

TOWNSHIP OF MARPLE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2021



TOWNSHIP OF MARPLE

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT.....1-3

MANAGEMENT'S DISCUSSION AND ANALYSIS.....4-19

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION20

STATEMENT OF ACTIVITIES.....21

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS:

BALANCE SHEET.....22

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION.....23

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES.....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 FUNDS.....26



STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION – PROPRIETARY FUNDS.....27

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS.....28

STATEMENT OF FIDUCIARY NET POSITION.....29

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION.....30

NOTES TO FINANCIAL STATEMENTS.....31-63

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND.....64

POLICE PENSION PLAN SCHEDULE OF CHANGES IN MARPLE TOWNSHIP'S NET
PENSION LIABILITY AND RELATED RATIOS65

NON UNIFORM PENSION PLAN SCHEDULE OF CHANGES IN MARPLE TOWNSHIP'S
NET PENSION LIABILITY AND RELATED RATIOS.....66

SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA
CONTRIBUTIONS.....67

SCHEDULE OF POST EMPLOYMENT BENEFIT OBLIGATION FUNDING PROGRESS.....68

CHANGES IN NET OPEB LIABILITIES.....69

SUPPLEMENTARY INFORMATION

BALANCE SHEET - GENERAL FUND.....70

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GENERAL FUND.....71-76

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*.....77-78



CYNTHIA FELZER LEITZELL, CPA
STELLA C. ECONOMIDIS, CPA

LEITZELL & ECONOMIDIS, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Township of Marple
Broomall, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Township of Marple, Broomall, Pennsylvania 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, the discretely presented component unit and the aggregate remaining fund information of the Township of Marple, 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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 and *Government Auditing Standards*, 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, budgetary comparison information, and pension information 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 (GASB) 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 opinion on the financial statements that collectively comprise the Township's basic financial statements. The balance sheet and statement of revenues, expenditures, and changes in the fund balance – general fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subject 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the balance sheet and statement of revenues, expenditures, and changes in fund balance – general fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2022, on our consideration of the Township of Marple'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 the Township of Marple's 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 of Marple's internal control over financial reporting and compliance.

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS
Certified Public Accountants

November 20, 2022
Media, Pennsylvania

**TOWNSHIP OF MARPLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
DECEMBER 31, 2021**

Our discussion and analysis of the Township of Marple, Pennsylvania provides an overview of the Township's financial performance for the calendar year ended December 31, 2021. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). Please consider the information presented here in conjunction with the Township's financial statements, which begin on page 20.

FINANCIAL HIGHLIGHTS

Highlights for Government-Wide Financial Statements (Full Accrual Basis):

The government-wide financial statements report information about the Township as a whole using the economic resources measurement focus and accrual basis of accounting.

- The liabilities of Marple Township's governmental activities exceeded its assets at the close of the most recent fiscal year by \$16,820,386 (representing its net position). Proprietary funds' assets exceeded their respective liabilities by \$3,748,118.
- Total revenues of the Township's 2021 governmental activities were \$17,566,462 (without regard to transfers between governmental activities and business type activities), and expenses totaled \$13,772,841. This compares to 2020 activity of \$16,266,500 in revenues and \$17,493,559 in expenses. The increase in revenue was particularly reflective in the increase in local enabling taxes and property taxes. Charges for services also reflected a significant increase. Expenses in the government activities decreased this year \$3,720,718 or 22%. The driving factor of this overall decrease was due to a significant drop in the actuarially determined post-employment benefit expense (112%) and the municipal pension expense (85%). Public safety costs were also reduced this period as well by 3%.
- Township revenues increased within the business type activities to \$8,633,561, an increase of 13% from the prior year. Operating expenses of business-type activities in 2021 decreased to \$7,482,390 or about 13% as well, excluding transfers out and debt related costs. This decrease did include, however, the allocation of pension reduction credit to the proprietary funds in the amount of \$23,524 (compared with \$913,304 in the prior year) a significant decrease from prior year resulting from actuarial determinations. The decrease in total costs, aside from pension expense decreases, was primarily reflected in a significant decrease in treatment costs within the Sewer Fund, approximately 7.6%.

Highlights for Fund Financial Statements (Modified Accrual):

The fund financial statements provide more detailed information about the Township's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting:

- The Township's governmental funds reported a combined fund balance of \$4,171,355 as of December 31, 2021. This represents a decrease from the prior year of \$542,571 which included \$2,460,674 in capital projects shown as expenditures in the governmental funds.
- At December 31, 2021, the General Fund reported a fund balance of \$3,131,090, an increase of \$591,254, inclusive of transfers from the proprietary funds in the amount of \$375,000 and transfer from the Highway Aid Fund for highway and streets repair and maintenance. Asset to liability ratio did remain stable this period with a slight increase. The Township asset to liability ratio is indicative of a continued strong financial position. Cash increased as well as receivables and other assets remained relatively consistent. Liabilities decreased in the area of accounts payables.
- Expenditures in the total government activities decreased by \$143,661 or less than 1% including \$2,460,674 in capital expenditures (a fairly consistent capital outlay with the prior year). While many functional governmental expenditures remained stable from the prior year, there was a 1% increase in public works (related to facility and related construction) and a slight decrease in minimum municipal obligation pension requirements.
- The Township this period received \$1,253,675 in the American Rescue Plan Act funding. The Township did not expend the funds this year so consequently the amount received is considered unearned revenue on these financial statements. The Township officials are in the process of planning infrastructure improvements within the parameters of the grant award.
- Debt service remained consistent this period.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities present information about the activities of the Township as a whole and present a longer-term view of Marple Township's finances. In the governmental funds, the statements explain how services were financed in the short term as well as what remains for future spending. The proprietary fund financial statements also report the Township's operations in more detail than the entity-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

The accompanying financial statements have been prepared in accordance with GASB Statement 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively.

Government-Wide Financial Statements

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the Township's overall financial status.

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the Township's net position and how it has changed. Net position, the difference between the Township's assets and deferred outflows of resources and its liabilities and deferred inflows of resources, are one way to measure the Township's financial health or position. Over time, increases or decreases in the Township's net position are an indication of whether its financial health is improving or deteriorating, respectively.

In the Statement of Net Position and Statement of Activities, we divide the Township into three categories:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the police, code enforcement, engineering, fire, ambulance, general administration, public works, parks and recreation. Also included is the Capital Projects Fund which includes highway, road and sewer construction projects.
- **Business-Type Activities** – The Township charges homeowners and/or businesses a fee to help offset all or most of the cost of certain services it provides. The Township sewer and refuse activities are reported here. The Township also includes the Paxon Hollow Golf Course operation in this report.
- **Component Unit** – Although legally separate, the Library is important because of the Township's financial accountability.

Fund Level Financial Statements

Our analysis of the Township's major funds provides detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Commissioners establishes other funds to help it control and manage money for particular purposes (Special Revenue Funds) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (Capital Projects Fund). The Township's three types of funds – governmental, proprietary and fiduciary – use different accounting approaches.

- **Governmental Funds** – Most of the Township's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- **Proprietary Funds** – When the Township charges homeowners and businesses for the services it provides (in the Refuse and Sewer Funds) these charges are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities but with an accompanying Statement of Cash Flows. The Township's enterprise fund, Paxon Hollow Golf Course is also considered a proprietary fund.
- **Fiduciary Funds** – The Township is the trustee, or fiduciary, responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Infrastructure Assets

The Township implemented the all model portions of GASB Statement No. 34 effective January 1, 2003, including the reporting of infrastructure. Historically, a government's largest group of assets (infrastructure – roads, streetlights, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. This statement requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must either 1) depreciate these assets over their estimated useful lives, or 2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system, (the modified approach) which periodically (at least every third year) by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Township has elected to depreciate all assets over their useful lives.

FINANCIAL ANALYSIS OF THE TOWNSHIP – GOVERNMENT-WIDE STATEMENTS

Net position may serve over time as a useful indicator of a government's financial position. In the case of Marple Township, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources in the governmental activities by \$16,820,386. Business type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,748,118. The following table presents condensed comparative information for the net assets of the Township for calendar years 2021 and 2020.

TOWNSHIP OF MARPLE SUMMARY OF STATEMENTS OF NET POSITION DECEMBER 31,						
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 7,528,606	\$ 6,794,598	\$ 3,974,383	\$ 3,253,667	\$ 11,502,989	\$ 10,048,265
Capital assets, net of depreciation	22,938,466	21,763,355	4,578,949	4,835,833	27,517,415	26,599,188
Total assets	<u>30,467,072</u>	<u>28,557,953</u>	<u>8,553,332</u>	<u>8,089,500</u>	<u>39,020,404</u>	<u>36,647,453</u>
Deferred outflows of resources	718,311	1,315,775	6,006	11,926	724,317	1,327,701
	<u>31,185,383</u>	<u>29,873,728</u>	<u>8,559,338</u>	<u>8,101,426</u>	<u>39,744,721</u>	<u>37,975,154</u>
Liabilities:						
Current liabilities	2,626,680	1,483,476	463,739	426,952	3,090,419	1,910,428
Long-term liabilities	37,461,713	45,854,574	3,711,770	4,289,957	41,173,483	50,144,531
Total liabilities	<u>40,088,393</u>	<u>47,338,050</u>	<u>4,175,509</u>	<u>4,716,909</u>	<u>44,263,902</u>	<u>52,054,959</u>
Deferred inflow of resources	7,917,376	3,524,685	635,711	348,946	8,553,087	3,873,631
	<u>48,005,769</u>	<u>50,862,735</u>	<u>4,811,220</u>	<u>5,065,855</u>	<u>52,816,989</u>	<u>55,928,590</u>
Net position:						
Invested in capital assets, net of related debt	6,339,186	4,255,037	1,524,229	1,608,833	7,863,415	5,863,870
Unrestricted	(23,159,572)	(25,244,044)	2,223,889	1,426,738	(20,935,683)	(23,817,306)
Total net position	<u>\$ (16,820,386)</u>	<u>\$ (20,989,007)</u>	<u>\$ 3,748,118</u>	<u>\$ 3,035,571</u>	<u>\$ (13,072,268)</u>	<u>\$ (17,953,436)</u>

For more detailed information about this table, refer to the Statement of Net Position.

A significant portion of the Township's net position, \$6,339,186 reflects the investment in capital assets (land, buildings, vehicles, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding.

- When comparing the 2021 Statement of Net Position to 2020 there was an increase in total net assets of \$4,168,621 inclusive of a transfer from business activities. Governmental activity expense decreased about 21%, much of that as noted above within the pension expense and post-employment benefit expense categories. Business activity costs decreased (as noted above) about 13% due to lower treatment costs and again decreased pension obligations and expense.

The following comparison illustrates revenues and expenses of governmental activities and business-type activities for fiscal years 2021 and 2020 in a detailed format:

**TOWNSHIP OF MARPLE
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program services:						
Charges for services	\$ 2,532,764	\$ 2,223,703	\$ 8,540,069	\$ 7,469,356	\$11,072,833	\$ 9,693,059
Operating grants and contributions	1,631,133	1,713,131	81,511	107,414	1,712,644	1,820,545
General revenues:						
Property taxes	8,607,737	8,205,488	-	-	8,607,737	8,205,488
Public utility realty tax	11,434	11,404	-	-	11,434	11,404
Local enabling act taxes	3,840,581	3,291,651	-	-	3,840,581	3,291,651
Franchise fee - cable television	523,225	538,954	-	-	523,225	538,954
Other revenue	419,588	282,169	11,981	12,032	431,569	294,201
Total revenues	17,566,462	16,266,500	8,633,561	7,588,802	26,200,023	23,855,302
EXPENSES:						
General government	1,794,918	1,720,737	-	-	1,794,918	1,720,737
Public safety	6,373,325	6,572,003	-	-	6,373,325	6,572,003
Public works - highway	2,152,759	2,056,517	-	-	2,152,759	2,056,517
Library	734,233	734,233	-	-	734,233	734,233
Culture and recreation	848,807	824,271	-	-	848,807	824,271
Interest on long-term debt	344,033	372,733	63,628	68,705	407,661	441,438
Pension	396,665	2,811,329	-	-	396,665	2,811,329
Post employment benefits	(153,067)	1,225,556	-	-	(153,067)	1,225,556
Unallocated depreciation expense	1,280,550	1,175,562	-	-	1,280,550	1,175,562
Discount amortization	618	618	-	-	618	618
Sewer fund	-	-	3,797,918	4,233,372	3,797,918	4,233,372
Refuse fund	-	-	2,148,686	2,550,942	2,148,686	2,550,942
Paxon Hollow Club fund	-	-	1,535,786	1,827,464	1,535,786	1,827,464
Total expenses	13,772,841	17,493,559	7,546,018	8,680,483	21,318,859	26,174,042
Transfers	375,000	225,000	(375,000)	(225,000)	-	-
Changes in net assets	\$ 4,168,621	\$ (1,002,059)	\$ 712,543	\$ (1,316,681)	\$ 4,881,164	\$ (2,318,740)

There are eight basic impacts that can affect revenues and expenses on an annual basis. They are as follows:

Revenues:

1. **Economic condition** can reflect a declining, stable or growing economic environment and has a substantial impact on property, business, mercantile or other tax revenue, as well as public spending habits for building permits and elective user fees.
2. **Changes in Township approved rates** – While certain tax rates are set by statute, the Township Board of Commissioners has significant authority to impose and periodically increase or decrease rates (real estate tax millage, sewer rental fees, refuse fee, building fees, user fees, etc.).
3. **Changing patterns in intergovernmental and grant revenue (recurring and nonrecurring)** – Certain recurring revenues (state-shared revenues, block grant, etc.) may experience significant changes periodically, while non-recurring (or one time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

4. **Market impacts on investment income** – The Township’s investment portfolio is managed using a longer average maturity on capital funds. Market conditions cause investment income to fluctuate with the economic environment.

Expenses:

1. **Introduction to new programs** – Within the functional expense categories (public safety, public works, refuse, sewer, etc.), individual programs may be added or deleted to meet changing community needs and requirements.
2. **Increase in authorized personnel** – Changes in service demand may cause the Township Board to increase or decrease authorized staffing. Personnel costs (salary and related benefits) represent approximately 50% of the Township’s primary program expenses.
3. **Salary increases (annual adjustments and merit)** – The ability to attract and retain human resources requires Marple Township to strive to approach a competitive salary and range position in the marketplace.
4. **Inflation** – While overall inflation appears to be reasonably modest through year end 2021, the Township is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions experience unusual commodity-specific increases.

Governmental activities within the Government Wide – changes in net position

Revenue from Marple Township’s governmental activities in 2021 totaled \$17,566,462. Sources of revenue were primarily from property taxes, business privilege taxes, mercantile taxes, public safety related charges and operating grants and contributions and charges for services. Overall, revenues increased some 8% from 2020. Taxes comprise the largest source of Township revenues (70.86%), amounting to \$12,448,318 in 2021. Property taxes represent \$8,607,737 (49% of revenue) with business and deed transfer taxes accounting for the balance. The increase in governmental revenues from the prior year was reflective of an increase project building fees and permits as well as tax revenues as noted above. Expenses of all governmental activities this year totaled \$13,772,841, a decrease of \$3,720,718 from 2020. Public safety, which accounts for the largest program expenditures (\$6,373,325 or 46% of governmental expenditures) decreased this period by 3%.

Business-type activities – changes in net assets

Marple Township maintains three major enterprise funds, the Sewer Fund, Refuse Fund, and Paxon Hollow Fund. The combined revenue from these funds was \$8,540,069 in 2021. This represented an increase in total revenues from the prior year (about 14%). Sewer fund revenues increased some \$301,378; refuse fees increased \$167,854; and Paxon Hollow revenue increased \$601,481 or 37% primarily due to an uptake in post pandemic related activity. For business-type activities, total operating expenses for 2021 decreased \$1,129,388 or approximately 13% compared to calendar year 2020. Treatment costs within the sewer fund actually decreased this period by 7.6%. Further, solid waste disposal rates increased slightly but were reasonably consistent with prior year. Such disposal rates are anticipated to increase in the coming years. Paxon

Hollow revenues as mentioned above were notably higher this year yet accompanied by a reduction of expenses of 16%--most of which was a result of the actuarial reduction in pension expense.

