

To: Radnor Township Board of Commissioners Finance Committee
From: Citizens Audit Review & Financial Advisory Committee ("CARFAC")
Date: March 25, 2016
Re: Review of 2016 priorities, 2015 accomplishments

James Higgins, Lucas Clark, Phil Ahr, Donald Curley, John Nagle and Elaine Schaefer attended CARFAC's February 3, 2016 meeting. Bob Zienkowski, Bill White and Bob Tate were also present. Having heard from the Board and the Township Administration, CARFAC adopts as its 2016 priorities:

CARFAC's priorities for 2016:

1) Planning & Budgeting

- a. Review the Township's current capital program in order to provide recommendations on a dedicated funding source, implementation, and how the capital plan integrates with the Township's long-term forecasting model. Meanwhile, continue to update, refine, and design additional approaches with the five-year planning model.
- b. Research the Act 511 mercantile and business privilege tax codes. Meet with local merchants and businesspeople to listen to their concerns. Determine if there is a need for clarification and education on the design and collection of these important sources of revenue; report to the Board.
- c. Refine and update the Stakeholder's Financial Summary Report. A primary goal of the Committee is to help educate the Board of Commissioners and residents on the financial position, practices and objectives of the Township. CARFAC developed the first ever such report for Radnor Township in March 2014.
- d. Investigate how to improve the Township's credit rating with Moody's from Aa1 currently to Aaa; report to the Board.
- e. Review the Township's financial statements and unfunded liabilities quarterly; report to the Board annually or as needed.
- f. Analyze specific public-private partnership possibilities as requested by the Township Manager.

2) Audit

- a. Oversee the Audit plan and process; interact with the public accounting firm's staff.
- b. Continue to work with Township staff and auditors to identify and address material weaknesses and significant deficiencies revealed in the audit process.
- c. Continue to work with Township staff to improve financial controls and processes.

3) Operations

- a. Continue to drive the design, implementation planning and negotiation of an information technology (IT) solution for the Township; complete by June 30, 2016.
- b. Continue to work with Township Administration and the Board to recommend and move forward to monetize certain Township real assets.
- c. Review the Township's current and historical full-time staffing levels; determine the levels required to provide services to stakeholders up to the standards specified by the Board; report to the Board.

CARFAC's view of its accomplishments in 2015:

2) Planning & Budgeting

- a. Prepared a special report to the Board on the Township's Financial Metrics, Financial Position and Bond Issuance.
- b. Reviewed the Township's capital plan, including the parks improvement plan and funding options.
- c. Maintained on-going review of unfunded liabilities.
- d. Reviewed the Township's budget and continued to update and refine the five-year planning model, to anticipate the effects of different strategies.

3) Audit

- a. Participated in the 2014 Audit process; met with the Board to review issues; recommended acceptance of the Independent Auditor's Report and Audited Financial Statements.
- b. Assisted staff in continuing to reduce the number of Material Weaknesses, Significant Deficiencies and Other Deficiencies in Township financial controls and procedures identified by the outside Auditor:

	2009	2010	2011	2012	2013	2014
Material	10	6	1*	0	0	0
Significant	3	4	0*	0	0	0
Other	14	17	9	2 **	3	1
Total	27	27	10	2	3	1

* For 2011, seven of the Management Letter comments were addressed in 2011, but still included in the Auditor's letter. ** For 2012, two of the Management Letter comments were addressed in 2012, but still included in the Auditor's letter. This table reflects the total comments *after* those items were removed.

- c. Prepared the 2014 Comprehensive Annual Financial Report ("CAFR") in a timely manner. The Township was commended by the Government Finance Officers Association ("GFOA") by once again receiving its Certificate of Achievement for Excellence in Financial Reporting. This is the fourth year in a row that the Township has earned this award (2011 - 2014).

4) Operations

- a. Working with the Township Administration and staff, evaluated options and developed a recommendation for a new township administrative software solution that will update and expand the scope of the outdated existing system. Analysis included creating a project objectives and scope statement, conducting software demonstrations by the incumbent and other leading software vendors, researching recent projects of similar municipalities, and developing a cost analysis.
- b. Arranged for appraisals of the Township Building, Senior Center and Public Works facility.
- c. Organized a space analysis of the Township Building to determine needs when moved to other premises.
- d. Arranged a site search for the Public Works facility.
- e. Analyzed the first and second bond refinancings, with written recommendations to the Board.
- f. Reviewed pension valuation reports.