

TOWNSHIP OF MARPLE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2022



TOWNSHIP OF MARPLE

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CYNTHIA FRIZER LEITZELL, CPA
 STELLA C. ECONOMIDIS, CPA

LEITZELL & ECONOMIDIS, PC
 CERTIFIED PUBLIC ACCOUNTANTS

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CYNTHIA FEYZER 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, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Township of Marple, Broomall, Pennsylvania as of and for the year ended December 31, 2022, 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, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Township of Marple, as of December 31, 2022, 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 and *Government Auditing Standards* 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 and may be found on pages 4 through 19, 62, and 63 through 65. 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial 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 March 15, 2024, 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

March 15, 2024
Newtown Square, Pennsylvania

**TOWNSHIP OF MARPLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
DECEMBER 31, 2022**

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, 2022. 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 \$17,254,587 (representing its net position). Proprietary funds' assets exceeded their respective liabilities by \$4,118,077.
- Total revenues of the Township's 2022 governmental activities were \$17,325,771 (without regard to transfers between governmental activities and business type activities), and expenses totaled \$17,069,130 plus a loss of \$1,065,842 in disposition of assets. This compares to 2021 activity of \$17,566,462 in revenues and \$13,772,841 in expenses. While most revenue streams remaining consistent this period, there was an increase in local enabling taxes, but a decrease in general charges for services, particularly in general governmental fees. Expenses in the government activities increased this year by \$3,296,289 or 24%. The driving factor of this overall increase was due to a significant increase in the actuarially determined municipal pension expense. Public safety costs were also increased in this period as well by 22%.
- Township revenues increased within the business type activities to \$9,111,663, an increase of 5% from the prior year. Operating expenses of business-type activities in 2022 increased to \$8,470,084 or about 13%, excluding transfers out and debt related costs. Pension expense, as in the governmental activities, increased as a result of actuarial changes. In addition, treatment costs within the Sewer fund increased significantly as well as general services within the Paxon Hollow Fund. Further, refuse charges from the waste management authority were increased this year by 26.6%.

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 \$7,531,015 as of December 31, 2022. This is an increase from the prior year of \$3,359,660 which includes proceeds of debt in the amount of \$7,889,000.
- At December 31, 2022, the General Fund reported a fund balance of \$3,207,363, an increase of \$76,273, inclusive of transfers from the proprietary funds in the amount of \$375,000, transfers from the Highway Aid Fund for highway and streets repair and maintenance in the amount of \$683,440, and from the American Rescue Plan Act fund for \$256,614. 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 increased in the area of accounts payables.
- Expenditures in the total government activities increased by \$3,766,791 including \$4,417,875 in capital expenditures (an increase in capital outlay with the prior year in the amount of \$1,962,214). While many functional governmental expenditures remained stable from the prior year, pension costs increased approximately 17%, and public safety increased approximately 3%.
- The Township this period received \$1,261,604 in the American Rescue Plan Act funding resulting in a total of \$2,515,279 received. The Township expended \$256,614 of that funding in 2022 leaving the balance of \$2,258,665 being reported as 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 increased slightly this period as a result of new debt incurred 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 \$17,254,587. Business type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,118,077. The following table presents condensed comparative information for the net assets of the Township for calendar years 2022 and 2021.

TOWNSHIP OF MARPLE SUMMARY OF STATEMENTS OF NET POSITION DECEMBER 31,						
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 11,723,975	\$ 7,528,606	\$4,372,786	\$3,974,383	\$ 16,096,761	\$ 11,502,989
Capital assets, net of depreciation	24,917,544	22,938,466	4,661,621	4,578,949	29,579,165	27,517,415
Total assets	36,641,519	30,467,072	9,034,407	8,553,332	45,675,926	39,020,404
Deferred outflows of resources	4,179,999	718,311	399,938	6,006	4,579,937	724,317
	40,821,518	31,185,383	9,434,345	8,559,338	50,255,863	39,744,721
Liabilities:						
Current liabilities	4,057,331	2,626,680	483,423	463,739	4,540,754	3,090,419
Long-term liabilities	50,071,301	37,461,713	4,461,134	3,711,770	54,532,435	41,173,483
Total liabilities	54,128,632	40,088,393	4,944,557	4,175,509	59,073,189	44,263,902
Deferred inflow of resources	3,947,473	7,917,376	371,711	635,711	4,319,184	8,553,087
	58,076,105	48,005,769	5,316,268	4,811,220	63,392,373	52,816,989
Net position:						
Invested in capital assets, net of related debt	1,399,984	6,339,186	1,782,741	1,524,229	3,182,725	7,863,415
Unrestricted	(18,654,571)	(23,159,572)	2,335,336	2,223,889	(16,319,235)	(20,935,683)
Total net position	\$ (17,254,587)	\$ (16,820,386)	\$4,118,077	\$3,748,118	\$ (13,136,510)	\$ (13,072,268)

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

A significant portion of the Township's net position, \$1,399,984 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 2022 Statement of Net Position to 2021 there was a decrease in total net assets of \$434,201 inclusive of a transfer from business activities. Governmental activity expense increased about 24%, much of that as noted above within the pension expense. Business activity costs increased about 13% as a result of higher treatment costs and again increased pension obligations and expense.

The following comparison illustrates revenues and expenses of governmental activities and business-type activities for fiscal years 2022 and 2021 in a detailed format:

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program services:						
Charges for services	\$ 1,619,588	\$ 2,532,764	\$ 8,981,135	\$ 8,540,089	\$ 10,580,723	\$ 11,072,833
Operating grants and contributions	2,172,982	1,631,133	118,440	81,511	2,291,422	1,712,644
General revenues:						
Property taxes	8,427,430	8,607,737	-	-	8,427,430	8,607,737
Public utility realty tax	11,737	11,434	-	-	11,737	11,434
Local enabling act taxes	4,127,877	3,840,581	-	-	4,127,877	3,840,581
Franchise fee - cable television	510,895	523,225	-	-	510,895	523,225
Other revenue	455,282	419,588	19,338	11,981	474,600	431,569
Total revenues	17,325,771	17,566,462	9,098,913	8,633,561	26,424,684	26,200,023
EXPENSES:						
General government	1,036,565	1,794,918	-	-	1,036,565	1,794,918
Public safety	7,757,726	6,373,325	-	-	7,757,726	6,373,325
Public works - highway	2,088,110	2,152,759	-	-	2,088,110	2,152,759
Library	756,260	734,233	-	-	756,260	734,233
Culture and recreation	1,204,405	848,807	-	-	1,204,405	848,807
Interest on long-term debt	494,925	344,033	60,163	83,628	555,088	407,661
Pension	2,282,567	396,665	-	-	2,282,567	396,665
Post employment benefits	75,000	(153,087)	-	-	75,000	(153,087)
Unallocated depreciation expense	1,372,954	1,280,550	-	-	1,372,954	1,280,550
Discount amortization	618	618	-	-	618	618
Sewer fund	-	-	4,298,145	3,797,918	4,298,145	3,797,918
Refuse fund	-	-	2,403,654	2,148,686	2,403,654	2,148,686
Paxon Hollow Club fund	-	-	1,768,285	1,535,786	1,768,285	1,535,786
Total expenses	17,069,130	13,772,841	8,530,247	7,546,018	25,599,377	21,318,859
Contributed capital	-	-	183,543	-	183,543	-
(Loss) gain on disposition of assets	(1,065,842)	-	12,750	-	(1,053,092)	-
Transfers	375,000	375,000	(375,000)	(375,000)	-	-
Changes in net assets	\$ (434,201)	\$ 4,168,621	\$ 369,959	\$ 712,543	\$ (64,242)	\$ 4,881,164

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 a factor through year end 2022, 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 2022 totaled \$17,325,771, relatively consistent from 2021. 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 decreased slightly, about 1% from 2021. Taxes comprise the largest source of Township revenues (72.53%), amounting to \$12,567,044 in 2022. Property taxes represent \$8,427,430 (49% of revenue) with business and deed transfer taxes accounting for the balance. The decrease in governmental revenues from the prior year was primarily reflective of an decrease in property tax collections during the period. Expenses of all governmental activities this year totaled \$17,069,130, an increase of \$3,296,289 from 2021. Public safety, which accounts for the largest program expenditures (\$7,757,726 or 45.49% of governmental expenditures) increased this period by some 22% but remained a consistent percentage of total governmental expenditures.

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 \$9,098,913 in 2022, inclusive of operating grants and interest income for the period. This represented an increase in total revenues from the prior year (about 5.4%). Sewer fund revenues increased some \$106,112; refuse fees increased \$180,701; and Paxon Hollow revenue was fairly consistent with the prior year with a \$40,761 total increase during the period. For business-type activities, total operating expenses for 2022 increased \$984,229 or approximately 13% compared to calendar year 2021. Treatment costs within the sewer fund increased this period by 11.3%. Further, solid waste disposal rates increased significantly, about 27%, as a result of disposal costs increases, which may continue in coming years. Paxon Hollow revenues increased slightly but were consistent with the prior year as pandemic impact continued to lessen. Expenses for Paxon Hollow remained consistent this period.

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

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental activities:				
General government	\$ 1,036,565	\$ 969,518	\$ 1,794,918	\$ 1,517,883
Public safety	7,757,726	6,231,869	6,373,325	4,910,717
Public works- highway	2,088,110	1,297,079	2,152,759	404,484
Library	756,260	756,260	734,233	734,233
Culture and recreation	1,204,405	761,605	848,807	813,807
Interest on long-term debt	494,925	494,925	344,033	344,033
Pension	2,282,567	1,574,723	396,665	(244,314)
Post employment benefits	75,000	75,000	(153,067)	(153,067)
Unallocated depreciation and amortization	1,373,572	1,373,572	1,281,168	1,281,168
Total governmental activities	<u>\$ 17,069,130</u>	<u>\$ 13,534,551</u>	<u>\$ 13,772,841</u>	<u>\$ 9,608,944</u>
Business-type activities:				
Sewer fund	\$ 4,298,145	\$ 44,205	\$ 3,797,918	\$ (339,199)
Refuse fund	2,403,654	(71,961)	2,148,686	(81,660)
Paxon Hollow Country Club	1,828,448	(521,572)	1,535,786	(718,331)
Total business-type activities	<u>\$ 8,530,247</u>	<u>\$ (549,328)</u>	<u>\$ 7,482,390</u>	<u>\$ (1,139,190)</u>

Net cost of governmental activities is 66.68% of total cost of services in 2022. 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.

