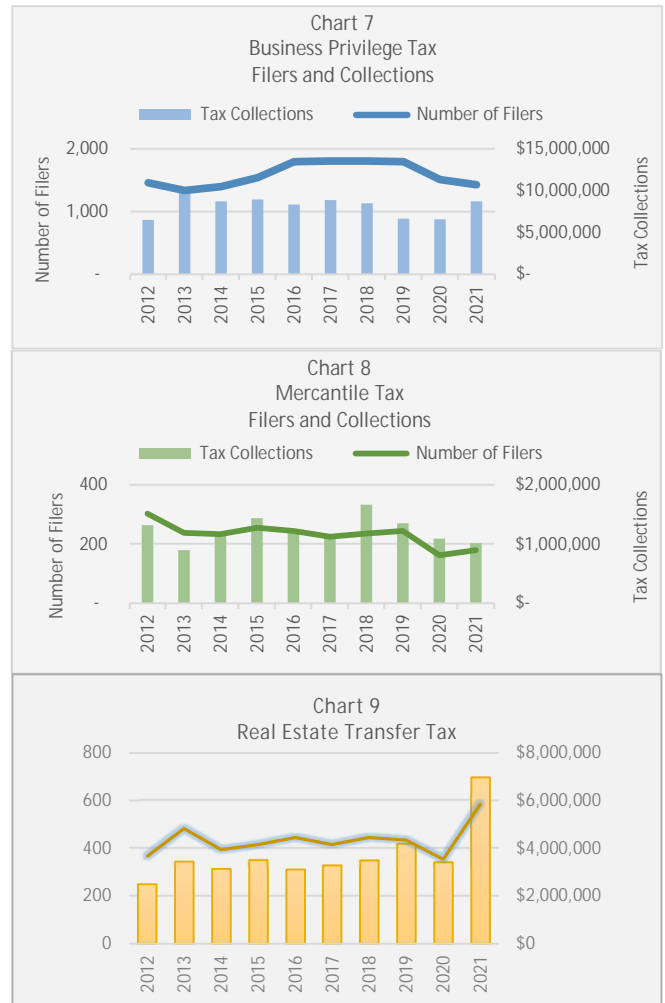
Revenue is further divided into two major components: Program Revenue and General Revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue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

Table 2 - Township of Radnor's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program Revenues:						
Charges for Services	\$ 12,341,231	\$ 11,157,001	\$ -	\$ -	\$ 12,341,231	\$ 11,157,001
Operating Grants and Contributions	2,981,828	1,358,876	-	-	2,981,828	1,358,876
Capital Grants and Contributions	1,836,045	1,617,723	-	-	1,836,045	1,617,723
General Revenues:						
Real Estate Taxes	14,267,240	13,962,397	-	-	14,267,240	13,962,397
Taxes Levied Under Act 511	17,662,003	11,966,183	-	-	17,662,003	11,966,183
Investment Income	202,866	431,752	530	4,043	203,396	435,795
Total Revenues	49,291,213	40,493,932	530	4,043	49,291,743	40,497,975
Expenditures						
General Government	4,466,416	4,779,187	-	-	4,466,416	4,779,187
Protection to Persons and Property	14,291,404	16,104,694	-	-	14,291,404	16,104,694
Health and Sanitation	9,001,863	9,717,279	-	-	9,001,863	9,717,279
Highways	5,135,155	4,943,818	-	-	5,135,155	4,943,818
Library	979,370	974,318	-	-	979,370	974,318
Parks and Recreation	2,751,757	3,269,821	46,776	65,573	2,798,533	3,335,394
Interest on Long-Term Debt	2,477,437	1,130,162	-	-	2,477,437	1,130,162
Total Expenses	39,103,402	40,919,279	46,776	65,573	39,150,178	40,984,852
Changes in Net Position	10,187,811	(425,347)	(46,246)	(61,530)	10,141,565	(486,877)
Net Position (Deficit) - Beginning	(36,580,736)	(34,435,389)	675,712	737,242	(35,905,024)	(33,698,147)
Net Position (Deficit) - Ending	\$ (26,392,925)	\$ (34,860,736)	\$ 629,466	\$ 675,712	\$ (25,763,459)	\$ (34,185,024)

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Government-Wide Financial Analysis (continued)

As shown in Table 2, the net position/(deficit) on December 31, 2021 improved from 2020 in the amount of \$10,141,565. In analyzing the historical trends in revenue, the Act 511 business tax revenue, primarily the Business Privilege (BPT) and Mercantile Taxes (MT), have been the largest source of governmental revenue since 2012, outpacing real estate taxes each year. In 2021, the Township experienced a healthy recovery in the BPT collections, following a moderate decline since 2018. Collections of the MT peaked in 2018, then declined the following two years with some stabilization occurring in 2021 and a slight increase in the number of filers. This appears to be indicative of a sign of recovery since the decline from the pandemic. Supporting the healthy revenue collections in the Act 511 category is the Real Estate Transfer Tax with a 104% increase in revenue in 2021. Collections totaled \$6,977,321, reaching its' highest level with 584 transfers of property last year, a 65% increase over the 354 transfers in 2020. Finally, rounding out the Act 511 category is the Local Services Tax (LST), showing a slight increase over 2020, totaling \$994,247 for the year. The Amusement Tax, repealed by the Board beginning in 2021, had de minimus residual collections in the beginning of the year. Charges for services also showed some recovery in 2021, increasing by \$1,184,230 as economic activity continued to improve. Corresponding improvement was seen on the expenditure side as total governmental expenses decreased \$1,815,877 or 4.4%.



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

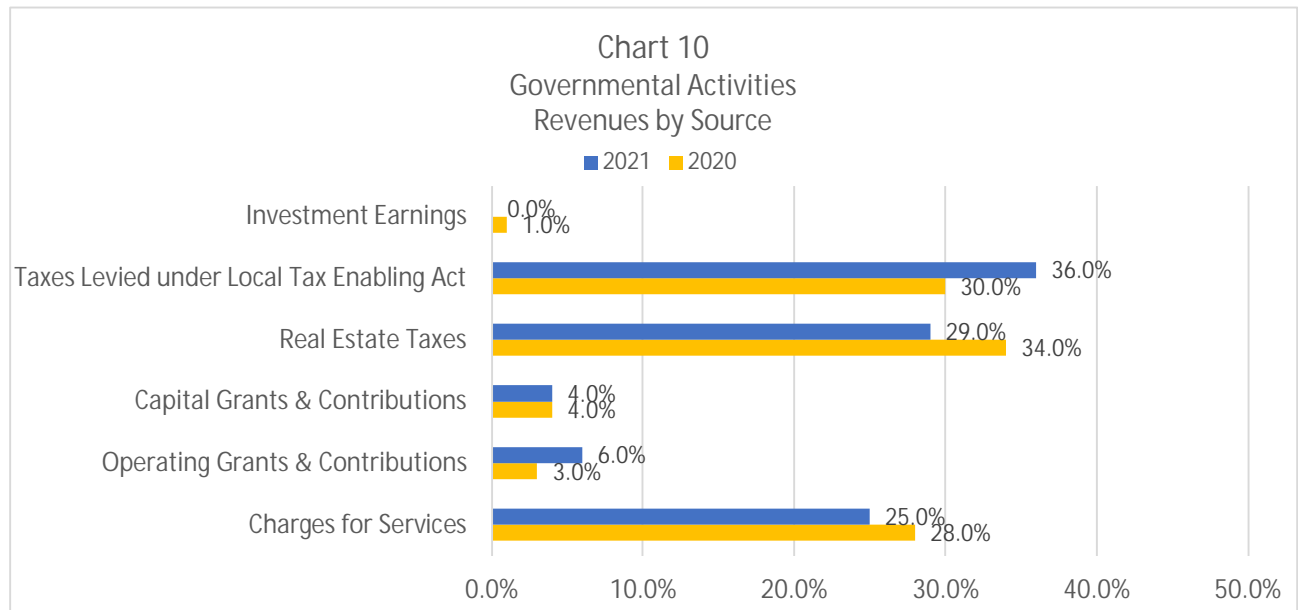
Programs	Total Cost of Services		Total Net Cost	
	2021	2020	2021	2020
General Government	\$ 4,466,416	\$ 4,779,187	\$ 144,023	\$ (2,458,381)
Protection to Persons and Property	14,291,404	16,104,694	(11,114,423)	(13,738,339)
Health and Sanitation	9,001,863	9,717,279	(1,970,384)	(2,503,415)
Highways	5,135,155	4,943,818	(4,273,578)	(3,625,883)
Library	979,370	974,318	(979,370)	(974,318)
Parks and Recreation	2,751,757	3,269,821	(1,273,129)	(2,355,181)
Interest on Long-Term Debt	2,477,437	1,130,162	(2,477,437)	(1,130,162)
Total	\$ 39,103,402	\$ 40,919,279	\$ (21,944,298)	\$ (26,785,679)

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Governmental Activities (continued)

As discussed, with the modest increase in total revenue, offset by healthy decreases in most expense categories, the Township's net cost decreased in 2021 by \$4,841,381. The net cost of services decreased from 66% in 2017 to 61% in 2018 and 2019, up to 65% in 2020, and reduced in 2021 to 56%. These percentages reflect that for every dollar spent to provide service, \$0.56 of that dollar comes from taxes, both Real Estate and those levied under Act 511, or other general revenue sources. This percentage, although significantly down in 2021, has not fluctuated dramatically 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 eliminated the Amusement Tax and 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 10 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 65%, as noted above. Chart 10 also shows the significance of the departmental revenue generated under charges for services. The year over year change is minimal across all types.



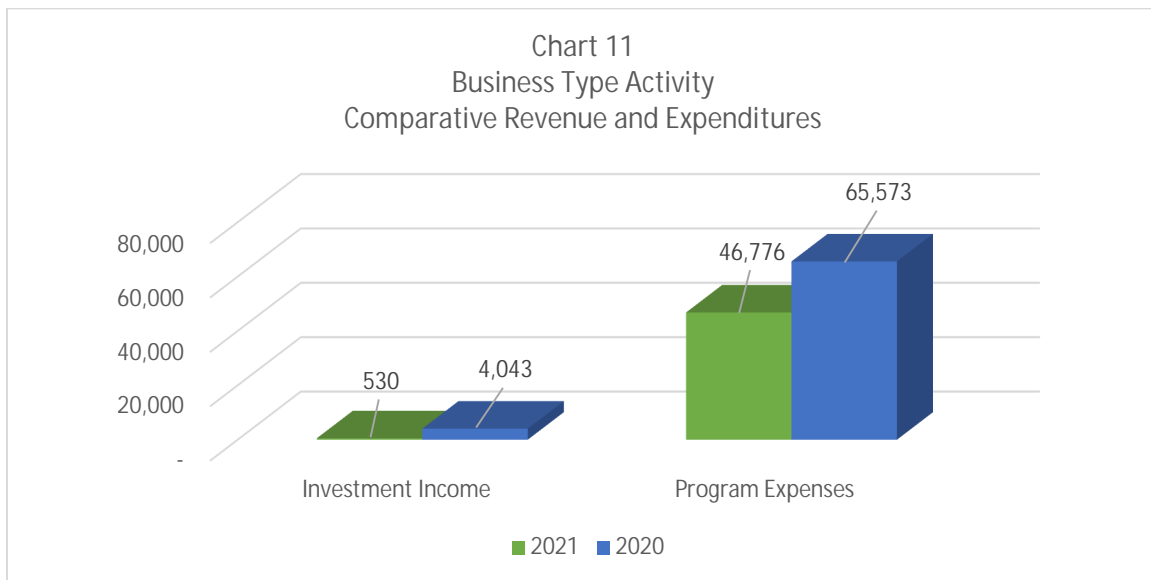
Business-Type Activities

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 \$46,776. No business-type revenue was generated again in 2021 as the Township has out-sourced the programming activity to the Willows Park Preserve, 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. Chart 11 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, 2021

Business-Type Activities (continued)

While not generating any programming revenue, business-type activities showed a decrease in net position of \$46,246. 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 had 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. During 2020 and 2021, the Willows Park Preserve commenced with updating interior and exterior portions of the mansion and will continue with the necessary improvements to complement their programming needs.



Note that all revenue in both 2021 and 2020 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, 2021

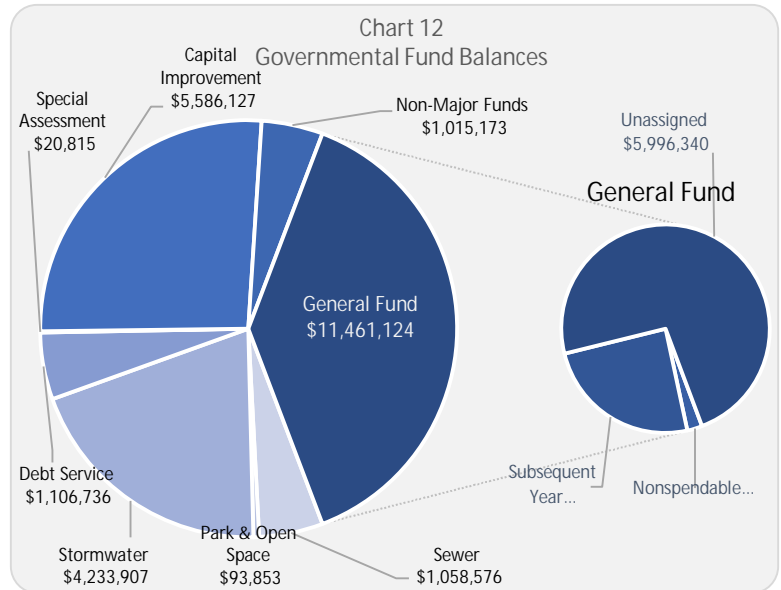
Financial Analysis of the Government's Funds

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 2021, the governmental funds reported combined ending fund balances of \$24,576,311, an increase of \$1,401,373 from the 2020 balance of \$23,174,938. The increase was fueled by a modest growth of \$4,061,496 in the General Fund Reserve, with the help of the Federal ARPA funds in the amount of \$1,668,166. The significant increase was offset by use of the restricted bond proceeds in the Capital Improvement Fund and the Sewer Fund designated for specific capital improvements. As outlined in the Governmental Funds Balance Sheet, approximately 42% of this total amount or \$10,385,390 constitutes unassigned fund balance. An amount of \$4,823,630 is allocated to comply with the General Fund's target fund balance policy of 15% and \$3,215,753 for the fund stabilization requirement of 10% of general fund budgeted operating expenditures. The next allocation of fund balance totals \$2,110,457 and is assigned for special assessment or other special revenue fund activity as well as encumbered activity in 2021 carried forward into 2022. The next allocation of fund balance is restricted by constitutional provisions, enabling legislation, or constraints imposed by external factors which totaled \$7,461,870 and includes fund balances in the Sewer Fund of \$1,015,432, Debt Service Fund of \$1,106,736, Capital Improvement Fund of \$4,558,488, Park Improvements and Open Space Fund of \$570,229 and State Liquid Fuels Tax of \$210,985. The next allocation of fund balance totaled \$4,423,902 and is committed by the Board of Commissioners through ordinances or resolutions and includes balances for recreation or park impact fee purposes of \$745,737 and storm water purposes of \$3,678,165. The remainder of the fund balance is \$194,692 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 2021, the unassigned fund balance of the General Fund was \$10,861,766, an increase of \$4,134,008 over the 2020 balance of \$6,727,758 and surpassing the 2019 balance of \$9,610,391. 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 budgeted operating 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, 2021

Financial Analysis of the Government's Funds (continued)

Governmental Funds (continued)

General Fund revenue increased by \$8,268,283 or 27% over 2020. Within the revenue types, most notable was the increase in the Act 511 taxes, led by the Real Estate Transfer tax and followed by the rise in the Business Privilege tax collections. These two revenue lines accounted for just over \$5 million of the total increase or 61%. The Federal ARPA funds allocation of \$1,668,166 was the primary reason for the increase in grants and gifts, accounting for 19.7% of the increase, followed by growth in the license and permitting revenue of \$1,193,273, rebounding from a significant decline in 2020. Lastly, departmental earnings also increased by \$467,271.

General Fund expenditures increased by \$1,208,143 or 4.1%. The increase over 2020 expenditures reflects a full year of having most vacant positions filled. Although higher than previous year expenditures, overall, these costs are in line or below budget for 2021. The Protection to Persons and Property function, which is primarily the Police department, saw a decrease in overall expenses by \$469,338.

The Sewer Fund exists to account for the administration of the Township's sanitary sewer system. At December 31, 2021, the Sewer Fund had a total fund balance of \$1,058,576, a decrease of \$ 1,232,906 or 54% over the prior year. The fund balance decrease is a result of the use of proceeds realized from notes and bonds previously issued of just over \$8 million less transfers out to the capital improvement fund for the intended projects and debt service funds. The fund has an unassigned balance of \$ -0- and not counting the bond and note proceeds, the sewer fund has generally declined because 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 \$1,106,736 which is an increase of \$224,427, or approximately 25%. 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 2021 with a fund balance of \$20,815. 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 \$235,059.

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 2021 with a fund balance of \$93,853. The increased Transfer tax revenue is primarily the source that helped the fund recover from a deficit balance in 2020 of \$411,425. As the fund balance continues its' healthy recovery it will rely less on General Fund transfers in 2022 and going forward. 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 2020 Series Bond which refunded the originally issued (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, 2021

Financial Analysis of the Government's Funds (continued)

Governmental Funds (continued)

The Storm Water Management Fund was established in 2012 to account for the Township's ongoing storm water management and regulatory requirements. 2020 marked the seventh year that the Township billed for storm water management. The Storm Water Fund ended 2021 with a committed fund balance of \$3,678,165 and an assigned fund balance of \$555,742. While the Board of Commissioners continues to focus on identifying priority projects, the shift from evaluating flooding areas to beginning projects continued during 2019 and 2020 with over \$600,000 and \$1,000,000 respectively expended on capital projects. In 2021, the Board was presented an updated list of projects requiring financing for which the debt service would be funded by the stormwater fees collected in future years. The financing was accomplished with a \$10 million issuance of General Obligation bonds (completed in 2022) and the commencement of several significant stormwater projects.

The Capital Improvement Fund had a fund balance of \$5,586,127 on December 31, 2021, a decrease of \$2,888,646 over the fund balance from 2020. The decrease is the result of the use of both bond and note proceeds realized on 2019 borrowings and 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 82) shows that actual revenue exceeded expectations by just over \$5.1 million. Total revenue was strong in the aggregate showing signs of recovery from the economic challenges of the pandemic. All the major categories were favorable as compared to budget with Act 511 taxes leading with a favorable variance of \$3,661,720 followed by Grants and Gifts with a favorable variance of \$1,550,108. Licenses and Permits were favorable by \$401,011 and Real Estate taxes were favorable by \$149,103. All other categories in the aggregate were unfavorable by just over \$600,000. The favorable revenue variance was bolstered by an overall favorable expense variance in the General Fund expenditures. Actual General Fund expenditures of \$30,835,307 came in under the final appropriation budget of \$32,157,532. The positive variance of \$1,322,225 was due to savings realized primarily in the Highway function. In terms of General Fund budgeted revenue and expenditures, the net favorable variance of \$6,485,390, 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, 2021, amounts to \$71,911,561 (net of accumulated depreciation). Net capital assets increased by \$2,473,299 or 3.6% for governmental activities and decreased by \$2,337, or 1.4% for business-type activities.