Cost of services – expenses analysis

The schedule below highlights the cost of services for governmental activities and business-type activities. The total cost of services column includes all costs related to the programs and the net cost column shows how much of the total amount was not covered by program revenues. In other words, net costs are costs that must be covered by local taxes or other general revenue or transfers.

TOWNSHIP OF MARPLE
COST OF SERVICES - EXPENSE ANALYSIS

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental activities:				
General government	\$ 1,794,918	\$ 1,517,883	\$ 1,720,737	\$ 1,668,937
Public safety	6,373,325	4,910,717	6,572,003	5,373,961
Public works- highway	2,152,759	404,484	2,056,517	28,676
Library	734,233	734,233	734,233	734,233
Culture and recreation	848,807	813,807	824,271	819,271
Interest on long-term debt	344,033	344,033	372,733	372,733
Pension	396,665	(244,314)	2,811,329	2,157,178
Post employment benefits	(153,067)	(153,067)	1,225,556	1,225,556
Unallocated depreciation and amortization	1,281,168	1,281,168	1,176,180	1,176,180
Total governmental activities	<u>\$ 13,772,841</u>	<u>\$ 9,608,944</u>	<u>\$ 17,493,559</u>	<u>\$ 13,556,725</u>
Business-type activities:				
Sewer fund	\$ 3,797,918	\$ (339,199)	\$ 4,233,372	\$ 395,293
Refuse fund	2,148,686	(81,660)	2,550,942	474,461
Paxon Hollow Country Club	1,535,786	(718,331)	1,827,464	233,959
Total business-type activities	<u>\$ 7,482,390</u>	<u>\$ (1,139,190)</u>	<u>\$ 8,611,778</u>	<u>\$ 1,103,713</u>

Net cost of governmental activities is 69.8% of total cost of services in 2021. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services. Net cost of business type activities shows that fees and service charges were sufficient to fund program costs without regard for other income.

Financial analysis of governmental funds

The Township uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such data 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 a fiscal year.

As the Township completed the year, its governmental funds reported a combined fund balance of \$4,171,355. The Township's general fund unassigned fund balance was \$871,961 as of December 31, 2021, which equals to 5.6% of 2021 total revenues and 5.5% of total expenditures, excluding operating transfers. Total unassigned fund balance

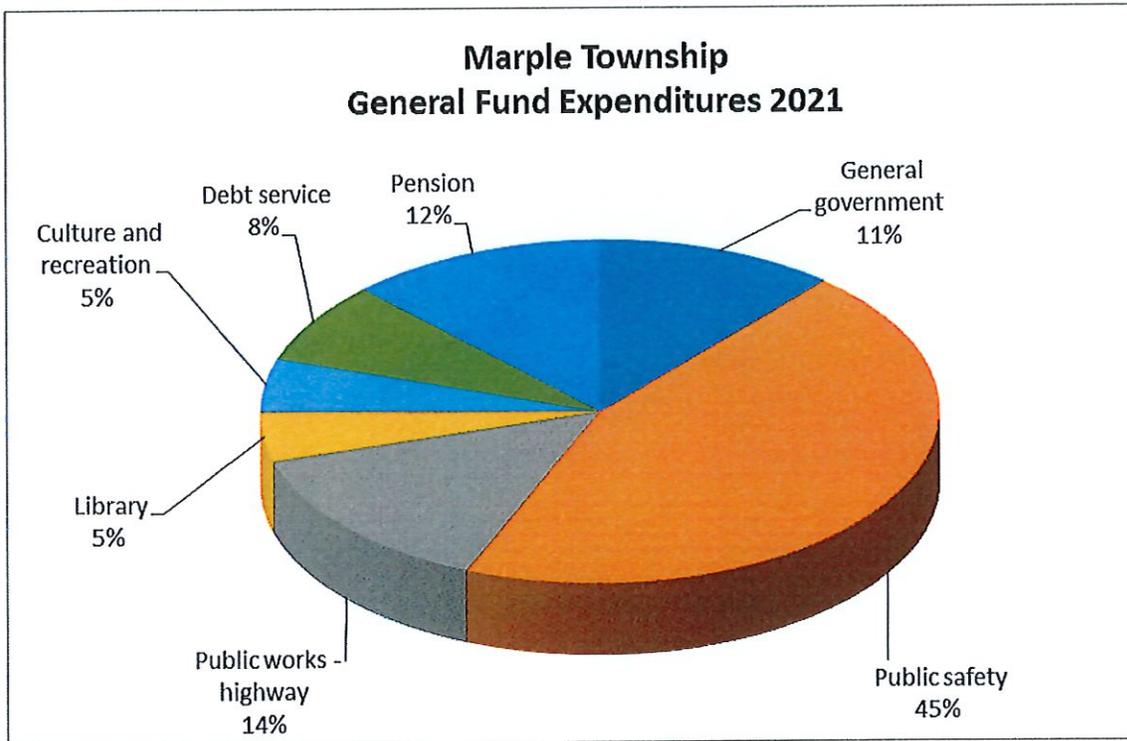
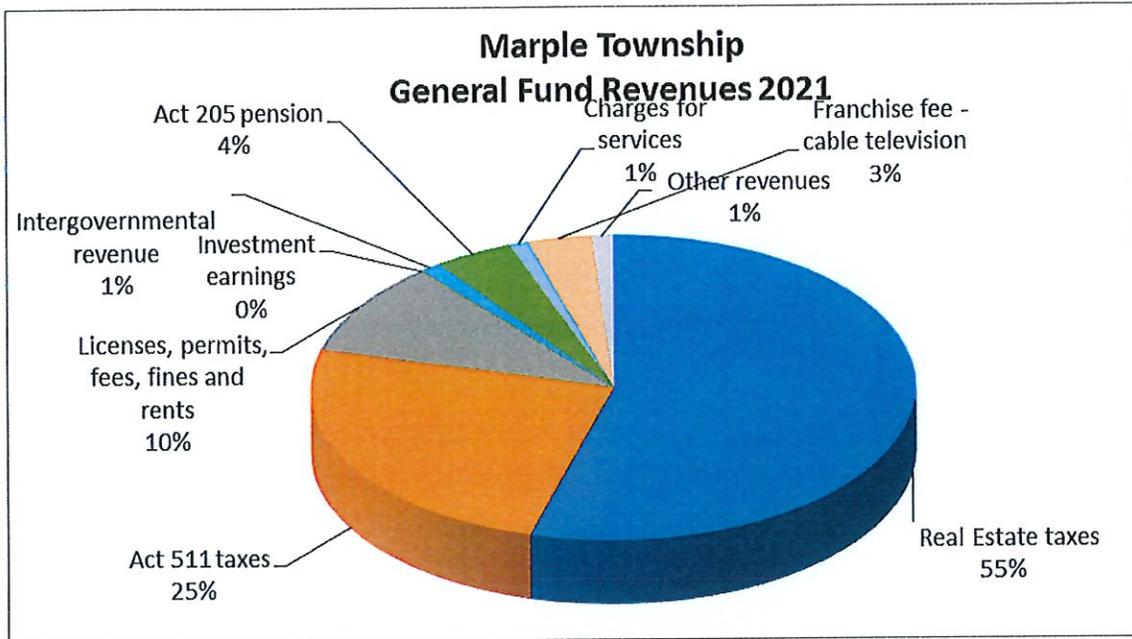
along with the administratively assigned fund balance totaled 18.19% of total revenues and 17.68% of total expenditures, excluding operating transfers.

Maintaining a reasonable fund balance provides a "safety net" in the event of emergencies, economic downturns or other unforeseen circumstances. Without an adequate level of fund balance, these unforeseen amounts could create the need for a significant tax increase in a future period or create the need for borrowing. Bond rating services and the Governmental Finance Officers Association (GFOA) recommend, at a minimum, an unassigned fund balance of 5 to 15 percent of regular general fund operating revenues.

Revenues and other financing sources within the governmental funds for 2021 totaled \$18,459,787 including \$375,000 in transfers from proprietary funds. In 2021, operating revenues increased \$1,078,702. License and permit fees increased (21%), partly a result of the loosening of pandemic restrictions resulting in the start and/or continuation of construction projects. Local enabling taxes showed an increase of 16.68% in activity, again related to the post-pandemic easing of restrictions.

- Revenue from Act 511 taxes increased \$548,930, or 16.68% as noted above compared to 2020. These collections increased as the economy began to improve and the workforce was returning to normalcy.
- Collections for real estate taxes increased slightly (about 2%) during the period. County wide reassessment resulted in a new millage rate of 2.45. Collection rate for the period was approximately 98 percent, consistent with prior years' activity and assessment changes.
- Licenses and inspections increased significantly this period (30%). Development as noted above started to pick-up during the period resulting in licensing and permitting.

Following is an analysis of General Fund showing the composition of revenue and expenditures:



Financial analysis of proprietary fund (business-type)

Business-type funds are used to account for operations that are financed and operated in a manner similar to private businesses. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public, on a continuing basis, be financed or recovered primarily through user charges and fees. Marple Township maintains three such funds; Sewer Fund, Refuse Fund, and

Paxon Hollow Fund. The following is a comparative analysis of the Statements of Revenue and Expenses for the Sewer, Refuse and Paxon Hollow Country Club Funds.

Sewer Fund	2021	2020	Increase (Decrease)
Revenues:			
Sewer fees	\$4,129,768	\$3,827,283	\$ 302,485
Interest and other income	7,477	11,357	(3,880)
Total revenues	4,137,245	3,838,640	298,605
Expenses:			
Salaries and benefits	124,740	260,600	(135,860)
Sewer Authority charges	3,473,424	3,762,947	(289,523)
Depreciation	73,820	74,517	(697)
Transfer to General Fund	100,000	100,000	-
Other costs	125,934	135,308	(9,374)
Total expenses	3,897,918	4,333,372	(435,454)
Net income (loss)	\$ 239,327	\$ (494,732)	\$ 734,059

Sewer fees showed an increase representing an increase in overall assessment charges and new construction. Treatment costs were decreased this period by 7.7 percent, but were expected to be higher in 2022 and 2023 due to increased charges from treatment facilities.

Total sewer expenses in 2021 decreased \$435,454 or approximately 10%, as noted above as impacted by the decreased pension costs and salaries and benefits. Payments to the Central Delaware County Sewer Authority (CDCA) and the Radnor/Haverford/Marple Sewer Authority (RHM) represent 91% of total sewer expenses.

Refuse Fund	2021	2020	Increase (Decrease)
Revenues:			
Refuse collection fees	\$2,151,071	\$2,018,572	\$ 132,499
Interest and other income	80,762	60,838	19,924
Transfer in	-	-	-
Total revenues	2,231,833	2,079,410	152,423
Expenses:			
Salaries and benefits	1,305,336	1,638,525	(333,189)
Vehicle fuel and maintenance	119,755	149,502	(29,747)
Depreciation	66,545	66,545	-
Transfer to General Fund	25,000	25,000	-
Other costs including disposal	657,050	696,370	(39,320)
Total expenses	2,173,686	2,575,942	(402,256)
Net income (loss)	\$ 58,147	\$ (496,532)	\$ 554,679

Refuse collection fees increased by 8% in 2021. There was no increase in refuse fees in 2020. There were 7,717 homeowners who received an annual bill for refuse service. Annual refuse fee provides homeowners with two trash pick-ups per week and one recyclable pick-up per week. There were 9,547 tons of refuse collected from households in 2021. This equates to an average of 2,474.28 pounds of trash collected per household in 2021. There was 1,729 tons of recyclable waste collected in 2021 which equates to 448.10 pounds per household. During the pandemic shutdown in 2020, many residents stayed home and accumulated more trash which is reflective in the increased tonnage in 2020 vs 2021.

Total refuse expenses decreased \$402,256 or 16% in 2021, partially the result of the decreased pension costs. The General Fund provides 100% of the administrative support for the Refuse Fund operation. In 2021, the Refuse Fund reimbursed the General Fund for administrative support. This is reflected in the "Transfer to General Fund" line item in the amount of \$25,000.

Paxon Hollow Country Club	2021	2020	Increase (Decrease)
Revenues:			
Golf fees	\$ 1,482,579	\$ 1,169,687	\$ 312,892
Rental income and other income	781,904	448,180	333,724
Total revenues	<u>2,264,483</u>	<u>1,617,867</u>	646,616
Expenses:			
Salaries and benefits	773,767	1,001,018	(227,251)
Transfer to general fund	250,000	100,000	150,000
Depreciation and amortization	224,901	240,536	(15,635)
Vehicle fuel and maintenance	80,784	108,152	(27,368)
Course maintenance	133,202	136,281	(3,079)
Golf cart rental	99,598	99,598	-
Interest expenses and issuance costs	63,628	68,705	(5,077)
Other costs	223,534	241,879	(18,345)
Total expenses	<u>1,849,414</u>	<u>1,996,169</u>	(146,755)
Net Income (loss)	<u>\$ 415,069</u>	<u>\$ (378,302)</u>	<u>\$ 793,371</u>

In 2021, Paxon Hollow golf fees revenue increased 27% for the year. Paid rounds of golf increased by 26% from 31,619 in 2020 to 39,916 in 2021. The increase in rounds of golf was the direct result of the relaxation of pandemic restrictions imposed in the prior period. The course was closed for 46 consecutive days due to COVID-19 in 2020.

Salaries and benefits decreased approximately 22% or \$227,251 resulting from personnel decreases plus the reduction in actuarial determined pension expense. Most other expenses decreased during the period with the exception of contractual golf cart rental.

For calendar year 2021, Paxon Hollow experienced an increase in net position of \$415,069. Net income before operating transfers to the General Fund was \$665,069 in 2021 and \$(225,417) in 2020. Paxon Hollow Fund transferred \$250,000 to the General Fund shown in these financial statements as operating transfers. It is not required that Paxon Hollow Fund transfer profits to the General Fund; however, it does provide the

General Fund with additional operating capital which offsets potential real estate tax increases from year to year.

General Fund Budgetary Highlights

Revenues

The statement comparing the Township's general fund budget to actual results can be found on page 64. Total actual revenues ended the year higher than budgeted revenue by approximately 5.52% or \$813,380. The following factors reflect the primary differences between budget and actual expenditures:

- Act 511 taxes were significantly higher than anticipated budget by \$584,329, primarily in the deed transfer taxes. Although the mercantile taxes and local services tax increased during the period as well.
- Certain grants and entitlements were somewhat higher than anticipated
- Charges for services were lower than anticipated; but licenses and permits increased as building and development picked up subsequent to the relaxation of Covid-19 restrictions.

Expenditures

Actual expenditures in the General Fund ended the year \$862,624 below budget (or approximately 5%) without regard to the funding of the Township's Post Employment Benefit Trust. This is despite capital outlays in the amount of \$140,208 within the General fund. The Township was able to maintain expenditures below anticipated levels through stringent monitoring and evaluation of position requirements particularly in the areas of general government and public safety. The Township did not expend any functional area in excess of appropriation other than culture and recreation (\$31,213).

Capital assets and long-term debt administration

Capital assets – governmental activities

The Township's investment in capital assets for its governmental activities for calendar year ended December 31, 2021 is \$22,938,466 net of accumulated depreciation. Major capital assets acquired and improvements made during the year out of the operations and capital project funds totaled \$2,455,661 consisting primarily of vehicles, equipment and infrastructure improvements such as follows:

- Bathroom renovations to Library and administrative areas
- Police vehicles
- Storm sewer improvements
- Township website
- Road paving throughout the Township
- Police station roof
- Board of Commissioners room audio and visual equipment
- Tennis Court improvements at South Marple Little League

Capital assets – business-type activities

The Township's investment in capital assets for its business-type activities as of December 31, 2021 is \$4,578,949 net of accumulated depreciation. Assets in these activities consist of the golf course improvements, sanitary sewer system, rolling stock, and equipment. A total of \$108,381 in capital assets were purchased during the year consisting of:

- Club House improvements
- Golf Course improvements
- Pump station improvements

Long-Term Debt

As of December 31, 2021, Marple Township's outstanding debt portfolio consisted of \$19,654,000 in general obligation notes.