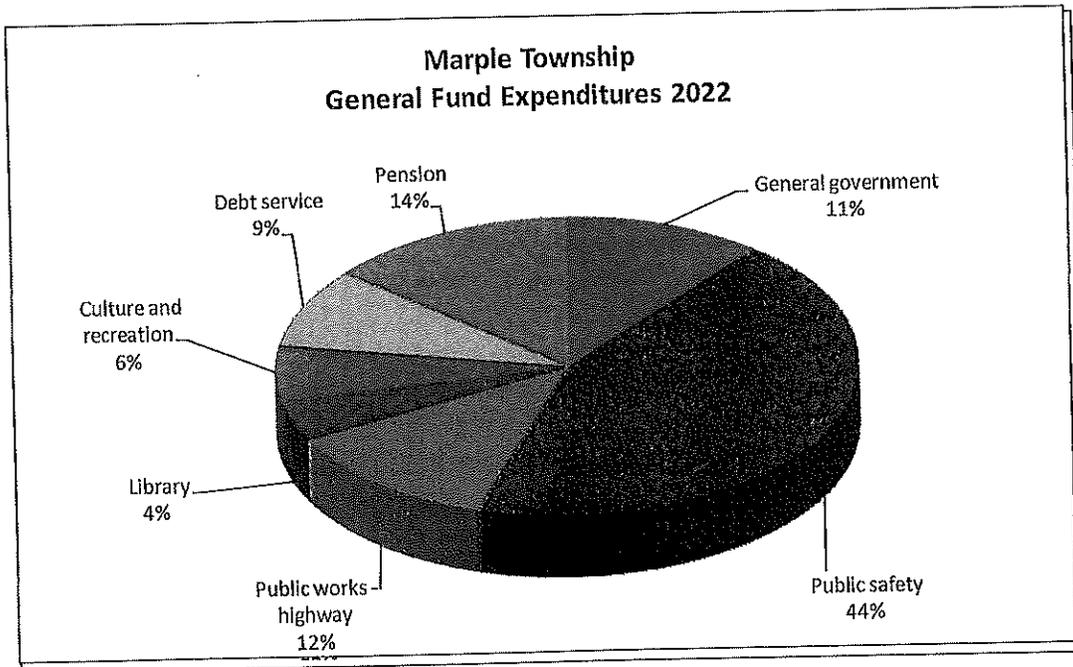
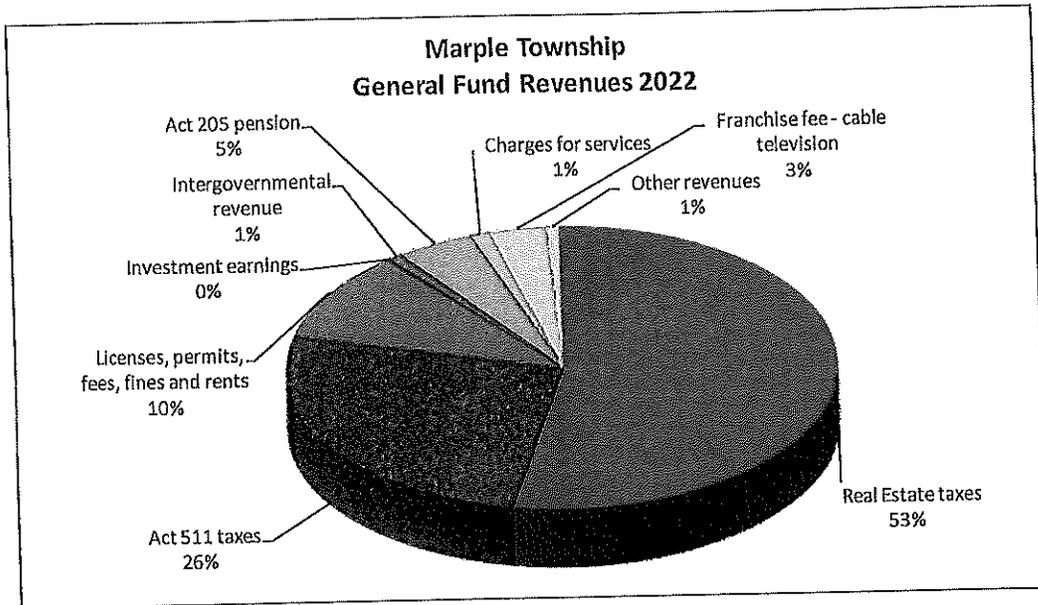
As the Township completed the year, its governmental funds reported a combined fund balance of \$7,531,015. The Township's general fund unassigned fund balance was \$897,655 as of December 31, 2022, which equals to 5.7% of 2022 total revenues and 5.3% of total expenditures, excluding operating transfers. Total unassigned fund balance along with the administratively assigned fund balance totaled 19.48% of total revenues and 18.17% 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 2022 totaled \$25,535,755 including \$375,000 in transfers from proprietary fund and debt incurred proceeds of \$7,889,000. In 2022, operating revenues increased slightly, less than one percent. License and permit fees increased (7%), 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 7.5% in activity, again related to the post-pandemic easing of restrictions and increase in the workforce.

- Revenue from Act 511 taxes increased \$287,296, or 7.5% as noted above compared to 2021. These collections increased as the economy began to improve and the workforce was returning to normalcy.
- Collections for real estate taxes decreased slightly (about 1%) during the period. Collection rate for the period was approximately 98 percent, consistent with prior years' activity and assessment changes.
- Licenses and inspections increased this period as noted above. Development continued to improve 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 Paxton Hollow Fund. The following is a comparative analysis of the Statements of Revenue and Expenses for the Sewer, Refuse and Paxton Hollow Country Club Funds.

Sewer Fund			Increase
	2022	2021	(Decrease)
Revenues:			
Sewer fees	\$4,242,192	\$4,129,768	\$ 112,424
Interest and other income	12,010	7,477	4,533
Total revenues	4,254,202	4,137,245	116,957
Expenses:			
Salaries and benefits	219,666	124,740	94,926
Sewer Authority charges	3,865,734	3,473,424	392,310
Depreciation	51,903	73,820	(21,917)
Transfer to General Fund	100,000	100,000	-
Other costs	160,842	125,934	34,908
Total expenses	4,398,145	3,897,918	500,227
Net income (loss)	\$ (143,943)	\$ 239,327	\$ (383,270)

Sewer fees showed an increase representing an increase in overall assessment charges and new construction. Treatment costs were increased this period by 11.3 percent, and are expected to be higher in 2023 and 2024 due to increased charges from treatment facilities.

Total sewer expenses in 2022 increased \$500,277 or approximately 12%, as noted above as impacted by the increased pension costs and salaries and benefits. Payments to the Central Delaware County Sewer Authority (CDCA) and the Radnor/Haverford/Marple Sewer Authority (RHM) represent 88% of total sewer expenses.

Refuse Fund			Increase
	2022	2021	(Decrease)
Revenues:			
Refuse collection fees	\$2,381,286	\$2,151,071	\$ 230,215
Interest and other income	114,341	80,762	33,579
Transfer in	-	-	-
Total revenues	2,495,627	2,231,833	263,794
Expenses:			
Salaries and benefits	1,389,734	1,305,336	84,398
Vehicle fuel and maintenance	135,882	119,755	16,127
Depreciation	63,087	66,545	(3,458)
Transfer to General Fund	25,000	25,000	-
Other costs including disposal	814,951	657,050	157,901
Total expenses	2,428,654	2,173,686	254,968
Net income (loss)	\$ 66,973	\$ 58,147	\$ 8,826

Refuse collection fees increased by 10.7% in 2022. There was increased by 11% in 2022. There were 7,724 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 8,981 tons of refuse collected from households and 1,663 tons of recyclable waste collected in 2022.

Total refuse expenses increased \$254,968, or 12%, in 2022, partially the result of the increased pension costs. The General Fund provides 100% of the administrative support for the Refuse Fund operation. In 2022, 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	2022	2021	Increase (Decrease)
Revenues:			
Golf fees	\$ 1,515,455	\$ 1,482,579	\$ 32,876
Rental income and other income	846,379	781,904	64,475
Total revenues	<u>2,361,834</u>	<u>2,264,483</u>	97,351
Expenses:			
Salaries and benefits	880,882	773,767	107,115
Transfer to general fund	250,000	250,000	-
Depreciation and amortization	232,634	224,901	7,733
Vehicle fuel and maintenance	61,475	80,784	(19,309)
Course maintenance	148,812	133,202	15,610
Golf cart rental	99,598	99,598	-
Interest expenses and issuance costs	60,163	63,628	(3,465)
Other costs	344,884	223,534	121,350
Total expenses	<u>2,078,448</u>	<u>1,849,414</u>	229,034
Contributed capital	163,543	-	163,543
Net Income (loss)	<u>\$ 446,929</u>	<u>\$ 415,069</u>	<u>\$ 31,860</u>

In 2022, Paxon Hollow golf fees revenue increased 2% for the year, fairly consistent with the prior year as COVID restrictions were relaxed.

Salaries and benefits increased approximately 14% or \$107,115 resulting from an increase in direct and actuarial determined pension increases.

For calendar year 2022, Paxon Hollow experienced an increase in net position of \$446,929. Net income before operating transfers to the General Fund and capital contributions to the fund was \$533,386 in 2022 and \$665,069 in 2021. 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 62. Total actual revenues ended the year higher than budgeted revenue

by approximately 6.7% or \$989,582. The following factors reflect the primary differences between budget and actual expenditures:

- Act 511 taxes were significantly higher than anticipated budget by \$659,320 primarily in the business taxes. Although the mercantile taxes and local services tax increased during the period as well.
- Certain grants and entitlements were slightly lower than anticipated
- Charges for services were higher than anticipated; licenses and permits increased as building and development continued to pick up subsequent to the relaxation of Covid-19 restrictions.

Expenditures

Actual expenditures in the General Fund ended the year \$799,937 below budget (or approximately 5%) without regard to the funding of the Township's Post Employment Benefit Trust or operating transfers. 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) and general government (\$22,453).

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, 2022 is \$24,917,544 net of accumulated depreciation. Major capital assets acquired and improvements made during the year out of the operations and capital project funds totaled \$4,417,875 consisting primarily of vehicles, equipment and infrastructure improvements such as follows:

- Police vehicles
- Improvements to Veteran's Park
- Storm sewer improvements
- Road paving throughout the Township
- Park equipment and renovations
- Public Works vehicles and equipment

Capital assets – business-type activities

The Township's investment in capital assets for its business-type activities as of December 31, 2022 is \$4,661,621 net of accumulated depreciation. Assets in these activities consist of the golf course improvements, sanitary sewer system, rolling stock, and equipment. A total of \$430,298 in capital assets were purchased during the year consisting of:

- Club House improvements
- Golf Course improvements

Long-Term Debt

As of December 31, 2022, Marple Township's outstanding debt portfolio consisted of \$26,420,000 in general obligation notes.