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Capital Asset and Debt Administration (continued)

Capital Assets (continued)

Major capital asset investments during fiscal year 2021 included infrastructure improvements, primarily road resurfacing projects, sanitation sewer projects and storm water projects, representing 46% of the 2021 capitalized asset acquisitions.

Land improvements primarily are park projects completed and capitalized in 2021 and as well as construction in progress which represent 40% of the 2021 capitalized asset acquisitions. Building improvements and machinery and equipment represent 14% of capitalized asset acquisitions in 2021.

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

Table 4 - Capital Assets

Programs	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 24,149,624	\$ 24,149,624	\$ -	\$ -	\$ 24,149,624	\$ 24,149,624
Land Improvements	10,499,090	7,965,372	-	-	10,499,090	7,965,372
Building and Improvement:	29,276,539	29,232,549	460,882	465,614	29,737,421	29,698,163
Machinery and Equipment	19,390,995	18,742,376	-	-	19,390,995	18,742,376
Infrastructure	34,561,446	31,640,915	-	-	34,561,446	31,640,915
Construction in Progress	17,153	467,863	91,084	91,084	108,237	558,947
Accumulated Depreciation	(45,983,286)	(42,760,437)	(386,189)	(388,584)	(46,369,475)	(43,149,021)
Total	\$ 71,911,561	\$ 69,438,262	\$ 165,777	\$ 168,114	\$ 72,077,338	\$ 69,606,376

Debt - As of December 31, 2021, the Township had outstanding general obligation bonds totaling \$59,003,205, a decrease from the balance of \$61,428,205 on December 31, 2020. During the year, the Township issued Series 2021 bonds in the amount of \$8,360,000 for which the proceeds were used to refund the balance of the 2016 bonds in the amount of \$4,515,000 and currently refund the balance of the Series A 2015 bonds in the amount of \$3,845,000, realizing an estimated net economic gain of \$589,054. The Township also issued Series A 2021 bonds in the amount of \$12,065,000 for which the proceeds were used to advance refund a portion of outstanding 2013 B bonds in the amount of \$11,195,000 and realizing an estimated net economic gain of \$533,790. At the same time the Township paid \$3,295,000 in principal, excluding the refunding, and \$1,524,462 in interest on outstanding debt. Additional information about the Township's long-term debt can be found in the footnotes, Note 7 to the financial statements.

Table 5 - Outstanding Debt

	Governmental Activities		Business-Type Activities		Maturity
	2021	2020	2021	2020	
General Obligation Debt	\$ 60,410,412	\$ 62,862,971	\$ -	\$ -	2023, 2026, 2027, 2028, 2034, 2035, and 2043

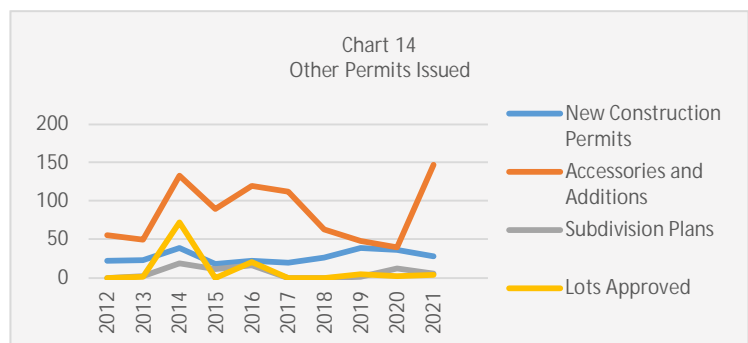
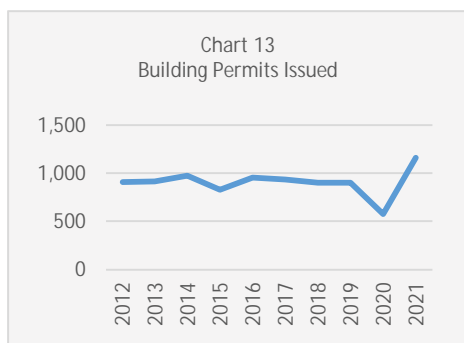
TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

Economic Factors and Major Initiatives

The Radnor Township economy continues to demonstrate a healthy combination of revitalization and commercial redevelopment coupled with a solid mix of retail businesses and professional organizations. Complemented with a strong 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 \$8.0 million yet the number of tax filers has increased by 33% over the past ten years. In 2020 the business tax revenue dipped to \$7,598,787, its' lowest point since 2011, yet the post pandemic recovery saw revenues top out at \$9.7 million. Despite the fluctuations over the past two years, business taxes are showing signs of a strong recovery and continue 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 an exceptional level of services.
- Real Estate Transfer Tax levied as a fixed percent of the value of every real estate transaction has grown by 63% since 2012 from \$2,480,143 to its' previous high in 2019 of \$4,181,527 and leveling off in 2020 at \$3,417,600. 2021 was an extraordinary year as Transfer tax revenue reached a high-water mark at \$6,977,321. Further transactional analysis shows that these revenue increases are the result of increased values and increased transactions, with 584 recorded real estate transfer transactions in 2021, up from 354 in 2020.
- Local Services Tax paid as a fixed amount by each employee working in Radnor Township has grown steadily since 2012 from \$702,954 to \$994,247 in 2021. This demonstrates a continuing healthy 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 on average has increased each year since 2012 from \$2,812,427 to a high in 2019 of \$5,675,237, dipping down in 2020 to \$2,729,438 and bouncing back to \$3,922,711. The annual permitting revenue has generally been strong in each of the past nine years, floating between \$3.5 and \$4.5 million per year.

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



TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

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 and continues to make strides towards addressing the various capital plan priorities, long-term obligations and other major initiatives including:

- **Stormwater Management:** Since inception of the fund in 2012 and implementation of a fee structure in 2014, the Township collects approximately \$1 million in stormwater fees annually. At the same time the Administration developed a comprehensive list of flood reduction and stormwater mitigation projects and has utilized a portion of the funds to address some of the smaller projects. Recognizing the need to tackle the larger projects, the Board approved a list of projects and a funding plan, ultimately leading to a \$10 million bond issue in the second quarter of 2022 and the commencement of a significant flood reduction project in the South Wayne area. Similar large-scale projects will be underway by 2023 and 2024.
- **Other Post-Employment Benefit Obligations:** With the assistance of the volunteer efforts of CARFAC, the Board of Commissioners tasked the group with updating the analysis of the OPEB liabilities and funding plan. A special report prepared by CARFAC and presented to the Board of Commissioners in December 2012 included recommendations to develop a funding plan and eliminate certain benefits. Since then, the Township accumulated assets of just over \$10 million on December 31, 2021 and reduced or eliminated certain benefits that were adding to the OPEB liability. As a result, the OPEB liability, despite the deferment of the funding plan throughout the pandemic, has further reduced from just over \$48 million on December 31, 2020 to just under \$44 million on December 31, 2021. CARFAC will present to the Board in the 3rd quarter of 2022 and provide a series of options to help further reduce and/or eventually eliminate the Township's OPEB liability.
- **Fund Balance:** The Township policy establishes a target Fund Balance Reserve of 15% of budgeted expenditures and a Fund Balance Stabilization of 10% of budgeted expenditures. As revenue and economic activity have improved in 2021 and with the federal funds from the American Rescue Plan Act, the Township has been able to replenish the Fund Balance Reserve at 15%, the Fund Balance Stabilization at 10% and carry an additional \$2,346,007 in Other unassigned fund balance. As part of the policy, to assist in addressing long-term liability and capital funding needs, the fund balance policy requires the Board to direct excess fund balances to pension, OPEB and/or capital programs. Since the adoption of the policy, the Board of Commissioners have allocated funds accordingly to address all three of those initiatives.
- **Five-Year Forecasting:** The Township continues to incorporate a five-year forecast into its annual Budget process with 2022 marking the eleventh year for this process. The forecasting previously assisted in the development of the OPEB funding plan, pension funding options, provided an analysis for the purchase of open space at Ardrossan, and helped develop the five-year capital funding plan. More recently, the forecasting assisted with the 2022 budget and commencement of the Comprehensive Plan update, approval for hiring a GIS position, identifying the expected revenue and resources necessary to support a Fire Inspection program, and allowed for the Sustainability and Grants function to be incorporated into an existing position within the Township.

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

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 Avenue
Wayne, Pennsylvania 19087-5297
610-688-5600
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TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 16,750,347	\$ 450,268	\$ 17,200,615
Investments	6,188,157	-	6,188,157
Receivables			
Real Estate Taxes, Net	257,415	-	257,415
Local Enabling Taxes	434,901	-	434,901
Sewer Rents and Stormwater Fees	662,453	-	662,453
Special Assessments	235,059	-	235,059
Other	1,526,912	-	1,526,912
Prepaid Items	194,692	13,421	208,113
Loan Receivable (Due Beyond One Year)	750,000	-	750,000
Restricted Assets			
Pension Asset	778,143	-	778,143
Capital Assets			
Land and Construction in Progress	24,166,777	91,084	24,257,861
Other Capital Assets, Net of Depreciation	47,744,784	74,693	47,819,477
Total Capital Assets	<u>71,911,561</u>	<u>165,777</u>	<u>72,077,338</u>
Total Assets	<u>99,689,640</u>	<u>629,466</u>	<u>100,319,106</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,964,554	-	1,964,554
OPEB	1,775,030	-	1,775,030
Pensions	2,336,308	-	2,336,308
Total Deferred Outflows of Resources	<u>6,075,892</u>	<u>-</u>	<u>6,075,892</u>
Liabilities			
Accounts Payable and Accrued Liabilities	1,126,840	-	1,126,840
Accrued Interest Payable	220,847	-	220,847
Unearned Revenue	873,079	-	873,079
Long-Term Liabilities Due Within One Year			
General Obligation Debt	3,440,000	-	3,440,000
Capital Lease Obligations	418,910	-	418,910
Compensated Absences	1,966,426	-	1,966,426
Long-Term Liabilities Due in More than One Year			
General Obligation Debt	56,970,412	-	56,970,412
Capital Lease Obligations	624,192	-	624,192
Compensated Absences	2,351,866	-	2,351,866
Net Pension Liability	3,132,010	-	3,132,010
Net OPEB Liability	43,700,035	-	43,700,035
Total Liabilities	<u>114,824,617</u>	<u>-</u>	<u>114,824,617</u>
Deferred Inflows of Resources			
OPEB	7,515,151	-	7,515,151
Pensions	9,818,689	-	9,818,689
Total Deferred Inflows of Resources	<u>17,333,840</u>	<u>-</u>	<u>17,333,840</u>
Net Position			
Net Investment in Capital Assets	15,016,535	165,777	15,182,312
Restricted:			
Highways	210,985	-	210,985
Unrestricted (Deficit)	(41,620,445)	463,689	(41,156,756)
Total Net Position (Deficit)	<u>\$ (26,392,925)</u>	<u>\$ 629,466</u>	<u>\$ (25,763,459)</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 4,466,416	\$ 1,970,449	\$ 2,639,990	\$ -	\$ 144,023	\$ -	\$ 144,023
Protection to Persons and Property	14,291,404	2,879,476	297,505	-	(11,114,423)	-	(11,114,423)
Health and Sanitation	9,001,863	7,031,479	-	-	(1,970,384)	-	(1,970,384)
Highways	5,135,155	9,711	24,333	827,533	(4,273,578)	-	(4,273,578)
Library	979,370	-	-	-	(979,370)	-	(979,370)
Parks and Recreation	2,751,757	450,116	20,000	1,008,512	(1,273,129)	-	(1,273,129)
Interest on Long-Term Debt	2,477,437	-	-	-	(2,477,437)	-	(2,477,437)
Total Governmental Activities	<u>39,103,402</u>	<u>12,341,231</u>	<u>2,981,828</u>	<u>1,836,045</u>	<u>(21,944,298)</u>	<u>-</u>	<u>(21,944,298)</u>
Business-Type Activities:							
Willows Fund	46,776	-	-	-	-	(46,776)	(46,776)
Total Business-Type Activities	<u>46,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,776)</u>	<u>(46,776)</u>
Total Primary Government	<u>\$ 39,150,178</u>	<u>\$ 12,341,231</u>	<u>\$ 2,981,828</u>	<u>\$ 1,836,045</u>	<u>(21,944,298)</u>	<u>(46,776)</u>	<u>(21,991,074)</u>
General revenues:							
Taxes:							
Real Estate					14,267,240	-	14,267,240
Taxes Levied under Local Tax Enabling Act:							
Real Estate Transfer					6,977,321	-	6,977,321
Mercantile					1,017,357	-	1,017,357
Business Privilege					8,669,440	-	8,669,440
Emergency and Municipal Services					994,247	-	994,247
Amusement					3,638	-	3,638
Interest income					202,866	530	203,396
Total general revenues					<u>32,132,109</u>	<u>530</u>	<u>32,132,639</u>
Change in Net Position					10,187,811	(46,246)	10,141,565
Net Position (Deficit), Beginning of Year as restated (Note 18)					<u>(36,580,736)</u>	<u>675,712</u>	<u>(35,905,024)</u>
Net Position (Deficit), Ending					<u>\$ (26,392,925)</u>	<u>\$ 629,466</u>	<u>\$ (25,763,459)</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Major Funds							Nonmajor	Total
	General	Sewer	Park Improvements and Open Space	Storm Water	Debt Service	Special Assessment	Capital Improvement	Governmental Funds	Governmental Funds
Assets									
Cash and Cash Equivalents	\$ 6,445,486	\$ 668,445	\$ 447,297	\$ 2,130,808	\$ 356,736	\$ 21,059	\$ 5,642,943	\$ 1,037,573	\$ 16,750,347
Investments	3,569,796	501,361	-	2,019,000	-	-	98,000	-	6,188,157
Receivables, Net:									
Real Estate Taxes	257,415	-	-	-	-	-	-	-	257,415
Local Enabling Taxes	434,901	-	-	-	-	-	-	-	434,901
Sewer Rents and Stormwater Fees	-	557,136	-	105,317	-	-	-	-	662,453
Special Assessments	-	-	-	-	-	235,059	-	-	235,059
Other	1,243,578	-	251,556	-	-	-	31,778	-	1,526,912
Prepaid Items	169,328	25,364	-	-	-	-	-	-	194,692
Due from Other Funds	605,000	-	-	120,946	-	-	22,400	-	748,346
Loans Receivable	-	-	-	-	750,000	-	-	-	750,000
Total Assets	\$ 12,725,504	\$ 1,752,306	\$ 698,853	\$ 4,376,071	\$ 1,106,736	\$ 256,118	\$ 5,795,121	\$ 1,037,573	\$ 27,748,282
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts Payable and Accrued Liabilities	\$ 954,816	\$ 15,648	\$ -	\$ 36,847	\$ -	\$ -	\$ 119,529	\$ -	\$ 1,126,840
Due to Other Funds	-	120,946	605,000	-	-	-	-	22,400	748,346
Unearned Revenues	121,161	557,136	-	105,317	-	-	89,465	-	873,079
Total Liabilities	1,075,977	693,730	605,000	142,164	-	-	208,994	22,400	2,748,265
Deferred Inflows of Resources									
Unavailable Revenues	188,403	-	-	-	-	235,303	-	-	423,706
Total Deferred Inflows of Resources	188,403	-	-	-	-	235,303	-	-	423,706
Fund Balance									
Nonspendable	169,328	25,364	-	-	-	-	-	-	194,692
Restricted for:									
Sewer	-	1,015,432	-	-	-	-	-	-	1,015,432
Debt Service	-	-	-	-	1,106,736	-	-	-	1,106,736
Capital Improvement	-	-	-	-	-	-	4,558,488	-	4,558,488
Park Improvements and Open Space	-	-	570,229	-	-	-	-	-	570,229
State Liquid Fuels Tax	-	-	-	-	-	-	-	210,985	210,985
Committed									
Recreation Fee	-	-	-	-	-	-	-	745,737	745,737
Storm Water	-	-	-	3,678,165	-	-	-	-	3,678,165
Assigned									
Subsequent Year Budget - Program Purposes	430,030	17,780	-	555,742	-	-	1,027,639	-	2,031,191
Other	-	-	-	-	-	20,815	-	58,451	79,266
Unassigned									
Target 15% Fund Balance Reserve	4,823,630	-	-	-	-	-	-	-	4,823,630
Fund Balance Stabilization 10% Requirement	3,215,753	-	-	-	-	-	-	-	3,215,753
Other	2,822,383	-	(476,376)	-	-	-	-	-	2,346,007
Total Fund Balances (Deficit)	11,461,124	1,058,576	93,853	4,233,907	1,106,736	20,815	5,586,127	1,015,173	24,576,311
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,725,504	\$ 1,752,306	\$ 698,853	\$ 4,376,071	\$ 1,106,736	\$ 256,118	\$ 5,795,121	\$ 1,037,573	\$ 27,748,282

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, 2021

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

Total Governmental Fund Balances	\$	24,576,311
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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 Current Financial Resources
and, therefore, are not Reported in the Funds:

Capital Assets		117,894,847
Accumulated Depreciation		(45,983,286)
		71,911,561

Pension Assets Used in Governmental Activities are not Current Financial Resources
and, therefore, are not Reported in the Funds:

778,143

Other Long-Term Receivables are not Available to Pay for Current-Period Expenditures
and, therefore, are Deferred in the Funds.