State statutes limit the amount of general obligation debt a governmental entity may issue to 250 percent of its average borrowing base (average revenues over the past three years). The Township's current allowable debt borrowing is approximately \$55 million. As of December 31, 2021, the Township's borrowing level is only at 37% capacity. This is a relatively favorable position.

Additional information about the Township's long-term debt can be found in Note 9 on page 47 of this report.

	Principal Outstanding 01/01/21	Refunding/ Maturities	Additions	Principal Outstanding 12/31/21	Amounts Due in One Year
General obligation note series A of 2015	\$ 5,689,000	\$ 336,720	\$ -	\$ 5,352,280	\$ 343,000
General obligation note series B of 2015	541,000	29,280	-	511,720	30,000
General obligation note series C of 2015	1,036,000	201,000	-	835,000	204,000
General obligation note Series A of 2019	5,041,000	222,000	-	4,819,000	226,000
General obligation note Series B of 2019	2,686,000	143,000	-	2,543,000	146,000
General obligation note Series C of 2019	3,093,000	1,000	-	3,092,000	1,000
General obligation note Series D of 2019	2,596,000	95,000	-	2,501,000	98,000
	<u>\$ 20,682,000</u>	<u>\$ 1,028,000</u>	<u>\$ -</u>	<u>19,654,000</u>	<u>1,048,000</u>
Net pension obligation				9,744,547	-
Other post employment benefit obligation				11,751,376	-
Severance pay				23,560	-
Total long term liabilities				<u>\$ 41,173,483</u>	<u>\$ 1,048,000</u>
Governmental Funds	\$ 16,599,280				
Proprietary Funds	3,054,720				
	<u>\$ 19,654,000</u>				

Economic factors and next year's budgets and rates

- Marple Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.

- In 2022, resident refuse rates will increase to \$ \$300 curbside and \$ \$400 for rear pickup. Delaware County Solid Waste Authority (DCSWA) began assessing a disposal fee of \$ 15.90 per ton in 2009 increasing to \$23.45 in 2010, 2011 and 2012. This rate increased to \$33.00 in 2013 per ton and remained unchanged through December 31, 2018. An additional \$20 per ton was assessed to the Township by the Authority beginning January 1, 2019 resulting in increased fees to residents. Again in 2022, rates are expected to climb to \$78.00 per ton.
- The sewer rate of \$7.85 per thousand gallons used for calendar year 2021 is expected to increase in 2022 to \$8.25 per thousand due to significant water treatment cost and capital improvement made by both sewer authorities.
- Real estate tax millage in 2021 was \$2.45 per \$1,000 of assessed value which remains the same in 2022. The median assessed value in Marple Township is approximately \$ \$337,600. Based on this value, the average real estate tax bill in the Township for 2021 was \$827.27. A reassessment was conducted in 2020 resulting in the change of the median assessed value to \$337,600 as stated above.
- Marple Township continues to maintain a "AA" Bond Rating from S&P. An "AA" rating generally indicates that the Municipality has a very strong capacity to meet financial commitments. Our strong general fund balance contributed to this excellent rating.
- The Township provides Other Post Employment Benefits to its police officers. These other post employment benefits, known as OPEB, include healthcare, as well as other retiree benefits that are not a part of a pension plan. Currently, only uniformed police officers are eligible for these benefits. In the past, the Township accounted for and financed these benefits on a "pay as you go" (PAYGO) basis. They are now treated for accounting purposes on an accrual basis similar to pensions. The Township has established an OPEB trust fund which it continues to fund annually. The Trust, pursuant to the most recent actuarial study is underfunded and the Township has accounted for this as shown in the long-term liability section of these financial statements. The Township continues to pay the current costs for the post-employment benefit liability from the General Fund and will continue to fund the Trust accordingly. Net position of the OPEB Trust Fund at December 31, 2021 was \$3,088,825.
- All these factors were considered in preparing the Township's budget for the 2022 fiscal year.

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.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, Township of

Marple, 227 South Sproul Road, Broomall, Pennsylvania 19008-2397. Separately issued financial statements are available for the Township's component unit, the Marple Public Library.

General information relating to Marple Township can be found on its website at www.marpletwp.com.

THE TOWNSHIP OF MARPLE
STATEMENT OF NET POSITION

DECEMBER 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marple Public Library
ASSETS				
Cash and cash equivalents	\$ 5,709,503	\$ 2,931,202	\$ 8,640,705	\$ 230,207
Investments	-	-	-	546,828
Receivables (net of allowance for uncollectibles)	1,490,167	959,410	2,449,577	12,010
Prepaid assets	306,888	83,771	390,659	3,130
Inventory	22,048	-	22,048	-
Deposit	-	-	-	10,010
Capital assets (net of accumulated depreciation)				
Land	5,748,476	1,073,435	6,821,911	-
Land improvements	1,387,984	1,208,302	2,596,286	-
Buildings and improvements	9,674,652	4,645,993	14,320,645	535,721
Machinery and equipment	6,067,555	3,561,900	9,629,455	-
Infrastructure	20,352,552	7,278,877	27,631,429	-
Construction in progress	1,087,465	-	1,087,465	-
Capital lease	200,864	-	200,864	-
Library books and materials	-	-	-	846,301
Less accumulated depreciation	(21,581,082)	(13,189,558)	(34,770,640)	(1,176,624)
Total capital assets net of depreciation	22,938,466	4,578,949	27,517,415	205,398
Total assets	30,467,072	8,553,332	39,020,404	1,007,583
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense deferral	318,871	6,006	324,877	-
Deferred outflow on OPEB plan	395,076	-	395,076	-
Bond discount (net of amortization)	4,364	-	4,364	-
	718,311	6,006	724,317	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	31,185,383	8,559,338	39,744,721	1,007,583
LIABILITIES				
Accounts payable and accrued expenses	664,219	227,000	891,219	38,217
Accrued interest	5,540	1,047	6,587	-
Unearned revenue	1,449,766	235,692	1,685,458	8,555
Escrow liability	499,878	-	499,878	-
Due to Fiduciary fund	7,277	-	7,277	-
Long-term liabilities:				
Net pension liability	9,087,497	657,050	9,744,547	-
Other post employment benefit liability	11,751,376	-	11,751,376	-
Due within one year	827,000	221,000	1,048,000	-
Due in more than one year	15,795,840	2,833,720	18,629,560	-
Total liabilities	40,088,393	4,175,509	44,263,902	46,772
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow on pension related costs	4,046,200	635,711	4,681,911	-
Deferred inflow on OPEB plan	3,871,176	-	3,871,176	-
	7,917,376	635,711	8,553,087	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	48,005,769	4,811,220	52,816,989	46,772
NET POSITION				
Invested in capital assets net of related debt	6,339,186	1,524,229	7,863,415	205,398
Restricted	-	-	-	178,626
Unrestricted	(23,159,572)	2,223,889	(20,935,683)	576,787
Total net position	<u>\$ (16,820,386)</u>	<u>\$ 3,748,118</u>	<u>\$ (13,072,268)</u>	<u>\$ 960,811</u>

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

THE TOWNSHIP OF MARPLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Governmental Activities	Business Type Activities	Total	Marple Township Public Library
Primary Government:								
General governmental	\$ 1,794,918	\$ 277,035	\$ -	\$ -	\$ (1,517,883)	\$ -	\$ (1,517,883)	\$ -
Public safety	6,373,325	1,423,417	39,191	-	(4,910,717)	-	(4,910,717)	-
Public works - highways and streets	2,152,759	832,312	915,963	-	(404,484)	-	(404,484)	-
Culture and recreation	848,807	-	35,000	-	(813,807)	-	(813,807)	-
Municipal pension	396,665	-	640,979	-	244,314	-	244,314	-
Library contribution	734,233	-	-	-	(734,233)	-	(734,233)	-
Interest on long-term debt	344,033	-	-	-	(344,033)	(63,628)	(407,661)	-
Post employment benefits	(153,067)	-	-	-	153,067	-	153,067	-
Discount amortization	618	-	-	-	(618)	-	(618)	-
Non-allocated depreciation	1,280,550	-	-	-	(1,280,550)	-	(1,280,550)	-
Total governmental activities	13,772,841	2,532,764	1,631,133	-	(9,608,944)	(63,628)	(9,672,572)	-
Business Type Activities								
Sewer Fund	3,797,918	4,129,768	7,349	-	-	339,199	339,199	-
Refuse Fund	2,148,686	2,186,426	43,920	-	-	81,660	81,660	-
Paxon Hollow Country Club Fund	1,535,786	2,223,875	30,242	-	-	718,331	718,331	-
Total business type activities	7,482,390	8,540,069	81,511	-	-	1,139,190	1,139,190	-
Total Primary Government	\$ 21,255,231	\$ 11,072,833	\$ 1,712,644	\$ -	(9,608,944)	1,075,562	(8,533,382)	-
Component Units:								
Marple Public Library	\$ 874,749	\$ 9,825	\$ 934,364	\$ -	-	-	-	69,440
General revenues:								
Property taxes					8,607,737	-	8,607,737	-
Local enabling taxes					3,840,581	-	3,840,581	-
Cable television					523,225	-	523,225	-
Grants and contributions not restricted to a specific program					11,434	-	11,434	-
Investment earnings, net					8,637	3,793	12,430	46,864
Miscellaneous refunds and reimbursements					191,518	-	191,518	6,545
Rent					186,883	-	186,883	-
Gain on sale of asset					32,550	-	32,550	-
Amortization of gain on refunding					-	8,188	8,188	-
Total general revenues					13,402,565	11,981	13,414,546	53,409
Transfers					375,000	(375,000)	-	-
Change in net position					4,168,621	712,543	4,881,164	122,849
Net position - beginning					(20,989,007)	3,035,575	(17,953,432)	837,962
Net position - ending					\$ (16,820,386)	\$ 3,748,118	\$ (13,072,268)	\$ 960,811

THE TOWNSHIP OF MARPLE

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Highway Aid Fund	Capital Projects Fund	ARPA Fund	Totals Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,373,963	\$ 106	\$ 1,081,212	\$ 1,254,222	\$ 5,709,503
Real estate tax receivable	768,868	-	-	-	768,868
Other accounts receivable	492,733	-	-	-	492,733
Due from other governments	228,566	-	-	-	228,566
Due from other funds	2,340	-	-	-	2,340
Inventory	22,048	-	-	-	22,048
Prepaid expenditures	306,888	-	-	-	306,888
Total assets	<u>5,195,406</u>	<u>106</u>	<u>1,081,212</u>	<u>1,254,222</u>	<u>7,530,946</u>
DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,195,406</u>	<u>\$ 106</u>	<u>\$ 1,081,212</u>	<u>\$ 1,254,222</u>	<u>\$ 7,530,946</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 388,817	\$ -	\$ 39,260	\$ -	\$ 428,077
Accrued payroll and related liabilities	236,142	-	-	-	236,142
Due to other funds	7,277	-	2,340	-	9,617
Accrued interest	5,540	-	-	-	5,540
Unearned revenue	196,091	-	-	1,253,675	1,449,766
Escrow deposits	499,878	-	-	-	499,878
Total liabilities	<u>1,333,745</u>	<u>-</u>	<u>41,600</u>	<u>1,253,675</u>	<u>2,629,020</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable taxes	730,571	-	-	-	730,571
Total liabilities and deferred inflows of resources	<u>2,064,316</u>	<u>-</u>	<u>41,600</u>	<u>1,253,675</u>	<u>3,359,591</u>
Fund balances:					
Nonspendable	306,888	-	-	-	306,888
Restricted	-	-	-	-	-
Committed for:					
Capital projects	-	-	1,039,612	547	1,040,159
Assigned to:					
Green Bank Farm improvements	20,065	-	-	-	20,065
2022 budget projected shortfall	1,932,176	-	-	-	1,932,176
Unassigned	871,961	106	-	-	872,067
Total fund balance	<u>3,131,090</u>	<u>106</u>	<u>1,039,612</u>	<u>547</u>	<u>4,171,355</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,195,406</u>	<u>\$ 106</u>	<u>\$ 1,081,212</u>	<u>\$ 1,254,222</u>	<u>\$ 7,530,946</u>

THE TOWNSHIP OF MARPLE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2021

Total fund balances - governmental funds		\$ 4,171,355
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	\$ 5,748,476	
Infrastructure assets	20,352,552	
Other capital assets	17,331,055	
Construction in progress	1,087,465	
Accumulated depreciation	<u>(21,581,082)</u>	
Total capital assets		22,938,466
Some revenues may be collected after year-end but are not available soon enough for the current period expenditures and therefore are deferred in the governmental funds - unavailable taxes		
		730,571
Bond costs are expended in the funds but capitalized and amortized in the government-wide statements		
		4,364
Other Post Employment Benefits are paid currently in the governmental funds, but are accrued and transferred to a trust; the Township deficit funding of the trust is reflected on these statements as a liability		
		(11,751,376)
Pension and OPEB plan expense deferrals are capitalized and amortized in the government-wide statements (shown as net)		
		(7,203,429)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds and notes payable and compensated absences and accrued interest and net pension obligation		<u>(25,710,337)</u>
Net position of governmental activities		<u>\$ (16,820,386)</u>

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

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Highway Aid Fund	Capital Projects Fund	ARPA Fund	Total Governments Funds
REVENUES					
Taxes and assessments:					
Property	\$ 8,459,160	\$ -	\$ -	\$ -	\$ 8,459,160
Local enabling act taxes	3,840,581	-	-	-	3,840,581
Licenses-permits	1,287,961	-	-	-	1,287,961
Fines and forfeits	46,565	-	-	-	46,565
Rent	186,883	-	-	-	186,883
Investment earnings	7,850	108	132	547	8,637
Public utility realty tax	11,434	-	-	-	11,434
Other intergovernmental and miscellaneous grants	172,261	666,887	151,007	-	990,155
Departmental earnings	165,739	-	-	-	165,739
Franchise fee - cable television	523,225	-	-	-	523,225
Pennsylvania contribution for pension and volunteer firemen	640,979	-	-	-	640,979
Other revenue	181,879	-	1,074,689	-	1,256,568
Total revenues	<u>15,524,517</u>	<u>666,995</u>	<u>1,225,828</u>	<u>547</u>	<u>17,417,887</u>
EXPENDITURES					
Current:					
General government	1,817,031	-	-	-	1,817,031
Public safety	7,108,798	-	-	-	7,108,798
Public Works - Highways and streets	2,152,181	-	578	-	2,152,759
Culture and recreation	804,543	-	44,264	-	848,807
Pension	1,943,416	-	-	-	1,943,416
Library contribution	734,233	-	-	-	734,233
Debt service:					
Principal	855,720	-	-	-	855,720
Interest	344,033	-	-	-	344,033
Capital outlay:					
Public safety	48,190	-	213,308	-	261,498
Public Works - Highways and streets	92,018	-	1,064,315	-	1,156,333
Culture and recreation	-	-	1,015,248	-	1,015,248
General government	-	-	22,582	-	22,582
Total expenditures	<u>15,900,163</u>	<u>-</u>	<u>2,360,295</u>	<u>-</u>	<u>18,260,458</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(375,646)	666,995	(1,134,467)	547	(842,571)
OTHER FINANCING SOURCES (USES) OF FUNDS					
Other post employment benefit trust funding	(75,000)	-	-	-	(75,000)
Operating transfer in	1,041,900	-	-	-	1,041,900
Operating transfer out	-	(666,900)	-	-	(666,900)
Total other financing sources (uses) of funds	<u>966,900</u>	<u>(666,900)</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	591,254	95	(1,134,467)	547	(542,571)
FUND BALANCE - BEGINNING	2,539,836	11	2,174,079	-	4,713,926
FUND BALANCE - ENDING	<u>\$ 3,131,090</u>	<u>\$ 106</u>	<u>\$ 1,039,612</u>	<u>\$ 547</u>	<u>\$ 4,171,355</u>