	Principal Outstanding 01/01/22	Refunding/ Maturities	Additions	Principal Outstanding 12/31/22	Amounts Due in One Year
General obligation note series A of 2015	\$ 5,352,280	\$ 343,160	\$ -	\$ 5,009,120	\$ 348,680
General obligation note series B of 2015	511,720	29,840	-	481,880	30,320
General obligation note series C of 2015	835,000	204,000	-	631,000	207,000
General obligation note Series A of 2019	4,819,000	226,000	-	4,593,000	232,000
General obligation note Series B of 2019	2,543,000	146,000	-	2,397,000	149,000
General obligation note Series C of 2019	3,092,000	1,000	-	3,091,000	1,000
General obligation note Series D of 2019	2,501,000	98,000	-	2,403,000	101,000
General obligation note Series of 2022	-	75,000	7,889,000	7,814,000	108,000
	<u>\$ 19,654,000</u>	<u>\$ 1,123,000</u>	<u>\$ 7,889,000</u>	26,420,000	1,177,000
Net pension obligation				15,493,495	-
Other post employment benefit obligation				12,365,615	-
Severance pay				71,588	-
Total long term liabilities				<u>\$ 54,350,698</u>	<u>\$ 1,177,000</u>
Governmental Funds	\$ 23,541,120				
Proprietary Funds	<u>2,878,880</u>				
	<u>\$ 26,420,000</u>				

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, 2022, the Township's borrowing level is only at 48% capacity. This is a relatively favorable position.

Additional information about the Township's long-term debt can be found in Note 9 on page 46 of this report.

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 increased to \$ \$300 curbside and \$ \$400 for rear pickup increasing to \$430 rear in 2023. 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 climbed to \$78.00 per ton and are expected to increase substantially in 2023 and 2024.
- The sewer rate of \$8.25 per thousand gallons used for calendar year 2022 which increased to \$8.50 per gallon in 2023 and is expected to increase again in 2024

due to significant water treatment cost and capital improvement made by both sewer authorities.

- Real estate tax millage in 2022 was \$2.45 per \$1,000 of assessed value which remains the same in 2023. 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 2022 was \$827.27.
- Marple Township continues to maintain a "AA" Bond Rating from S&P, with a stable outlook. 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, 2022 was \$2,652,465.
- All these factors were considered in preparing the Township's budget for the 2023 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, 2022

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Marple Public Library
ASSETS				
Cash and cash equivalents	\$ 10,501,983	\$ 2,859,890	\$ 13,361,873	\$ 202,287
Investments	-	-	-	509,051
Receivables (net of allowance for uncollectibles)	938,356	1,305,423	2,243,779	-
Lease receivable	-	84,330	84,330	-
Right to use asset	-	181,739	181,739	-
Prepaid assets	136,277	40,237	176,514	2,517
Inventory	48,526	-	48,526	-
Internal balances	98,833	(98,833)	-	-
Capital assets (net of accumulated depreciation)				
Land	5,402,254	1,073,435	6,475,689	-
Land improvements	1,452,603	1,208,302	2,660,905	-
Buildings and leasehold improvements	9,814,641	4,736,095	14,550,736	606,747
Machinery and equipment	5,209,042	3,980,692	9,189,734	-
Infrastructure	15,793,934	7,278,877	23,072,811	-
Construction in progress	1,199,528	218,793	1,418,321	-
Capital lease	200,864	-	200,864	-
Library books and materials	-	-	-	831,021
Less accumulated depreciation	(13,955,322)	(13,834,573)	(27,789,895)	(1,180,697)
Total capital assets net of depreciation	24,917,544	4,661,621	29,579,165	257,071
Total assets	36,641,519	9,034,407	45,409,857	970,926
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense deferral	3,171,336	399,938	3,571,274	-
Deferred outflow on OPEB plan	1,004,917	-	1,004,917	-
Bond discount (net of amortization)	3,746	-	3,746	-
	4,179,999	399,938	4,579,937	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	40,821,518	9,434,345	49,989,794	970,926
LIABILITIES				
Accounts payable and accrued expenses	911,752	229,439	1,141,191	38,811
Accrued interest	5,264	1,047	6,311	-
Unearned revenue	2,458,770	252,937	2,711,707	-
Escrow liability	668,753	-	668,753	-
Escheat liability	5,223	-	5,223	-
Due to Fiduciary Fund	7,569	-	7,569	-
Long-term liabilities:				
Net pension liability	14,092,978	1,400,517	15,493,495	-
Other post employment benefit liability	12,437,203	-	12,437,203	-
Lease payable--current portion	-	90,869	90,869	-
Lease payable--long-term portion	-	90,868	90,868	-
General obligation bonds--current portion	997,680	179,320	1,177,000	-
General obligation bonds--long term portion	22,543,440	2,699,560	25,243,000	-
Total liabilities	54,128,632	4,944,557	59,073,189	38,811
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow on pension related costs	1,122,351	287,381	1,409,732	-
Deferred inflow on lease receivable	-	84,330	84,330	-
Deferred inflow on OPEB plan	2,825,122	-	2,825,122	-
	3,947,473	371,711	4,319,184	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	58,076,105	5,316,268	63,392,373	38,811
NET POSITION				
Invested in capital assets net of related debt	1,399,984	1,782,741	3,182,725	257,071
Restricted	-	-	-	162,578
Unrestricted	(18,654,571)	2,335,336	(16,319,235)	512,468
Total net position	\$ (17,254,587)	\$ 4,118,077	\$ (13,136,510)	\$ 932,115

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, 2022

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit Marple Township Public Library
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Governmental Activities	Business Type Activities	
Primary Government:							
General governmental	\$ 1,036,565	\$ 67,047	\$ -	\$ -	\$ (869,518)	\$ -	\$ (969,518)
Public safety	7,757,726	1,521,857	4,000	-	(6,231,869)	-	(6,231,869)
Public works - highways and streets	2,088,110	30,684	760,347	-	(1,297,079)	-	(1,297,079)
Culture and recreation	1,204,405	-	442,800	-	(761,605)	-	(761,605)
Municipal pension	2,282,567	-	707,844	-	(1,574,723)	-	(1,574,723)
Library contribution	756,260	-	-	-	(756,260)	-	(756,260)
Interest on long-term debt	494,925	-	-	-	(494,925)	(60,163)	(555,088)
Post employment benefits	75,000	-	-	-	(75,000)	-	(75,000)
Discount amortization	618	-	-	-	(618)	-	(618)
Non-allocated depreciation	1,372,954	-	-	-	(1,372,954)	-	(1,372,954)
Total governmental activities	17,069,130	1,619,588	1,914,991	-	(13,534,551)	(60,163)	(13,594,714)
Business Type Activities							
Sewer Fund	4,298,145	4,243,367	10,583	-	-	(44,205)	(44,205)
Refuse Fund	2,403,654	2,412,534	63,081	-	-	71,961	71,961
Paxon Hollow Country Club Fund	1,768,285	2,305,244	44,776	-	-	581,735	581,735
Total business type activities	8,470,084	8,961,135	118,440	-	-	609,491	609,491
Total Primary Government	\$ 25,539,214	\$ 10,580,723	\$ 2,033,431	\$ -	(13,534,551)	549,328	(12,985,223)
Component Units:							
Marple Public Library	\$ 951,948	\$ 17,915	\$ 982,084	\$ -	-	-	48,051
General revenues:							
Property taxes					8,427,430	-	8,427,430
Local enabling taxes					4,127,877	-	4,127,877
Cable television					510,895	-	510,895
Grants and contributions not restricted to a specific program					269,728	-	269,728
Investment earnings, net					165,649	19,338	184,987
Miscellaneous refunds and reimbursements					131,199	-	131,199
Rent					158,414	-	158,414
(Loss)Gain on disposition/sale of assets					(1,065,842)	12,750	(1,053,092)
Total general revenues					12,725,350	32,088	12,757,438
Contributed capital					-	163,543	163,543
Transfers					375,000	(375,000)	-
Change in net position					(434,201)	369,959	(64,242)
Net position - beginning					(16,820,386)	3,748,118	(13,072,268)
Net position - ending					\$ (17,254,587)	\$ 4,118,077	\$ (13,136,510)

THE TOWNSHIP OF MARPLE

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	General Fund	Highway Aid Fund	Capital Projects Fund	ARPA Fund	Totals Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,788,319	\$ 1,658	\$ 4,441,534	\$ 2,270,472	\$ 10,501,983
Real estate tax receivable	149,134	-	-	-	149,134
Other accounts receivable	615,697	-	-	-	615,697
Due from other governments	173,525	-	-	-	173,525
Due from other funds	111,583	-	-	-	111,583
Inventory	48,526	-	-	-	48,526
Prepaid expenditures	136,277	-	-	-	136,277
Total assets	<u>5,023,061</u>	<u>1,658</u>	<u>4,441,534</u>	<u>2,270,472</u>	<u>11,736,725</u>
DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,023,061</u>	<u>\$ 1,658</u>	<u>\$ 4,441,534</u>	<u>\$ 2,270,472</u>	<u>\$ 11,736,725</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 503,927	\$ -	\$ 131,347	\$ -	\$ 635,274
Accrued payroll and related liabilities	276,478	-	-	-	276,478
Due to other funds	20,319	-	-	-	20,319
Accrued interest	5,264	-	-	-	5,264
Unearned revenue	200,105	-	-	2,258,665	2,458,770
Escheat liability	5,223	-	-	-	5,223
Escrow deposits	668,753	-	-	-	668,753
Total liabilities	<u>1,680,069</u>	<u>-</u>	<u>131,347</u>	<u>2,258,665</u>	<u>4,070,081</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable taxes	135,629	-	-	-	135,629
Total liabilities and deferred inflows of resources	<u>1,815,698</u>	<u>-</u>	<u>131,347</u>	<u>2,258,665</u>	<u>4,205,710</u>
Fund balances:					
Nonspendable	136,277	-	-	-	136,277
Restricted	-	-	-	-	-
Committed for:					
Capital projects	-	-	4,310,187	11,807	4,321,994
Assigned to:					
Green Bank Farm improvements	20,065	-	-	-	20,065
2023 budget projected shortfall	2,153,366	-	-	-	2,153,366
Unassigned	897,655	1,658	-	-	899,313
Total fund balance	<u>3,207,363</u>	<u>1,658</u>	<u>4,310,187</u>	<u>11,807</u>	<u>7,531,015</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,023,061</u>	<u>\$ 1,658</u>	<u>\$ 4,441,534</u>	<u>\$ 2,270,472</u>	<u>\$ 11,736,725</u>

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

DECEMBER 31, 2022

Total fund balances - governmental funds		\$ 7,531,015
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	\$ 5,402,254	
Infrastructure assets	15,793,934	
Other capital assets	16,477,150	
Construction in progress	1,199,528	
Accumulated depreciation	<u>(13,955,322)</u>	
Total capital assets		24,917,544
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		
		135,629
Bond costs are expended in the funds but capitalized and amortized in the government-wide statements		
		3,746
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		
		(12,437,203)
Pension and OPEB plan expense deferrals are capitalized and amortized in the government-wide statements (shown as net)		
		228,780
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>(37,634,098)</u>
Net position of governmental activities		<u>\$ (17,254,587)</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, 2022