423,706

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

1,964,554

Certain Liabilities, Including Bonds Payable, are not Due and Payable in the Current
Period and, Therefore, are not Reported in the Funds:

Compensated Absences		(4,318,292)
Capital Lease		(1,043,102)
Deferred Outflows of Resources - Pension		2,336,308
Deferred Outflows of Resources - OPEB		1,775,030
Deferred Inflows of Resources - Pension		(9,818,689)
Deferred Inflows of Resources - OPEB		(7,515,151)
Net OPEB Liability		(43,700,035)
Net Pension Liability		(3,132,010)
Accrued Interest Payable		(220,847)
General Obligation Bonds Payable		(60,410,412)
		(126,047,200)

Net Position (Deficit) of Governmental Activities	\$	(26,392,925)
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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, 2021

	Major Funds							Nonmajor	Total
	General	Sewer	Park Improvements and Open Space	Storm Water	Debt Service	Special Assessment	Capital Improvement	Governmental Funds	Governmental Funds
Revenues:									
Real Estate Taxes	\$ 14,211,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,211,414
Taxes Levied under Local Tax Enabling Act:									
Real Estate Transfer	5,448,038	-	1,529,283	-	-	-	-	-	6,977,321
Mercantile	1,017,357	-	-	-	-	-	-	-	1,017,357
Business Privilege	8,669,440	-	-	-	-	-	-	-	8,669,440
Local Services	994,247	-	-	-	-	-	-	-	994,247
Amusement	3,638	-	-	-	-	-	-	-	3,638
Licenses and Permits	3,922,711	-	-	-	-	-	-	-	3,922,711
Fines, Forfeits and Costs	216,577	-	-	-	-	-	-	26,800	243,377
Interest and Rents	104,223	8,544	393	18,919	64,757	517	4,345	1,168	202,866
Grants and Gifts	2,961,828	-	-	-	-	-	758,512	1,097,533	4,817,873
Departmental Earnings	1,228,608	5,668,257	-	1,077,272	-	2,441	-	-	7,976,578
Refunds and Miscellaneous	146,902	21,353	-	-	-	-	23,040	7,270	198,565
Total Revenues	38,924,983	5,698,154	1,529,676	1,096,191	64,757	2,958	785,897	1,132,771	49,235,387
Expenditures:									
Current									
General Government	3,123,671	-	-	13,224	-	-	324,789	-	3,461,684
Protection to Persons and Property	12,378,969	-	-	-	-	-	-	-	12,378,969
Health and Sanitation	3,178,594	5,625,672	-	183,465	-	-	-	-	8,987,731
Highways	3,411,443	-	-	-	-	-	68,373	99,551	3,579,367
Library	978,720	-	-	-	-	-	650	-	979,370
Parks and Recreation	2,590,810	-	-	-	-	-	14,306	84,271	2,689,387
Miscellaneous									
Employee Benefits	3,036,481	-	-	-	-	-	-	-	3,036,481
OPEB Trust Contributions	1,495,858	-	-	-	-	-	-	-	1,495,858
Insurance	355,562	-	-	-	-	-	-	-	355,562
Other	254,978	-	-	-	-	-	-	-	254,978
Capital Outlay	36,720	480,010	-	202,398	-	-	4,349,102	879,613	5,947,843
Debt Service									
Principal Retirement	-	-	-	-	11,655,000	-	-	-	11,655,000
Interest	-	-	-	-	1,638,025	-	-	-	1,638,025
Bond Issue Costs	-	-	-	-	-	-	296,172	-	296,172
Total Expenditures	30,841,806	6,105,682	-	399,087	13,293,025	-	5,053,392	1,063,435	56,756,427
Excess of Revenues over (under) Expenditures	8,083,177	(407,528)	1,529,676	697,104	(13,228,268)	2,958	(4,267,495)	69,336	(7,521,040)
Other Financing Sources (Uses):									
Issuance of Refunding Debt	-	-	-	-	-	-	20,425,000	-	20,425,000
Premium on Bond Issuance	-	-	-	-	-	-	315,053	-	315,053
Payment to Bond Escrow Agent	-	-	-	-	(11,900,319)	-	-	-	(11,900,319)
Capital Lease Acquisition	-	-	-	-	-	-	82,679	-	82,679
Transfers In	-	-	-	-	25,353,034	-	1,000,000	-	26,353,034
Transfers Out	(4,021,681)	(825,378)	(1,024,398)	-	-	(37,694)	(20,443,883)	-	(26,353,034)
Total Other Financing Sources (Uses)	(4,021,681)	(825,378)	(1,024,398)	-	13,452,715	(37,694)	1,378,849	-	8,922,413
Net Changes in Fund Balances	4,061,496	(1,232,906)	505,278	697,104	224,447	(34,736)	(2,888,646)	69,336	1,401,373
Fund Balances (Deficit) - Beginning	7,399,628	2,291,482	(411,425)	3,536,803	882,289	55,551	8,474,773	945,837	23,174,938
Fund Balances (Deficit) - Ending	\$ 11,461,124	\$ 1,058,576	\$ 93,853	\$ 4,233,907	\$ 1,106,736	\$ 20,815	\$ 5,586,127	\$ 1,015,173	\$ 24,576,311

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, 2021

Net changes in fund balances - total governmental funds	\$ 1,401,373
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	5,947,843
Depreciation Expense	(3,474,544)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.	55,826
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.	2,425,000
Some Expenses Reported in the Statement of Activities do not Require the use of Current Financial Resources and, therefore, are not Reported as Expenditures in Governmental Funds:	
Change in Accrued Interest Expense	103,440
Change in Deferred Charge on Refunding	(580,145)
Change in Compensated Absences:	
General Government	(31,619)
Protection to Persons and Property	(397,473)
Health and Sanitation	73,929
Highways	(11,351)
Parks and Recreation	40,843
	<u>(325,671)</u>
Change in OPEB Obligation:	
General Government	(55,678)
Protection to Persons and Property	(330,810)
Health and Sanitation	(86,860)
Highways	(58,101)
Parks and Recreation	(68,271)
	<u>(599,720)</u>
Change in Pension Benefit Expense:	
General Government	485,155
Protection to Persons and Property	2,408,292
Health and Sanitation	756,866
Highways	506,267
Parks and Recreation	594,888
	<u>4,751,468</u>
Change in Capital Lease Obligation:	455,382
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>27,559</u>
Change in net position of governmental activities	<u>\$ 10,187,811</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2021

	Business-Type Activities <u>Willows</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 450,268
Prepaid Expenses	13,421
Total Current Assets	<u>463,689</u>
Noncurrent Assets	
Capital Assets	
Construction In Progress	91,084
Buildings and Improvements	460,882
Less Accumulated Depreciation	<u>(386,189)</u>
Total Noncurrent Assets	<u>165,777</u>
Total Assets	<u>629,466</u>
Net Position	
Investment in Capital Assets	165,777
Unrestricted	<u>463,689</u>
Total Net Position	<u>\$ 629,466</u>

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, 2021

	Business-Type Activities Willows
Operating Revenues	
Charges for Service	\$ -
Total Operating Revenues	<u>-</u>
Operating Expenses	
Operations	44,439
Depreciation	2,337
Total Operating Expenses	<u>46,776</u>
Operating Loss	<u>(46,776)</u>
Nonoperating Revenues	
Investment Income	530
Total Nonoperating Revenues	<u>530</u>
Change in Net Position	(46,246)
Net Position - Beginning of Year	<u>675,712</u>
Net Position - End of Year	<u><u>\$ 629,466</u></u>

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, 2021

	Business-Type Activities Willows
Cash Flows from Operating Activities	
Payments to Suppliers	\$ (46,648)
Net Cash Used in Operating Activities	<u>(46,648)</u>
Cash Flows from Investing Activities	
Maturities of Certificates Of Deposit	249,000
Interest Received	530
Net Cash Provided by Investing Activities	<u>249,530</u>
Increase (Decrease) in Cash and Cash Equivalents	202,882
Cash and Cash Equivalents - Beginning of Year	<u>247,386</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 450,268</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (46,776)
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation	2,337
Change in Assets and Liabilities	
Prepaid Expenses	(2,633)
Accounts Receivable	424
Net Cash Used in Operating Activities	<u><u>\$ (46,648)</u></u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2021

	Component Unit Trust Funds	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 3,246,498	\$ 2,103,975
Investments:		
Equity Mutual Funds	44,516,316	-
Fixed Income Mutual Funds	36,941,599	-
International Mutual Funds	13,223,838	-
Certificates of Deposit	480,000	-
Life Insurance Cash Surrender Value	1,481,590	-
Receivables:		
Accrued Interest	21,015	-
Total assets	<u>99,910,856</u>	<u>2,103,975</u>
Liabilities:		
Accounts Payable	51,086	14,727
Total Liabilities	<u>51,086</u>	<u>14,727</u>
Net position:		
Net Position Restricted for Pensions	89,630,819	-
Net Position Restricted for OPEB	10,228,951	-
Net Position Restricted for Individuals and Other Organizations	-	2,089,248
Total Net Position	<u>\$ 99,859,770</u>	<u>\$ 2,089,248</u>

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, 2021

	Component Unit Trust Funds	Custodial Funds
Additions:		
Contributions:		
Commonwealth of Pennsylvania	\$ 796,349	\$ -
Employer	4,983,209	-
Members	517,405	-
Total contributions	<u>6,296,963</u>	<u>-</u>
Investment Earnings:		
Net Investment Gain	8,212,296	-
Interest Earnings	1,815,176	1,336
Investment Expense	(24,084)	-
Net investment earnings	<u>10,003,388</u>	<u>1,336</u>
Other Additions:		
Miscellaneous	700	512,006
Total Other Additions	<u>700</u>	<u>512,006</u>
Total additions	<u>16,301,051</u>	<u>513,342</u>
Deductions:		
Benefits	6,438,448	-
Refund of Contributions	11,626	-
Administrative Expenses	198,035	-
Refunds	-	685,081
Total deductions	<u>6,648,109</u>	<u>685,081</u>
Change in net position	9,652,942	(171,739)
Net Position:		
Net Position Restricted for Pensions, Beginning of Year	80,793,298	-
Net Position Restricted for OPEB, Beginning of Year	9,413,530	-
Net Position Restricted for Individuals and Other Organizations, Beginning of Year	-	2,260,987
Total Beginning Net Position	<u>90,206,828</u>	<u>2,260,987</u>
Net Position Restricted for Pensions, End of Year	89,630,819	-
Net Position Restricted for OPEB, End of Year	10,228,951	-
Net Position Restricted for Individuals and Other Organizations, End of Year	-	2,089,248
Total Ending Net Position	<u>\$ 99,859,770</u>	<u>\$ 2,089,248</u>

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

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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, 2021

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, 2021

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 separate legal entities, (2) the Township Board of Commissioners functions 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, 2021

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, 2021

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, 2021

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, 2021

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 and change in assumptions.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 components of deferred inflows of resources include differences between expected and actual experience and net difference between projected and actual earnings on pension plan and OPEB investments. 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, 2021

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, 2021

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, 2021

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, 2021 totaling \$125,382,588 are classified in the fund balance sheets/statements of net position as follows:

	Cash and Cash Equivalents	Investments	Total
General Fund	\$ 6,445,486	\$ 3,569,796	\$ 10,015,282
Special Revenue Funds			
Sewer Fund	668,445	501,361	1,169,806
Park Improvements and Open Space	447,297	-	447,297
Storm Water	2,130,808	2,019,000	4,149,808
Debt Service Fund	356,736	-	356,736
Capital Projects Funds			
Capital Improvement Fund	5,642,943	98,000	5,740,943
Special Assessment Fund	21,059	-	21,059
Nonmajor Governmental Fund	1,037,573	-	1,037,573
Enterprise Fund	450,268	-	450,268
Fiduciary Funds	5,350,473	96,643,343	101,993,816
Total	<u>\$ 22,551,088</u>	<u>\$ 102,831,500</u>	<u>\$ 125,382,588</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021, the Township's deposits with a carrying value of \$21,229,867 and bank balances of \$21,629,873 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000
Uninsured, Collateral Held by Pledging Bank's not in the Township's Name (A)	21,379,873
Total Deposits	<u>\$ 21,629,873</u>

(A) This figure excludes petty cash.

Investments

Investments held as of December 31, 2021 are as follows:

Governmental Funds:	
Negotiable Certificates of Deposit	\$ 6,101,000
PLGIT	87,157
	<u>6,188,157</u>
Trust Funds:	
Money Funds (1)	1,321,221
Negotiable Certificates of Deposit	480,000
Fixed Income Funds	36,941,599
International Mutual Funds	13,223,838
Equity Mutual Funds	44,516,316
Life Insurance Cash Surrender Value	1,481,590
	<u>\$ 97,964,564</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, 2021

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, 2021:

	12/31/2021	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	\$ 36,941,599	\$ 36,941,599	\$ -	\$ -
Total debt securities	<u>36,941,599</u>	<u>36,941,599</u>	<u>-</u>	<u>-</u>
Equity securities				
Money market funds	1,321,221	1,321,221	-	-
Life insurance cash surrender value	1,481,590	-	-	1,481,590
Other mutual funds	57,827,311	57,827,311	-	-
Negotiable Certificate of Deposit	6,581,000	6,581,000	-	-
Total equity securities	<u>67,211,122</u>	<u>65,729,532</u>	<u>-</u>	<u>1,481,590</u>
Total investments at fair value	<u>\$104,152,721</u>	<u>\$102,671,131</u>	<u>\$ -</u>	<u>\$ 1,481,590</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. Equity securities classified in Level 3 are valued using discounted cash flows.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021, 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 fixed income funds, corporate bonds, and certificates of deposit are as follows:

	Average Maturities (in years)				
	Less than 1	1-5	6-10	11-15	Total
Fixed Income Funds	\$ -	\$ -	\$ 33,391,402	\$ 3,550,197	\$ 36,941,599
Certificates of Deposit	900,000	3,951,000	980,000	750,000	6,581,000
	<u>\$ 900,000</u>	<u>\$ 3,951,000</u>	<u>\$ 34,371,402</u>	<u>\$ 4,300,197</u>	<u>\$ 43,522,599</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 were rated by Moody's as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Fixed Income Funds	30,796,600	A
Fixed Income Funds	6,144,999	BB

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.

None of the Township's governmental activities, police and civilian employee pension plans or other postemployment benefit obligation plan investment concentrations exceeded 5%.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 receivables and payables as included in the basic financial statements of the Township as of December 31, 2021:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 605,000	\$ -
Special Revenue Funds		
Park Improvements and Open Space Fund	-	605,000
Sewer Fund	-	120,946
Stormwater Fund	120,946	-
Capital Improvements Fund	22,400	-
Nonmajor Governmental Funds	-	22,400
Total	<u>\$ 748,346</u>	<u>\$ 748,346</u>

The following is a schedule of transfers as included in the basic financial statements of the Township as of December 31, 2021:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ -	\$ 4,021,681
Special Revenue Fund		
Sewer Fund	-	825,378
Park Improvements and Open Space Fund	-	1,024,398
Special Assessment Fund	-	37,694
Debt Service Fund	25,353,034	-
Capital Improvements Fund	1,000,000	20,443,883
Total	<u>\$ 26,353,034</u>	<u>\$ 26,353,034</u>

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 capital improvements fund transferred funds for debt service payments made out of the debt service fund.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2021:

	<u>2020 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2021 Balance</u>
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$ 24,149,624	\$ -	\$ -	\$ 24,149,624
Construction in Progress	467,863	-	450,710	17,153
Total Capital Assets not being Depreciated	<u>24,617,487</u>	<u>-</u>	<u>450,710</u>	<u>24,166,777</u>
Capital Assets, being Depreciated:				
Land Improvements	7,965,372	2,533,718		10,499,090
Buildings	29,232,549	43,990	-	29,276,539
Machinery and Equipment	18,742,376	900,314	251,695	19,390,995
Infrastructure	31,640,915	2,920,531	-	34,561,446
Total Capital Assets being Depreciated	<u>87,581,212</u>	<u>6,398,553</u>	<u>251,695</u>	<u>93,728,070</u>
Less Accumulated Depreciation for:				
Land Improvements	2,862,165	349,438	-	3,211,603
Buildings	10,809,370	964,204	-	11,773,574
Machinery and Equipment	15,332,129	1,006,140	251,695	16,086,574
Infrastructure	13,756,773	1,154,762	-	14,911,535
Total Accumulated Depreciation	<u>42,760,437</u>	<u>3,474,544</u>	<u>251,695</u>	<u>45,983,286</u>
Total Capital Assets being Depreciated, Net	<u>44,820,775</u>	<u>2,924,009</u>	<u>-</u>	<u>47,744,784</u>
Governmental Activities Capital Assets, Net	<u>\$ 69,438,262</u>	<u>\$ 2,924,009</u>	<u>\$ 450,710</u>	<u>\$ 71,911,561</u>
	<u>2020 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>2021 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	465,614	-	4,732	460,882
Total Capital Assets being Depreciated	<u>465,614</u>	<u>-</u>	<u>4,732</u>	<u>460,882</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	388,584	2,337	4,732	386,189
Total Accumulated Depreciation	<u>388,584</u>	<u>2,337</u>	<u>4,732</u>	<u>386,189</u>
Total Capital Assets being Depreciated, Net	<u>77,030</u>	<u>(2,337)</u>	<u>-</u>	<u>74,693</u>
Business Type Activities Capital Assets, Net	<u>\$ 168,114</u>	<u>\$ (2,337)</u>	<u>\$ -</u>	<u>\$ 165,777</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions / programs as follows:

Governmental Activities	
General Government	\$ 1,079,878
Protection to Persons and Property	224,418
Health and Sanitation	220,849
Highways	1,464,583
Parks and Recreation	<u>484,816</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 3,474,544</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, 2021:

Wayne Art Center	<u>\$ 750,000</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 were due January 15 and July 15 of each year through January 2020. Principal and interest payments of approximately \$68,000 to \$75,600 per year extend through 2034. Principal payments are due annually on July 15, beginning in 2020.

Since the loan receivable represents assets that are not available for current spending, a restricted fund balance that includes the outstanding loan balance of \$750,000 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 the prior interfund receivable and payable.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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	\$ 4,002,339
Accumulated Depreciation	<u>2,775,613</u>
Total	<u>\$ 1,226,726</u>

The future minimum lease payments under the capital leases and the net present value of future minimum capital lease payments at December 31, 2021 are as follows:

Year Ending December 31,	
2021	\$ 441,685
2022	334,942
2023	292,612
2024	<u>17,263</u>
Total Minimum Lease Payments	1,086,502
Less: Amount Representing Interest	<u>43,400</u>
Present Value of Minimum Lease Payments	<u>\$ 1,043,102</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 debt and \$14,350,000 of tax-exempt debt through the issuance of General Obligation Notes Series 2013A and 2013B, respectively. The 2013A Note was issued to finance the payment of a termination payment pursuant to the terms of the Interest Rate Management Agreement related to the 2004 Bonds (the "Swap Agreement") with Lehman Brothers Special Financing, Inc. as a result of Swap Agreement by the Township and the payment of costs of issuing the 2013A Notes. The 2013B Note was issued to finance the advance refunding of a portion of the Township's General Obligation Bonds, Series of 2004 and the payment of the costs of issuing the 2013B Notes. The Township deposited a sum of \$14,873,507 with an escrow Agent which was held until maturity on July 15, 2014. The reacquisition price exceeded the net carrying amount of the old debt by \$2,735,206. This amount is being amortized over the remaining life of the new debt, which was the same as the life of the refunded debt. The advance refunding was undertaken to reduce total debt service payments by \$1,752,129 and resulted in an economic gain of \$1,199,948. The 2013 Notes have varying maturities from January 2014 to July 2034 with interest being paid semiannually, January 15 and July 15. The interest rates of the Notes range between .607% and

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 7 LONG-TERM DEBT (CONTINUED)

4.00%. In November of 2021 a portion of the 2013B Note was advanced refunded through the issuance of General Obligation Bonds Series A of 2021. As a result, the Notes have an updated maturity date of July 2023 and interest rates of 4.00%.