THE TOWNSHIP OF MARPLE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds		\$ (542,571)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts were:		
Capital outlay - inclusive of capital lease payment	\$ 2,455,661	
Depreciation expense	<u>(1,280,550)</u>	1,175,111
Repayment of long term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:		
Principal repayment		855,720
Decrease in severance pay accrual		22,111
Amortization of discount		(618)
Change of post employment benefit actuarial determinations		963,540
Pension expense reflected in the governmental statements is decreased pursuant to actuarial determination of net pension obligations, pension expense and amortizations		1,546,751
Because some property taxes will not be collected for several months after the after the Township fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues are not reflected in the government wide financial statements and unavailable taxes in the governmental are included in revenue pursuant to accrual basis of accounting		<u>148,577</u>
Change in net position of governmental activities		<u><u>\$ 4,168,621</u></u>

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

TOWNSHIP OF MARPLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2021

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Assets				
Current:				
Cash and cash equivalents	\$ 510,910	\$ 627,308	\$ 1,792,984	\$ 2,931,202
Accounts receivable, net of allowance for uncollectibles	666,211	293,199	-	959,410
Prepaid expenditures	13,976	46,491	23,304	83,771
Total current assets	<u>1,191,097</u>	<u>966,998</u>	<u>1,816,288</u>	<u>3,974,383</u>
Property and equipment, net of accumulated depreciation	538,545	204,356	3,836,048	4,578,949
Total assets	<u>1,729,642</u>	<u>1,171,354</u>	<u>5,652,336</u>	<u>8,553,332</u>
Deferred outflows of resources				
Deferred pension related expenses	538	3,214	2,254	6,006
Total assets and deferred outflows of resources	<u>\$ 1,730,180</u>	<u>\$ 1,174,568</u>	<u>\$ 5,654,590</u>	<u>\$ 8,559,338</u>
Liabilities				
Current:				
General obligation bonds payable - current portion	\$ -	\$ -	\$ 221,000	\$ 221,000
Accounts payable	29,524	123,524	22,562	175,610
Accrued payroll and payroll taxes	5,549	35,872	9,969	51,390
Accrued interest	-	-	1,047	1,047
Unearned revenue	-	-	235,692	235,692
Total current liabilities	<u>35,073</u>	<u>159,396</u>	<u>490,270</u>	<u>684,739</u>
Long-term:				
Net pension liability	59,270	354,228	243,552	657,050
General obligation bonds payable - long term portion	-	-	2,833,720	2,833,720
Total long-term liabilities	<u>59,270</u>	<u>354,228</u>	<u>3,077,272</u>	<u>3,490,770</u>
Total liabilities	<u>94,343</u>	<u>513,624</u>	<u>3,567,542</u>	<u>4,175,509</u>
Deferred inflows of resources				
Deferred inflow on pension related costs	57,345	342,724	235,642	635,711
Deferred gain on refinancing (net of amortization)	-	-	-	-
Total liabilities and deferred inflows of resources	<u>151,688</u>	<u>856,348</u>	<u>3,803,184</u>	<u>4,811,220</u>
Net position				
Invested in capital assets, net of related debt	538,545	204,356	781,328	1,524,229
Unrestricted	1,039,947	113,864	1,070,078	2,223,889
Total net position	<u>1,578,492</u>	<u>318,220</u>	<u>1,851,406</u>	<u>3,748,118</u>
Total liabilities and net position	<u>\$ 1,730,180</u>	<u>\$ 1,174,568</u>	<u>\$ 5,654,590</u>	<u>\$ 8,559,338</u>

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

TOWNSHIP OF MARPLE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Operating revenues:				
Charges for services	\$ 4,129,768	\$ 2,151,071	\$ 1,482,579	\$ 7,763,418
Rental income	-	-	737,436	737,436
Other income	-	35,355	3,860	39,215
Total operating revenues	<u>4,129,768</u>	<u>2,186,426</u>	<u>2,223,875</u>	<u>8,540,069</u>
Operating expenses:				
Salaries and wages	94,047	882,697	621,924	1,598,668
Employee benefits	32,815	435,321	160,563	628,699
Pension expense	(2,122)	(12,682)	(8,720)	(23,524)
Vehicle fuel	6,980	55,874	23,166	86,020
Repairs and maintenance	58,595	63,881	57,618	180,094
Insurance	36,893	35,298	25,965	98,156
Bad debt expense	(6,991)	(312)	-	(7,303)
Expenses - sewer authorities	3,473,424	-	-	3,473,424
Expenses - waste management authorities	-	553,750	-	553,750
Utilities	2,317	-	20,300	22,617
Golf course maintenance	-	-	133,202	133,202
Supplies	14,781	10,411	36,285	61,477
Cart rental expense	-	-	99,598	99,598
Other services and charges	13,359	31,837	140,984	186,180
Recycling fees and supplies	-	26,066	-	26,066
Depreciation	73,820	66,545	224,901	365,266
Total operating expenses	<u>3,797,918</u>	<u>2,148,686</u>	<u>1,535,786</u>	<u>7,482,390</u>
Operating income	<u>331,850</u>	<u>37,740</u>	<u>688,089</u>	<u>1,057,679</u>
Non-operating revenues (expenses):				
Pennsylvania contribution for pension	7,349	43,920	30,242	81,511
Amortization of gain on refunding	-	-	8,188	8,188
Investment earnings	128	1,487	2,178	3,793
Interest expense	-	-	(63,628)	(63,628)
Total non-operating revenues (expenses)	<u>7,477</u>	<u>45,407</u>	<u>(23,020)</u>	<u>29,864</u>
Operating income before operating transfers	339,327	83,147	665,069	1,087,543
Operating transfers (out)	<u>(100,000)</u>	<u>(25,000)</u>	<u>(250,000)</u>	<u>(375,000)</u>
	<u>(100,000)</u>	<u>(25,000)</u>	<u>(250,000)</u>	<u>(375,000)</u>
Change in net position	239,327	58,147	415,069	712,543
Net position - beginning	1,339,165	260,073	1,436,337	3,035,575
Net position - ending	<u>\$ 1,578,492</u>	<u>\$ 318,220</u>	<u>\$ 1,851,406</u>	<u>\$ 3,748,118</u>

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

TOWNSHIP OF MARPLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Cash flows from operating activities:				
Cash received from users	\$ 4,260,466	\$ 2,196,606	\$ 2,249,668	\$ 8,706,740
Cash paid to employees and employee benefits	(127,982)	(1,313,300)	(786,885)	(2,228,167)
Cash payments to suppliers for goods and services	(3,583,764)	(785,300)	(533,712)	(4,902,776)
Net cash provided by operating activities	<u>548,720</u>	<u>98,006</u>	<u>929,071</u>	<u>1,575,797</u>
Cash flows from non-capital financing activities:				
Operating transfer (out)	<u>(100,000)</u>	<u>(25,000)</u>	<u>(250,000)</u>	<u>(375,000)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(15,712)	-	(92,669)	(108,381)
Principal paid	-	-	(172,280)	(172,280)
Interest paid on debt obligations	-	-	(68,616)	(68,616)
Net cash (used) by capital and related financing activities	<u>(15,712)</u>	<u>-</u>	<u>(333,565)</u>	<u>(349,277)</u>
Cash flows from investing activities:				
Interest earnings	128	1,487	2,178	3,793
Net increase in cash and cash equivalents	433,136	74,493	347,684	855,313
Cash and cash equivalents - beginning	77,774	552,815	1,445,300	2,075,889
Cash and cash equivalents - ending	<u>\$ 510,910</u>	<u>\$ 627,308</u>	<u>\$ 1,792,984</u>	<u>\$ 2,931,202</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:				
Operating income	\$ 331,850	\$ 37,740	\$ 688,089	\$ 1,057,679
Adjustments to reconcile operating income to net cash provided by operating activities:				
Bad debt expense	(6,991)	(312)	-	(7,303)
Depreciation	73,820	66,545	224,901	365,266
Decrease in pension expense	(2,122)	(12,682)	(8,720)	(23,524)
Changes in assets and liabilities:				
Interfund	-	-	-	-
Accounts receivable	137,689	10,492	-	148,181
Prepaid expenditures	2,554	(8,095)	(740)	(6,281)
Accounts payable and accrued expenses	11,920	4,318	(252)	15,986
Unearned revenue	-	-	25,793	25,793
Net cash provided by operating activities	<u>\$ 548,720</u>	<u>\$ 98,006</u>	<u>\$ 929,071</u>	<u>\$ 1,575,797</u>

TOWNSHIP OF MARPLE
STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2021

	POLICE PENSION FUND	MUNICIPAL PENSION FUND	NON UNIFORM DEFINED CONTRIBUTION FUND	OPEB TRUST FUND	TOTAL
Assets					
Cash and cash equivalents	\$ 647,661	\$ 282,679	\$ 642	\$ 112,357	\$ 1,043,339
Due from General Fund	-	-	7,277	-	7,277
Prepaid pension overpayment	6,660	-	-	-	6,660
Investments (at market value)	21,476,345	9,449,546	6,676	2,978,102	33,910,669
Prepaid benefits and other prepaids	176,804	34,047	-	-	210,851
Total assets	<u>22,307,470</u>	<u>9,766,272</u>	<u>14,595</u>	<u>3,090,459</u>	<u>35,178,796</u>
Liabilities					
Accounts payable	1,260	780	-	1,634	3,674
	<u>1,260</u>	<u>780</u>	<u>-</u>	<u>1,634</u>	<u>3,674</u>
Net position					
Restricted	<u>\$ 22,306,210</u>	<u>\$ 9,765,492</u>	<u>\$ 14,595</u>	<u>\$ 3,088,825</u>	<u>\$ 35,175,122</u>

TOWNSHIP OF MARPLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	POLICE PENSION FUND	MUNICIPAL PENSION FUND	NON UNIFORM DEFINED CONTRIBUTION FUND	OPEB TRUST FUND	TOTAL
Additions:					
Contributions:					
State subsidies - Act 205	\$ 330,193	\$ 235,886	\$ -	\$ -	\$ 566,079
Employee contributions	198,279	172,836	-	-	371,115
Township contributions	1,441,193	-	14,654	75,000	1,530,847
Total contributions	<u>1,969,665</u>	<u>408,722</u>	<u>14,654</u>	<u>75,000</u>	<u>2,468,041</u>
Investment earnings:					
Net appreciation in fair value of investments	2,129,676	953,273	341	296,044	3,379,334
Investment earnings	443,865	200,350	83	61,747	706,045
Less investment expense	(60,307)	(26,788)	(9)	(14,663)	(101,767)
Total investment income	<u>2,513,234</u>	<u>1,126,835</u>	<u>415</u>	<u>343,128</u>	<u>3,983,612</u>
Total additions	<u>4,482,899</u>	<u>1,535,557</u>	<u>15,069</u>	<u>418,128</u>	<u>6,451,653</u>
Deductions:					
Pension benefits and refunds	2,159,515	395,073	-	-	2,554,588
Other services and charges	35,541	32,283	4,350	1,610	73,784
Total deductions	<u>2,195,056</u>	<u>427,356</u>	<u>4,350</u>	<u>1,610</u>	<u>2,628,372</u>
Change in net position	2,287,843	1,108,201	10,719	416,518	3,823,281
Net position - beginning of the year	20,018,367	8,657,291	3,876	2,672,307	31,351,841
Net position - end of the year	<u>\$ 22,306,210</u>	<u>\$ 9,765,492</u>	<u>\$ 14,595</u>	<u>\$ 3,088,825</u>	<u>\$ 35,175,122</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies established in GAAP and used by the Township are discussed below.

A. Reporting Entity

The Township is governed by an elected Board of Commissioners. Accounting principles generally accepted in the United States of America require that the financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Township's operations and so data from these units are required to be combined with data of the primary Township. Each discretely presented component unit, on the other hand, is required to be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the Township.

Discretely Presented Component Unit

The Marple Public Library serves the residents of Marple Township as well as the residents of Delaware County. The Library's governing board approves its own budget. However, the Library is fiscally dependent upon the Township because it receives a substantial portion of its operating funds from them and its building is occupied rent-free from the Township. The Library is presented as a governmental fund type and has a December 31 year end. Copies of the Library's financial statements may be obtained at the Library administrative office.

B. 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 and its component units. 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 or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only a portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

General Fund – The General Fund is the Township's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.

Highway Aid Fund—The Highway Aid Fund is a special revenue fund used to account primarily for State Highway grants and aid and expenditures related to roads pursuant to Commonwealth regulations.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets other than those financed by enterprise operations.

American Recovery Program Act Fund (ARPA)—The ARPA fund is used to account for these federal funds received by the Township. During this period, the Township received \$1,253,675 in ARPA funding but did not expend the funds in this period. The funding is shown as unearned revenue on these financial statements.

The Township reports the following major proprietary funds:

Sewer Fund – The Sewer Fund is used to account for the operations of the Township's sewer treatment systems.

Refuse Fund – The Refuse Fund is used to account for the operations of the Township's trash and recycling collection program.

Paxon Hollow Country Club Fund – The Paxon Hollow Country Club Fund is used to account for the operations of the Township's public golf course.

Additionally, the Township reports the following fund types:

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, or other governments. Pension Trust Funds, inclusive of the defined contribution fund, are fiduciary funds which account for the activities of the Police and Municipal Pension Plans, the Non-Uniform Defined Contribution Plan and OPEB Trust Fund, which accumulate resources for the pension benefit payments to qualified employees. The Township has adopted GASB No. 84, *Fiduciary Activities*, which established certain criteria for identifying fiduciary activities. Those funds shown within the Fiduciary Funds meet the criteria for inclusion.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses and depreciation on

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of the statements of cash flows of proprietary funds, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

With the exception of the Pension and OPEB Trust Funds, the Township is permitted under state law to invest funds consistent with sound business practice in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

Fair Value Measurement

The Township's investments are measured and reported at fair value and are classified according to the following hierarchy:

Level 1—Investments reflect prices quoted in active markets.

Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3—Investments which reflect prices based on unobservable resources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The Township considers all investments to be Level 1.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from other funds" (i.e., the current portion of interfund loans) or "due to other funds" (i.e., the current portion of interfund loans). All other outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of any allowance for uncollectibles. There is no property tax receivable allowance at December 31, 2021.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources include such items as:

- Grants paid in advance to a grantee
- Deferred amounts from refunding of debt
- Decrease in value of derivative instruments
- Payments made to a pension fund after the actuarial year but before the end of the fiscal year

Deferred inflows of resources include such items as:

- Grants received in advance when time requirements are the only eligibility requirement that has not been met
- Resources received in advance that are related to an imposed nonexchange transaction such as prepaid taxes
- Assets recorded in governmental fund financial statements for which revenue is not available such as taxes receivable, previously reported as "deferred" revenue in the fund financial statements
- Current and advance refunding related items
- Increase in fair value of derivative instruments
- Service concession arrangements for upfront payments.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$2,000 for other than infrastructure assets and \$5,000 for infrastructure assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20-40 years
Land improvements	20 years
Infrastructure	20-40 years
Sewer system	25 years
Furniture and equipment	3-10 years
Golf course improvements	20 years
Golf course clubhouse	20 years
Book collection	5 years
Leasehold improvements	20 years

Compensated Absences

It is the Township's policy not to permit employees to accumulate earned but unused vacation beyond the current year. Township employees are credited with vacation at rates which vary with length of service or job classification. Vacation must be taken in the year in which it was earned but with approval may be carried over no later than March of the subsequent year. If separation of service occurs in the year earned, the unused balance of the amount earned is paid at separation.