	General Fund	Highway Aid Fund	Capital Projects Fund	ARPA Fund	Total Governments Funds
REVENUES					
Taxes and assessments:					
Property	\$ 8,373,413	\$ -	\$ -	\$ -	\$ 8,373,413
Local enabling act taxes	4,127,877	-	-	-	4,127,877
Licenses-permits	1,384,252	-	-	-	1,384,252
Fines and forfeits	41,498	-	-	-	41,498
Rent	158,414	-	-	-	158,414
Investment earnings	42,020	10,086	102,283	11,260	165,649
Public utility realty tax	11,737	-	-	-	11,737
Other intergovernmental and miscellaneous grants	90,819	674,906	442,800	256,614	1,465,139
Departmental earnings	193,838	-	-	-	193,838
Franchise fee - cable television	510,895	-	-	-	510,895
Pennsylvania contribution for pension and volunteer firemen	707,844	-	-	-	707,844
Other revenue	122,479	-	8,720	-	131,199
Total revenues	<u>15,765,086</u>	<u>684,992</u>	<u>553,803</u>	<u>267,874</u>	<u>17,271,755</u>
EXPENDITURES					
Current:					
General government	1,815,784	-	262,437	-	2,078,221
Public safety	7,329,796	-	427,930	-	7,757,726
Public Works - Highways and streets	2,088,110	-	-	-	2,088,110
Culture and recreation	994,045	-	210,360	-	1,204,405
Pension	2,282,567	-	-	-	2,282,567
Library contribution	756,260	-	-	-	756,260
Debt service:					
Principal	947,160	-	-	-	947,160
Interest	494,925	-	-	-	494,925
Capital outlay:					
Public safety	69,713	-	139,451	-	209,164
Public Works - Highways and streets	-	-	3,870,833	-	3,870,833
Culture and recreation	-	-	136,198	-	136,198
General government	79,383	-	122,297	-	201,680
Total expenditures	<u>16,857,743</u>	<u>-</u>	<u>5,169,506</u>	<u>-</u>	<u>22,027,249</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,092,657)	684,992	(4,615,703)	267,874	(4,755,494)
OTHER FINANCING SOURCES (USES) OF FUNDS					
Issuance costs	-	-	(73,846)	-	(73,846)
Proceeds of debt	-	-	7,889,000	-	7,889,000
Other post employment benefit trust funding	(75,000)	-	-	-	(75,000)
Operating transfer in	1,243,930	-	71,124	-	1,315,054
Operating transfer out	-	(683,440)	-	(256,614)	(940,054)
Total other financing sources (uses) of funds	<u>1,168,930</u>	<u>(683,440)</u>	<u>7,886,278</u>	<u>(256,614)</u>	<u>8,115,154</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	76,273	1,552	3,270,575	11,260	3,359,660
FUND BALANCE - BEGINNING	3,131,090	106	1,039,612	547	4,171,355
FUND BALANCE - ENDING	<u>\$ 3,207,363</u>	<u>\$ 1,658</u>	<u>\$ 4,310,187</u>	<u>\$ 11,807</u>	<u>\$ 7,531,015</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, 2022

Net change in fund balances - total governmental funds	\$ 3,359,660
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	\$ 4,417,875
Loss on disposal of assets	(1,065,842)
Depreciation expense	<u>(1,372,954)</u>
	1,979,079
Issuance of long-term debt and the 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:	
Note proceeds	(7,889,000)
Issuance costs	73,846
Principal repayment	947,160
Decrease in severance pay accrual	-
Amortization of discount	(618)
	1,041,655
Change of post employment benefit actuarial determinations	1,041,655
Because some property taxes will not be collected for several months 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>54,017</u>
Change in net position of governmental activities	<u><u>\$ (434,201)</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, 2022

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Assets				
Current:				
Cash and cash equivalents	\$ 108,555	\$ 793,376	\$ 1,957,959	\$ 2,859,890
Accounts receivable, net of allowance for uncollectibles	947,105	358,318	-	1,305,423
Lease receivable	-	-	84,330	84,330
Right to use asset	-	-	181,739	181,739
Prepaid expenditures	14,958	16,765	8,514	40,237
Total current assets	<u>1,070,618</u>	<u>1,168,459</u>	<u>2,232,542</u>	<u>4,471,619</u>
Property and equipment, net of accumulated depreciation	502,308	141,269	4,018,044	4,661,621
Total assets	<u>1,572,926</u>	<u>1,309,728</u>	<u>6,250,586</u>	<u>9,133,240</u>
Deferred outflows of resources				
Deferred pension related expenses	35,737	213,007	151,194	399,938
Total assets and deferred outflows of resources	<u>\$ 1,608,663</u>	<u>\$ 1,522,735</u>	<u>\$ 6,401,780</u>	<u>\$ 9,533,178</u>
Liabilities				
Current:				
Lease payable--current	\$ -	\$ -	\$ 90,869	\$ 90,869
General obligation bonds payable - current portion	-	-	179,320	179,320
Accounts payable	5,732	154,085	17,384	177,201
Accrued payroll and payroll taxes	5,834	38,830	7,574	52,238
Accrued interest	-	-	1,047	1,047
Due to the General Fund	9,971	46,679	42,183	98,833
Unearned revenue	-	-	252,937	252,937
Total current liabilities	<u>21,537</u>	<u>239,594</u>	<u>591,314</u>	<u>852,445</u>
Long-term:				
Net pension liability	126,898	744,889	528,730	1,400,517
Lease payable-long term portion	-	-	90,868	90,868
General obligation bonds payable - long term portion	-	-	2,699,560	2,699,560
Total long-term liabilities	<u>126,898</u>	<u>744,889</u>	<u>3,319,158</u>	<u>4,190,945</u>
Total liabilities	<u>148,435</u>	<u>984,483</u>	<u>3,910,472</u>	<u>5,043,390</u>
Deferred inflows of resources				
Deferred inflow on pension related costs	25,679	153,059	108,643	287,381
Deferred inflow on lease receivable	-	-	84,330	84,330
Total liabilities and deferred inflows of resources	<u>174,114</u>	<u>1,137,542</u>	<u>4,103,445</u>	<u>5,415,101</u>
Net position				
Invested in capital assets, net of related debt	502,308	141,269	1,139,164	1,782,741
Unrestricted	932,241	243,924	1,159,171	2,335,336
Total net position	<u>1,434,549</u>	<u>385,193</u>	<u>2,298,335</u>	<u>4,118,077</u>
Total liabilities and net position	<u>\$ 1,608,663</u>	<u>\$ 1,522,735</u>	<u>\$ 6,401,780</u>	<u>\$ 9,533,178</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, 2022

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Operating revenues:				
Charges for services	\$ 4,242,192	\$ 2,381,286	\$ 1,515,455	\$ 8,138,933
Rental income	-	-	789,789	789,789
Other income	1,165	31,248	-	32,413
Total operating revenues	<u>4,243,357</u>	<u>2,412,534</u>	<u>2,305,244</u>	<u>8,961,135</u>
Operating expenses:				
Salaries and wages	146,192	871,359	618,500	1,636,051
Employee benefits	52,156	404,661	166,184	623,001
Pension expense	21,318	113,714	96,198	231,230
Vehicle fuel	6,371	55,616	33,545	95,532
Repairs and maintenance	71,306	80,266	27,930	179,502
Insurance	39,966	38,107	17,992	96,065
Bad debt expense	14,793	2,014	-	16,807
Expenses - sewer authorities	3,865,734	-	-	3,865,734
Expenses - waste management authorities	-	701,274	-	701,274
Utilities	3,820	-	24,098	27,918
Golf course maintenance	-	-	148,812	148,812
Supplies	13,260	11,753	43,706	68,719
Cart rental expense	-	-	99,598	99,598
Other services and charges	11,326	26,272	259,088	296,686
Recycling fees and supplies	-	35,529	-	35,529
Depreciation	51,903	63,089	232,634	347,626
Total operating expenses	<u>4,298,145</u>	<u>2,403,654</u>	<u>1,768,285</u>	<u>8,470,084</u>
Operating income	<u>(54,788)</u>	<u>8,880</u>	<u>536,959</u>	<u>491,051</u>
Non-operating revenues (expenses):				
Pennsylvania contribution for pension	10,583	63,081	44,776	118,440
Investment earnings	262	7,262	11,814	19,338
Sale of assets	-	12,750	-	12,750
Interest expense	-	-	(60,163)	(60,163)
Total non-operating revenues (expenses)	<u>10,845</u>	<u>83,093</u>	<u>(3,573)</u>	<u>90,365</u>
Operating income before operating transfers	(43,943)	91,973	533,386	581,416
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	(143,943)	66,973	283,386	206,416
Contributed capital	-	-	163,543	163,543
Net position - beginning	1,578,492	318,220	1,851,406	3,748,118
Net position - ending	<u>\$ 1,434,549</u>	<u>\$ 385,193</u>	<u>\$ 2,298,335</u>	<u>\$ 4,118,077</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, 2022

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Cash flows from operating activities:				
Cash received from users	\$ 4,006,237	\$ 2,345,219	\$ 2,367,205	\$ 8,718,661
Cash paid to employees and employee benefits	(198,063)	(1,273,062)	(786,849)	(2,257,974)
Cash payments to suppliers for goods and services	(4,095,123)	(922,280)	(732,288)	(5,749,691)
Net cash provided (used) by operating activities	(286,949)	149,877	848,068	710,996
Cash flows from non-capital financing activities:				
Interfund transfer (in)	-	46,679	42,183	88,862
Operating transfer (out)	(100,000)	(25,000)	(250,000)	(375,000)
Net cash provided (used) by non-capital financing activities	(100,000)	21,679	(207,817)	(286,138)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(15,667)	(12,750)	(414,630)	(443,047)
Sale of capital assets	-	-	163,543	163,543
Principal paid	-	-	(175,840)	(175,840)
Interest paid on debt obligations	-	-	(60,163)	(60,163)
Net cash used by capital and related financing activities	(15,667)	(12,750)	(487,090)	(515,507)
Cash flows from investing activities:				
Interest earnings	262	7,262	11,814	19,338
Net increase (decrease) in cash and cash equivalents	(402,354)	166,068	164,975	(71,311)
Cash and cash equivalents - beginning	510,909	627,308	1,792,984	2,931,201
Cash and cash equivalents - ending	<u>\$ 108,555</u>	<u>\$ 793,376</u>	<u>\$ 1,957,959</u>	<u>\$ 2,859,890</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:				
Operating income	\$ (43,943)	\$ 8,880	\$ 533,386	\$ 498,323
Adjustments to reconcile operating income to net cash provided by operating activities:				
Bad debt expense	14,793	2,014	-	16,807
Depreciation	51,903	63,089	232,634	347,626
Change in pension expense	(14,290)	-	9,579	(4,711)
Changes in assets and liabilities:				
Interfund	9,971	-	42,183	52,154
Accounts receivable	(280,894)	10,492	-	(270,402)
Prepaid expenditures	(982)	29,726	14,791	43,535
Accounts payable and accrued expenses	(23,507)	35,676	(1,690)	10,479
Unearned revenue	-	-	17,185	17,185
Net cash provided (used) by operating activities	<u>\$ (286,949)</u>	<u>\$ 149,877</u>	<u>\$ 848,068</u>	<u>\$ 710,996</u>