In 2015, the Township issued electoral debt in the form of 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. As of December 31, 2021, the Township has currently refunded this bond through the issuance of the General Obligation Bonds, Series of 2021.

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. As of December 31, 2021, the Township has currently refunded this bond through the issuance of the General Obligation Bonds, Series of 2021.

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.

In 2020, the Township issued electoral debt in the form of General Obligation Bonds, Series of 2020 in the amount of \$9,145,000. The proceeds were used to currently refund the outstanding General Obligation Bonds, Series 2014 in the amount of \$8,905,000. The Bond is dated March 17, 2020 and has a maturity date of November 1, 2043 with interest rates ranging from 1.5% to 3.0%, being paid semi-annually, May 1 and November 1. As a result of the refunding transaction the Township incurred \$125,449 in issuance costs and resulted in an estimated cash flows savings of \$1,685,566 and an estimated economic gain of \$1,316,407.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 7 LONG-TERM DEBT (CONTINUED)

In 2020, the Township issued General Obligation Bonds, Series A of 2020 in the amount of \$15,630,000. The proceeds were used for to advance refund a portion of the outstanding General Obligation Bonds, Series of 2012 in the amount of \$14,370,000. The Township defeased the 2012 General Obligation Bonds through issuance of the 2020 Series A General Obligation Bonds. The Township transferred \$15,453,101 to a Bond Escrow Agent which were placed in an irrevocable trust to provide for future debt service payments on the 2012 General Obligation Bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Township's financial statements. At December 31, 2021, 14,370,000 of defeased bonds are still outstanding. The bond is dated December 31, 2020 and has a maturity date of November 1, 2037 with interest rates ranging from 0.464% to 2.721%, being paid semi-annually on May 1 and November 1. As a result of the refunding transaction the Township incurred \$176,899 in issuance costs and resulted in an estimated cash flows savings of \$1,630,569 and an estimated economic gain of \$1,344,603.

In 2021, the Township issued General Obligation Bonds, Series of 2021 in the amount of \$8,360,000. The proceeds were used to currently refund the outstanding General Obligation Bonds, Series 2016 and General Obligation Bonds, Series 2015 A in the amount of \$4,515,000 and \$3,845,000, respectively. The Bond is dated March 11, 2021 and has a maturity date of June 15, 2035 with interest rates ranging from 1.0% to 3.0%, being paid semi-annually, June 15 and December 15. As a result of the refunding transaction the Township incurred \$131,491 in issuance costs and resulted in an estimated cash flows savings of \$631,791 and an estimated economic gain of \$589,054.

In 2021, the Township issued General Obligation Bonds, Series A of 2021 in the amount of \$12,065,000. The proceeds were used to advance refund a portion of the outstanding General Obligation Notes, Series 2013B in the amount of \$11,195,000. The Township defeased the General Obligation Notes, Series 1013B through issuance of the General Obligation Bonds, Series A of 2021. The Township transferred \$11,900,319 to a Bond Escrow Agent which were placed in an irrevocable trust to provide for future debt service payments on the General Obligation Notes, Series 2013B. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Township's financial statements. At December 31, 2021, 11,195,000 of defeased bonds are still outstanding. The bond is dated December 15, 2021 and has a maturity date of July 15, 2034 with interest rates ranging from 0.568% to 2.485%, being paid semi-annually on January 1 and July 1. As a result of the refunding transaction the Township incurred \$167,681 in issuance costs and resulted in an estimated cash flows savings of \$599,334 and an estimated economic gain of \$533,790.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021	2021 Additions	2021 Reductions	Balance December 31, 2021	Due Within One Year
Governmental Activities:							
General Obligations							
2012 Issue - 1.50% - 4.00%	2027	\$ 16,360,000	1,720,000	-	(35,000)	1,685,000	35,000
2013 Issue - .607% - 4.00%	2023	18,210,000	13,615,000	-	(11,965,000)	1,650,000	810,000
2015 Issue - 2.00% - 3.00%	2026	4,965,000	2,580,000	-	(410,000)	2,170,000	415,000
2015 A Issue - .75% - 4.00%	2035	5,275,000	3,880,000	-	(3,880,000)	-	-
2016 Issue - 2.00% - 3.00%	2035	5,765,000	4,550,000	-	(4,550,000)	-	-
2019 Issue - 2.00% - 4.00%	2028	4,165,000	3,775,000	-	(420,000)	3,355,000	430,000
2019 A Issue - 2.00% - 4.00%	2039	7,148,205	6,903,205	-	(270,000)	6,633,205	280,000
2020 Issue - 1.50% - 3.00%	2043	9,145,000	8,775,000	-	(295,000)	8,480,000	300,000
2020A Issue - 0.464% - 2.721%	2037	15,630,000	15,630,000	-	(145,000)	15,485,000	115,000
2021 Issue - 1.00% - 3.00%	2035	8,360,000	-	8,360,000	(880,000)	7,480,000	835,000
2021 A Issue - 0.568% - 2.485%	2034	12,065,000	-	12,065,000	-	12,065,000	220,000
Add/Less Deferred Amounts							
For Issuance Discount/Premium			1,434,766	315,053	(342,612)	1,407,207	-
Total General Obligation Debt			62,862,971	20,740,053	(23,192,612)	60,410,412	3,440,000
Capital Lease Obligations			1,498,484	82,679	(538,061)	1,043,102	418,910
Compensated Absences			3,992,621	440,444	(114,773)	4,318,292	1,966,426
Total Governmental Activities			<u>\$ 68,354,076</u>	<u>\$ 21,263,176</u>	<u>\$ (23,845,446)</u>	<u>\$ 65,771,806</u>	<u>\$ 5,825,336</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, 2021, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the "Act") was approximately \$98,226,000 for non-electoral debt. After deducting the non-electoral debt outstanding of \$48,353,205, the Township's remaining borrowing capacity as of December 31, 2021, was approximately \$49,912,795 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, 2021

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	
2022	3,440,000	1,285,892	4,725,892
2023	3,455,000	1,185,194	4,640,194
2024	3,560,000	1,945,418	5,505,418
2025	3,465,000	1,897,313	5,362,313
2026	3,515,000	1,847,763	5,362,763
2027-2031	17,280,000	8,502,094	25,782,094
2032-2036	17,400,000	5,284,880	22,684,880
2037-2041	5,943,205	386,070	6,329,275
2042-2043	945,000	34,200	979,200
Total	<u>\$ 59,003,205</u>	<u>\$ 22,368,824</u>	<u>\$ 81,372,029</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 Forms 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, 2021.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

The following table provides information concerning types of covered employees and benefit provisions for each of the Township's Plans, from the January 1, 2021 actuarial valuations:

	Civilian	Police
Covered Employees	All Regular Full-Time Employees, Excluding Sworn Police Officers	All Regular, Full-Time Sworn Police Officers
Number of Covered Active Employees	54	44
Number of Persons Receiving Benefits: Inactive Employees currently receiving benefits	65	56
Inactive Employees Vested but not Receiving Benefits	16	-
Current Annual Covered Payroll	\$5,010,314	\$5,847,873
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 15 years of service.	Completion of 20 years of service.
Early Retirement Benefit	If eligible, 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, 2021

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, 2021, was as follows:

Changes in the Net Pension Liability (Civilian)	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2020	\$ 40,872,802	\$ 38,456,953	\$ 2,415,849
Changes for the Year:			
Service Cost	527,544	-	527,544
Interest	2,794,507	-	2,794,507
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(795,245)	-	(795,245)
Changes of assumptions	361,852	-	361,852
Contributions - employer	-	1,572,900	(1,572,900)
Contributions - employee	-	261,386	(261,386)
Net investment income	-	4,337,940	(4,337,940)
Benefit payments and refunds of employee contributions	(2,126,815)	(2,126,815)	-
Administrative expense	-	(89,826)	89,826
Other changes	-	250	(250)
Net changes	761,843	3,955,835	(3,193,992)
Balance at 12/31/2021	\$ 41,634,645	\$ 42,412,788	\$ (778,143)

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 12/31/2020	\$ 48,277,808	\$ 42,336,345	\$ 5,941,463
Changes for the Year:			
Service Cost	1,051,852	-	1,051,852
Interest	3,388,040	-	3,388,040
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(518,704)	-	(518,704)
Changes of assumptions	980,349	-	980,349
Contributions - employer	-	2,710,800	(2,710,800)
Contributions - employee	-	256,019	(256,019)
Net investment income	-	4,853,561	(4,853,561)
Benefit payments and refunds of employee contributions	(2,829,304)	(2,829,304)	-
Administrative expense	-	(109,840)	109,840
Other changes	-	450	(450)
Net changes	2,072,233	4,881,686	(2,809,453)
Balance at 12/31/2021	\$ 50,350,041	\$ 47,218,031	\$ 3,132,010

The following assumption changes were made:

Police Plan: Interest rate was lowered from 7.25% to 7.00%; mortality was updated from RP-2014 with improvement based on 2015 SSA assumptions to PubS-2010 with improvement from 2020 projected based on 2020 SSA assumptions; disability rates updated from 2010 to 2020 SSA ultimate rates.

Civilian Plan: Interest rate lowered from 7.25% to 7.00%; salary increase assumption lowered from 5.00% to 4.50%; mortality updated from RP-2014 with improvement based on 2015 SSA assumptions to PubG-2010 with improvement projected from 2020 based on rates derived from 2020 SSA assumptions.

The total pension liability was determined by an actuarial valuation as of January 1, 2021 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: 2.50%
Salary Increases (Civilian): 4.5% including inflation
Salary Increases (Police): 5.0% including inflation, with an additional increase of 20% 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

Mortality (Civilian):	2010 Public Retirement Plan – General Employees Mortality Table (PubG-2010). Rates are projected from 2020 to improve with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.
Mortality (Police):	2010 Public Retirement Plan - Public Safety employees mortality tables Mortality improvement projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Trustee Report.
Expected Long-Term Rate of Return:	7.00%, (applied to all periods) net of investment expenses not funded though the MMO, including inflation

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, 2021 measurement date are as follows:

Asset Class	Estimated Long-term Rates of Return
US Equity - Large Cap	4.09% - 7.34%
US Equity - Small/Mid Cap	5.01% - 9.06%
Non-US Equity Developed	4.62% - 8.26%
Non-US Equity Emerging	5.65% - 10.49%
US Corporate Bond - Core	0.88% - 2.02%
US Corporate Bond - High Yield	2.80% - 4.96%
Non-US Debt - Developed	0.44% - 1.89%
Non-US Debt - Emerging	2.69% - 4.76%
US Treasuries/Cash	0.07% - 0.53%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.00%, as well as what each Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%), or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability - Civilian Pension Plan	\$ 3,714,959	\$ (778,143)	\$ (4,626,491)
Net Pension Liability - Police Pension Plan	9,211,988	3,132,010	(1,920,718)

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, 2021:

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, 2021, the Plans had no investments 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 2021 was 11.39% and 11.49% for the Civilian and Police Pension Plans, respectively. For plan year 2020, the money-weighted rate of return was 16.39% and 16.62% 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, 2021

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, 2021, the Township recognized pension expense of (\$467,768). At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Civilian Employees Pension Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,066	\$ 1,294,548
Changes in assumptions	855,269	-
Net difference between projected and actual earnings on pension plan investments	-	3,701,427
Total	<u>\$ 859,335</u>	<u>\$ 4,995,975</u>

Police Pension Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 287,571	\$ 581,651
Changes in assumptions	1,189,402	-
Net difference between projected and actual earnings on pension plan investments	-	4,241,063
Total	<u>\$ 1,476,973</u>	<u>\$ 4,822,714</u>
Aggregate Total	<u><u>\$ 2,336,308</u></u>	<u><u>\$ 9,818,689</u></u>

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

	Police	Civilian
Year ending December 31,		
2022	\$ (622,042)	\$ (884,586)
2023	(1,619,721)	(1,728,333)
2024	(903,772)	(1,119,817)
2025	(263,881)	(403,904)
2026	63,675	-
Thereafter	-	-

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	90
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	97
Total	<u>187</u>

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 2021, there were no expenditures recognized for postemployment life insurance benefits.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2020:

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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 11.66%. 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, 2021, were as follows:

Total OPEB Liability	\$ 53,928,986
Plan fiduciary net position	<u>10,228,951</u>
Township's net OPEB liability	<u>\$ 43,700,035</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>18.97%</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021 and update procedures were used to roll forward the plan's total net OPEB liability to December 31, 2021 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	4.25%
Healthcare Cost Trend Rates:	
Medical/Vision	0% for Police and Civilian increasing to 5.00% in 2029 and beyond
Prescription Drugs	4.5% for Police and Civilian increasing to 5.00% in 2029 and beyond
Dental	0% for Police and Civilian increasing to 3.00% in 2029 and beyond
Mortality:	2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010). (Police) 2010 Public Retirement Plans – General Employees mortality tables (PubG-2010). (Civilian)

The actuarial assumptions used in the January 1, 2021 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, 2021

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, 2020 are summarized in the following table:

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

Discount Rate

The discount rate is the 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 trust is projected to be available to fund all future benefits.

Changes in the Net OPEB Liability:

Changes in the Township's net OPEB liability for the plan for the year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2020	\$ 57,601,617	\$ 9,413,530	\$ 48,188,087
Changes for the Year:			
Service Cost	1,279,285	-	1,279,285
Interest	2,229,313	-	2,229,313
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,898,990)	-	(1,898,990)
Changes of assumptions	(3,788,284)	-	(3,788,284)
Contributions - employer	-	1,495,858	(1,495,858)
Contributions - employee	-	-	-
Net investment income	-	833,941	(833,941)
Benefit payments	(1,493,955)	(1,493,955)	-
Administrative expense	-	(20,423)	20,423
Other changes	-	-	-
Net changes	(3,672,631)	815,421	(4,488,052)
Balance at 12/31/2021	\$ 53,928,986	\$ 10,228,951	\$ 43,700,035

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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	<u>\$ 52,815,431</u>	<u>\$ 43,700,035</u>	<u>\$ 36,449,661</u>

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 (-1.0% increasing to 4.0%)	Current Trend Rates (0% increasing to 5.0%)	1% Increase (1.0% increasing to 6.0%)
Net OPEB Liability	<u>\$ 36,261,054</u>	<u>\$ 43,700,035</u>	<u>\$ 53,249,162</u>

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

For the year ended December 31, 2021, the Township recognized OPEB expense of \$2,095,578. At December 31, 2021, 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	\$ -	\$ 3,493,365
Changes in assumptions	1,775,030	3,231,183.00
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>790,603</u>
Total	<u>\$ 1,775,030</u>	<u>\$ 7,515,151</u>

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:

2022	\$ (1,040,447)
2023	(1,188,979)
2024	(1,066,604)
2025	(938,637)
2026	(836,364)
Thereafter	<u>(669,090)</u>
Total	<u>\$ (5,740,121)</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 2021, 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, 2021, the Township accumulated \$1,002,307 in stabilization credits of which \$346,768 was earned in the current year. The Township chose to utilize \$704,006 of their available credits to offset 2021 premium increases.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 2021, the Township paid the RHM Sewer Authority \$4,603,692 from the Township's Sewer Fund.

Summarized financial information for the RHM Sewer Authority as of December 31, 2020 and for the year then ended (the most recently available information) is shown below:

Cash and Investments	\$ 13,672,591
Receivables	426,404
Plant in Service	1,024,391
Other Assets	1,079,809
Total Assets	<u>\$ 16,203,195</u>
Liabilities	\$ 5,156,531
Equity	11,076,591
Total Liabilities and Equity	<u>\$ 16,233,122</u>
Total Revenues	<u>\$ 9,714,297</u>
Total Expenses	<u>\$ 8,943,844</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, 2021

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, 2021.

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 adoption of Statement No. 89 had no impact on the Township's financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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 Township adopted all provisions of Statement No. 93 except for the requirements of paragraphs 11b, 13, and 14. The adoption of Statement No. 93 had no impact on the Township's financial statements.

In October 2021, the GASB issued Statement No. 98, The Annual Comprehensive Financial Report. The objective of this Statement is to establish the term annual comprehensive financial report and its acronym ACFR. The adoption of Statement No. 98 had no impact on the Township's financial statements.

In April 2022, the GASB issues Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Township adopted the provisions of Statement No. 93 related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The adoption of Statement No. 99 had no impact on the Township's financial statements.

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. The Township has not yet completed the process of evaluating the impact on GASB 87 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.

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.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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 remaining provisions of this Statement are effective for the Township's calendar year 2022 financial statements. 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 97 on its financial statements.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The remaining provisions of this Statement are effective for reporting periods after June 15, 2022. The Township has not yet completed the process of evaluating the impact of GASB 99 on its financial statements.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The objectives of this Statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Township is required to adopt Statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Township is required to adopt Statement No. 101 for its calendar year 2024 financial statements.

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			OPEB Reserve Trust Fund	Total Trust Funds
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds		
Assets					
Cash and Cash Equivalents	\$ 1,362,651	\$ 980,478	\$ 2,343,129	\$ 903,369	\$ 3,246,498
Investments	45,869,111	41,450,798	87,319,909	7,841,844	95,161,753
Life Insurance Cash Value	-	-	-	1,481,590	1,481,590
Receivables	18,451	-	18,451	2,564	21,015
Total Assets	47,250,213	42,431,276	89,681,489	10,229,367	99,910,856
Liabilities					
Accounts Payable	32,182	18,488	50,670	416	51,086
Total Liabilities	32,182	18,488	50,670	416	51,086
Net Position					
Net Position Restricted for Pensions	47,218,031	42,412,788	89,630,819	-	89,630,819
Net Position Restricted for OPEB	-	-	-	10,228,951	10,228,951
Total Net Position	\$ 47,218,031	\$ 42,412,788	\$ 89,630,819	\$ 10,228,951	\$ 99,859,770

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 15 COMBINING PENSION AND OPEB TRUST FUNDS (CONTINUED)

	Pension Trust Funds				
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	Total Trust Funds
Additions:					
Contributions:					
Commonwealth of Pennsylvania	\$ 412,566	\$ 383,783	\$ 796,349	\$ -	\$ 796,349
Employer	2,298,234	1,189,117	3,487,351	1,495,858	4,983,209
Members	256,019	261,386	517,405	-	517,405
Total contributions	<u>2,966,819</u>	<u>1,834,286</u>	<u>4,801,105</u>	<u>1,495,858</u>	<u>6,296,963</u>
Investment Earning (Losses):					
Investment Gain	3,977,965	3,552,024	7,529,989	682,307	8,212,296
Interest Earnings	875,596	785,916	1,661,512	153,664	1,815,176
Investment Expense	(11,626)	(10,428)	(22,054)	(2,030)	(24,084)
Net Investment Earnings (Losses)	<u>4,841,935</u>	<u>4,327,512</u>	<u>9,169,447</u>	<u>833,941</u>	<u>10,003,388</u>
Other Additions:					
Miscellaneous	450	250.00	700	-	700
Total Other Additions	<u>450</u>	<u>250</u>	<u>700</u>	<u>-</u>	<u>700</u>
Total Additions	<u>7,809,204</u>	<u>6,162,048</u>	<u>13,971,252</u>	<u>2,329,799</u>	<u>16,301,051</u>
Deductions:					
Benefit Payments	2,817,678	2,126,815	4,944,493	1,493,955	6,438,448
Refund of Contributions	11,626	-	11,626	-	11,626
Administrative Expenses	<u>98,214</u>	<u>79,398</u>	<u>177,612</u>	<u>20,423</u>	<u>198,035</u>
Total Deductions	<u>2,927,518</u>	<u>2,206,213</u>	<u>5,133,731</u>	<u>1,514,378</u>	<u>6,648,109</u>
Changes in Plan Net Position	4,881,686	3,955,835	8,837,521	815,421	9,652,942
Net Position Restricted for Pension and OPEB Benefits:					
Beginning of Year	<u>42,336,345</u>	<u>38,456,953</u>	<u>80,793,298</u>	<u>9,413,530</u>	<u>90,206,828</u>
End of Year	<u>\$ 47,218,031</u>	<u>\$ 42,412,788</u>	<u>\$ 89,630,819</u>	<u>\$ 10,228,951</u>	<u>\$ 99,859,770</u>

NOTE 16 EXCESS OF EXPENDITURES OVER APPROPRIATION IN MAJOR FUNDS

The following major funds had an excess of actual expenditures over budget for the year ended December 31, 2021:

	Appropriations	Expenditures	Excess over Appropriations
Sewer Fund	\$ 5,903,653	\$ 6,105,682	\$ 202,029
Debt Service Fund	4,979,716	13,293,025	8,313,309

The excess expenditures over appropriation were funded by prior year fund balance in the Sewer Fund and by Transfers In for the Debt Service Fund.