Accrued Severance Pay

In accordance with the police union contract, when an officer terminates his employment (whether for normal retirement, service-connected disability, or non-service connected disability), he shall receive fifty (50) days severance pay at his then rate of pay. Any officer who had accumulated a given number of days of severance pay prior to January 1, 1987 under the provision then applicable to severance pay, will not lose credit for those accrued severance pay days. Any such days will, therefore, be added to rather than replaced by the fifty days (400 hours) severance pay.

TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are considered to be deferred inflows or outflows of resources and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net position

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt—consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position—consists of net position with constraints placed on the use either by outside groups such as grantors or laws and regulations of other governments; or through law.
- c. Unrestricted net position—includes all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable — resources which cannot be spent because they are either a) not in spendable form) or; b) legally or contractually required to be maintained intact.

Restricted — resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants),

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

Committed — resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned — resources neither restricted nor committed for which a government has a stated intended use as established by the Board or an official to which the Board has delegated the authority to assign amounts for specific purposes.

Unassigned — resources which cannot be properly classified in one of the other four categories. The General fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 2 BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 31, a proposed operating budget is submitted to the Township Board of Commissioners for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Township offices to obtain taxpayer comments. Prior to January 1, the budget is legally enacted through passage of an ordinance.
3. Budgeted amounts as of December 31, 2021 are as originally adopted, or as amended by the Township Board of Commissioners.

Expenditures in total were significantly under appropriations for the period. The only area in which expenditures exceeded the budget is as follows:

Culture and Recreation	\$ 31,213
------------------------	-----------

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 BUDGETARY INFORMATION (continued)

However, the Township had sufficient revenue and/or fund balances to allow for the expenditures.

The Required Supplementary Information which presents the General Fund budget to actual is provided in budgetary categories and does not segregate capital outlay as shown in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Supplementary Information presenting the General Fund in detail also provides the information within its budgetary categories inclusive of capital outlay.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits – As of December 31, 2021, the aggregate bank balance included in cash and cash equivalents of the primary government, the fiduciary fund, and the component unit (Library) was \$9,914,251 of which \$560,197 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$9,354,054 collateralized as noted below pursuant to Act 72. The Township maintains a cash checking account which is available for use by all funds. By State statute, the Township may appoint one or more depositories for Township funds and approve security to be furnished by any such depository. This security may be in the form of collateral consisting of obligations of the United States or the Commonwealth of Pennsylvania, or any political subdivision thereof, deposited with the bank or trust company. Pennsylvania Act 72 of 1971, as amended, allows depositories to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institution's trust department.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. In the normal course of business, the Township may have deposits that exceed insured balances. The remaining balances over insured limits are covered by collateral held by the institution's trust department on a pooled basis not in the name of the Township.

Investments – The Township has an arrangement to invest its excess cash with the Pennsylvania Local Government Investment Trust (PLGIT). The market value of the investments approximates cost. The amount invested in PLGIT represents ownership of shares in a trust, which invests solely in allowable investment securities. Because of the nature of this arrangement, it is not possible to categorize the credit risk of the Township's investment in the trust.

Custodial Credit Risk – Investments – For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township has no investment subject to custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. The Township has no formal

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Township has no investment policy that would limit its investment choices to certain credit ratings. The credit risk of a debt instrument is measured by a NRSRO (Morningstar for bond mutual funds or Moody's for bonds and mortgages). U.S. government obligations are not considered to have credit risk and do not require disclosure of credit risk.

Concentration of Credit Risk – The Township has no investment policy that would limit the amount the Township may invest in one issuer. The Pension Plans and the Trust Plan for post-employment benefits have formal investment policies that address concentration of credit risk prohibiting the investment of more than 5% of net plan assets in a single issuer. Neither of the plans had investments exceeding 5% the respective plans' fiduciary net positions in any one organization as of December 31, 2021. However, each of the plans were invested in various mutual funds in excess of 5% of the net plan assets as indicated below.

Foreign Currency Risk – Foreign current risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Township has no formal investment policy that addresses foreign currency risk, however the Township held no investments that were exposed to foreign currency risk as of December 31, 2021.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

The following represent the investments that relate to the fiduciary funds and the component unit – Library:

	Market Value	Credit Rating	Investment Duration
<u>Police Pension Plan:</u>			
Invested with broker:			
Ishares Trust IBOXX Hi Yd	906,122	various	Not applicable
Mutual funds - strm infroidx	888,141	various	Not applicable
Mutual funds - total bond	2,995,573	various	Not applicable
Mutual funds - intermediate term corporate bond	583,089	various	Not applicable
Mutual funds - mortgage backed securities	586,947	various	Not applicable
Mutual funds - Allworld ex US	5,361,939	various	Not applicable
Mutual funds - mid cap	1,310,792	Not applicable	Not applicable
Mutual funds - growth	3,784,053	Not applicable	Not applicable
Mutual funds - small cap	1,299,557	Not applicable	Not applicable
Mutual funds - value	3,760,132	Not applicable	Not applicable
Total police pension investments	<u>21,476,345</u>		
<u>Municipal Pension Plan:</u>			
Frozen assets:			
Mutual funds - equity	61,768	Not applicable	Not applicable
Total frozen assets	<u>61,768</u>		
Invested with broker:			
Ishares Trust IBOXX Hi Yd	364,398	various	Not applicable
Mutual funds - strm infroidx	371,314	various	Not applicable
Mutual funds - total bond	1,253,876	various	Not applicable
Mutual funds - intermediate term corporate bond	240,990	various	Not applicable
Mutual funds - mortgage backed securities	248,031	various	Not applicable
Mutual funds - Allworld ex US	2,335,013	various	Not applicable
Mutual funds - mid cap	585,971	Not applicable	Not applicable
Mutual funds - growth	1,741,203	Not applicable	Not applicable
Mutual funds - small cap	554,629	Not applicable	Not applicable
Mutual funds - value	1,692,353	Not applicable	Not applicable
Total invested by brokers	<u>9,387,778</u>		
Total municipal pension investments	<u>9,449,546</u>		
<u>Non Uniform Defined Contribution Fund</u>			
Invested with broker:			
Ishares IBOXX Hi Yd	261	various	Not applicable
Mutual funds - strm infroidx	257	various	Not applicable
Mutual funds - mortgage backed securities	158	various	Not applicable
Mutual funds - total bond	932	various	Not applicable
Mutual funds - intermediate term corporate bond	185	various	Not applicable
Mutual funds - Allworld ex US	1,715	various	Not applicable
Mutual funds - growth	1,284	Not applicable	Not applicable
Mutual funds - small cap	452	Not applicable	Not applicable
Mutual funds - mid cap	255	Not applicable	Not applicable
Mutual funds - value	1,177	Not applicable	Not applicable
Total non uniform defined contribution investments	<u>6,676</u>		
<u>OPEB Trust Fund</u>			
Invested with broker:			
Mutual funds-Strm infroidx	120,636	various	Not applicable
Ishares IBOXX Hi Yd	122,336	various	Not applicable
Mutual funds - total bond	401,885	various	Not applicable
Mutual funds - mortgage backed securities	80,845	various	Not applicable
Mutual funds - intermediate term corporate bond	80,330	various	Not applicable
Mutual funds - Allworld ex US	730,764	various	Not applicable
Mutual funds - mid cap	182,925	Not applicable	Not applicable
Mutual funds - growth	546,172	Not applicable	Not applicable
Mutual funds - small cap	176,288	Not applicable	Not applicable
Mutual funds - value	535,921	Not applicable	Not applicable
Total OPEB investments	<u>2,978,102</u>		
	<u>\$33,910,669</u>		
Marple Township Library-component unit	<u>\$ 546,828</u>	Not applicable	Not applicable

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

The pension plans have established an investment policy regarding the allocation of invested assets and may be amended by the Township Board of Commissioners and its Pension Board. The policy strategy acts to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations as they become due. Both the Police Pension Plan and the Non-Uniform Pension Plan have the following adopted asset allocation policy as of December 31, 2021:

	<u>Target</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	49.00%	4.40%
International equities	21.00%	5.73%
Fixed income	27.00%	-1.22%
Cash equivalents	3.00%	-0.38%

The net blended rate of return is 3.44% for each of the pension plans (excluding the inflation assumption). The long-term expected rate of return including inflation was 5.65%.

For the year ended December 31, 2021, the annual money-weighted rate of return on the Police pension plan investments was 13.18%. The annual money-weighted rate of return on the Non-Uniform plan investments was 13.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

The trustees of the OPEB trust have established an investment policy regarding the allocation of invested assets and has the following adopted asset allocation policy as of December 31, 2021:

	<u>Target</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	49.00%	4.40%
International equities	21.00%	5.73%
Fixed income	27.00%	-1.22%
Cash equivalents	3.00%	-0.38%

The net blended rate of return is 3.44% for the plan net of inflation assumption. The long-term expected rate of return including inflation was 5.65%.

For the year ended December 31, 2021, the annual money-weighted rate of return on the OPEB investments was approximately 12.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 PROPERTY TAXES / TAXES RECEIVABLE

Property taxes attach as an enforceable lien on property as of March 1 of the following year. Taxes are levied on February 1 and payable in the following periods:

Discount period – February 1 to March 31 – 2% of gross levy

Flat period – April 1 to May 31

Penalty period – June 1 to collection – 10% of gross levy

Taxes are returned to the County for collection after February 28 of the subsequent year.

The following is a detail analysis of current tax revenues on the Balance Sheet:

	<u>ASSESSED VALUATION</u>	<u>TOTAL TAX LEVY</u>
Tax rate in mills	\$ 3,488,299,718	2.450
Tax duplicate, adjusted by authorized revisions	\$ 8,548,916	\$ 8,548,916
Add: penalties applied		22,542
Deduct:		
Collections		<u>8,397,926</u>
Total deductions		<u>8,397,926</u>
2021 Property tax receivable including penalty		<u>\$ 173,532</u>
2021 property taxes receivable	\$ 173,532	
Penalties imputed on 2021 delinquencies	17,353	
Delinquent property taxes receivable	<u>577,983</u>	
Total property taxes receivable	<u>\$ 768,868</u>	

NOTE 5 ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable and Due from Other Governments on the Balance Sheet for the Governmental Funds and the Statement of Net Position for the Proprietary Funds at December 31, 2021 are as follows:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>
Franchise fee - Cable TV	\$ 133,526	\$ -	\$ -
Fees	-	701,163	302,252
Grants and intergovernmental payments	228,566	-	-
Lindburgh project	149,931	-	-
Transfer Taxes	154,236	-	-
Health insurance reimbursements	15,398	-	-
Miscellaneous	39,642	-	-
	<u>721,299</u>	<u>701,163</u>	<u>302,252</u>
Less: allowance for uncollectibles	-	(34,952)	(9,053)
Accounts receivable (net)	<u>\$ 721,299</u>	<u>\$ 666,211</u>	<u>\$ 293,199</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 INVENTORY AND PREPAID ASSETS

	General Fund	Sewer Fund	Refuse Fund	Paxon Hollow Country Club
Inventory	\$ 22,048	\$ -	\$ -	\$ -
Prepaid expenditures	306,888	13,976	46,491	23,304
Total other current assets	<u>\$ 328,936</u>	<u>\$ 13,976</u>	<u>\$ 46,491</u>	<u>\$ 23,304</u>

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables arise from interfund transactions. Principally, these amounts result from operating subsidies or loans. Interfund receivables and payables are eliminated within the government-wide financial statements but are shown on the governmental fund statements. At the balance sheet date, the amount of interfund receivables is equal to the amount of interfund payables as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,340	\$ 7,277
Capital Projects Fund	-	2,340
Non Uniform Defined Contribution Fund	7,277	-
	<u>\$ 9,617</u>	<u>\$ 9,617</u>

These balances resulted 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 payments between the funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to spend them, (2) use unassigned revenues collected to finance various programs accounted for in other funds pursuant to authorizations. Interfund transfers are made from the sewer and refuse funds and Paxon Hollow Country Club to the general fund for management fees. The highway aid fund makes transfers to the general fund for highway projects.

	Transfer to Other Funds	Transfer from Other Funds
General Fund	\$ -	\$ 1,041,900
Paxon Hollow Fund	250,000	-
Sewer Fund	100,000	-
Refuse Fund	25,000	-
Highway Aid Fund	666,900	-
	<u>\$ 1,041,900</u>	<u>\$ 1,041,900</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 CAPITAL ASSETS

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 5,748,476	\$ -	\$ -	\$ 5,748,476
Construction in progress	502,600	1,151,860	(566,995)	1,087,465
Total capital assets not being depreciated	6,251,076	1,151,860	(566,995)	6,835,941
Capital assets being depreciated				
Land improvements	1,387,984	-	-	1,387,984
Buildings	9,166,962	507,690	-	9,674,652
Infrastructure	19,356,363	996,189	-	20,352,552
Furniture and equipment	5,767,513	366,917	(66,875)	6,067,555
Subtotal	35,678,822	1,870,796	(66,875)	37,482,743
Total capital assets before capital lease	41,929,898	3,022,656	(633,870)	44,318,684
Capital lease	200,864	-	-	200,864
Total capital assets	42,130,762	3,022,656	(633,870)	44,519,548
Accumulated depreciation				
Land improvements	561,020	56,302	-	617,322
Buildings	2,555,758	259,338	-	2,815,096
Infrastructure	12,984,495	628,158	-	13,612,653
Furniture and equipment	4,266,134	336,752	(66,875)	4,536,011
Total accumulated depreciation	20,367,407	1,280,550	(66,875)	21,581,082
Governmental activities capital assets, net of depreciation	\$ 21,763,355	\$ 1,742,106	\$ (566,995)	\$ 22,938,466

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 CAPITAL ASSETS (continued)

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 1,073,435	\$ -	\$ -	\$ 1,073,435
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,073,435</u>	<u>-</u>	<u>-</u>	<u>1,073,435</u>
Capital assets being depreciated				
Furniture and equipment	3,492,719	69,181	-	3,561,900
Golf course clubhouse	4,645,993	-	-	4,645,993
Golf course improvements	1,169,102	39,200	-	1,208,302
Sewer system	7,278,877	-	-	7,278,877
Total capital assets being depreciated	<u>16,586,691</u>	<u>108,381</u>	<u>-</u>	<u>16,695,072</u>
Total capital assets	<u>17,660,126</u>	<u>108,381</u>	<u>-</u>	<u>17,768,507</u>
Accumulated depreciation				
Furniture and equipment	3,080,504	132,370	-	3,212,874
Golf course clubhouse	2,012,059	150,931	-	2,162,990
Golf course improvements	950,596	48,549	-	999,145
Sewer system	6,781,133	33,416	-	6,814,549
Total accumulated depreciation	<u>12,824,292</u>	<u>365,266</u>	<u>-</u>	<u>13,189,558</u>
Business-type activities				
Capital assets, net of depreciation	<u>\$ 4,835,834</u>	<u>\$ (256,885)</u>	<u>\$ -</u>	<u>\$ 4,578,949</u>

Component unit – Marple Public Library

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
Capital assets:				
Leasehold improvements	\$ 220,315	\$ -	\$ -	\$ 220,315
Furniture and equipment	297,764	17,642	-	315,406
Total capital assets	<u>518,079</u>	<u>17,642</u>	<u>-</u>	<u>535,721</u>
Accumulated depreciation for:				
Leasehold improvements	182,982	12,484	-	195,466
Furniture and equipment	282,373	6,587	-	288,960
Total accumulated depreciation	<u>465,355</u>	<u>19,071</u>	<u>-</u>	<u>484,426</u>
Capital assets, net	<u>52,724</u>	<u>(1,429)</u>	<u>-</u>	<u>51,295</u>
Book collection:				
Exhaustible book collection	853,105	76,428	(83,232)	846,301
Accumulated depreciation for:				
Exhaustible book collection	701,387	74,043	(83,232)	692,198
Book collection, net	<u>151,718</u>	<u>2,385</u>	<u>-</u>	<u>154,103</u>
Total capital assets	<u>\$ 204,442</u>	<u>\$ 956</u>	<u>\$ -</u>	<u>\$ 205,398</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 LONG-TERM DEBT

	Principal Outstanding 01/01/21	Refunding/ Maturities	Additions	Principal Outstanding 12/31/21	Amounts Due in One Year
General obligation note series A of 2015	\$ 5,689,000	\$ 336,720	\$ -	\$ 5,352,280	\$ 343,000
General obligation note series B of 2015	541,000	29,280	-	511,720	30,000
General obligation note series C of 2015	1,036,000	201,000	-	835,000	204,000
General obligation note Series A of 2019	5,041,000	222,000	-	4,819,000	226,000
General obligation note Series B of 2019	2,686,000	143,000	-	2,543,000	146,000
General obligation note Series C of 2019	3,093,000	1,000	-	3,092,000	1,000
General obligation note Series D of 2019	2,596,000	95,000	-	2,501,000	98,000
	<u>\$ 20,682,000</u>	<u>\$ 1,028,000</u>	<u>\$ -</u>	19,654,000	1,048,000
Net pension obligation				9,744,547	-
Other post employment benefit obligation				11,751,376	-
Severance pay				23,560	-
Total long term liabilities				<u>\$ 41,173,483</u>	<u>\$ 1,048,000</u>

Governmental Funds	\$ 16,599,280
Proprietary Funds	<u>3,054,720</u>
	<u>\$ 19,654,000</u>

The above General Obligation Notes at December 31, 2021 totaled \$19,654,000.