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

TOWNSHIP OF MARPLE
STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2022

	POLICE PENSION FUND	MUNICIPAL PENSION FUND	NON UNIFORM DEFINED CONTRIBUTION FUND	OPEB TRUST FUND	TOTAL
Assets					
Cash and cash equivalents	\$ 318,478	\$ 126,206	\$ 5,687	\$ 44,332	\$ 494,703
Due from General Fund	-	6,151	1,418	-	7,569
Investments (at market value)	18,219,602	8,335,732	22,149	2,620,313	29,197,796
Prepaid benefits and other prepaids	189,418	34,903	-	-	224,321
Total assets	<u>18,727,498</u>	<u>8,502,992</u>	<u>29,254</u>	<u>2,664,645</u>	<u>29,924,389</u>
Liabilities					
Accounts payable	-	-	-	12,180	12,180
	-	-	-	12,180	12,180
Net position					
Restricted	<u>\$ 18,727,498</u>	<u>\$ 8,502,992</u>	<u>\$ 29,254</u>	<u>\$ 2,652,465</u>	<u>\$ 29,912,209</u>

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

TOWNSHIP OF MARPLE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	POLICE PENSION FUND	MUNICIPAL PENSION FUND	NON UNIFORM DEFINED CONTRIBUTION FUND	OPEB TRUST FUND	TOTAL
Additions:					
Contributions:					
State subsidies - Act 205	\$ 310,827	\$ 321,188	\$ -	\$ -	\$ 632,015
Employee contributions	271,503	170,057	-	-	441,560
Township contributions	1,570,416	290,757	19,403	75,000	1,955,576
Total contributions	<u>2,152,746</u>	<u>782,002</u>	<u>19,403</u>	<u>75,000</u>	<u>3,029,151</u>
Investment earnings:					
Net appreciation in fair value of investments	(3,861,277)	(1,684,728)	(1,881)	(546,831)	(6,094,717)
Investment earnings	420,052	188,503	379	61,552	670,486
Less investment expense	(57,042)	(25,568)	(3,242)	(14,035)	(99,887)
Total investment income	<u>(3,498,267)</u>	<u>(1,521,793)</u>	<u>(4,744)</u>	<u>(499,314)</u>	<u>(5,524,118)</u>
Total additions	<u>(1,345,521)</u>	<u>(739,791)</u>	<u>14,659</u>	<u>(424,314)</u>	<u>(2,494,967)</u>
Deductions:					
Pension benefits and refunds	2,210,213	505,301	-	-	2,715,514
Other services and charges	22,978	17,408	-	12,046	52,432
Total deductions	<u>2,233,191</u>	<u>522,709</u>	<u>-</u>	<u>12,046</u>	<u>2,767,946</u>
Change in net position	(3,578,712)	(1,262,500)	14,659	(436,360)	(5,262,913)
Net position - beginning of the year	22,306,210	9,765,492	14,595	3,088,825	35,175,122
Net position - end of the year	<u>\$ 18,727,498</u>	<u>\$ 8,502,992</u>	<u>\$ 29,254</u>	<u>\$ 2,652,465</u>	<u>\$ 29,912,209</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022**

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, 2022**

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 \$1,261,603 in addition to the \$1,253,675 received in the past for a total of \$2,515,278 in ARPA funding. A total of \$256,613 was expended this period. The balance of the funding received is shown as unearned revenue on these financial statements and in Note 12.

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, 2022**

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, 2022**

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, 2022.

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, 2022**

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), the officer 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, 2022

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 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, 2022**

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, 2022 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 areas in which expenditures exceeded the budget are as follows:

Culture and recreation	\$ 94,607
General governmental	\$ 22,453

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, the aggregate bank balance included in cash and cash equivalents of the primary government, the fiduciary fund, and the component unit (Library) was \$14,183,425 of which \$1,122,825 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$13,060,600 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, 2022**

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, 2022. 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, 2022.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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:			
Mutual funds - treasury obligations	\$ 381,967	Not applicable	Not applicable
Ishares Trust IBOXX Hi Yd	508,857	various	Not applicable
Mutual funds - strm Infrdidx	504,748	various	Not applicable
Mutual funds - total bond	2,509,228	various	Not applicable
Mutual funds - Intermediate term corporate bond	255,550	various	Not applicable
Mutual funds - short term bond fund	1,288,417	various	Not applicable
Mutual funds - Allworld ex US	3,169,851	various	Not applicable
Mutual funds - mid cap	1,643,249	Not applicable	Not applicable
Mutual funds - growth	3,455,366	Not applicable	Not applicable
Mutual funds - small cap	1,019,585	Not applicable	Not applicable
Mutual funds - value	3,582,804	Not applicable	Not applicable
Total police pension investments	<u>18,219,602</u>		
<u>Municipal Pension Plan:</u>			
Frozen assets:			
Mutual funds - equity	28,286	Not applicable	Not applicable
Total frozen assets	<u>28,286</u>		
Invested with broker:			
Mutual funds-treasury obligations	174,332	Not applicable	Not applicable
Ishares Trust IBOXX Hi Yd	232,155	various	Not applicable
Mutual funds - strm Infrdidx	230,327	various	Not applicable
Mutual funds - total bond	1,164,742	various	Not applicable
Mutual funds - intermediate term corporate bond	115,412	various	Not applicable
Mutual funds - short term bond fund	588,012	various	Not applicable
Mutual funds - Allworld ex US	1,484,495	various	Not applicable
Mutual funds - mid cap	688,470	Not applicable	Not applicable
Mutual funds - growth	1,650,801	Not applicable	Not applicable
Mutual funds - small cap	450,407	Not applicable	Not applicable
Mutual funds - value	1,628,293	Not applicable	Not applicable
Total invested by brokers	<u>8,307,446</u>		
Total municipal pension investments	<u>8,335,732</u>		
<u>Non Uniform Defined Contribution Fund</u>			
Invested with broker:			
Mutual funds-treasury obligations	435	Not applicable	Not applicable
Ishares IBOXX Hi Yd	589	various	Not applicable
Mutual funds - strm Infrdidx	561	various	Not applicable
Mutual funds - short term bond fund	1,430	various	Not applicable
Mutual funds - total bond	2,946	various	Not applicable
Mutual funds - Intermediate term corporate bond	310	various	Not applicable
Mutual funds - Allworld ex US	4,262	various	Not applicable
Mutual funds - growth	4,049	Not applicable	Not applicable
Mutual funds - small cap	1,101	Not applicable	Not applicable
Mutual funds - mid cap	1,834	Not applicable	Not applicable
Mutual funds - value	4,832	Not applicable	Not applicable
Total non uniform defined contribution investments	<u>22,149</u>		
<u>OPEB Trust Fund</u>			
Invested with broker:			
Mutual funds-treasury obligations	49,703	Not applicable	Not applicable
Mutual funds-Strm Infrdidx	66,562	various	Not applicable
Ishares IBOXX Hi Yd	70,758	various	Not applicable
Mutual funds - total bond	343,826	various	Not applicable
Mutual funds - short term bond	171,262	various	Not applicable
Mutual funds - Intermediate term corporate bond	34,880	various	Not applicable
Mutual funds - Allworld ex US	491,322	various	Not applicable
Mutual funds - mid cap	230,101	Not applicable	Not applicable
Mutual funds - growth	477,580	Not applicable	Not applicable
Mutual funds - small cap	148,687	Not applicable	Not applicable
Mutual funds - value	535,652	Not applicable	Not applicable
Total OPEB Investments	<u>2,620,313</u>		
	<u>\$29,197,796</u>		
Marple Township Library-component unit	\$ 509,051	Not applicable	Not applicable

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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	\$ 3,469,103,203	2.450
Tax duplicate, adjusted by authorized revisions	\$ 8,499,305	\$ 8,499,305
Add: penalties applied		14,767
Deduct:		
Collections		<u>8,433,426</u>
Total deductions		<u>8,433,426</u>
2022 Property tax receivable including penalty		<u><u>\$ 80,646</u></u>
2022 property taxes receivable	\$ 80,646	
Penalties imputed on 2022 delinquencies	8,065	
Delinquent property taxes receivable	<u>60,423</u>	
Total property taxes receivable	<u><u>\$ 149,134</u></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, 2022 are as follows:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>
Franchise fee - Cable TV	\$ 123,559	\$ -	\$ -
Fees	-	996,850	369,387
BPT and Mercantile	231,472		
Grants and intergovernmental payments	113,751	-	-
Lindburgh project	171,646		
Transfer Taxes	109,897	-	-
Miscellaneous	<u>38,897</u>	-	-
	789,222	996,850	369,387
Less: allowance for uncollectibles	-	<u>(49,745)</u>	<u>(11,069)</u>
Accounts receivable (net)	<u><u>\$ 789,222</u></u>	<u><u>\$ 947,105</u></u>	<u><u>\$ 358,318</u></u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 INVENTORY AND PREPAID ASSETS

	General Fund	Sewer Fund	Refuse Fund	Paxon Hollow Country Club
Inventory	\$ 48,526	\$ -	\$ -	\$ -
Prepaid expenditures	136,277	14,958	16,765	8,514
Total other current assets	<u>\$ 184,803</u>	<u>\$ 14,958</u>	<u>\$ 16,765</u>	<u>\$ 8,514</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	\$ 111,583	\$ 20,319
Sewer fund	-	9,971
Paxon Hollow fund	-	42,183
Refuse fund	-	46,679
Non Uniform pension fund	6,151	-
Non Uniform defined contribution fund	1,418	-
	<u>\$ 119,152</u>	<u>\$ 119,152</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	\$ -	\$ 1,243,930
Paxon Hollow fund	250,000	-
Sewer fund	100,000	-
Refuse fund	25,000	-
ARPA fund	256,614	-
Capital projects fund	-	71,124
Highway aid fund	683,440	-
	<u>\$ 1,315,054</u>	<u>\$ 1,315,054</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 CAPITAL ASSETS

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 5,402,254	\$ -	\$ -	\$ 5,402,254
Construction in progress	1,087,465	209,833	(97,770)	1,199,528
Total capital assets not being depreciated	<u>6,489,719</u>	<u>209,833</u>	<u>(97,770)</u>	<u>6,601,782</u>
Capital assets being depreciated				
Land improvements	1,365,625	86,978	-	1,452,603
Buildings and leasehold improvements	10,044,909	82,859	(513,127)	9,614,641
Infrastructure	20,429,359	3,629,043	(8,264,468)	15,793,934
Furniture and equipment	5,989,072	506,932	(1,286,962)	5,209,042
Subtotal	<u>37,828,965</u>	<u>4,305,812</u>	<u>(10,064,557)</u>	<u>32,070,220</u>
Total capital assets before capital lease	<u>44,318,684</u>	<u>4,515,645</u>	<u>(10,162,327)</u>	<u>38,672,002</u>
Capital lease	200,864	-	-	200,864
Total capital assets	<u>44,519,548</u>	<u>4,515,645</u>	<u>(10,162,327)</u>	<u>38,872,866</u>
Accumulated depreciation				
Land improvements	617,322	59,453	(153,924)	522,851
Buildings and leasehold improvements	2,815,096	271,516	132,065	3,218,677
Infrastructure	13,612,653	683,198	(7,566,311)	6,729,540
Furniture and equipment	4,536,011	358,787	(1,410,544)	3,484,254
Total accumulated depreciation	<u>21,581,082</u>	<u>1,372,954</u>	<u>(8,998,714)</u>	<u>13,955,322</u>
Governmental activities capital assets, net of depreciation	<u>\$22,938,466</u>	<u>\$3,142,691</u>	<u>\$(1,163,613)</u>	<u>\$24,917,544</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 CAPITAL ASSETS (continued)