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 17 RISKS AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the Township's operations and financial results are uncertain at this time.

NOTE 18 RESTATEMENT OF NET POSITION

The following restatement to the government-wide governmental net position was necessary to adjust previously reported balances to account for the Township's outstanding General Obligation Bonds, Series 2012:

	<u>Government-Wide</u>
	<u>Governmental Activities</u>
Beginning Net Position (Deficit), previously reported	\$ (34,860,736)
Restatement	(1,720,000)
Beginning Net Position (Deficit), as restated	<u>\$ (36,580,736)</u>

NOTE 19 SUBSEQUENT EVENTS

In May 2022, the Township issued General Obligation Bonds, Series of 2022 in the amount of \$10,000,000. The proceeds of the bond issuance will be to finance the feasibility, design, construction and inspection of a series of stormwater projects as authorized by the Board of Commissioners to improve stormwater infrastructure and installation of improvements to help mitigate stormwater flooding and to pay the costs of issuing the Bonds.

The Township has evaluated all subsequent events through the report issuance date of July 21, 2022 and is not aware of items that would require recognition or disclosure in the financial statements except for those described above.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF RADNOR, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
POLICE AND CIVILIAN PENSION PLANS
10 YEARS ENDED DECEMBER 31, 2021

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
2021	\$ 2,710,800	\$ 2,710,800	\$ -	\$ 5,847,873	46.4%
2020	2,449,400	2,449,400	-	5,540,637	44.2%
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%

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
2021	\$ 1,572,900	\$ 1,572,900	\$ -	\$ 5,010,314	31.4%
2020	1,482,300	1,482,300	-	5,173,446	28.7%
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%

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, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years aggregate (Civilian); 9 years aggregate (Police)
Asset valuation method	4-year smoothing
Inflation	2.50%
Salary increases (Civilian)	4.5% including inflation
Salary increases (Police)	5.0% including inflation, with an additional increase of 20% 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	7.00% 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, 2021

Mortality (Civilian)	General Employees Mortality Table. Rates are projected from 2020 to improve with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.
Mortality (Police)	Public Safety Employees Mortality Table. Rates are projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for 2020 Trustee Report.
Change in Assumptions	<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. (Police)</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> <p>Effective January 1, 2021 inflation lowered to 2.50%; interest rate lowered from 7.25% to 7.00%; mortality assumption updated to PubS 2010 public service employees mortality table; mortality improvement assumption was updated from being based on the 2015 SSA Trustee Reports to the 2020 SSA Trustee Reports with a base year of 2020. Disability assumptions were also updated from the 2010 SSA Trustee Table to 2020. (Police)</p>
Changes to Benefits	<p>During 2007, an Early Retirement Incentive Plan was offered (ERIP).</p> <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> <p>Effective 1/1/2020 a 4-year DROP was adopted that is in compliance with Act 44 of 2009.</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
2021	11.49%	11.39%
2020	16.62%	16.39%
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 eight 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						
	2021	2020	2019 *	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 1,051,852	\$ 969,107	\$ 913,217	\$ 904,801	\$ 895,831	\$ 802,246	\$ 764,044
Interest	3,388,040	3,359,272	3,253,376	3,108,530	2,997,932	2,876,638	2,777,216
Changes of Benefit Terms	-	(13,836)	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	(518,704)	-	541,311	-	(998,914)	-	1,339,767
Assumptions Changes	980,349	-	-	-	2,478,529	-	159,012
Benefit Payments, Including Refunds of Employee Contributions	(2,829,304)	(2,783,801)	(2,713,455)	(2,488,244)	(2,270,060)	(2,242,068)	(2,265,169)
Net change in Total Pension Liability	2,072,233	1,530,742	1,994,449	1,525,087	3,103,318	1,436,816	2,774,870
Total Pension Liability - Beginning	48,277,808	46,747,066	44,752,617	43,193,831	40,090,513	38,653,697	35,878,827
Total Pension Liability - Ending (a)	<u>\$ 50,350,041</u>	<u>\$ 48,277,808</u>	<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	\$ 2,710,800	\$ 2,449,400	\$ 2,455,000	\$ 2,440,042	\$ 2,322,459	\$ 2,292,575	\$ 2,190,861
Contributions - Member	256,019	208,576	206,669	192,062	135,856	165,078	149,817
Net Investment Income	4,853,561	6,049,456	5,779,879	(1,534,509)	4,148,892	1,618,766	(16,863)
Benefit Payments	(2,829,304)	(2,783,801)	(2,713,455)	(2,488,244)	(2,270,060)	(2,242,068)	(2,265,169)
Administrative Expense	(109,840)	(100,983)	(95,546)	(73,235)	(74,649)	(75,281)	(79,079)
Miscellaneous	450	297	33,699	-	10,029	250	250
Net Change in Plan Fiduciary Position	4,881,686	5,822,945	5,666,246	(1,463,884)	4,272,527	1,759,320	(20,183)
Plan Fiduciary Net Position - Beginning	42,336,345	36,513,400	30,847,154	32,311,038	28,038,511	26,279,191	26,299,374
Plan Fiduciary Net Position - Ending (b)	<u>\$ 47,218,031</u>	<u>\$ 42,336,345</u>	<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>\$ 3,132,010</u>	<u>\$ 5,941,463</u>	<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	93.8%	87.7%	78.1%	69.0%	74.8%	69.9%	68.0%
Covered Payroll	\$ 5,847,873	\$ 5,540,637	\$ 5,067,215	\$ 5,204,052	\$ 5,127,356	\$ 5,045,453	\$ 4,593,099
Net Pension Liability as a Percentage of Covered Payroll	53.6%	107.2%	202.0%	266.6%	212.2%	238.9%	269.4%

Notes to schedule

Assumption changes:

In 2019, 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.

In 2021, the interest rate was lowered from 7.25% to 7.00%; mortality was updated from RP-2014 with improvement based on 2015 SSA assumptions to PubS-2010 with improvement from 2020 projected based on 2020 SSA assumptions; disability rates updated from 2010 to 2020 SSA ultimate rates.

Benefit Change:

In 2020, a 4-year DROP was adopted that is in compliance with Act 44 of 2009.

*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						
	2021	2020	2019 *	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 527,544	\$ 647,303	\$ 634,982	\$ 645,327	\$ 632,230	\$ 639,178	\$ 694,479
Interest	2,794,507	2,835,164	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	(795,245)	-	(770,389)	-	(1,454,118)	-	146,376
Assumptions Changes	361,852	-	-	-	2,756,503	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,126,815)	(2,099,430)	(1,858,165)	(1,763,700)	(1,875,268)	(1,602,731)	(1,573,218)
Net change in Total Pension Liability	761,843	1,383,037	739,803	1,560,293	2,636,375	1,502,565	1,627,876
Total Pension Liability - Beginning	40,872,802	39,489,765	38,749,962	37,168,207	34,531,832	33,029,267	31,401,391
Total Pension Liability - Ending (a)	<u>\$ 41,634,645</u>	<u>\$ 40,872,802</u>	<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	\$ 1,572,900	\$ 1,482,300	\$ 1,587,000	\$ 1,580,042	\$ 1,852,440	\$ 1,845,031	\$ 2,020,351
Contributions - Member	261,386	262,838	271,134	276,577	285,314	293,274	291,807
Net Investment Income	4,337,940	5,409,041	5,184,451	(1,356,672)	3,708,161	1,429,380	(9,292)
Benefit Payments	(2,126,815)	(2,099,430)	(1,858,165)	(1,763,700)	(1,875,268)	(1,602,731)	(1,573,218)
Administrative Expense	(89,826)	(88,123)	(84,449)	(64,889)	(67,076)	(65,649)	(70,039)
Refund of Member Contributions	-	-	-	-	16	250	250
Miscellaneous	250	-	21,462	-	-	-	-
Net Change in Plan Fiduciary Position	3,955,835	4,966,626	5,121,433	(1,328,642)	3,903,587	1,899,555	659,859
Plan Fiduciary Net Position - Beginning	38,456,953	33,490,327	28,368,894	29,697,536	25,793,949	23,894,394	23,234,535
Plan Fiduciary Net Position - Ending (b)	<u>\$ 42,412,788</u>	<u>\$ 38,456,953</u>	<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>\$ (778,143)</u>	<u>\$ 2,415,849</u>	<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	101.9%	94.1%	84.8%	73.3%	79.9%	74.7%	72.3%
Covered Payroll	\$ 5,010,314	\$ 5,173,446	\$ 5,262,943	\$ 5,359,596	\$ 5,615,678	\$ 5,499,334	\$ 5,864,834
Net Pension Liability as a Percentage of Covered Payroll	-15.5%	46.7%	114.0%	193.3%	133.0%	158.9%	155.8%

Notes to schedule

Assumption changes:

In 2019, 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.

In 2021, the Interest rate lowered from 7.25% to 7.00%; salary increase assumption lowered from 5.00% to 4.50%; mortality updated from RP-2014 with improvement based on 2015 SSA assumptions to PubG-2010 with improvement projected from 2020 based on rates derived from 2020 SSA 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

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 1,279,285	\$ 1,384,974	\$ 1,347,907	\$ 1,211,553	\$ 1,179,127
Interest	2,229,313	2,382,117	2,297,896	2,600,445	2,496,102
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,898,990)	-	(3,479,616)	-	-
Changes of Assumptions	(3,788,284)	-	3,296,483	-	-
Benefit Payments	(1,493,955)	(1,643,534)	(1,757,667)	(1,652,436)	(1,589,903)
Net Change in Total OPEB Liability	(3,672,631)	2,123,557	1,705,003	2,159,562	2,085,326
Total OPEB Liability - Beginning	57,601,617	55,478,060	53,773,057	51,613,495	49,528,169
Total OPEB Liability - Ending (a)	<u>\$ 53,928,986</u>	<u>\$ 57,601,617</u>	<u>\$ 55,478,060</u>	<u>\$ 53,773,057</u>	<u>\$ 51,613,495</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,495,858	\$ 1,823,587	\$ 1,858,308	\$ 1,451,171	\$ 1,226,963
Net Investment Income	833,941	1,087,811	1,039,466	(278,406)	724,221
Benefit Payments	(1,493,955)	(1,643,534)	(1,757,667)	(1,652,436)	(1,589,903)
Administrative Expense	(20,423)	(23,795)	(2,000)	(2,000)	(2,000)
Net Change in Plan Fiduciary Net Position	815,421	1,244,069	1,138,107	(481,671)	359,281
Plan Fiduciary Net Position - Beginning	9,413,530	8,169,461	7,031,354	7,513,025	7,153,744
Plan Fiduciary Net Position - Ending (b)	<u>\$ 10,228,951</u>	<u>\$ 9,413,530</u>	<u>\$ 8,169,461</u>	<u>\$ 7,031,354</u>	<u>\$ 7,513,025</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 43,700,035</u>	<u>\$ 48,188,087</u>	<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	18.97%	16.34%	14.73%	13.08%	14.56%
Covered Payroll	\$ 10,094,166	\$ 9,905,811	\$ 9,905,811	\$ 9,667,870	\$ 9,667,870
Net OPEB Liability as a Percentage of Covered Payroll	432.92%	486.46%	477.58%	483.47%	456.15%

Notes to Schedule

Assumption changes:

In 2019, 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.

In 2021, trend rates were updated. The mortality assumption was changed from the RP-2014 Mortality Table and mortality improvement projected with rates derived from the Long-Range Demographic Assumptions for the 2015 SSA Trustee Report to the 2010 Public Retirement Plan -Public Safety (General Employees for the Civilian employees) and improvement projected from 2020 using the 2020 SSA Trustee Report.

* 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

	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution	<u>1,495,858</u>	<u>1,823,587</u>	<u>1,858,308</u>	<u>1,451,171</u>	<u>2,042,281</u>
Contribution Deficiency (Excess)	<u>\$ 1,495,858</u>	<u>\$ 1,823,587</u>	<u>\$ 1,858,308</u>	<u>\$ 1,451,171</u>	<u>\$ 2,042,281</u>
Covered Payroll	<u>\$ 10,094,166</u>	<u>\$ 9,905,811</u>	<u>\$ 9,905,811</u>	<u>\$ 9,667,870</u>	<u>\$ 9,667,870</u>
Contributions as a Percentage of Covered Payroll	14.82%	18.41%	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	Fair Value
Inflation	2.75%
Healthcare Cost Trend Rates	
Medical/Vision	0% increasing to 5.00% for Police and Civilian
Prescription Drugs	4.50% increasing to 5.00% for Police and Civilian
Dental	0% 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	2010 Public Retirement Plans – General Employees mortality tables (PubG-2010). (Civilian) 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010). (Police)

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

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense:	11.66%	16.91%	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, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Real Estate Taxes	\$ 14,062,311	\$ 14,062,311	\$ 14,211,414	\$ 149,103
Taxes Levied Under Local Tax Enabling Act	12,471,000	12,471,000	16,132,720	3,661,720
License and Permits	3,521,700	3,521,700	3,922,711	401,011
Fines, Forfeits and Costs	405,500	405,500	213,084	(192,416)
Interest and Rents	250,000	250,000	104,029	(145,971)
Grants and Gifts	1,411,720	1,411,720	2,961,828	1,550,108
Department Earnings	1,531,400	1,531,400	1,228,608	(302,792)
Refunds and Miscellaneous	104,500	104,500	146,902	42,402
Total Revenues	<u>33,758,131</u>	<u>33,758,131</u>	<u>38,921,296</u>	<u>5,163,165</u>
Expenditures:				
Current:				
General Government	2,910,033	3,096,616	3,117,172	(20,556)
Protection to Person and Property	11,962,172	12,054,503	12,378,969	(324,466)
Public Works	3,165,750	3,168,876	3,178,594	(9,718)
Highways	3,696,711	4,801,298	3,411,443	1,389,855
Library	964,700	964,700	978,720	(14,020)
Parks and Recreation	2,485,644	2,578,346	2,590,810	(12,464)
Capital Outlay	-	-	36,720	(36,720)
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	5,469,567	5,493,193	5,142,879	350,314
Total Expenditures	<u>30,654,577</u>	<u>32,157,532</u>	<u>30,835,307</u>	<u>1,322,225</u>
Excess of Revenues over (under) Expenditures	3,103,554	1,600,599	8,085,989	6,485,390
Other Financing sources/(uses):				
Transfers In	29,480	29,480	-	(29,480)
Transfers Out	(4,686,491)	(4,686,491)	(4,021,681)	664,810
Total Other Financing sources/(uses)	<u>(4,657,011)</u>	<u>(4,657,011)</u>	<u>(4,021,681)</u>	<u>635,330</u>
Net Change in Fund Balance	(1,553,457)	(3,056,412)	4,064,308	7,120,720
Fund Balance - Beginning of Year (Budgetary Basis)	<u>8,804,319</u>	<u>8,804,319</u>	<u>7,155,184</u>	<u>(1,649,135)</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 7,250,862</u>	<u>\$ 5,747,907</u>	11,219,492	<u>\$ 5,471,585</u>
Non-GAAP Budgetary Basis Reconciliation				
Add Other Unbudgeted General Fund Ending Fund Balance				
\$8 Million Settlement Fund			235,912	
Investigation Fund			5,191	
Police K-9 Fund			529	
Fund Balance - General Fund - End of Year (GAAP Basis)			<u>\$ 11,461,124</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 20,000	\$ 20,000	\$ 8,544	\$ (11,456)
Department Earnings	5,887,000	5,887,000	5,668,257	(218,743)
Refunds and Miscellaneous	12,000	12,000	21,353	9,353
Total Revenues	5,919,000	5,919,000	5,698,154	(220,846)
Expenditures:				
Current:				
Health and Sanitation	5,478,199	5,903,653	5,625,672	277,981
Capital Outlay	-	-	480,010	(480,010)
Total Expenditures	5,478,199	5,903,653	6,105,682	(202,029)
Excess of Revenues over (under) Expenditures	440,801	15,347	(407,528)	(422,875)
Other Financing Sources (Uses):				
Transfers Out	(825,378)	(825,378)	(825,378)	-
Total Other Financing Uses	(825,378)	(825,378)	(825,378)	-
Net Change in Fund Balance	(384,577)	(810,031)	(1,232,906)	(422,875)
Fund Balance - Beginning of Year (Budgetary Basis)	3,926,132	3,926,132	2,291,482	(1,634,650)
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 3,541,555</u>	<u>\$ 3,116,101</u>	<u>\$ 1,058,576</u>	<u>\$ (2,057,525)</u>