The annual requirements to amortize all debts outstanding as of December 31, 2021 are as follows:

Year	Principal	Interest	Total
2022	\$1,048,000	\$388,890	\$1,436,890
2023	1,069,000	368,327	1,437,327
2024	1,076,000	347,435	1,423,435
2025	1,098,000	326,321	1,424,321
2026	1,117,000	303,312	1,420,312
2027-2031	5,920,000	1,161,522	7,081,522
2032-2036	6,495,000	529,746	7,024,746
2037-2038	1,831,000	38,970	1,869,970
	<u>\$19,654,000</u>	<u>\$3,464,523</u>	<u>\$23,118,524</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 LONG-TERM DEBT (continued)

	<u>Principal Outstanding</u>
General Obligation Notes Series A of 2015 in the amount of \$6,800,000, bearing interest at 2.049%, maturing in 2035.	\$5,352,280
General Obligation Note Series B of 2015 in the amount of \$630,000, bearing interest at 2.049%, maturing in 2035.	511,720
General Obligation Note Series C of 2015 in the amount of \$2,020,000 (partially used to refund General Obligation Bond Series B of 2010), bearing interest at 2.049%, maturing in 2025.	835,000
General Obligation Note Series A of 2019 in the amount of \$5,129,000 (partially used to refund General Obligation Note of 2019), bearing interest at 2.05%, maturing in 2038.	4,819,000
General Obligation Note Series B of 2019 in the amount of \$2,826,000 (partially used to refund General Obligation Notes A and B of 2017) bearing interest at 2.05%, maturing in 2036.	2,543,000
General Obligation Note Series C of 2019 in the amount of \$3,094,000 (partially used to refund General Obligation Note Series C of 2017), bearing interest at 2.05%, maturing in 2036.	3,092,000
General Obligation Note Series D of 2019 in the amount of \$2,796,000 (partially used to refund General Obligation Note Series A of 2016), bearing interest at 2.05%, maturing in 2036.	2,501,000
Outstanding Principal	<u>\$19,654,000</u>

The Township in early 2022, issued a general obligation note in the amount of \$7,889,000, bearing interest at 2.35% through 2032, and 3.75% from 2032 to 2042. The annual requirements to amortize all debts outstanding subsequent to the closing of the 2022 indebtedness is as follows:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$1,122,000	\$556,406	\$1,678,406
2023	1,175,000	550,687	1,725,687
2024	1,198,000	527,069	1,725,069
2025	1,229,000	503,017	1,732,017
2026	1,250,000	476,965	1,726,965
2027-2031	6,649,000	1,980,157	8,629,157
2032-2036	6,910,000	1,678,507	8,588,507
2037-2041	6,551,000	883,545	7,434,545
2042	1,459,000	27,356	1,486,356
	<u>\$27,543,000</u>	<u>\$7,183,709</u>	<u>\$34,726,709</u>

**TOWNSHIP OF MARPLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 10 OPERATING LEASE OBLIGATION

The Township holds capital leases for equipment both in the general fund and the Paxon Hollow Fund.

The Township entered into an operating lease for copiers in July 2019 for 48 months. The remaining lease payments are as follows:

2022	\$	6,192
2023		<u>3,096</u>
	\$	<u>9,288</u>

The Township entered into an operating lease for golf equipment for Paxon Hollow in the amount of \$394,392 beginning January 1, 2020. The payment schedule was for four annual payments beginning in 2020 and ending in 2023. For every \$1 Paxon Hollow Golf Club earns in golf cart fees, the Township is obligated to the vendor for \$.30, with a maximum payment of \$99,598 annually.

Schedule of proprietary funds operating lease payments:

2022	\$	99,598
2023		<u>99,598</u>
	\$	<u>199,196</u>

NOTE 11 DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

Real estate taxes collected within 60 days of the fiscal year end are recorded as current revenues. The noncurrent portion of real estate taxes is recorded as unavailable taxes on the governmental statements as deferred inflows of resources until such time as they become available. Within the government wide and proprietary fund statements, deferred inflows of resources include the unamortized portion of a deferred loss on refinancing, bond discount amortization, as well as certain pension expense deferrals. Deferred outflows on the government wide and proprietary statements include the deferred gain on a refinancing.

NOTE 12 UNEARNED REVENUE

Unearned revenue consists of funds received by the Township for which the service or project has not yet been performed.

Country club passes and prepayments for golf outings for the 2022 calendar year are reflected as unearned revenue within the Paxon Hollow Fund. Funds received as part of the American Recovery Plan Act (ARPA) had not yet been expended and are shown herein as unearned revenue as well. Other items not yet earned in the General Fund are shown below:

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 UNEARNED REVENUE (continued)

	General Fund	Paxon Hollow Country Club	ARPA Fund	Total
Deposits on outings / gift cards	\$ -	\$ 235,692	\$ -	\$ 235,692
Grant funding	-	-	1,253,675	1,253,675
Finger printing	64,441	-	-	64,441
Traffic signals - Old Marple and Sproul Roads	125,000	-	-	125,000
Other	6,650	-	-	6,650
Total unearned revenue	<u>\$ 196,091</u>	<u>\$ 235,692</u>	<u>\$ 1,253,675</u>	<u>\$ 1,685,458</u>

NOTE 13 SEVERANCE PAY-LONG TERM LIABILITY

Shown as part of the long-term liabilities due in more than one year is a liability for severance pay for certain retired police officers as follows:

	Balance 01/01/21	Additions	Reductions	Balance 12/31/21
Accrued severance	\$ 45,673	\$ -	\$ 22,113	\$ 23,560

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Township provides post-employment benefits for its Uniformed retirees and dependents.

The measurement date is the Township's fiscal year end of December 31, 2021 and plan assets are measured as of that date. The total OPEB Liability is based on an actuarial valuation as of July 1, 2020 with adjustments for the one and one-half year difference including service cost, interest on total OPEB liability and expected benefit payments—also referred to as the rollforward.

Plan description:

The Township's post-employment plan provides healthcare, prescription drug, vision, dental and life insurance benefits, depending on retiree's date of hire and date of retirement, to Uniformed retirees and dependents. All uniformed employees are eligible to retire after reaching a minimum age of 50 (age 52 if hired on or after January 1, 2013) and completing 25 years of service for the Township.

The health insurance plan is a single employer, defined benefit OPEB plan. Insurance coverage includes medical, prescription drug, dental and vision benefits. Eligible uniformed employees and their spouses receive coverage through death at the same level of coverage as when employed. The medical benefits are all administered through Independence Blue Cross. Separate financial statements are not issued for the plan.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

Funding policy:

The Township has segregated assets to fund this liability in an OPEB Trust fund. It is the intention of the Township to pay premiums as due and set aside additional funding for the OPEB obligation. The Trust currently holds \$3,090,459. Pursuant to the most recent actuarial evaluation dated July 1, 2020 and rolled forward as noted above, the net post-employment benefit obligation of the Township is \$11,751,376, shown on these financial statements as a long-term liability.

Funding progress:

The covered payroll (annual payroll of active employees covered by the plan) was \$3,618,153; and the ratio of the net OPEB Liability as a percentage of covered payroll was 324.8%.

The actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions as to current claim costs, projected increases in health care costs, morbidity, turnover, and interest discounts. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made into the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements will present current year information about the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical sharing of benefit costs between the employer and plan members to that point. The actual methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actual value of assets, consistent with the long-term perspective of the calculations in the July 1, 2020 actuarial valuation the following actuarial assumptions were used:

Actuarial method	Entry age
Discount rate	5.68%
Amortization method	closed level percentage of payroll
Amortization period	30 years (20 remaining)

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

The total OPEB liability was determined by the actuarial valuation as of July 1, 2020, using the following actuarial assumptions:

Investment return:	7.25%, net of investment expense and including inflation
Healthcare trend:	Ranging from 7% to 4.25%
Mortality:	Healthy: RP 2000 Blue Collar Mortality Table for males and females with static projection to 2027 with Scale BB (50% of these tables apply to pre-retirement deaths)
	Disabled: RP 2000 Disabled Mortality Tables, with static projection to 2027 with Scale BB

Following is a summary of plan membership as of July 1, 2020:

Active participants	25
Retirees/spouses	<u>31</u>
Total participants	<u><u>56</u></u>

Annual OPEB cost and net OPEB obligations:

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the actuarially determined contribution (ADC) which represents the annual cost of the plan on a funding basis. The ADC is the sum of the Normal Cost and the amortization of unfunded actuarial accrued liability. The following table shows the components of the Township's annual OPEB cost for the year, the estimated retiree premiums paid to the plan and the changes in the Township's net OPEB obligation pursuant to the GASB 75 methodology.

Net OPEB Obligation (NOO) at 1/1/21	\$ 15,625,423
Change in OPEB liability for period	(3,389,869)
Investment	358,832
Employer contribution/benefits paid	(827,330)
Administration	<u>(15,680)</u>
OPEB liability as of 12/31/20	<u><u>\$ 11,751,376</u></u>

Sensitivity of the net OPEB liability to changes in the discount rate

Following represents the net OPEB liability of the plan using the discount rate of 5.68% as well as what the plan's liability would be if it were calculated using a discount rate 1% higher or 1% lower than the current rate; and what the OPEB liability would be using the healthcare trend rate from 6% to an ultimate rate of 4.25% as well as what the plan's liability would be using trend rates for each year that are 1% lower or 1% higher:

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

	1% Decrease 4.68%	Current Rate 5.68%	1% Increase 6.68%
Net OPEB Liability	<u>\$13,498,165</u>	<u>\$11,751,376</u>	<u>\$10,293,309</u>
	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase 5.25%
Net OPEB Liability	<u>\$10,182,184</u>	<u>\$11,751,376</u>	<u>\$13,640,125</u>

At December 31, 2021, The Township reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ -	\$ 3,320,820
Changes in assumptions	395,076	261,622
Net difference between projected and actual investment earnings	-	288,734
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 395,076</u>	<u>\$ 3,871,176</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the Township's government wide expense as follows:

Year ended December 31:

2022	\$ (1,242,443)
2023	\$ (1,138,470)
2024	\$ (1,062,537)
2025	\$ (32,650)
2026	\$ -
Thereafter	\$ -

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS

A. Plan description

The Township contributes to two public employee retirement systems (PERS), one for its uniformed employees and one for non-uniformed employees. Both are single employer PERS, administered by the Township. Both plans are defined benefit pension plans. The Township has a portion of the Non-Uniform Plan remaining from a former defined contribution Plan. The Police Pension Plan covers all full-time uniformed employees. The Non-Uniform Plan covers all full-time non-uniformed employees.

Additionally, the Township had previously a Defined Contribution Plan for Municipal Employees. The Plan is inactive and the investments managed by the Township.

In 2020 the Non-Uniform Plan was revised as noted below. Further, the Defined Benefit plan has been frozen to new entrants as of December 31, 2019. Employees hired subsequent to that date will be eligible to participate in a Defined Contribution Plan with benefits based on a 3 percent annual employer contribution based on employee's annual wages with vesting after five years of service. Employees will not be required to contribute to the Plan. However, all employees will have the option to contribute to the Township's 457 Plan.

Pension plans financial statements are prepared using the accrual basis of accounting. Employees' and employer contributions are recognized as revenues in the period in which employee services are performed. Pension plan equity securities are reported at market value. Fixed income securities are reported at market value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date. The Board of Commissioners has delegated the management of each of the active Plan assets to CBIZ-InR Advisory Services, Inc.

Basic Provisions

Police:

Members may retire upon reaching age 50 and 25 years of service; or if hired on or after January 1, 2013, age 52 and 25 years of service. Early retirement may occur after 20 years of service; vesting occurs after completion of 12 years of vesting service.

Retirement benefit is equal to 50% of the average monthly compensation averaged over the last 36 months, plus an additional service increment of \$100 per month for each completed year in excess of 25 years, to a maximum of \$500. Survivor benefit is available at 50% of pension if a member is retired or eligible for retirement. Disability benefit if service related is the greater of 70% of average applicable compensation offset by social security or 50% of the member's salary at the time of the disability offset by the amount of social security benefits for the same injury.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

Members contributions are 5% of pay for those members hired before July 1, 2010 and 6% of pay for those hired on or subsequent to July 1, 2010. Interest is credited to members' contributions at the rate of 3%.

In 2022, the Township implemented an Act 44 Deferred Retirement Option Plan (DROP), with a maximum participation of thirty-six months. Police officers who reach normal retirement date shall be eligible. With this program, the electing officer's continuous service will remain as it existed at commencement of the participation. The monthly benefit amounts that would have been payable had the Officer had elected to cease employment shall be paid into the Officer's DROP program account to be invested pursuant to the applicable law. Upon separation from employment, the participant shall receive the balance of his program account, or paid or rolled over as applicable to an eligible retirement account.

Non-Uniform:

Normal retirement for this plan is age 65 and completion of 10 years of service. Early retirement is at 62 and 10 years of service. Vesting in the plan is 10% per year and 100% after 10 years. The retirement benefit consists of 35% of 36-month average monthly compensation. Survivor benefits consist of actuarial equivalent benefits; disability benefit service and non-service-related disability benefits consist of 35% of 36 months average compensation. Members' contributions are 3% with interest credited to the member's account at a rate of 3%. As noted above, the plan was amended in 2020.

Membership contribution to the plan increased in 2021 to 5% of gross salary. Effective also in 2021, the Defined Benefit plan formula is calculated on 2% of the average monthly compensation (based on the final 36 months preceding retirement) at a maximum of 60% of the members compensation. For employees retiring on or after January 1, 2020, the retirement benefits will be calculated (as needed) based on the current plan formula and the newly adopted benefit formula and the employee will receive the higher of the two calculations.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

General Information:

The Township received \$566,079 in Commonwealth funds on behalf of the plans in 2021, pursuant to Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act distributed as follows:

	<u>Commonwealth Aid</u>	<u>Township Contribution</u>	<u>Minimum Municipal Obligation</u>
Uniform	\$ 330,193	\$ 1,441,193	\$ 1,771,386
Non-uniform	235,886	-	235,886
Total	<u>\$ 566,079</u>	<u>\$ 1,441,193</u>	<u>\$ 2,007,272</u>

Further, the Township was not required to contribute to its non-uniform inactive defined contribution plan for the period; but was required to contribute \$14,654 to its Defined Contribution Pension Plan established last period.