	Balance 01/01/22	Additions	Deletions	Balance 12/31/22
<i>Business-type activities</i>				
Capital assets not being depreciated	\$ 1,073,435	\$ -	\$ -	\$ 1,073,435
Land	-	218,793	-	218,793
Construction in progress	1,073,435	218,793	-	1,292,228
Total capital assets not being depreciated				
Capital assets being depreciated				
Furniture and equipment	3,561,900	121,403	(297,389)	3,980,692
Golf course clubhouse	4,645,993	90,102	-	4,736,095
Golf course improvements	1,208,302	-	-	1,208,302
Sewer system	7,278,877	-	-	7,278,877
Total capital assets being depreciated	16,695,072	211,505	(297,389)	17,203,966
Total capital assets	17,768,507	430,298	(297,389)	18,496,194
Accumulated depreciation				
Furniture and equipment	3,212,874	119,356	(297,389)	3,629,619
Golf course clubhouse	2,162,990	152,980	-	2,315,970
Golf course improvements	999,145	44,159	-	1,043,304
Sewer system	6,814,549	31,131	-	6,845,680
Total accumulated depreciation	13,189,558	347,626	(297,389)	13,834,573
Business-type activities				
Capital assets, net of depreciation	\$ 4,578,949	\$ 82,672	\$ -	\$ 4,661,621

Component unit – Marple Public Library

	Balance 01/01/22	Additions	Deletions	Balance 12/31/22
Capital assets:				
Leasehold improvements	\$ 220,315	\$ -	\$ -	\$ 220,315
Furniture and equipment	315,406	71,026	-	386,432
Total capital assets	535,721	71,026	-	606,747
Accumulated depreciation for:				
Leasehold improvements	195,466	8,653	-	204,119
Furniture and equipment	288,960	32,396	-	321,356
Total accumulated depreciation	484,426	41,049	-	525,475
Capital assets, net	51,295	29,977	-	81,272
Book collection:				
Exhaustible book collection	846,301	88,610	(103,890)	831,021
Accumulated depreciation for:				
Exhaustible book collection	692,198	66,914	(103,890)	655,222
Book collection, net	154,103	21,696	-	175,799
Total capital assets	\$ 205,398	\$ 51,673	\$ -	\$ 257,071

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 LONG-TERM DEBT

	Principal Outstanding 01/01/22	Refunding/ Maturities	Additions	Principal Outstanding 12/31/22	Amounts Due In One Year
General obligation note series A of 2015	\$ 5,352,280	\$ 343,160	\$ -	\$ 5,009,120	\$ 348,680
General obligation note series B of 2015	511,720	29,840	-	481,880	30,320
General obligation note series C of 2015	835,000	204,000	-	631,000	207,000
General obligation note Series A of 2019	4,819,000	226,000	-	4,593,000	232,000
General obligation note Series B of 2019	2,543,000	146,000	-	2,397,000	149,000
General obligation note Series C of 2019	3,092,000	1,000	-	3,091,000	1,000
General obligation note Series D of 2019	2,501,000	98,000	-	2,403,000	101,000
General obligation note Series of 2022	-	75,000	7,889,000	7,814,000	108,000
	<u>\$ 19,654,000</u>	<u>\$ 1,123,000</u>	<u>\$ 7,889,000</u>	<u>26,420,000</u>	<u>1,177,000</u>
Net pension obligation				15,493,495	-
Other post employment benefit obligation				12,365,615	-
Severance pay				71,588	-
Total long term liabilities				<u>\$ 54,350,698</u>	<u>\$ 1,177,000</u>
Governmental Funds	\$ 23,541,120				
Proprietary Funds	2,878,880				
	<u>\$ 26,420,000</u>				

The above General Obligation Notes at December 31, 2022 totaled \$26,420,000.

The annual requirements to amortize all debts outstanding as of December 31, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$1,177,000	\$550,687	\$1,727,687
2024	1,198,000	527,069	1,725,069
2025	1,228,000	503,017	1,731,017
2026	1,250,000	476,965	1,726,965
2027	1,276,000	450,719	1,726,719
2028-2032	6,743,000	1,886,399	8,629,399
2033-2037	6,767,000	1,581,372	8,348,372
2038-2042	6,781,000	651,075	7,432,075
	<u>\$26,420,000</u>	<u>\$6,627,303</u>	<u>\$33,047,303</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.	\$5,009,120
General Obligation Note Series B of 2015 in the amount of \$630,000, bearing interest at 2.049%, maturing in 2035.	481,880
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.	631,000
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.	4,593,000
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.	2,397,000
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.	3,091,000
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.	2,403,000
General Obligation Note of 2022 in the amount of \$7,889,000 bearing interest at 2.35% until 2032 and 3.75 through 2042, maturing in 2042	7,814,000
Outstanding Principal	<u>\$26,420,000</u>

NOTE 10 OPERATING LEASE OBLIGATION

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 but extended through 2024. 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 inclusive of imputed interest of \$8,729. Schedule of proprietary funds operating lease payments as follows:

2023	\$	99,598
2024		99,598
		<u>199,196</u>
Less imputed interest		<u>(17,457)</u>
Right to Use/Obligation	\$	<u>181,739</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 deferred revenue on lease receivable, as well as certain pension and OPEB expense deferrals. Deferred outflows on the government wide and proprietary statements include the bond discount net of amortization, as well as certain pension and OPEB expense deferrals.

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 2023 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:

	General Fund	Paxon Hollow Country Club	ARPA Fund	Total
Deposits on outings / gift cards	\$ -	\$ 252,937	\$ -	\$ 252,937
Grant funding	-	-	2,258,665	2,258,665
Finger printing	66,864	-	-	66,864
Traffic signals - Old Marple and Sprout Roads	125,000	-	-	125,000
Other	8,241	-	-	8,241
Total unearned revenue	<u>\$ 200,105</u>	<u>\$ 252,937</u>	<u>\$ 2,258,665</u>	<u>\$ 2,711,707</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 01/01/22	Additions	Reductions	Balance 12/31/22
Accrued severance	<u>\$ 23,560</u>	<u>\$ 48,028</u>	<u>\$ -</u>	<u>\$ 71,588</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, and plan assets are measured as of that date. The total OPEB Liability is based on an actuarial valuation as of July 1, 2022, with adjustments for the 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.

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 \$2,652,465. 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 \$12,365,615, 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 \$3,723,760; and the ratio of the net OPEB Liability as a percentage of covered payroll was 332.073%.

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

**TOWNSHIP OF MARPLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

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, 2022 actuarial valuation the following actuarial assumptions were used:

Actuarial method	Entry age
Discount rate	6.24%
Amortization method	closed level percentage of payroll
Amortization period	30 years (20 remaining)
Investment return:	7.25%, net of investment expense and including inflation
Healthcare trend:	Ranging from 6% 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, 2022:

Active participants	26
Retirees and spouses	<u>30</u>
Total participants	<u>56</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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation (NOO) at 1/1/22	\$ 11,751,376
Actuarial changes	815,239
Investment	608,380
Employer contribution/benefits paid	(809,380)
Administration	-
OPEB liability as of 12/31/22	<u>\$ 12,365,615</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 6.24% 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:

	1% Decrease 5.24%	Current Rate 6.24%	1% Increase 7.24%
Net OPEB Liability	<u>\$14,359,596</u>	<u>\$12,365,615</u>	<u>\$10,751,665</u>

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase 5.25%
Net OPEB Liability	<u>\$10,636,298</u>	<u>\$12,365,615</u>	<u>\$14,508,077</u>

At December 31, 2022, 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	\$ 348,368	\$ 1,955,951
Changes in assumptions	117,289	869,171
Net difference between projected and actual investment earning	539,260	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 1,004,917</u>	<u>\$ 2,825,122</u>

**TOWNSHIP OF MARPLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

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:		
2023	\$	(1,048,064)
2024	\$	(972,131)
2025	\$	57,753
2026	\$	142,237
2027	\$	-
2028	\$	-
Thereafter	\$	-

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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

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.

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, 2022**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

General Information:

The Township received \$632,015 in Commonwealth funds on behalf of the plans in 2022, 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	\$ 310,827	\$ 1,570,416	\$ 1,881,243
Non-uniform	321,188	290,757	611,945
Total	<u>\$ 632,015</u>	<u>\$ 1,861,173</u>	<u>\$ 2,493,188</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 \$16,350 to its Defined Contribution Pension Plan.

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

<u>Police Pension Plan</u>	<u>Non-Uniform Pension Plan</u>	<u>Total</u>
\$ 1,881,243	\$ 401,324	\$ 2,282,567

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>
\$ 2,282,567	\$ 231,230	\$ 2,513,797

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	44	23	-
Inactive Plan Members entitled to but not receiving benefits	-	5	-
Active Plan members	<u>32</u>	<u>51</u>	<u>14</u>
	<u>76</u>	<u>79</u>	<u>14</u>

Active membership of each plan contributed as follows for 2022:

Police	\$ 271,503
Non-Uniform	\$ 170,057

Total covered payroll for the non-uniform employees' participants was \$3,597,604; annual covered payroll of the Police members totaled \$3,723,760.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

Projected funding requirements for the 2023 plans based on actuarial computations of minimum municipal obligations are as follows:

Police	\$ 1,903,606
Non Uniform	600,980
Defined Contribution	20,850
	<u>\$ 2,525,436</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, 2022:

<u>Police Pension Plan</u>	<u>Non-Uniform Pension Plan</u>	<u>Total Net Pension Liability</u>
\$ 11,700,780	\$ 3,792,715	\$ 15,493,495

Police

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

Total Pension Liability	\$ 30,428,278
Plan fiduciary net position	<u>(18,727,498)</u>
Net pension liability	<u>\$ 11,700,780</u>

Plan fiduciary net position as a percentage of the total pension liability: 61.55%

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, 2022) 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

**TOWNSHIP OF MARPLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

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 2022 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 6.20%

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	\$14,917,443	\$11,700,780	\$8,791,650

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

At December 31, 2022, 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	\$ -	\$ 630,411
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	2,486,719	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 2,486,719</u>	<u>\$ 630,411</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:

2023	\$	(10,627)
2024	\$	381,699
2025	\$	630,296
2025	\$	854,940
2027	\$	-
Thereafter	\$	-

Non-Uniform

The Plan Fiduciary net position includes \$28,286 pertaining to the aforementioned prior defined contribution plan. The components of the net pension liability of the Township at December 31, 2022 were as follows:

Total pension liability	\$ 12,295,707
Plan fiduciary net position	<u>(8,502,992)</u>
Net pension liability	<u>\$ 3,792,715</u>

Plan fiduciary net position as percentage of the total pension liability: 69.15%

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022) 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 2022 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 6.20%

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	\$5,391,157	\$3,792,715	\$2,378,165

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, 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	\$ -	\$ 733,063
Changes in assumptions	-	46,258
Net difference between projected and actual investment earnings	1,084,555	-
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 1,084,555</u>	<u>\$ 779,321</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:

2023	\$ (98,931)
2024	\$ 91,169
2025	\$ 213,323
2026	\$ 308,035
2027	\$ (104,181)
Thereafter	\$ (104,181)

The Defined Contribution Plan established in 2020 currently has 14 active plan participants. The Township contributes for each eligible participant 3% of compensation. Participants are not required to contribute to the plan. Participants are credited annually with the prorate share of investment earnings or losses of the Plan. Requisite 2022 minimum municipal obligation was \$19,403. Net position of the Plan at December 31, 2022 was \$29,254.