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, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes Levied Under Local Tax Enabling Act	\$ 900,000	\$ 900,000	\$ 1,529,283	\$ 629,283
Interest and Rents	1,000	1,000	393	(607)
Total Revenues	901,000	901,000	1,529,676	628,676
Expenditures:				
Current:				
Parks and Recreation	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	901,000	901,000	1,529,676	628,676
Other Financing Sources (Uses):				
Proceeds from Refunding Bond Issuance	-	-	-	-
Premium on Bond Issuance	-	-	-	-
Transfers In	150,000	150,000	-	(150,000)
Transfers Out	(1,053,878)	(1,053,878)	(1,024,398)	29,480
Total Other Financing uses	(903,878)	(903,878)	(1,024,398)	(120,520)
Net Change in Fund Balance	(2,878)	(2,878)	505,278	508,156
Fund Balance - Beginning of Year (Budgetary Basis)	329,751	329,751	(411,425)	(741,176)
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 326,873</u>	<u>\$ 326,873</u>	<u>\$ 93,853</u>	<u>\$ (233,020)</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 25,000	\$ 25,000	\$ 18,919	\$ (6,081)
Department Earnings	1,080,000	1,080,000	1,077,272	(2,728)
Refunds and Miscellaneous	12,000	12,000	-	(12,000)
Total Revenues	<u>1,117,000</u>	<u>1,117,000</u>	<u>1,096,191</u>	<u>(20,809)</u>
Expenditures:				
Current:				
General Government	5,000	6,695	13,224	(6,529)
Health and Sanitation	905,000	1,392,640	183,465	1,209,175
Capital Outlay	-	-	202,398	(202,398)
Total Expenditures	<u>910,000</u>	<u>1,399,335</u>	<u>399,087</u>	<u>1,000,248</u>
Net Change in Fund Balance	207,000	(282,335)	697,104	979,439
Fund Balance - Beginning of Year (Budgetary Basis)	<u>2,757,512</u>	<u>2,757,512</u>	<u>3,536,803</u>	<u>779,291</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 2,964,512</u>	<u>\$ 2,475,177</u>	<u>\$ 4,233,907</u>	<u>\$ 1,758,730</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES
YEAR ENDED DECEMBER 31, 2021

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	\$ 14,211,414	\$ -	\$ -	\$ -	\$ 14,211,414
Taxes Levied Under Local Tax Enabling Act	16,132,720	-	-	-	16,132,720
License and Permits	3,922,711	-	-	-	3,922,711
Fines, Forfeits and Costs	213,084	3,493	-	-	216,577
Interest and Rents	104,029	5	189	-	104,223
Grants and Gifts	2,961,828	-	-	-	2,961,828
Department Earnings	1,228,608	-	-	-	1,228,608
Refunds and Miscellaneous	146,902	-	-	-	146,902
Total Revenues	<u>38,921,296</u>	<u>3,498</u>	<u>189</u>	<u>-</u>	<u>38,924,983</u>
Expenditures:					
Current:					
General Government	3,117,172	5,847	652	-	3,123,671
Protection to Person and Property	12,378,969	-	-	-	12,378,969
Public Works	3,178,594	-	-	-	3,178,594
Highways	3,411,443	-	-	-	3,411,443
Library	978,720	-	-	-	978,720
Parks and Recreation	2,590,810	-	-	-	2,590,810
Capital Outlay	36,720	-	-	-	36,720
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	5,142,879	-	-	-	5,142,879
Total Expenditures	<u>30,835,307</u>	<u>5,847</u>	<u>652</u>	<u>-</u>	<u>30,841,806</u>
Excess of Revenues over (under) Expenditures	8,085,989	(2,349)	(463)	-	8,083,177
Other Financing Sources (Uses):					
Transfers Out	(4,021,681)	-	-	-	(4,021,681)
Total Other Financing uses	<u>(4,021,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,021,681)</u>
Net Change in Fund Balance	4,064,308	(2,349)	(463)	-	4,061,496
Fund Balance - Beginning of Year (Budgetary Basis)	<u>7,155,184</u>	<u>7,540</u>	<u>236,375</u>	<u>529</u>	<u>7,399,628</u>
Fund Balance - End of Year (Budgetary Basis)	<u>\$ 11,219,492</u>	<u>\$ 5,191</u>	<u>\$ 235,912</u>	<u>\$ 529</u>	<u>\$ 11,461,124</u>

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**OTHER
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF RADNOR, PENNSYLVANIA
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

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, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Real Estate Taxes	\$ 14,062,311	\$ 14,062,311	\$ 14,211,414	\$ 149,103
Taxes Levied Under Local Tax Enabling Act				
Real Estate Transfer Tax	2,700,000	2,700,000	5,448,038	2,748,038
Mercantile	1,276,000	1,276,000	1,017,357	(258,643)
Business Privilege	7,480,000	7,480,000	8,669,440	1,189,440
Emergency Municipal Services	1,000,000	1,000,000	994,247	(5,753)
Amusement	15,000	15,000	3,638	(11,362)
Total Taxes Levies Under Local Tax Enabling Act	12,471,000	12,471,000	16,132,720	3,661,720
License and Permits				
Beverage	12,000	12,000	11,100	(900)
Building, Electrical and Plumbing	2,293,000	2,293,000	2,696,208	403,208
Public Works and Engineering	135,700	135,700	152,865	17,165
Rental Housing	170,000	170,000	176,840	6,840
Health and Fire Prevention	75,500	75,500	76,172	672
Subdivision, Design and Zoning	171,000	171,000	121,505	(49,495)
Cable TV Franchise	662,000	662,000	680,096	18,096
Sewage Enforcement	2,500	2,500	7,925	5,425
Total License and Permits	3,521,700	3,521,700	3,922,711	401,011
Fines, Forfeits and Costs				
Fines Levied by Police	205,500	205,500	108,336	(97,164)
Fines Levied by District Justice	200,000	200,000	104,748	(95,252)
Total Fines, Forfeits and Costs	405,500	405,500	213,084	(192,416)
Interest and Rents				
Interest Earned on Investments	115,000	115,000	43,035	(71,965)
Other	135,000	135,000	60,994	(74,006)
Total Interest and Rents	250,000	250,000	104,029	(145,971)
Revenues - Forward	\$ 30,710,511	\$ 30,710,511	\$ 34,583,958	\$ 3,873,447

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues - Forward	\$ 30,710,511	\$ 30,710,511	\$ 34,583,958	\$ 3,873,447
Grants and Gifts - Other Federal and State	1,411,720	1,411,720	2,961,828	1,550,108
Department Earnings				
Parking Meter Fees	450,000	450,000	239,572	(210,428)
Police Extra Duty and Alarm Fees	325,000	325,000	313,051	(11,949)
Recreational Program Fees	593,900	593,900	442,700	(151,200)
Other	162,500	162,500	233,285	70,785
Total Departmental Earnings	1,531,400	1,531,400	1,228,608	(302,792)
Refunds and Miscellaneous				
Sale of Recycled Materials	2,500.00	2,500.00	2,227	(273)
Other	102,000	102,000	144,675	42,675
Total Refunds and Miscellaneous	104,500	104,500	146,902	42,402
Total Revenues	33,758,131	33,758,131	38,921,296	5,163,165
All Other Financing Sources:				
Transfers In	29,480	29,480	-	(29,480)
Total Revenues and Other Financing Sources	\$ 33,787,611	\$ 33,787,611	\$ 38,921,296	\$ 5,133,685

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
General Government				
Administration	994,516	1,081,150	1,013,142	\$ 68,008
Finance	1,117,633	1,155,524	1,278,243	(122,719)
Tax Collection	34,584	34,584	34,495	89
Information Technology	306,248	315,890	383,547	(67,657)
Township Buildings	457,052	509,468	407,745	101,723
Total General Government	2,910,033	3,096,616	3,117,172	(20,556)
Protection to Person and Property				
Community Development	1,049,540	1,131,968	1,099,578	32,390
Police Protection	9,463,827	9,473,730	9,844,701	(370,971)
Fire Protection	1,448,805	1,448,805	1,434,690	14,115
Total Protection to Person and Property	11,962,172	12,054,503	12,378,969	(324,466)
Public Works				
Solid Waste Collection	3,165,750	3,168,876	3,178,594	(9,718)
Engineering	972,237	2,020,060	984,176	1,035,884
Streets and Highways:				
General Services	1,819,334	1,823,321	1,225,297	598,024
Street Cleaning	15,000	15,000	23,004	(8,004)
Snow and Ice Removal	159,000	161,883	160,146	1,737
Traffic Signals and Signs	61,000	86,996	216,730	(129,734)
Street Lighting	220,000	242,296	237,927	4,369
Curbs and Sidewalks	5,000	5,000	25,455	(20,455)
Storm Sewers, Drainage	7,000	7,000	79,536	(72,536)
Repairs, Tools and Machinery	397,420	399,022	355,836	43,186
Road Maintenance and Repairs	40,720	40,720	103,336	(62,616)
Total Public Works	6,862,461	7,970,174	6,590,037	1,380,137
Library	964,700	964,700	978,720	(14,020)
Expenditures - Forward	\$ 22,699,366	\$ 24,085,993	\$ 23,064,898	\$ 1,021,095

TOWNSHIP OF RADNOR, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures - Forward	\$ 22,699,366	\$ 24,085,993	\$ 23,064,898	\$ 1,021,095
Parks and Recreation				
Administration	412,599	412,599	405,573	7,026
Parks Maintenance	1,759,095	1,851,269	1,976,865	(125,596)
Recreation Programs	250,500	250,500	145,291	105,209
Sulpizio Gym	63,450	63,978	63,081	897
Total Parks and Recreation	2,485,644	2,578,346	2,590,810	(12,464)
Capital Outlay	-	-	36,720	(36,720)
Other - Nondepartmental (Employee Benefits, Insurance, Contributions, and Miscellaneous)	5,469,567	5,493,193	5,142,879	350,314
Total Expenditures	30,654,577	32,157,532	30,835,307	1,322,225
Other Financing Uses:				
Transfers Out	4,686,491	4,686,491	4,021,681	(664,810)
Total Other Financing Uses	4,686,491	4,686,491	4,021,681	(664,810)
Total Expenditures and Other Financing Uses	\$ 35,341,068	\$ 36,844,023	\$ 34,856,988	\$ 657,415

TOWNSHIP OF RADNOR, PENNSYLVANIA
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2021

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 70,063	\$ 70,063	\$ 64,757	\$ (5,306)
Total Revenues	70,063	70,063	64,757	(5,306)
Expenditures:				
Debt Service				
Principal Retirement	2,995,000	2,995,000	11,655,000	(8,660,000)
Interest	1,984,716	1,984,716	1,638,025	346,691
Total Expenditures	4,979,716	4,979,716	13,293,025	(8,313,309)
Excess of Revenues over (under) Expenditures	(4,909,653)	(4,909,653)	(13,228,268)	(8,318,615)
Other Financing Sources/(Uses):				
Payment to Bond Escrow Agent	-	-	(11,900,319)	(11,900,319)
Operating Transfers In	4,911,255	4,911,255	25,353,034	20,441,779
Total Other Financing Sources/(Uses)	4,911,255	4,911,255	13,452,715	8,541,460
Net Change in Fund Balance	1,602	1,602	224,447	222,845
Fund Balance - Beginning of Year (Budgetary Basis)	1,010,691	1,010,691	882,289	(128,402)
Fund Balance - End of Year (Budgetary Basis)	\$ 1,012,293	\$ 1,012,293	\$ 1,106,736	\$ 94,443

TOWNSHIP OF RADNOR, PENNSYLVANIA
MAJOR CAPITAL PROJECT FUNDS WITH LEGALLY ADOPTED BUDGET
YEAR ENDED DECEMBER 31, 2021

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and Rents	\$ 214,758	\$ 214,758	\$ 4,345	\$ (210,413)
Grants and Gifts	17,354	17,354	758,512	741,158
Refunds and Miscellaneous	20,000	20,000	23,040	3,040
Total Revenues	252,112	252,112	785,897	533,785
Expenditures:				
Current:				
General Government	456,966	481,595	324,789	156,806
Protection to Person and Property	274,500	367,231	-	367,231
Public Works	25,000	25,000	-	25,000
Highways	5,735,802	5,787,256	68,373	5,718,883
Library	4,659,092	4,659,092	650	4,658,442
Parks and Recreation	4,453,091	4,456,784	14,306	4,442,478
Capital Outlay	-	-	4,349,102	(4,349,102)
Debt Service				
Bond Issue Costs	296,172	296,172	296,172	-
Total Expenditures	15,900,623	16,073,130	5,053,392	11,019,738
Excess of Revenues over (under) Expenditures	(15,648,511)	(15,821,018)	(4,267,495)	11,553,523
Other Financing sources/(uses):				
Issuance of Refunding Debt	-	50,000	20,425,000	20,375,000
Premium on Bond Issuance	-	98,817	315,053	216,236
Capital Lease Acquisition	-	-	82,679	82,679
Transfers In	1,239,218	1,239,218	1,000,000	(239,218)
Transfers Out	-	-	(20,443,883)	(20,443,883)
Total Other Financing sources/(uses)	1,239,218	1,388,035	1,378,849	(9,186)
Net Change in Fund Balance	(14,409,293)	(14,432,983)	(2,888,646)	11,544,337
Fund Balance - Beginning of Year (Budgetary Basis)	273,748	273,748	8,474,773	8,201,025
Fund Balance - End of Year (Budgetary Basis)	\$ (14,135,545)	\$ (14,159,235)	\$ 5,586,127	\$ 19,745,362

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, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest and Rents	\$ 500	\$ 500	\$ 517	\$ 17
Department Earnings	2,000	2,000	2,441	441
Total Revenues	2,500	2,500	2,958	458
Other Financing Uses:				
Transfers Out	(37,694)	(37,694)	(37,694)	-
Total Other Financing Uses	(37,694)	(37,694)	(37,694)	-
Net Change in Fund Balance	(35,194)	(35,194)	(34,736)	458
Fund Balance - Beginning of Year (Budgetary Basis)	93,139	93,139	55,551	(37,588)
Fund Balance - End of Year (Budgetary Basis)	\$ 57,945	\$ 57,945	\$ 20,815	\$ (37,130)

TOWNSHIP OF RADNOR, PENNSYLVANIA
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

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, 2021

	State Liquid Fuels Tax Fund	Commemorative Shade Tree Fund	Trail Grant Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 210,985	\$ 58,451	\$ 366,278	\$ 401,859	\$ 1,037,573
Total Assets	<u>\$ 210,985</u>	<u>\$ 58,451</u>	<u>\$ 366,278</u>	<u>\$ 401,859</u>	<u>\$ 1,037,573</u>
Liabilities and Fund Balances					
Liabilities					
Due to Other Funds	\$ -	\$ -	\$ 22,400	\$ -	\$ 22,400
Total Liabilities	<u>-</u>	<u>-</u>	<u>22,400</u>	<u>-</u>	<u>22,400</u>
Fund Balances					
Restricted:					
State Liquid Fuels Tax	210,985	-	-	-	210,985
Committed					
Recreation Fee	-	-	343,878	401,859	745,737
Assigned					
Other	-	58,451	-	-	58,451
Total Fund Balances (Deficit)	<u>210,985</u>	<u>58,451</u>	<u>343,878</u>	<u>401,859</u>	<u>1,015,173</u>
Total Liabilities and Fund Balances	<u>\$ 210,985</u>	<u>\$ 58,451</u>	<u>\$ 366,278</u>	<u>\$ 401,859</u>	<u>\$ 1,037,573</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2021

	State Liquid Fuels Tax Fund	Commemorative Shade Tree Fund	Trail Grant Fund	Recreation Fee Fund	Total Nonmajor Governmental Funds
Revenues					
Fines, Forfeits and Costs	\$ -	\$ -	\$ -	\$ 26,800	\$ 26,800
Interest and Rents	595	58	214	301	1,168
Grants and Gifts	827,533	20,000	250,000	-	1,097,533
Refunds and Miscellaneous	7,270	-	-	-	7,270
Total revenues	<u>835,398</u>	<u>20,058</u>	<u>250,214</u>	<u>27,101</u>	<u>1,132,771</u>
Expenditures					
Highways	99,551	-	-	-	99,551
Parks and Recreation	-	84,271	-	-	84,271
Capital Outlay	879,613	-	-	-	879,613
Total Expenditures	<u>979,164</u>	<u>84,271</u>	<u>-</u>	<u>-</u>	<u>1,063,435</u>
Excess of Revenues Over (Under) Expenditures	(143,766)	(64,213)	250,214	27,101	69,336
Net Changes in Fund Balances	(143,766)	(64,213)	250,214	27,101	69,336
Fund Balance - Beginning of Year	<u>354,751</u>	<u>122,664</u>	<u>93,664</u>	<u>374,758</u>	<u>945,837</u>
Fund Balance - End of Year	<u>\$ 210,985</u>	<u>\$ 58,451</u>	<u>\$ 343,878</u>	<u>\$ 401,859</u>	<u>\$ 1,015,173</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, 2021

	State Liquid Fuels Tax		
	Budget	Actual	Variance
Revenues			
Interest and Rents	\$ 1,200	\$ 595	\$ (605)
Grants and Gifts	664,391	827,533	163,142
	-	7,270	7,270
Total Revenues	665,591	835,398	169,807
Expenditures:			
Highways	689,939	99,551	590,388
Capital Outlay	-	879,613	(879,613)
Total Expenditures	689,939	979,164	(289,225)
Net Change in Fund Balance	(24,348)	(143,766)	(119,418)
Fund Balance - Beginning of Year	387,220	354,751	32,469
Fund Balance - End of Year	\$ 362,872	\$ 210,985	\$ (86,949)

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

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, 2021

	Pension Trust Funds				
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	Total Trust Funds
Assets					
Cash and Cash Equivalents	\$ 1,362,651	\$ 980,478	\$ 2,343,129	\$ 903,369	\$ 3,246,498
Investments	45,869,111	41,450,798	87,319,909	7,841,844	95,161,753
Life Insurance Cash Value	-	-	-	1,481,590	1,481,590
Receivables	18,451	-	18,451	2,564	21,015
Total Assets	47,250,213	42,431,276	89,681,489	10,229,367	99,910,856
Liabilities					
Accounts Payable	32,182	18,488	50,670	416	51,086
Total Liabilities	32,182	18,488	50,670	416	51,086
Net Position					
Net Position Restricted for Pensions	47,218,031	42,412,788	89,630,819	-	89,630,819
Net Position Restricted for OPEB	-	-	-	10,228,951	10,228,951
Total Net Position	\$ 47,218,031	\$ 42,412,788	\$ 89,630,819	\$ 10,228,951	\$ 99,859,770

TOWNSHIP OF RADNOR, PENNSYLVANIA
FIDUCIARY COMPONENT UNIT
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION AND OPEB TRUST FUNDS
YEAR ENDED DECEMBER 31, 2021