Pension expense within the general fund recognized for the period was:

<u>Police Pension Plan</u>	<u>General Fund Non-Uniform Pension Plan</u>	<u>Total General Fund Pension Expenditure</u>
\$ 1,774,386	\$ 169,030	\$ 1,943,416

Expense in the government wide fund differs from that in the governmental funds as a result of actuarial changes and the portion allocated to the business type activities accordingly. Allocation of the pension expense within the government-wide statements is as follows:

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Pension Expense</u>
\$ 396,665	\$ (23,524)	\$ 373,141

Plan membership as of the latest actuarial valuation reports for each plan is as follows:

	<u>Police</u>	<u>Non-Uniform</u>	<u>Defined Contribution</u>
Inactive Plan Members currently receiving benefits	43	24	7
Inactive Plan Members entitled to but not receiving benefits	-	5	-
Active Plan members	<u>30</u>	<u>53</u>	<u>-</u>
	<u>73</u>	<u>82</u>	<u>7</u>

Active membership of each plan contributed as follows for 2021:

Police	\$ 198,279
Non-Uniform	\$ 172,836

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

Total covered payroll for the non-uniform employees' participants was \$3,575,750; annual covered payroll of the Police members totaled \$3,707,360.

Projected funding requirements for the 2022 plans based on actuarial computations of minimum municipal obligations are as follows:

Police	\$ 1,881,243
Non Uniform	605,794
Defined Contribution	<u>16,350</u>
	<u>\$ 2,503,387</u>

A significant portion of this amount is expected to be received from the General Municipal Pension System pursuant to Act 205.

Net Pension Liability of the Township

Total net pension liability of the Township is as follows at December 31, 2021:

<u>Police Pension Plan</u>	<u>Non-Uniform Pension Plan</u>	<u>Total Net Pension Liability</u>
\$ 7,842,061	\$ 1,902,486	\$ 9,744,547

Police

The components of the net pension liability of the Township at December 31, 2020 were as follows:

Total Pension Liability	\$ 30,148,271
Plan fiduciary net position	<u>(22,306,210)</u>
Net pension liability	<u>\$ 7,842,061</u>

Plan fiduciary net position as a percentage of the total pension liability: 73.99%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 (updated through roll forward procedures through the measurement date of December 31, 2021) using the following actuarial assumptions applied to all periods in the measurement:

Inflation	3.00%
Salary increases	3.50%
Investment rate of return	7.25% per annum, net of investment expense an inclusive of inflation

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

Mortality rates were based on the RP-2000 Blue Collar Tables projected to 2027 with Projection Scale BB, with 50% adjustment for active employees and a five-year set forward for disabled members.

Long term expected rate of return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and adding expected inflation. The long term *expected real* rate of return including inflation is 5.65%

Discount rate

The discount rate used to measure the total pension liability was 7.25% per year. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments of current Plan members. The Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability, however. This may result in future increased total and net pension liability.

Sensitivity of the net pension liability to changes in the discount rate

Following presents the net pension liability of the Township if calculated using different discount rates as presented by actuarial determination (unaudited):

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net pension liability	\$11,029,124	\$7,842,061	\$4,959,701

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

At December 31, 2021, The Township reported deferred outflows of resources and deferred inflows of resources related to the police pension as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ -	\$ 833,732
Changes in assumptions	307,611	-
Net difference between projected and actual investment earnings	-	2,007,480
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 307,611</u>	<u>\$ 2,841,212</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension will be recognized in the Township's pension expense as follows:

Year ended December 31:

2022	\$ (339,738)
2023	\$ (1,023,170)
2024	\$ (630,844)
2025	\$ (382,247)
2026	\$ (157,602)
Thereafter	\$ -

Non-Uniform

The Plan Fiduciary net position includes \$68,274 pertaining to the aforementioned prior defined contribution plan. The components of the net pension liability of the Township at December 31, 2020 were as follows:

Total Pension Liability	\$ 11,667,978
Plan fiduciary net position	<u>(9,765,492)</u>
Net pension liability	<u>\$ 1,902,486</u>

Plan fiduciary net position as percentage of the total pension liability: 83.69%

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 (updated through roll forward procedures through the measurement date of December 31, 2021) using the following actuarial assumptions applied to all periods in the measurement:

Inflation	3.00%
Salary increases	3.50%
Investment rate of return	7.25% per annum, net of investment expense and inclusive of inflation

Mortality rates were based on the RP-2000 Blue Collar Tables, projected to 2027 with Scale BB, with 50% adjustment for active employees and a five-year set forward for disabled members.

Long term expected rate of return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2021 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and adding expected inflation. The long term *expected real* rate of return including inflation is 5.65%

Discount rate

The discount rate used to measure the total pension liability was 7.25% per year. The Plan's fiduciary net position is projected to be sufficient to make projected benefit payments of current Plan members. The Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability, however. This may result in future increased total and net pension liability.

Sensitivity of the net pension liability to changes in the discount rate

Following presents the net pension liability of the Township if calculated using different discount rates as presented by actuarial determination (unaudited):

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net pension liability	\$3,419,323	\$1,902,486	\$560,152

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

For the year ended December 31, 2021, the Township recognized pension expense in its government wide statements for the Non-Uniform pension allocated among the Governmental Activities and the Proprietary Funds activities. At December 31, 2021, The Township reported deferred outflows of resources and deferred inflows of resources related to the non-uniform pension as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ -	\$ 897,403
Changes in assumptions	17,266	57,823
Net difference between projected and actual investment earnings	-	885,473
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 17,266</u>	<u>\$ 1,840,699</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Non-Uniform Pension Plan will be recognized in the Township's pension expense as follows:

Year ended December 31:

2022	\$	(348,697)
2023	\$	(543,924)
2024	\$	(353,824)
2025	\$	(231,670)
2026	\$	(136,956)
Thereafter	\$	(208,362)

NOTE 16 AUTHORITY PAYMENTS

A. Under a supplemental agreement with Central Delaware County Authority, dated August 17, 1960, the Township is responsible for its share of operating expenses and its share of service charges for rental of sewerage improvements. Operating expenses are allocated to member governments based principally on the proportionate share of total dwelling units and are payable quarterly. The total cost charged to the Township in 2021 was \$1,684,498.

B. Under an agreement with Radnor-Haverford-Marple Sewer Authority dated June 1, 1968, the Township is responsible for its share of operating and debt service expenses based upon metered sewerage discharged by the Township into the Sewer Authority facilities. The total cost charged to the Township in 2021 was \$1,788,926.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 17 LEASES

The Township entered into a lease agreement with the Foster Group Partnership LLC for use of the Paxon Hollow Clubhouse facility. The agreement was originally for a term of five years beginning February 2013 with two additional five-year option terms. The first option for an additional five-year option term was exercised, as follows:

<u>Year ending</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
12/31/22	\$ 21,050	\$ 252,600
12/31/23	21,682	260,184
	<u>\$ 42,732</u>	<u>\$ 512,784</u>

The Township received \$252,000 this period in rent.

The Township further holds a memorandum of understanding with the Paxon Hollow golf professional for use of the Golf Pro Shop for private sale of golf related merchandise as well as for the use of the practice range for private lessons for an annual fee of \$6,000. This period, because of the continuing impact of COVID, the Township only received \$4,000. The provisions of this agreement continue until such time as the memorandum of understanding is terminated by the Board of Commissioners or the golf professional; or such time that the memorandum of understanding is modified by agreement of both parties or should the golf professional be terminated from his position with the Township.

NOTE 18 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The Township carries commercial insurance for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the Township's policy coverage. Settled claims resulting from these risks have not exceeded commercial insurance in the past three years.

NOTE 19 CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally federal or state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

NOTE 20 RISKS AND UNCERTAINTIES

As a result of the COVID-19 outbreak in the United States of America, certain economic uncertainties have arisen including the volatility of the stock market as well as potential loss of revenue sources. The ultimate financial impact of the economic and market conditions is unknown at this time.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 21 SUBSEQUENT EVENTS

The Township has evaluated subsequent events through November 20, 2022, which represents the date the financial statements were available to be issued.

THE TOWNSHIP OF MARPLE
REQUIRED SUPPLEMENTAL INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 8,502,156	\$ 8,502,156	\$ 8,459,160	\$ (42,996)
Local enabling act taxes	3,256,252	3,256,252	3,840,581	584,329
Licenses and permits	1,005,325	1,005,325	1,287,961	282,636
Fines and forfeits	38,000	38,000	46,565	8,565
Rent	191,820	191,820	186,883	(4,937)
Investment earnings	20,000	20,000	7,850	(12,150)
Public utility realty tax	11,000	11,000	11,434	434
Grants and entitlements	88,128	88,128	172,261	84,133
Charges for services	264,500	264,500	165,739	(98,761)
Cable TV income	540,000	540,000	523,225	(16,775)
Pennsylvania contribution for pension and volunteer fireman	761,566	761,566	640,979	(120,587)
Miscellaneous/refunds and reimbursements	32,390	32,390	181,879	149,489
Total revenues	<u>14,711,137</u>	<u>14,711,137</u>	<u>15,524,517</u>	<u>813,380</u>
EXPENDITURES				
General governmental	1,877,477	1,877,477	1,817,031	60,446
Public safety	7,701,277	7,701,277	7,156,988	544,289
Public works - highways and streets	2,414,033	2,414,033	2,244,199	169,834
Culture and recreation	773,330	773,330	804,543	(31,213)
Library contribution	778,801	778,801	734,233	44,568
Pension	2,017,822	2,017,822	1,943,416	74,406
Debt principal	855,720	855,720	855,720	-
Debt interest	344,327	344,327	344,033	294
Total expenditures	<u>16,762,787</u>	<u>16,762,787</u>	<u>15,900,163</u>	<u>862,624</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,051,650)</u>	<u>(2,051,650)</u>	<u>(375,646)</u>	<u>1,676,004</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	920,000	920,000	1,041,900	121,900
Other post employment benefit trust funding	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses) of funds, net	<u>845,000</u>	<u>845,000</u>	<u>966,900</u>	<u>121,900</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ (1,206,650)</u>	<u>\$ (1,206,650)</u>	591,254	<u>\$ 1,797,904</u>
FUND BALANCE - BEGINNING			2,539,836	
FUND BALANCE - ENDING			<u>\$ 3,131,090</u>	

TOWNSHIP OF MARPLE
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION PLAN

SCHEDULE OF CHANGES IN MARPLE TOWNSHIP'S
NET PENSION LIABILITY AND RELATED RATIOS
(UNAUDITED)

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 345,204	\$ 333,530	\$ 322,251	\$ 309,114	\$ 296,512	\$ 306,262	\$ 306,263	\$ 343,669
Service cost	2,176,186	2,145,490	2,159,235	2,091,786	2,024,107	1,911,174	1,832,004	1,494,278
Interest	(945,617)	-	(162,872)	-	794,849	-	3,020,225	-
Changes in benefit terms and actual experience	(2,159,516)	(1,978,278)	(1,642,626)	(1,475,479)	(1,417,873)	(1,312,907)	(1,283,004)	(1,329,472)
Benefit payments	(593,743)	500,742	1,886,492	925,421	1,687,595	904,529	4,719,152	508,505
Net change in total pension liability	30,732,014	30,231,272	28,344,840	27,418,419	25,721,824	24,817,295	20,098,143	19,589,638
Total pension liability - beginning	\$ 30,148,271	\$ 30,732,014	\$ 30,231,272	\$ 28,344,840	\$ 27,419,419	\$ 25,721,824	\$ 24,817,295	\$ 20,056,143
Total pension liability - ending	\$ 1,771,386	\$ 1,768,602	\$ 1,501,098	\$ 1,500,447	\$ 1,371,077	\$ 1,368,619	\$ 1,088,977	\$ 1,085,475
Plan Fiduciary Net Position	196,279	195,131	193,178	185,236	175,677	171,555	169,205	161,626
Contributions - Township and state aid	2,513,235	2,464,290	2,977,620	(956,097)	2,012,735	836,725	(163,932)	663,451
Miscellaneous income	(2,159,516)	(1,978,278)	(1,642,626)	(1,475,479)	(1,417,873)	(1,312,907)	(1,283,004)	(1,329,472)
Net investment income	(35,541)	(32,378)	(36,340)	(33,524)	(43,546)	(30,805)	(35,071)	(23,811)
Benefit payments (includes non-uniform defined contribution Plan)	2,287,843	2,417,367	2,992,930	(779,418)	2,098,070	1,033,187	(223,826)	558,059
Administrative expense	20,018,367	17,601,000	14,608,070	15,387,488	13,289,418	12,256,229	12,480,054	11,921,955
Net change in fiduciary net position	\$ 22,306,210	\$ 20,018,367	\$ 17,601,000	\$ 14,608,070	\$ 15,387,488	\$ 13,289,416	\$ 12,256,229	\$ 12,480,054
Plan fiduciary net position - beginning	\$ 7,842,061	\$ 10,713,647	\$ 12,630,272	\$ 13,786,770	\$ 12,091,931	\$ 12,432,408	\$ 12,561,066	\$ 7,618,069
Plan fiduciary net position - ending	73.99%	65.14%	58.22%	51.54%	56.12%	51.67%	49.39%	62.10%
Marple Township net pension liability	\$ 3,618,153	\$ 3,583,066	\$ 3,693,888	\$ 3,536,582	\$ 3,362,394	\$ 3,363,692	\$ 3,341,114	\$ 3,195,536
Plan fiduciary net position as a percentage of total pension liability	216.74%	299.01%	341.92%	388.20%	357.84%	367.42%	375.95%	238.40%
Covered employee payroll	13.18%	14.67%	21.43%	-6.49%	15.88%	7.14%	-1.37%	5.82%
Net pension liability as a percentage of covered payroll								

SCHEDULE OF INVESTMENT RETURNS

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return net of investment expense	13.18%	14.67%	21.43%	-6.49%	15.88%	7.14%	-1.37%	5.82%

SCHEDULE OF TOWNSHIP CONTRIBUTIONS

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,771,386	\$ 1,768,602	\$ 1,501,098	\$ 1,500,373	\$ 1,371,077	\$ 1,368,619	\$ 1,088,977	\$ 1,084,200
Contributions in relation to the actuarially determined contribution	1,771,386	1,768,602	1,501,098	1,500,373	1,371,077	1,368,619	1,088,977	1,085,475
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,275)
Covered employee payroll	\$ 3,707,360	\$ 3,583,066	\$ 3,693,888	\$ 3,536,582	\$ 3,362,394	\$ 3,363,692	\$ 3,341,114	\$ 3,195,536
Contributions as a percentage of covered payroll	47.78%	49.36%	40.64%	42.40%	40.78%	40.45%	32.59%	33.97%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

NON UNIFORM PENSION PLAN

SCHEDULE OF CHANGES IN MARPLE TOWNSHIP'S NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