**TOWNSHIP OF MARPLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

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 2022 was \$1,565,972.

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 2022 was \$2,276,865.

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, and is remaining as follows:

<u>Year ending</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
12/31/23	21,682	260,184
	<u>\$ 21,682</u>	<u>\$ 260,184</u>

The Township received \$259,541 this period in rent, not inclusive of golf cart rentals.

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. 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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 future financial impact of the economic and market conditions is unknown at this time.

NOTE 21 SUBSEQUENT EVENTS

The Township has evaluated subsequent events through March 15, 2024, which represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2022

	General Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 8,475,383	\$ 8,475,383	\$ 8,373,413	\$ (101,970)
Local enabling act taxes	3,468,557	3,468,557	4,127,877	659,320
Licenses and permits	1,012,850	1,012,850	1,384,252	371,402
Fines and forfeits	37,000	37,000	41,498	4,498
Rent	197,794	197,794	158,414	(39,380)
Investment earnings	8,500	8,500	42,020	33,520
Public utility realty tax	11,400	11,400	11,737	337
Grants and entitlements	95,500	95,500	90,819	(4,681)
Charges for services	165,281	165,281	193,838	28,557
Cable TV income	538,000	538,000	510,895	(27,105)
Pennsylvania contribution for pension and volunteer fireman	722,489	722,489	707,844	(14,645)
Miscellaneous/refunds and reimbursements	42,750	42,750	122,479	79,729
Total revenues	<u>14,775,504</u>	<u>14,775,504</u>	<u>15,765,086</u>	<u>989,582</u>
EXPENDITURES				
General governmental	1,872,714	1,872,714	1,895,167	(22,453)
Public safety	7,837,443	7,837,443	7,399,509	437,934
Public works - highways and streets	2,299,343	2,299,343	2,088,110	211,233
Culture and recreation	899,438	899,438	994,045	(94,607)
Library contribution	798,970	798,970	756,260	42,710
Pension	2,506,887	2,506,887	2,282,567	224,320
Debt principal	947,160	947,160	947,160	-
Debt interest	495,725	495,725	494,925	800
Total expenditures	<u>17,657,680</u>	<u>17,657,680</u>	<u>16,857,743</u>	<u>799,937</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,882,176)</u>	<u>(2,882,176)</u>	<u>(1,092,657)</u>	<u>1,789,519</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	1,025,000	1,025,000	1,243,930	218,930
Other post employment benefit trust funding	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses) of funds, net	<u>950,000</u>	<u>950,000</u>	<u>1,168,930</u>	<u>218,930</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ (1,932,176)</u>	<u>\$ (1,932,176)</u>	<u>76,273</u>	<u>\$ 2,008,449</u>
FUND BALANCE - BEGINNING			<u>3,131,090</u>	
FUND BALANCE - ENDING			<u>\$ 3,207,363</u>	

TOWNSHIP OF MARPLE
REQUIRED SUPPLEMENTARY INFORMATION

POLICE PENSION PLAN

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 357,286	\$ 345,204	\$ 333,530	\$ 322,251	\$ 308,114	\$ 286,512	\$ 305,262	\$ 306,263	\$ 343,689
Service cost	2,132,934	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	-	-	-	(182,872)	-	794,849	-	3,020,225	-
Changes in benefit terms and actual experience	-	(945,617)	-	1,230,444	-	-	-	843,664	-
Differences between expected and actual experience	-	-	-	(1,642,626)	(1,475,478)	(1,417,873)	(1,312,907)	(1,283,004)	(1,329,472)
Changes in assumptions	(2,210,213)	(2,159,516)	(1,978,278)	1,642,626	1,475,478	1,417,873	1,312,907	1,283,004	1,329,472
Benefit payments	280,007	(583,743)	500,742	1,866,482	925,421	1,697,595	904,329	4,719,152	508,505
Net change in total pension liability	30,148,271	30,732,014	30,231,272	28,344,840	27,419,419	25,721,824	24,817,295	20,098,143	19,589,638
Total pension liability - beginning	\$ 30,428,278	\$ 30,148,271	\$ 30,732,014	\$ 30,231,272	\$ 28,344,840	\$ 27,419,419	\$ 25,721,824	\$ 24,817,295	\$ 20,098,143
Total pension liability - ending	\$ 1,881,243	\$ 1,771,366	\$ 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	271,503	198,279	195,131	193,178	185,235	175,677	171,555	169,205	161,626
Contributions - Township and state aid	(3,498,267)	2,513,235	2,464,290	2,377,920	(956,097)	2,012,735	836,725	(163,932)	663,451
Miscellaneous income	(2,210,213)	(2,159,516)	(1,978,278)	(1,642,626)	(1,475,478)	(1,417,873)	(1,312,907)	(1,283,004)	(1,329,472)
Net investment income	(22,978)	(35,541)	(32,378)	(36,340)	(53,524)	(43,546)	(30,805)	(35,071)	(23,811)
Benefit payments (includes non-uniform defined contribution Plan)	(9,578,712)	2,267,843	2,417,367	2,992,930	(779,418)	2,088,070	1,033,187	(223,825)	558,039
Administrative expense	22,306,210	20,018,367	17,601,000	14,608,070	15,387,488	13,289,418	12,256,229	12,480,054	11,921,995
Net change in fiduciary net position	\$ 18,727,488	\$ 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	\$ 11,700,780	\$ 7,842,061	\$ 10,713,647	\$ 12,630,272	\$ 13,736,770	\$ 12,031,991	\$ 12,432,408	\$ 12,561,066	\$ 7,618,089
Plan fiduciary net position - ending	61.55%	73.99%	65.14%	58.22%	51.54%	56.12%	51.67%	49.35%	62.10%
Plan fiduciary net position as a percentage of total pension liability	\$ 3,951,392	\$ 3,616,153	\$ 3,583,066	\$ 3,593,888	\$ 3,538,562	\$ 3,362,394	\$ 3,363,692	\$ 3,341,114	\$ 3,195,536
Covered employee payroll	296.12%	216.74%	299.01%	341.92%	388.20%	357.84%	367.42%	375.95%	238.40%
Net pension liability as a percentage of covered payroll	-16.27%	13.18%	14.67%	21.43%	-6.49%	15.86%	7.14%	-1.37%	5.82%

SCHEDULE OF INVESTMENT RETURNS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return net of investment expense	-16.27%	13.18%	14.67%	21.43%	-6.49%	15.86%	7.14%	-1.37%	5.82%

SCHEDULE OF TOWNSHIP CONTRIBUTIONS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,881,243	\$ 1,771,366	\$ 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	\$ 1,881,243	\$ 1,771,366	\$ 1,768,602	\$ 1,501,098	\$ 1,500,373	\$ 1,371,077	\$ 1,368,619	\$ 1,088,977	\$ 1,085,475
Contribution deficiency (excess)	\$ 3,723,760	\$ 3,707,360	\$ 3,583,066	\$ 3,693,888	\$ 3,538,562	\$ 3,362,394	\$ 3,383,692	\$ 3,341,114	\$ 3,195,536
Covered employee payroll	50.52%	47.78%	48.36%	40.64%	42.40%	40.78%	40.45%	32.59%	33.97%
Contributions as a percentage of covered payroll									

TOWNSHIP OF MARPLE
REQUIRED SUPPLEMENTARY INFORMATION

NON UNIFORM PENSION PLAN

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(Defined Benefit Portion)								
Total Pension Liability	\$ 284,475	\$ 274,855	\$ 215,984	\$ 208,593	\$ 200,089	\$ 191,932	\$ 185,947	\$ 185,947	\$ 139,968
Service cost	848,556	857,678	615,771	639,510	602,130	566,003	552,219	510,039	478,831
Interest	-	-	2,785,283	-	-	-	-	-	-
Changes in benefit terms and actual experience	-	(633,448)	-	(169,862)	-	(161,963)	-	-	(31,027)
Changes in assumptions	(505,302)	(365,185)	(313,266)	(388,072)	(275,975)	(317,967)	(271,794)	(251,754)	(482,359)
Benefit payments	627,729	(67,101)	3,303,682	197,631	526,244	278,005	466,372	551,354	136,400
Net change in total pension liability	11,667,978	11,735,079	8,431,397	8,233,555	7,707,322	7,429,317	6,992,945	6,411,551	6,275,191
Total pension liability - beginning	\$ 12,295,707	\$ 11,667,978	\$ 11,735,079	\$ 8,431,397	\$ 6,293,566	\$ 7,707,322	\$ 7,429,317	\$ 6,992,945	\$ 6,411,591
Total pension liability - ending	\$ 24,063,685	\$ 23,403,057	\$ 20,166,476	\$ 16,664,952	\$ 14,000,888	\$ 15,136,639	\$ 14,422,262	\$ 13,404,496	\$ 12,686,782