	Pension Trust Funds				
	Police Pension Trust Fund	Civilian Pension Trust Fund	Total Pension Trust Funds	OPEB Reserve Trust Fund	Total Trust Funds
Additions:					
Contributions:					
Commonwealth of Pennsylvania	\$ 412,566	\$ 383,783	\$ 796,349	\$ -	\$ 796,349
Employer	2,298,234	1,189,117	3,487,351	1,495,858	4,983,209
Members	256,019	261,386	517,405	-	517,405
Total contributions	<u>2,966,819</u>	<u>1,834,286</u>	<u>4,801,105</u>	<u>1,495,858</u>	<u>6,296,963</u>
Investment Earning (Losses):					
Investment Gain	3,977,965	3,552,024	7,529,989	682,307	8,212,296
Interest Earnings	875,596	785,916	1,661,512	153,664	1,815,176
Investment Expense	(11,626)	(10,428)	(22,054)	(2,030)	(24,084)
Net Investment Earnings (Losses)	<u>4,841,935</u>	<u>4,327,512</u>	<u>9,169,447</u>	<u>833,941</u>	<u>10,003,388</u>
Other Additions:					
Miscellaneous	450	250	700	-	700
Total Other Additions	<u>450</u>	<u>250</u>	<u>700</u>	<u>-</u>	<u>700</u>
Total Additions	<u>7,809,204</u>	<u>6,162,048</u>	<u>13,971,252</u>	<u>2,329,799</u>	<u>16,301,051</u>
Deductions:					
Benefit Payments	2,817,678	2,126,815	4,944,493	1,493,955	6,438,448
Refund of Contributions	11,626	-	11,626	-	11,626
Administrative Expenses	98,214	79,398	177,612	20,423	198,035
Total Deductions	<u>2,927,518</u>	<u>2,206,213</u>	<u>5,133,731</u>	<u>1,514,378</u>	<u>6,648,109</u>
Changes in Plan Net Position	4,881,686	3,955,835	8,837,521	815,421	9,652,942
Net Position Restricted for Pension and OPEB Benefits:					
Beginning of Year	<u>42,336,345</u>	<u>38,456,953</u>	<u>80,793,298</u>	<u>9,413,530</u>	<u>90,206,828</u>
End of Year	<u>\$ 47,218,031</u>	<u>\$ 42,412,788</u>	<u>\$ 89,630,819</u>	<u>\$ 10,228,951</u>	<u>\$ 99,859,770</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2021

Governmental Funds Capital Assets	
Land	\$ 24,149,624
Land Improvements	10,499,090
Buildings	29,276,539
Infrastructure	34,561,446
Machinery and Equipment	19,390,995
Construction in Progress	17,153
Total Governmental Funds Capital Assets	<u>117,894,847</u>
Less: Accumulated Depreciation	<u>(45,983,286)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 71,911,561</u></u>

Investment in Governmental Funds Capital Assets by Source	
General Fund	\$ 2,877,457
Special Revenue Funds	34,071,026
Capital Projects Funds	71,857,493
Sewer Fund	3,958,249
Storm Water Fund	2,839,855
Donations	2,290,767
Total Governmental Funds Capital Assets	<u>117,894,847</u>
Less: Accumulated Depreciation	<u>(45,983,286)</u>
Net Governmental Funds Capital Assets	<u><u>\$ 71,911,561</u></u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2021

Function and Activity	Land	Land Improvements	Buildings	Infrastructure	Machinery and Equipment	Total
General Government	\$ -	\$ -	\$ 16,636,568	\$ 256,358	\$ 2,225,607	\$ 19,118,533
Protection to Persons and Property	-	-	-	-	4,307,616	4,307,616
Health and Sanitation	-	-	-	6,165,966	2,629,904	8,795,870
Highways	-	26,863	4,968,850	26,891,905	7,747,683	39,635,301
Library	-	-	6,561,085	-	-	6,561,085
Parks and Recreation	24,149,624	10,472,227	1,110,036	1,247,217	2,480,185	39,459,289
Total Governmental Funds Capital Assets	24,149,624	10,499,090	29,276,539	34,561,446	19,390,995	117,877,694
Less: Accumulated Depreciation	-	(3,211,603)	(11,773,574)	(14,911,535)	(16,086,574)	(45,983,286)
Total	<u>\$ 24,149,624</u>	<u>\$ 7,287,487</u>	<u>\$ 17,502,965</u>	<u>\$ 19,649,911</u>	<u>\$ 3,304,421</u>	71,894,408
Construction in Progress						17,153
Net Governmental Funds Capital Assets						<u>\$ 71,911,561</u>

TOWNSHIP OF RADNOR, PENNSYLVANIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2021

Function and Activity	Balance at January 1, 2021	Increases	Decreases	Balance at December 31, 2021
General Government	\$ 19,081,813	\$ 36,720	\$ -	\$ 19,118,533
Protection to Persons and Property	4,307,616	-	-	4,307,616
Health and Sanitation	8,365,157	682,408	(251,695)	8,795,870
Highways	38,304,978	1,330,323	-	39,635,301
Library	6,561,085	-	-	6,561,085
Parks and Recreation	35,110,187	4,349,102	-	39,459,289
Total Governmental Funds Capital Assets	111,730,836	6,398,553	(251,695)	117,877,694
Construction in Progress	467,863	-	(450,710)	17,153
Less: Accumulated Depreciation	(42,760,437)	(3,474,544)	251,695	(45,983,286)
Net Governmental Funds Capital Assets	<u>\$ 69,438,262</u>	<u>\$ 2,924,009</u>	<u>\$ (450,710)</u>	<u>\$ 71,911,561</u>

**STATISTICAL
SECTION**
(Unaudited)

Statistical Section

This part of the Township of Radnor's annual comprehensive 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 Annual Comprehensive 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Government activities										
Net Investment in Capital Assets	\$ 5,047,878	\$ (5,322,939)	\$ 553,632	\$ 4,977,068	\$ 6,590,900	\$ 7,590,283	\$ 12,621,702	\$ 12,656,485	\$ 12,843,217	\$ 15,016,535
Restricted	6,723,380	5,399,445	6,007,738	6,852,941	662,321	847,611	941,500	387,220	354,751	210,985
Unrestricted (deficiency)	<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>	<u>(48,058,704)</u>	<u>(41,620,445)</u>
Total Net Position, governmental activities	\$ (6,461,064)	\$ 2,898,939	\$ 4,158,225	\$ (14,979,663)	\$ (15,695,824)	\$ (14,682,578)	\$ (34,354,109)	\$ (34,435,389)	\$ (34,860,736)	\$ (26,392,925)
Business-type activities										
Net Investment in Capital Assets	\$ 98,764	\$ 88,873	\$ 86,482	\$ 84,091	\$ 81,700	\$ 79,309	\$ 168,056	\$ 170,451	\$ 168,114	\$ 165,777
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficiency)	<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>	<u>507,598</u>	<u>463,689</u>
Total Net Position, business-type activities	\$ 167,727	\$ 85,937	\$ 71,286	\$ 99,722	\$ 81,380	\$ 94,602	\$ 792,994	\$ 737,242	\$ 675,712	\$ 629,466
Primary government										
Net Investment in Capital Assets	\$ 5,146,642	\$ (5,234,066)	\$ 640,114	\$ 5,061,159	\$ 6,672,600	\$ 7,669,592	\$ 12,789,758	\$ 12,826,936	\$ 13,011,331	\$ 15,182,312
Restricted	6,723,380	5,399,445	6,007,738	6,852,941	662,321	847,611	941,500	387,220	354,751	210,985
Unrestricted (deficiency)	<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>	<u>(47,551,106)</u>	<u>(41,156,756)</u>
Total Net Position, primary government	\$ (6,293,337)	\$ 2,984,876	\$ 4,229,511	\$ (14,879,941)	\$ (15,614,444)	\$ (14,587,976)	\$ (33,561,115)	\$ (33,698,147)	\$ (34,185,024)	\$ (25,763,459)

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Government activities										
General government	\$ 4,110,480	\$ 4,027,041	\$ 5,691,986	\$ 4,138,635	\$ 5,094,200	\$ 4,685,891	\$ 5,426,877	\$ 5,280,089	\$ 4,779,187	\$ 4,466,416
Protection to persons and property	11,313,565	12,745,479	13,505,092	15,012,436	16,165,836	16,072,269	16,669,973	16,376,945	16,104,694	14,291,404
Health and sanitation	8,188,645	8,733,554	8,824,642	8,816,933	9,448,343	9,224,984	9,649,156	10,928,231	9,717,279	9,001,863
Highways	4,819,026	6,021,919	6,374,657	7,010,773	5,914,620	5,968,439	4,756,765	5,988,090	4,943,818	5,135,155
Library	818,443	849,850	899,290	901,839	896,770	1,436,935	928,360	992,524	974,318	979,370
Parks and recreation	3,046,785	3,725,915	3,576,358	3,318,754	3,724,807	3,237,902	3,780,447	3,749,877	3,269,821	2,751,757
Interest on long-term debt	<u>1,968,757</u>	<u>1,812,689</u>	<u>1,910,392</u>	<u>1,934,553</u>	<u>1,978,241</u>	<u>1,978,936</u>	<u>1,917,169</u>	<u>1,519,233</u>	<u>1,130,162</u>	<u>2,477,437</u>
Total governmental activities net assets	\$ 34,265,701	\$ 37,916,447	\$ 40,782,417	\$ 41,133,923	\$ 43,222,817	\$ 42,605,356	\$ 43,128,747	\$ 44,834,989	\$ 40,919,279	\$ 39,103,402
Business-type activities										
The Willows	<u>82,902</u>	<u>64,090</u>	<u>14,663</u>	<u>36,575</u>	<u>33,375</u>	<u>56,900</u>	<u>118,705</u>	<u>66,401</u>	<u>65,573</u>	<u>46,776</u>
Total business-type activities net assets	\$ <u>82,902</u>	\$ <u>64,090</u>	\$ <u>14,663</u>	\$ <u>36,575</u>	\$ <u>33,375</u>	\$ <u>56,900</u>	\$ <u>118,705</u>	\$ <u>66,401</u>	\$ <u>65,573</u>	\$ <u>46,776</u>
Total primary government expenses	\$ 34,348,603	\$ 37,980,537	\$ 40,797,080	\$ 41,170,498	\$ 43,256,192	\$ 42,662,256	\$ 43,247,452	\$ 44,901,390	\$ 40,984,852	\$ 39,150,178
Program revenues										
Government activities										
Charges for services:										
General government	\$ 1,080,385	\$ 1,179,348	\$ 1,133,685	\$ 1,332,990	\$ 1,186,839	\$ 1,349,278	\$ 2,340,584	\$ 2,525,724	\$ 1,417,093	\$ 1,970,449
Protection to persons and property	3,697,080	3,552,696	4,352,438	4,314,993	4,173,747	4,797,268	3,540,161	4,878,218	1,980,873	2,879,476
Health and sanitation	5,144,615	5,029,173	5,680,287	6,459,830	6,125,471	6,340,433	6,469,297	6,870,544	7,213,864	7,031,479
Highways	95,777	92,817	128,600	258,197	56,808	32,184	8,413	4,227	-	9,711
Library	-	-	-	-	-	500,000	-	-	-	-
Parks and recreation	684,126	647,417	730,164	1,080,811	924,738	665,978	756,998	545,807	545,171	450,116
Operating grants and contributions	1,937,762	2,092,665	2,512,484	1,417,037	1,472,579	1,504,600	1,436,498	1,534,909	1,358,876	2,981,828
Capital grants and contributions	<u>210,897</u>	<u>257,099</u>	<u>987,703</u>	<u>969,036</u>	<u>915,986</u>	<u>1,195,276</u>	<u>2,792,768</u>	<u>1,165,148</u>	<u>1,617,723</u>	<u>1,836,045</u>
Total governmental activities program revenues	\$ 12,850,642	\$ 12,851,215	\$ 15,525,361	\$ 15,832,894	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577	\$ 14,133,600	\$ 17,159,104
Business-type activities										
The Willows	74,230	24,069	-	-	-	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	\$ <u>74,230</u>	\$ <u>24,069</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total primary government program revenues	\$ <u>12,924,872</u>	\$ <u>12,875,284</u>	\$ <u>15,525,361</u>	\$ <u>15,832,894</u>	\$ <u>14,856,168</u>	\$ <u>16,385,017</u>	\$ <u>17,344,719</u>	\$ <u>17,524,577</u>	\$ <u>14,133,600</u>	\$ <u>17,159,104</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 2 - CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Government activities	\$ (21,415,059)	\$ (25,065,232)	\$ (25,257,056)	\$ (25,301,029)	\$ (28,366,649)	\$ (26,220,339)	\$ (25,784,028)	\$ (27,310,412)	\$ (26,785,679)	\$ (21,944,298)
Business-type activities	<u>(8,672)</u>	<u>(40,021)</u>	<u>(14,663)</u>	<u>(36,575)</u>	<u>(33,375)</u>	<u>(56,900)</u>	<u>(118,705)</u>	<u>(66,401)</u>	<u>(65,573)</u>	<u>(46,776)</u>
Total primary government net expense	<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>	<u>\$ (26,851,252)</u>	<u>\$ (21,991,074)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Real estate taxes	\$ 11,734,189	\$ 11,843,737	\$ 11,844,653	\$ 11,640,796	\$ 12,487,084	\$ 12,510,474	\$ 12,527,235	\$ 13,438,357	\$ 13,962,397	\$ 14,267,240
Taxes levied under Local Tax Enabling Act	11,808,104	23,308,687	14,377,967	15,705,050	14,699,271	14,282,369	14,656,877	13,132,255	11,966,183	17,662,003
Investment earnings	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	431,752	202,866
Transfers	<u>(18,277)</u>	<u>41,811</u>	<u>-</u>	<u>(65,000)</u>	<u>(15,000)</u>	<u>(70,000)</u>	<u>(815,931)</u>	<u>(45,183)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<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>	<u>\$ 26,360,332</u>	<u>\$ 32,132,109</u>
Business-type activities										
Investment earnings	\$ 66	\$ 42	\$ 12	\$ 11	\$ 33	\$ 122	\$ -	\$ -	\$ -	\$ -
Interest and Rents	-	-	-	-	-	-	1,166	10,649	4,043	530
Transfers	<u>18,277</u>	<u>(41,811)</u>	<u>-</u>	<u>65,000</u>	<u>15,000</u>	<u>70,000</u>	<u>815,931</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<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>	<u>\$ 4,043</u>	<u>\$ 530</u>
Total primary government	<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>	<u>\$ 26,364,375</u>	<u>\$ 32,132,639</u>
Changes in Net Position										
Governmental activities	\$ 2,308,007	\$ 10,317,217	\$ 1,259,286	\$ 1,979,817	\$ (716,161)	\$ 1,013,246	\$ 1,289,182	\$ (81,280)	\$ (425,347)	\$ 10,187,811
Business-type activities	<u>9,671</u>	<u>(81,790)</u>	<u>(14,651)</u>	<u>28,436</u>	<u>(18,342)</u>	<u>13,222</u>	<u>698,392</u>	<u>(55,752)</u>	<u>(61,530)</u>	<u>(46,246)</u>
Total primary government	<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>	<u>\$ (486,877)</u>	<u>\$ 10,141,565</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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
General government	\$ 1,309,789	\$ 1,451,142	\$ 1,277,095	\$ 2,157,309	\$ 2,190,774	\$ 2,446,890	\$ 3,342,552	\$ 3,768,409	\$ 2,320,806	\$ 4,610,439
Protection to persons and property	4,345,358	4,356,925	5,120,225	4,709,615	4,538,478	5,120,842	3,838,662	5,200,005	2,329,195	3,176,981
Health and sanitation	5,356,070	5,183,809	6,444,208	6,541,072	6,125,471	6,340,433	6,469,297	6,870,544	7,213,864	7,031,479
Highways	1,069,032	1,121,634	975,051	1,182,481	973,620	968,498	1,036,441	1,139,812	1,317,935	861,577
Library	-	-	-	-	-	833,333	1,416,667	-	-	-
Parks and recreation	<u>770,393</u>	<u>737,705</u>	<u>1,708,782</u>	<u>1,242,357</u>	<u>1,027,825</u>	<u>675,021</u>	<u>1,241,100</u>	<u>545,807</u>	<u>914,640</u>	<u>1,478,628</u>
Subtotal governmental activities	\$ 12,850,642	\$ 12,851,215	\$ 15,525,361	\$ 15,832,834	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577	\$ 14,096,440	\$ 17,159,104
Business-type activities										
The Willows	<u>74,230</u>	<u>24,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal business-type activities	\$ 74,230	\$ 24,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 12,924,872	\$ 12,875,284	\$ 15,525,361	\$ 15,832,834	\$ 14,856,168	\$ 16,385,017	\$ 17,344,719	\$ 17,524,577	\$ 14,096,440	\$ 17,159,104

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

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Non-Spendable	30,195	84,961	81,570	93,190	49,386	93,369	85,169	81,773	107,502	169,328
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	7,332,240	1,450,000	942,800	428,270	-	-	-	-	-
Assigned	4,413,634	389,941	1,183,474	500,257	1,210,408	972,140	1,601,807	526,628	564,368	430,030
Unassigned	<u>3,652,753</u>	<u>7,600,641</u>	<u>8,866,166</u>	<u>10,317,626</u>	<u>8,928,807</u>	<u>9,352,993</u>	<u>8,021,275</u>	<u>9,610,391</u>	<u>6,727,758</u>	<u>10,861,766</u>
Subtotal governmental activities	\$ 8,096,582	\$ 15,407,783	\$ 11,581,210	\$ 11,853,873	\$ 10,616,871	\$ 10,418,502	\$ 9,708,251	\$ 10,218,792	\$ 7,399,628	\$ 11,461,124
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenues funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Non-Spendable	1,199,900	1,120,391	3,818	4,436	2,121	4,498	4,039	15,162	16,918	25,364
Restricted	5,493,285	5,399,445	7,208,648	7,866,251	12,110,138	4,153,019	5,255,847	15,673,014	9,524,029	7,461,870
Committed	-	980,528	1,390,911	2,420,635	2,762,335	3,795,612	1,751,885	3,489,346	3,450,394	4,423,902
Assigned	1,058,497	908,632	429,468	1,016,196	907,940	4,401,501	5,063,934	198,125	3,575,373	1,680,427
Unassigned	<u>-</u>	<u>189,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,285,593)</u>	<u>(476,376)</u>	<u>(498,776)</u>	<u>(791,404)</u>	<u>(476,376)</u>
Total all other governmental funds	<u>\$ 7,751,682</u>	<u>\$ 8,598,537</u>	<u>\$ 9,032,845</u>	<u>\$ 11,307,518</u>	<u>\$ 15,782,534</u>	<u>\$ 11,069,037</u>	<u>\$ 11,599,329</u>	<u>\$ 18,876,871</u>	<u>\$ 15,775,310</u>	<u>\$ 13,115,187</u>

Footnote:

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

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

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes (see Schedule 6)	\$ 23,427,514	\$ 35,049,838	\$ 26,389,776	\$ 27,502,513	\$ 27,218,340	\$ 26,757,027	\$ 27,214,067	\$ 26,468,038	\$ 26,045,921	\$ 31,873,417
Licenses, fees and permits	2,812,427	2,790,072	3,372,869	4,010,451	3,436,339	4,629,018	4,361,921	5,675,237	2,729,438	3,922,711
Fines and penalties	617,297	619,889	805,893	846,167	584,172	469,009	580,536	432,226	556,929	243,377
Charges for services	6,795,987	6,617,950	7,460,989	7,589,821	7,669,326	7,565,890	7,646,517	8,262,184	7,681,625	7,976,578
Intergovernmental	1,975,832	2,207,993	3,502,850	2,386,073	2,482,894	3,442,942	4,452,878	2,986,982	2,976,599	4,817,873
Interest and rents	225,382	255,334	301,202	393,649	479,133	510,742	705,029	703,703	431,752	202,866
Other revenues	577,425	574,657	498,594	643,737	716,372	280,989	309,112	167,948	189,009	198,565
Total revenues	36,431,864	48,115,733	42,332,173	43,372,411	42,586,576	43,655,617	45,270,060	44,696,318	40,611,273	49,235,387
Expenditures										
General government	2,757,849	2,675,320	2,876,337	2,969,087	4,173,194	3,402,777	3,604,548	3,575,337	3,323,257	3,461,684
Protection to persons and property	9,265,977	9,549,766	10,610,555	11,024,184	11,312,811	11,069,012	12,413,958	12,115,342	12,997,564	12,378,969
Health and sanitation	7,302,854	7,662,617	8,391,250	8,016,162	8,387,682	8,005,260	8,525,672	9,960,743	9,341,876	8,987,731
Highways	3,590,319	4,603,647	5,013,694	5,221,798	4,245,780	4,542,305	3,146,822	4,419,805	3,101,482	3,579,367
Library	818,443	849,850	899,290	901,839	896,770	1,436,935	928,360	992,524	974,318	979,370
Parks and recreation	2,387,673	2,590,004	2,761,898	2,813,193	3,114,950	2,549,760	2,943,634	3,104,641	2,915,470	2,689,387
Miscellaneous:										
Employee benefits	2,000,964	5,817,123	3,180,340	3,164,110	3,156,271	2,610,257	2,717,860	2,864,941	2,726,464	3,036,481
OPEB Trust Contributions	-	-	3,680,330	772,097	1,033,759	859,209	1,059,209	1,259,209	1,273,587	1,495,858
Insurance	346,368	363,948	406,843	463,715	390,072	354,011	357,652	212,158	370,054	355,562
Other	250,041	425,783	197,450	294,101	268,616	272,315	220,771	240,299	259,369	254,978
Capital outlay	1,129,643	1,082,351	14,103,816	3,736,555	3,951,611	9,171,222	5,448,582	4,763,584	5,461,892	5,947,843
Debt service										
Interest	1,943,226	1,845,484	1,683,097	1,720,685	1,936,905	1,926,058	1,860,830	1,860,749	2,071,428	1,638,025
Principal	2,455,000	2,540,000	2,495,000	10,529,121	2,835,000	2,810,000	2,600,000	7,185,000	11,875,000	11,655,000
Bond Issue Costs	149,726	197,034	141,427	201,599	100,332	-	-	95,725	176,899	296,172
Payment to Redeem Bonds	15,890,000	-	-	-	-	-	-	-	-	-
Total expenditures	50,288,083	40,202,927	56,441,327	51,828,246	45,803,753	49,009,121	45,827,898	52,650,057	56,868,660	56,756,427
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	24,775,000	20,425,000
Premium on Bond Issuance	-	-	114,289	290,720	85,332	-	-	556,502	36,104	315,053
Capital Lease Acquisition	-	-	717,600	537,451	619,859	511,638	193,810	327,115	978,659	82,679
Refunding bonds issued	-	18,883,901	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(18,680,462)	-	-	-	-	-	-	(15,453,101)	(11,900,319)
Transfers in	6,978,065	6,370,376	7,440,153	5,845,308	6,922,744	7,993,274	7,461,841	10,890,177	30,288,954	26,353,034
Transfers out	(6,996,342)	(6,328,565)	(7,440,153)	(5,910,308)	(6,937,744)	(8,063,274)	(8,277,772)	(10,890,177)	(30,288,954)	(26,353,034)
Total other financing sources (uses)	16,029,769	245,250	10,716,889	11,003,171	6,455,191	441,638	377,879	15,741,822	10,336,662	8,922,413
Net change in fund balance	\$ 2,173,550	\$ 8,158,056	\$ (3,392,265)	\$ 2,547,336	\$ 3,238,014	\$ (4,911,866)	\$ (179,959)	\$ 7,788,083	\$ (5,920,725)	\$ 1,401,373
Debt service as a percentage of noncapital expenditures	8.9%	11.2%	9.9%	25.5%	11.4%	11.9%	11.0%	18.9%	27.1%	26.2%

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

<u>Year</u>	Local Enabling Tax (Act 511) (b)				Total
	Property (a)	Business Privilege & Mercantile	Realty Transfer (c)	Other	
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
2020	14,079,738	7,598,787	3,417,600	949,796	26,045,921
2021	14,211,414	9,686,797	6,977,321	997,885	31,873,417

Changes

2012 - 2021	21.6%	13.8%	181.3%	33.2%	36.1%
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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.
- (c) In 2021, there was a 60% increase in transactions - from 384 to 534 and a commercial entity transaction accounted for a significant portion of increase.

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
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	3.9228	3,245,894,294	100.0%
2019	479,231,695	2,528,204,985	638,409,891	59,392,620	3,226,007,496	4.1582	3,226,007,496	100.0%
2020	467,529,185	2,520,068,437	668,800,001	55,813,976	3,244,682,414	4.4082	3,244,682,414	100.0%
2021	768,363,584	5,184,430,879	1,013,498,371	79,569,092	6,277,498,342	2.2837	6,277,498,342	100.0%

Source: County of Delaware, Pennsylvania, Board of Assessments - as a result of county wide reassessment effective 1/1/2021, assessment value increase and corresponding millage rate decrease reflected for 2021.

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
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	3.007	0.916	3.9228	23.6199	5.604
2017	2.468	1.455	3.9228	23.6199	5.604
2018	2.542	1.380	3.9228	24.1867	5.604
2019	2.733	1.425	4.1582	24.9181	5.461
2020	3.235	1.173	4.4082	25.5659	5.461
2021	1.682	0.602	2.2837	13.9224	2.999

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

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

		2021			2012		
		Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value
<u>Taxpayer</u>							
Radnor Properties	Commercial Real Estate	\$ 228,969,230	1	3.6%	213,188,185	1	6.8%
Robuca Associates/Radnor Hotel	Commercial Real Estate	50,191,750	2	0.8%	31,480,710	2	1.0%
Radwyn Apartments	Apartment Complex	36,038,815	3	0.6%	22,149,000	3	0.7%
Main Line Hospitals	Healthcare	34,937,670	4	0.6%			
Enrico Partners	Commerical Real Estate	32,075,544	5	0.5%	11,749,810	10	0.4%
Sposato, Richard & Vincent & Stephanie	Apartment Complex	27,260,360	6	0.4%	12,600,000	8	0.4%
Bryn Mawr Lantern Owner LLC	Apartments Complex	23,092,190	7	0.4%			
Trustees of University of PA	Healthcare	22,291,250	8	0.4%	16,307,600	6	0.5%
Villanova University	Education	22,285,425	9	0.4%			
KMO 361 Realty Associates	Commercial Real Estate	20,979,720	10	0.3%	17,850,410	5	0.6%
Home Properties	Apartment Complaex	-			18,650,000	4	0.6%
Fidelity Court	Commerical Real Estate	-			13,843,140	7	0.4%
GI&I Crossing	Apartment Complex				12,271,030	9	0.4%
Total		<u>\$ 498,121,954</u>		<u>7.9%</u>	<u>370,089,885</u>		<u>11.8%</u>

Notes:

(1) Total taxable assessed value, all real property in Radnor Township, December 31, 2021 was \$6,277,498,342

(2) Upon County-wide reassessment, effective January 1, 2021, taxable assessed value theoretically equaled market values;

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

Year Ended December 31	Taxes Levied for the Year	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	95,802	12,361,785	98.69%
2017	12,662,075	12,510,474	98.80%	108,783	12,619,257	99.66%
2018	12,654,589	12,557,190	99.23%	97,399	12,654,589	100.00%
2019	13,492,038	13,335,783	98.84%	100,037	13,435,820	99.58%
2020	14,215,544	14,107,186	99.24%	108,358	14,215,544	100.00%
2021	14,335,923	14,188,223	98.97%	-	14,188,223	98.97%

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business Privilege (2)										
- Number of Filers	1,452	1,340	1,390	1,531	1,789	1,802	1,808	1,791	1,452	1,421
- Tax Collections	\$ 6,489,709	\$ 10,123,991	\$ 8,652,138	\$ 8,903,082	\$ 8,300,777	\$ 8,826,166	\$ 8,002,332	\$ 6,602,570	\$ 6,496,348	\$ 8,669,440
- Taxable Services	\$ 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	\$ 2,165,449,337	\$ 2,889,813,333
- 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	304	238	233	254	244	224	236	244	153	178
- Tax Collections	\$ 1,195,293	\$ 716,109	\$ 1,397,556	\$ 1,302,523	\$ 1,212,260	\$ 1,126,438	\$ 1,592,670	\$ 1,354,330	\$ 1,087,717	\$ 1,017,357
- Taxable Sales	\$ 398,431,000	\$ 238,703,000	\$ 465,852,000	\$ 434,174,333	\$ 404,086,827	\$ 375,479,333	\$ 530,890,000	\$ 451,443,333	\$ 362,572,243	\$ 339,119,000
- Tax Rate (1)	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills	3 mills
Total Tax Collections	\$ 7,685,002	\$ 10,840,100	\$ 10,049,694	\$ 10,205,605	\$ 9,513,037	\$ 9,952,604	\$ 9,595,002	\$ 7,956,900	\$ 7,584,065	\$ 9,686,797

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

<u>Taxpayer's Business</u>	<u>2021</u>		<u>2012</u>	
	Rank	Percentage of Total	Rank	Percentage of Total
Investment	1	10.7%	1	8.7%
Laboratory Supply & Distribution	2	8.3%	2	5.7%
Real Estate Investment Trust	3	2.5%	5	3.2%
Retail	4	2.5%		0.0%
Insurance	5	2.5%	10	5.7%
Investment	6	2.2%	3	4.7%
Consulting	7	1.9%		0.0%
Financial Planning	8	0.2%		0.0%
Automotive Dealer	9	1.5%		0.0%
Industrial Gas	10	1.4%	6	3.2%
Investment Advisors	-	0.0%	4	3.6%
Legal Services	-	0.0%	7	3.0%
Temporary Staffing	-	0.0%	8	2.8%
Vehicle Leasing	-	<u>0.0%</u>	9	<u>2.4%</u>
		<u>33.7%</u>		<u>43.0%</u>

Source: Township of Radnor Finance Department

Note:

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

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

<u>General Obligation Bonds (1)</u>										
<u>Year</u>	Electoral	Non Electoral	Unamortized Bond Premium	Capital Lease Debt	Total	Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (4)	Population (3)	Net General Obligation Bonds Per Capita
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
2020	11,355,000	48,353,205	1,434,766	1,498,484	62,641,455	3,244,682,414	1.93%	3.52%	31,875	1,965
2021	10,650,000	48,353,205	1,407,207	1,043,102	61,453,514	6,277,498,342	0.98%	3.05%	31,875	1,928

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 - 2020 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, 2021

	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Radnor Township School District	\$ 109,506,877	100.00%	\$ 109,506,877
Delaware County	\$ 297,462,000	10.981%	<u>32,663,605</u>
Sub-Total, Overlapping Debt			142,170,482
Township of Radnor Direct Debt		100.00%	<u>61,453,514</u>
Total Direct and Overlapping Debt			<u><u>\$ 203,623,996</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Three Year Average Revenues(2),(3)	\$ 31,767	\$ 36,961	\$ 39,478	\$ 41,371	\$ 39,506	\$ 40,182	\$ 40,003	\$ 40,414	\$ 39,306	\$ 40,902
Debt limit (1)	\$ 79,418	\$ 92,403	\$ 98,695	\$ 103,428	\$ 98,765	\$ 100,455	\$ 100,008	\$ 101,035	\$ 98,266	\$ 102,255
Total net debt applicable to limit	\$ 41,575	\$ 43,570	\$ 41,605	\$ 41,920	\$ 45,660	\$ 43,675	\$ 42,700	\$ 51,018	\$ 48,353	\$ 48,353
Legal debt margin	\$ 37,843	\$ 48,833	\$ 57,090	\$ 61,508	\$ 53,105	\$ 56,780	\$ 57,308	\$ 50,017	\$ 49,913	\$ 53,902
Total net debt applicable to the limit as a percentage of debt limit	52.35%	47.15%	42.16%	40.53%	46.23%	43.48%	42.70%	50.50%	49.21%	47.29%

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)
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%
2020	31,875	1,928,023,125	60,487	5.4%
2021	33,228	2,011,756,032	60,544	4.5%

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>		2021			2012		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Villanova University	Higher Education	3,323	1	14.0%	2827	1	22.2%
Lincoln National Life Insurance	Insurance / Financial Investments	821	2	3.5%	601	4	2.9%
Radnor Township School District	Education	726	3	3.1%	643	3	3.2%
Trustees of the University of Pennsylvania	Healthcare Services	642	4	2.7%	333	7	1.5%
Cabrini University	Higher Education	636	5	2.7%	271	10	1.4%
Eastern University	Higher Education	633	6	2.7%	832	2	3.8%
Jefferson Home Care	Medical Services	540	7	2.3%	282	8	1.4%
EMoney Advisor Holdings LLC	Financial Services	422	8	1.8%			
Pathfinders	Human Capital	345	9	1.5%			
VWR Management Services	Research Supply & Distribution	383	10	1.6%	414	6	2.2%
Centocor, Inc	Pharmaceutical Research				598	5	2.9%
TV Guide, LLC	Cable Communications & Research				274	9	1.2%
Total		<u>8,471</u>		<u>35.67%</u>	<u>7,075</u>		<u>42.70%</u>

Source: Township of Radnor Finance Department

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

Function/Program	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administration	2	2	2	2	2	2	2	3	4	4
Finance	6	6	6	6	6	6	6	6	5	6
Community Development	6	6	6	6	6	8	6	6	6	4
Engineering	2	2	2	2	1	3	3	4	4	4
Information Technology	2	2	2	2	2	2	2	2	1	1
Police										
Officers	36	38	41	40	43	43	45	44	43	45
Civilian	5	5	4	4	4	3	3	3	3	3
Refuse Collection	20	17	19	21	20	20	22	21	21	24
Other Public Works										
Highways/Mechanics	19	18	17	17	16	15	16	16	17	16
Sewer	4	4	4	4	4	4	4	3	3	3
Park Maintenance	13	13	13	13	11	13	13	13	13	10
Other	1	1	1	1	1	-	-	-	-	-
Parks and recreation	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u>119</u>	<u>117</u>	<u>120</u>	<u>121</u>	<u>119</u>	<u>122</u>	<u>125</u>	<u>125</u>	<u>124</u>	<u>124</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Business Tax Audits	41	35	32	44	28	6	28	-	-	18
Collections from audits (rounded in thousands)	\$ 826	\$ 8,984	\$ 421	\$ 959	\$ 1,010	\$ -	\$ 534	\$ 80	\$ 15	\$ 38
Business Tax Licenses Issued	1,282	1,655	1,768	1,785	1,785	2,003	2,035	1,845	1,605	1,599
Protection to persons and property										
Building permits issued	910	916	971	828	951	933	899	898	578	1,164
New construction	22	23	39	18	22	19	26	39	36	28
Accessories and additions	55	49	133	89	119	112	63	48	40	147
Subdivision plans	-	2	19	11	16	-	-	1	12	5
Lots approved	-	1	72	-	20	-	-	4	2	3
Zoning appeals	28	22	26	34	17	28	23	27	32	35
Design review	67	87	70	70	59	54	47	61	38	72
Vehicle violations	30,322	31,576	32,414	20,682	19,295	19,998	18,052	19,101	11,376	12,990
Vehicle accidents	1,214	1,235	1,190	1,103	964	1,027	1,042	1,049	610	715
Nuisance and non-criminal	12,590	15,537	15,298	7,758	16,958	15,366	15,541	15,890	14,123	14,998
Serious crimes	428	396	331	321	333	530	921	1,030	864	850
Secondary offenses	828	672	613	849	632	487	401	551	474	601
Alarm signals	1,664	1,730	1,729	985	1,610	1,474	1,306	1,563	1,424	1,654
Animal complaints	646	518	259	291	174	177	365	381	396	456
Health and sanitation										
Refuse collected (tons)	7,838.8	7,251.0	7,176.8	7,055.5	7,012.0	6,994.3	7,474.3	7,115.8	7,596.8	7,218.3
Curbside recycling (tons)	6,646	6,629	6,563	6,604	6,439	6,544	6,261	6,477	2,910	2,625
Other Public Works										
Streets resurfaced (sq yds)	-	41,636	41,563	101,089	118,526	26,075	38,344	60,500	97,593	89,983
Parks and recreation										
Number of in-person programs & events	145	125	125	195	200	190	190	200	155	175
Number of virtual programs & events									25	2
Events held at Willows Mansion	117	22	5	-	-	-	-	-	-	-
Wastewater										
New sanitary sewer connections	4	2	2	-	-	-	13	24	36	22

Source: Various Departments, Township of Radnor

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

Function/Program	Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Protection to persons and property											
Marked vehicles	13	13	14	13	13	13	12	14	14	14	14
Motorcycles	-	4	4	4	4	4	4	6	7	7	7
Unmarked vehicles	7	7	7	8	9	9	9	9	9	9	9
SWAT Vehicle	-	-	-	-	1	1	1	1	1	1	1
Townwatch Vehicle	-	1	1	1	1	1	1	1	1	1	1
Parking Enforcement vehicles								3	3	3	3
Drug Task Force undercover								3	3	3	3
Water Rescue Vehicle									1	1	1
Trailers											2
Vehicle Barrier System											1
Health and sanitation											
Recycling trucks	-	-	-	-	-	-	-	-	-	-	-
Refuse collection trucks	-	-	-	-	-	-	-	-	-	-	-
Recycling & Refuse Trucks	12	12	12	13	13	13	13	13	13	13	13
Other Public Works											
Streetlights	1,406	1,406	1,406	1,406	1,407	1,407	1,407	1,407	1,407	1,407	1,626
Traffic signals	44	44	44	45	45	46	46	46	46	46	77
Parks and recreation											
Acres of open space	441.84	441.84	512.84	512.84	512.84	512.84	512.84	512.84	512.84	512.84	512.84
Parks	23	23	23	26	26	26	26	26	26	26	26
Wastewater											
Sanitary sewers (linear feet)	719,810	719,810	719,810	719,810	719,810	719,810	720,210	720,210	720,210	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	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 and 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.
- (4) Township received the Water Rescue Vehicle as part of a Federal Government Program administered by the Law Enforcement Support Office (LESO).

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