	2021	2020	2019	2018	2017	2016	2015	2014
	(Defined Benefit Portion)							
Total Pension Liability	\$ 274,855	\$ 215,894	\$ 208,593	\$ 200,089	\$ 191,932	\$ 185,947	\$ 185,947	\$ 139,868
Service cost	857,578	615,771	639,510	602,130	566,003	552,219	510,038	478,831
Interest	-	2,785,283	-	-	-	-	-	-
Changes in benefit terms	(833,448)	-	(169,882)	-	(161,963)	-	(31,027)	-
Differences between expected and actual experience	(366,186)	-	(92,518)	-	-	-	138,149	-
Changes in assumptions	(57,101)	(313,266)	(388,072)	(275,975)	(317,967)	(271,794)	(251,754)	(482,399)
Benefit payments	11,735,079	8,431,397	8,233,566	7,707,322	7,429,317	6,962,945	6,411,591	6,275,191
Net change in total pension liability	\$ 11,687,978	\$ 11,735,079	\$ 8,431,397	\$ 8,233,566	\$ 7,707,322	\$ 7,429,317	\$ 6,962,945	\$ 6,411,591
Total pension liability - ending	\$ 235,886	\$ 311,019	\$ 311,555	\$ 313,522	\$ 292,388	\$ 295,077	\$ 285,984	\$ 250,302
Plan Fiduciary Net Position	\$ 172,836	\$ 106,938	\$ 111,669	\$ 111,880	\$ 107,950	\$ 100,888	\$ 98,140	\$ 97,953
Contributions - Township and state aid	1,097,948	1,145,864	1,273,868	(394,832)	859,884	358,560	(78,315)	278,172
Contributions - employee	(366,186)	(313,266)	(388,072)	(275,975)	(317,967)	(271,794)	(251,754)	(482,399)
Miscellaneous income	(32,289)	(30,137)	(30,550)	(45,503)	(40,516)	(23,702)	(28,656)	(24,237)
Net investment income	1,103,201	1,220,418	1,278,490	(290,908)	901,739	439,009	(4,601)	125,477
Benefit payments	(6,557,291)	(7,436,873)	(6,158,383)	(6,449,291)	(5,547,552)	(5,088,543)	(5,088,543)	(4,967,667)
Administrative expense	\$ 9,765,492	\$ 8,657,291	\$ 7,436,873	\$ 6,158,383	\$ 6,449,291	\$ 5,547,552	\$ 5,088,543	\$ 5,093,144
Net change in fiduciary net position	\$ 1,502,468	\$ 3,077,788	\$ 594,524	\$ 2,075,183	\$ 1,258,031	\$ 1,881,765	\$ 1,874,402	\$ 1,318,447
Plan fiduciary net position - beginning	\$ 83,699	\$ 73,777	\$ 88,200	\$ 74,800	\$ 83,688	\$ 74,677	\$ 73,088	\$ 79,444
Plan fiduciary net position - ending	\$ 3,421,278	\$ 3,736,486	\$ 3,675,605	\$ 3,580,812	\$ 3,252,822	\$ 3,373,610	\$ 3,366,689	\$ 3,309,917
Covered employee payroll	55.61%	82.37%	27.06%	57.95%	38.58%	55.78%	55.68%	39.83%
Net pension liability as a percentage of covered payroll	13.17%	15.62%	21.16%	-6.48%	15.81%	7.11%	-1.55%	5.87%

	2021	2020	2019	2018	2017	2016	2015	2014
SCHEDULE OF INVESTMENT RETURNS								
Actuarially determined contribution	\$ 235,886	\$ 311,019	\$ 311,555	\$ 308,968	\$ 292,388	\$ 295,077	\$ 253,196	\$ 250,302
Contributions in relation to the actuarially determined contribution	235,886	311,019	311,555	308,968	292,388	295,077	253,196	250,302
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,575,750	\$ 3,736,486	\$ 3,675,605	\$ 3,580,812	\$ 3,252,822	\$ 3,357,508	\$ 3,394,102	\$ 3,204,872
Contributions as a percentage of covered payroll	6.60%	8.32%	8.48%	8.63%	8.99%	8.79%	7.46%	7.81%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA CONTRIBUTIONS

(UNAUDITED)

DECEMBER 31, 2021

POLICE:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
2012	\$ 808,424	\$ 809,924	\$ 1,500	\$2,917,541	27.76%
2013	\$ 817,901	\$ 819,401	\$ 1,500	\$2,964,969	27.64%
2014	\$ 1,084,200	\$ 1,085,475	\$ 1,275	\$3,195,536	33.97%
2015	\$ 1,088,977	\$ 1,088,977	\$ -	\$3,341,114	32.59%
2016	\$ 1,368,616	\$ 1,368,619	\$ -	\$3,383,692	40.45%
2017	\$ 1,371,077	\$ 1,371,077	\$ -	\$3,362,394	40.78%
2018	\$ 1,500,373	\$ 1,500,447	\$ 74	\$3,538,582	42.40%
2019	\$ 1,501,098	\$ 1,501,098	\$ -	\$3,693,888	40.64%
2020	\$ 1,768,602	\$ 1,768,602	\$ -	\$3,583,066	49.36%
2021	\$ 1,771,386	\$ 1,771,386	\$ -	\$3,707,360	47.78%

NON UNIFORM:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
2012	\$ 148,801	\$ 148,801	\$ -	\$2,972,304	5.01%
2013	\$ 148,760	\$ 148,760	\$ -	\$2,964,854	5.02%
2014	\$ 250,302	\$ 250,302	\$ -	\$3,309,917	7.56%
2015	\$ 253,196	\$ 255,984	\$ 2,788	\$3,366,669	7.60%
2016	\$ 295,077	\$ 295,077	\$ -	\$3,373,610	8.75%
2017	\$ 292,388	\$ 292,388	\$ -	\$3,252,822	8.99%
2018	\$ 313,525	\$ 313,525	\$ -	\$3,580,812	8.76%
2019	\$ 311,555	\$ 311,555	\$ -	\$3,675,606	8.48%
2020	\$ 311,019	\$ 311,019	\$ -	\$3,736,486	8.32%
2021	\$ 235,886	\$ 235,886	\$ -	\$3,575,750	6.60%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF POST EMPLOYMENT BENEFIT OBLIGATION FUNDING PROGRESS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2021

Year	Total OPEB Liability	Plan Fiduciary Net Position	Net Unfunded Liability	Funded Ratio	Annual Covered Payroll	Liability as a Percentage of Covered Payroll
2017	\$ 17,104,946	\$ 1,867,346	\$ 15,237,600	10.90%	\$ 3,362,394	453.2%
2018	\$ 16,991,535	\$ 1,815,872	\$ 15,175,663	10.69%	\$ 3,538,582	428.9%
2019	\$ 17,968,016	\$ 2,265,126	\$ 15,702,890	12.61%	\$ 3,693,888	425.1%
2020	\$ 18,297,730	\$ 2,672,307	\$ 15,625,423	14.60%	\$ 3,583,066	436.1%
2021	\$ 14,841,835	\$ 3,090,459	\$ 11,751,376	20.82%	\$ 3,618,153	324.8%

SCHEDULE OF POST EMPLOYMENT BENEFIT EMPLOYER CONTRIBUTIONS

Year	Actuarially Determined Employer Contribution	Actual employer Contribution including Township Trust Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percent of Payroll
2011	\$ 605,818	\$ 1,017,769	\$ (411,951)	\$ 2,870,112	35.46%
2012	\$ 606,020	\$ 622,411	\$ (16,391)	\$ 2,917,541	21.33%
2013	\$ 649,584	\$ 652,713	\$ (3,129)	\$ 2,964,969	22.01%
2014	\$ 649,514	\$ 660,506	\$ (10,992)	\$ 3,195,536	20.67%
2015	\$ 670,171	\$ 589,361	\$ 80,810	\$ 3,341,114	17.64%
2016	\$ 813,790	\$ 599,371	\$ 214,419	\$ 3,383,692	17.71%
2017	\$ 848,376	\$ 685,000	\$ 163,376	\$ 3,362,394	20.37%
2018	\$ 948,239	\$ 669,956	\$ 278,283	\$ 3,538,582	18.93%
2019	\$ 981,427	\$ 725,751	\$ 255,676	\$ 3,693,888	19.65%
2020	\$ 1,122,546	\$ 722,230	\$ 400,316	\$ 3,583,066	20.16%
2021	\$ 1,161,835	\$ 902,330	\$ 259,505	\$ 3,618,153	24.94%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN MARPLE TOWNSHIP'S
NET OPEB LIABILITIES
(UNAUDITED)

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 351,792	\$ 339,896	\$ 328,402	\$ 317,297	\$ 292,652
Interest	994,153	1,000,170	974,048	938,437	904,710
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(3,625,681)	(572,443)	-	(1,576,690)	-
Changes in assumptions	(348,829)	209,321	324,782	802,501	-
Benefit payments	(827,330)	(647,230)	(650,751)	(594,956)	(610,000)
Net change in total OPEB liability	(3,455,895)	329,714	976,481	(113,411)	587,362
Total OPEB liability - beginning	18,297,730	17,968,016	16,991,535	17,104,946	16,517,584
Total OPEB liability - ending	\$ 14,841,835	\$ 18,297,730	\$ 17,968,016	\$ 16,991,535	\$ 17,104,946
Plan Fiduciary Net Position					
Contributions - Township -including an implicit subsidy	\$ 902,330	\$ 722,230	\$ 725,751	\$ 669,956	\$ 685,000
Net investment income	358,832	347,381	384,235	(116,909)	244,578
Benefit payments (includes non-uniform defined contribution Plan)	(827,330)	(647,230)	(650,751)	(594,956)	(610,000)
Administrative expense	(15,680)	(15,200)	(9,981)	(9,565)	-
Net change in fiduciary net position	418,152	407,181	449,254	(51,474)	319,578
Plan fiduciary net position - beginning	2,672,307	2,265,126	1,815,872	1,867,346	1,547,768
Plan fiduciary net position - ending	\$ 3,090,459	\$ 2,672,307	\$ 2,265,126	\$ 1,815,872	\$ 1,867,346
Marple Township net OPEB liability-beginning of year	\$ 15,625,423	\$ 15,702,890	\$ 15,175,663	\$ 15,237,600	\$ 14,969,816
Marple Township net OPEB liability-year end	\$ 11,751,376	\$ 15,625,423	\$ 15,702,890	\$ 15,175,663	\$ 15,237,600
Plan fiduciary net position as a percentage of total OPEB liability	20.82%	14.60%	12.61%	10.69%	10.92%
Covered employee payroll	\$ 3,618,153	\$ 3,583,066	\$ 3,693,888	\$ 3,538,582	\$ 3,362,394
Net OPEB liability as a percentage of covered payroll	324.79%	436.09%	425.10%	428.86%	453.18%

THE TOWNSHIP OF MARPLE

BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$ 3,373,963
Real estate taxes receivable	768,868
Other accounts receivable	492,733
Due from other funds	2,340
Due from other government	228,566
Inventory	22,048
Prepaid expenditures	306,888
Total assets	<u>5,195,406</u>

DEFERRED OUTFLOW OF RESOURCES

-

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 5,195,406

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 388,817
Due to other funds	7,277
Accrued payroll and related liabilities	236,142
Accrued interest	5,540
Unearned revenue	196,091
Escrow liability	499,878
Total liabilities	<u>1,333,745</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable taxes	<u>730,571</u>
Total liabilities and deferred inflows of resources	<u>2,064,316</u>

Fund balance:

Nonspendable	306,888
Restricted	-
Committed for:	-
Capital projects	-
Assigned to:	
Green Bank Farm improvements	20,065
2021 budget projected shortfall	1,932,176
Unassigned	871,961
Total fund balance	<u>3,131,090</u>

TOTAL LIABILITIES AND FUND BALANCE

\$ 5,195,406

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES	
Taxes - real estate (net)	\$ 8,459,160
Local enabling act taxes	
Deed transfer tax	1,119,716
Mercantile tax	914,830
Business privilege tax	1,226,686
Local service tax	534,003
Amusement tax	45,346
	<u>3,840,581</u>
Licenses and permits	
Licenses and inspection	1,287,961
Franchise fee - cable television	523,225
	<u>1,811,186</u>
Fines - forfeits costs	
District justice fines	25,835
Reimbursements and motor vehicle code violations	20,730
	<u>46,565</u>
Interest and rents	
Investment earnings	7,850
Rent of building and parking lots	186,883
	<u>194,733</u>
Grants	
Recycling grant	48,000
Equity share program	39,191
Public utility realty tax act	11,434
County aid	34,628
DCNR Township master trail plan	35,000
PennDot snow removal grant reimbursement	15,442
Pennsylvania contribution for pension and volunteer firemen	640,979
	<u>824,674</u>
Charges for services	
Garbage, refuse charges and recycling	25,262
Other departmental revenue	140,477
	<u>165,739</u>
Other	
Refunds and reimbursements	28,981
Miscellaneous	152,898
	<u>181,879</u>
TOTAL REVENUES	<u>15,524,517</u>

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

GOVERNMENTAL EXPENDITURES

GENERAL GOVERNMENT

Administration

Salaries and benefits	763,376
Materials and supplies	19,526
General expenses	368,016
Computer software and consulting	49,927
Municipal pension contribution	169,030
Accounting, payroll and actuarial services	65,148
Collection fees 511 taxes	89,923
Repairs and maintenance and capital purchases	0
Solicitor and arbitration	181,827
General engineering	114,616
	<u>1,821,389</u>

Treasurer

Salaries and benefits	41,898
General expense	9,172
	<u>51,070</u>

Municipal buildings

Salaries and benefits	48,888
Materials and supplies - general	6,782
Utility cost	20,563
Maintenance and repairs	37,369
	<u>113,602</u>

Total general government	<u>1,986,061</u>
--------------------------	------------------

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

PROTECTION TO PERSONS AND PROPERTY

Police protection

Salaries and benefits	5,589,410
Materials, supplies and general expenses	177,464
Utilities	37,746
Vehicle operation and new vehicles	93,007
Animal control	5,970
Maintenance and repairs and equipment	48,433
Police training, physicals and police testing	30,867
Pension plan contribution	1,774,386
Equity share program-DOJ	39,191
Capital purchases	15,165
	<u>7,811,639</u>

Fire and ambulance rescue

Fire hydrants	108,922
Utilities	16,621
Workers compensation and other insurances	29,150
General expenses	25,014
Contributions	5,500
Contribution volunteer fire companies	150,000
Pennsylvania relief funds	156,411
	<u>491,618</u>

Building regulation, planning, zoning and emergency management

Salaries and benefits	539,005
General expenses	80,640
Materials and supplies	8,472
	<u>628,117</u>

Total protection to persons and property	<u>8,931,374</u>
--	------------------

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

GENERAL SERVICES, STREET LIGHTS AND HIGHWAY

Public works

Salaries and benefits	1,549,059
Materials and supplies	41,839
General expenses	46,971
Traffic signals, street signs and street lights	71,395
Snow removal	105,380
Electricity and other utilities	196,697
Gas, oil and diesel	36,276
Leaf collection	15,780
Maintenance of equipment and building	76,811
Pavement management program	0
Capital equipment general	77,318
Minor equipment	26,673
Total public works	<u>2,244,199</u>

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

CULTURE AND RECREATION

General recreation services

Maintenance and repairs	1,477
Contributions	5,800
	<u>7,277</u>

Parks and playgrounds

Salaries and benefits	500,791
Materials and supplies	6,465
Maintenance and repairs	72,845
Utilities	34,571
General expenses	143,558
	<u>758,230</u>

Libraries

Insurance	7,743
Utilities	22,793
General expense	8,500
Library funding	734,233
	<u>773,269</u>

Total department of culture and recreation	<u>1,538,776</u>
--	------------------

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

Debt service	
Interest	344,033
Principal	855,720
Total debt service expenditures	<u>1,199,753</u>
TOTAL EXPENDITURES	<u>15,900,163</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(375,646)
OTHER FINANCING SOURCES (USES) OF FUNDS	
OPEB trust contribution	(75,000)
Operating transfer in	1,041,900
Total other financing sources (uses) of funds	<u>966,900</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES OF FUNDS	591,254
FUND BALANCE - BEGINNING	<u>2,539,836</u>
FUND BALANCE - ENDING	<u><u>\$ 3,131,090</u></u>



CYNTHIA FELZBR LEITZELL, CPA
 STELLA C. ECONOMIDIS, CPA

LEITZELL & ECONOMIDIS, PC
 CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
 STATEMENTS PERFORMED
 IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
 Township of Marple
 Broomall, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Township of Marple, Broomall, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township of Marple, Broomall, Pennsylvania’s basic financial statements and have issued our report thereon dated November 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Marple's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township’s internal control. Accordingly, we do not express an opinion on the effectiveness of Marple Township’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Marple's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

November 20, 2022