	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(Defined Benefit Portion)								
Plan Fiduciary Net Position	\$ 611,945	\$ 235,886	\$ 311,019	\$ 311,555	\$ 313,522	\$ 292,388	\$ 295,077	\$ 255,984	\$ 250,302
Contributions - Township and state aid	170,088	172,836	108,938	111,889	111,880	107,950	100,868	96,140	97,953
Contributions - employee	-	-	-	-	-	-	-	-	5,686
Miscellaneous income	(1,521,793)	1,097,948	1,145,864	1,273,868	(994,832)	859,884	358,560	(78,315)	278,172
Net investment income	(905,302)	(866,186)	(313,266)	(388,072)	(275,975)	(317,967)	(271,794)	(251,754)	(482,359)
Benefit payments	(17,408)	(32,283)	(30,137)	(30,550)	(45,533)	(40,516)	(23,702)	(28,656)	(24,237)
Administrative expense	(1,262,500)	1,108,201	1,220,418	1,278,490	(290,306)	901,739	458,009	(4,601)	125,477
Net change in fiduciary net position	9,765,492	8,657,291	7,436,873	6,158,353	6,449,291	5,547,552	5,088,543	5,093,144	4,967,667
Plan fiduciary net position - beginning	\$ 8,502,992	\$ 9,765,492	\$ 8,657,291	\$ 7,436,873	\$ 6,158,353	\$ 5,547,552	\$ 5,547,552	\$ 5,088,543	\$ 5,093,144
Plan fiduciary net position - ending	\$ 18,268,484	\$ 18,422,783	\$ 16,094,164	\$ 13,595,226	\$ 12,607,644	\$ 11,095,104	\$ 10,636,095	\$ 10,181,687	\$ 10,050,811
Marple Township net pension liability	\$ 3,792,715	\$ 1,902,486	\$ 3,077,768	\$ 994,524	\$ 2,075,183	\$ 1,258,031	\$ 1,881,765	\$ 1,874,402	\$ 1,318,447

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of total pension liability	68.15%	83.69%	73.77%	88.20%	74.80%	83.68%	74.67%	73.08%	79.44%
Covered employee payroll	\$ 3,405,834	\$ 3,421,278	\$ 3,736,486	\$ 3,675,606	\$ 3,580,612	\$ 3,252,822	\$ 3,373,610	\$ 3,396,669	\$ 3,305,917
Net pension liability as a percentage of covered payroll	111.36%	55.61%	82.37%	27.06%	57.95%	38.68%	55.76%	55.68%	39.83%
Annual money-weighted rate of return net of investment expense	-15.69%	13.17%	15.62%	21.16%	-6.49%	15.61%	7.11%	-1.55%	5.87%

	2022	2021	2020	2019	2018	2017	2016	2015	2014
SCHEDULE OF TOWNSHIP CONTRIBUTIONS	\$ 605,794	\$ 235,886	\$ 311,019	\$ 311,555	\$ 308,988	\$ 292,388	\$ 295,077	\$ 253,196	\$ 250,302
Actuarially determined contribution	605,794	235,886	311,019	311,555	308,988	292,388	295,077	253,196	250,302
Contributions in relation to the actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ 3,597,604	\$ 3,575,750	\$ 3,736,486	\$ 3,675,606	\$ 3,580,612	\$ 3,252,822	\$ 3,357,508	\$ 3,394,102	\$ 3,204,872
Covered employee payroll	16.84%	6.60%	8.32%	8.48%	8.63%	8.59%	8.79%	7.46%	7.81%
Contributions as a percentage of covered payroll									

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA CONTRIBUTIONS

(UNAUDITED)

DECEMBER 31, 2022

POLICE:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
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%
2022	\$ 1,881,243	\$ 1,881,243	\$ -	\$3,723,760	50.52%

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
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%
2022	\$ 605,794	\$ 605,794	\$ -	\$3,597,604	16.84%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF POST EMPLOYMENT BENEFIT OBLIGATION FUNDING PROGRESS AND
SCHEDULE OF POST EMPLOYMENT BENEFIT EMPLOYER CONTRIBUTIONS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF POST EMPLOYMENT BENEFIT OBLIGATION FUNDING PROGRESS

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%
2022	\$ 15,030,261	\$ 2,664,646	\$ 12,365,615	17.73%	\$ 4,049,233	305.4%

SCHEDULE OF POST EMPLOYMENT BENEFIT EMPLOYER CONTRIBUTIONS

Year	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percent of Payroll
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%
2022	\$ 1,191,532	\$ 884,380	\$ 307,152	\$ 3,597,604	24.58%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN MARPLE TOWNSHIP'S NET OPEB LIABILITIES

(UNAUDITED)

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 364,105	\$ 351,792	\$ 339,896	\$ 328,402	\$ 317,297	\$ 292,652
Interest	841,028	994,153	1,000,170	974,048	938,437	904,710
Changes in benefit terms and actual experience	719,014	(3,625,681)	(572,443)	-	(1,576,690)	-
Changes in assumptions	(926,341)	(348,829)	209,321	324,782	802,501	-
Benefit payments	(809,380)	(827,330)	(647,230)	(650,751)	(594,956)	(610,000)
Net change in total OPEB liability	188,426	(3,455,895)	329,714	976,481	(113,411)	587,362
Total OPEB liability - beginning	14,841,835	18,297,730	17,968,016	16,991,535	17,104,946	16,517,584
Total OPEB liability - ending	\$ 15,030,261	\$ 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	\$ 884,380	\$ 902,330	\$ 722,230	\$ 725,751	\$ 669,956	\$ 685,000
Net investment income	(485,278)	358,832	347,381	384,235	(116,909)	244,578
Benefit payments (includes non-uniform defined contribution Plan)	(809,380)	(827,330)	(647,230)	(650,751)	(594,956)	(610,000)
Administrative expense	(15,535)	(15,680)	(15,200)	(9,981)	(9,565)	-
Net change in fiduciary net position	(425,813)	418,152	407,181	449,254	(51,474)	319,578
Plan fiduciary net position - beginning	3,090,459	2,672,307	2,265,126	1,815,872	1,867,346	1,547,768
Plan fiduciary net position - ending	\$ 2,664,646	\$ 3,090,459	\$ 2,672,307	\$ 2,265,126	\$ 1,815,872	\$ 1,867,346
Marples Township net OPEB liability-year end	\$ 12,365,615	\$ 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	17.73%	20.82%	14.60%	12.61%	10.69%	10.92%
Covered employee payroll	\$ 3,723,760	\$ 3,618,153	\$ 3,583,066	\$ 3,693,888	\$ 3,538,582	\$ 3,362,394
Net OPEB liability as a percentage of covered payroll	332.07%	324.79%	436.09%	425.10%	428.86%	453.18%

SUPPLEMENTARY INFORMATION

THE TOWNSHIP OF MARPLE

BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	\$ 3,788,319
Real estate taxes receivable	149,134
Other accounts receivable	615,697
Due from other funds	111,583
Due from other government	173,525
Inventory	48,526
Prepaid expenditures	136,277
Total assets	<u>5,023,061</u>

DEFERRED OUTFLOW OF RESOURCES

-

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 5,023,061

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 503,927
Due to other funds	20,319
Accrued payroll and related liabilities	276,478
Accrued interest	5,264
Unearned revenue	200,105
Escheat liability	5,223
Escrow liability	668,753
Total liabilities	<u>1,680,069</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable taxes	<u>135,629</u>
Total liabilities and deferred inflows of resources	<u>1,815,698</u>

Fund balance:

Nonspendable	136,277
Restricted	-
Committed for:	-
Capital projects	-
Assigned to:	
Green Bank Farm improvements	20,065
2023 budget projected shortfall	2,122,273
Unassigned	928,748
Total fund balance	<u>3,207,363</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,023,061</u>

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

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

REVENUES	
Taxes - real estate (net)	\$ 8,373,413
Local enabling act taxes	
Deed transfer tax	928,467
Mercantile tax	1,196,260
Business privilege tax	1,406,118
Local service tax	551,025
Amusement tax	46,007
	<u>4,127,877</u>
Licenses and permits	
Licenses and inspection	1,384,252
Franchise fee - cable television	510,895
	<u>1,895,147</u>
Fines - forfeits costs	
District justice fines	20,205
Reimbursements and motor vehicle code violations	21,293
	<u>41,498</u>
Interest and rents	
Investment earnings	42,020
Rent of building and parking lots	158,414
	<u>200,434</u>
Grants	
Recycling grant	44,000
Equity share program	4,000
Public utility realty tax act	11,737
County aid	27,702
Police Vests	1,377
PennDot snow removal grant reimbursement	13,740
Pennsylvania contribution for pension and volunteer firemen	707,844
	<u>810,400</u>
Charges for services	
Garbage, refuse charges and recycling	25,484
Other departmental revenue	168,354
	<u>193,838</u>
Other	
Refunds and reimbursements	83,258
Miscellaneous	39,221
	<u>122,479</u>
TOTAL REVENUES	<u>15,765,086</u>

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

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

GOVERNMENTAL EXPENDITURES

GENERAL GOVERNMENT

Administration

Salaries and benefits	916,752
Materials and supplies	23,823
General expenses	268,291
Computer software and consulting	46,815
Municipal pension contribution	401,324
Accounting, payroll and actuarial services	58,665
Collection fees 511 taxes	98,452
Repairs and maintenance and capital purchases	7,387
Solicitor and arbitration	134,318
General engineering	180,767
	<u>2,136,594</u>

Treasurer

Salaries and benefits	42,917
General expense	14,357
	<u>57,274</u>

Municipal buildings

Salaries and benefits	48,659
Materials and supplies - general	6,936
Utility cost	22,392
Maintenance and repairs	24,636
	<u>102,623</u>

Total general government	<u>2,296,491</u>
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THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

PROTECTION TO PERSONS AND PROPERTY

Police protection

Salaries and benefits	5,534,633
Materials, supplies and general expenses	318,432
Utilities	40,369
Vehicle operation and new vehicles	44,111
Animal control	6,580
Maintenance and repairs and equipment	39,964
Police training, physicals and police testing	19,265
Pension plan contribution	1,881,243
Equity share program-DOJ	4,000
Capital purchases	62,202
	<u>7,950,799</u>

Fire and ambulance rescue

Fire hydrants	115,927
Utilities	25,672
Workers compensation and other insurances	41,500
Contributions	100,000
Contribution volunteer fire companies	175,000
Pennsylvania relief funds	194,268
	<u>652,367</u>

Building regulation, planning, zoning and emergency management

Salaries and benefits	546,462
General expenses	115,000
Materials and supplies	16,124
	<u>677,586</u>

Total protection to persons and property	<u>9,280,752</u>
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THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

GENERAL SERVICES, STREET LIGHTS AND HIGHWAY

Public works	
Salaries and benefits	1,486,698
Materials and supplies	58,051
General expenses	48,353
Traffic signals, street signs and street lights	32,237
Snow removal	74,736
Electricity and other utilities	219,249
Gas, oil and diesel	45,600
Leaf collection	14,779
Maintenance of equipment and building	69,932
Capital equipment general	38,475
Minor equipment	<u>38,475</u>
Total public works	<u>2,088,110</u>

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

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

CULTURE AND RECREATION

General recreation services

Maintenance and repairs	1,477
Contribution leisure services	74,156
Contributions	5,800
	<u>81,433</u>

Parks and playgrounds

Salaries and benefits	522,759
Materials and supplies	8,862
Maintenance and repairs	76,001
Utilities	34,330
General expenses	229,186
	<u>871,138</u>

Libraries

Insurance	8,398
Utilities	24,576
General expense	8,500
Library funding	756,260
	<u>797,734</u>

Total department of culture and recreation	<u>1,750,305</u>
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THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

Debt service	
Interest	494,925
Principal	947,160
Total debt service expenditures	<u>1,442,085</u>
TOTAL EXPENDITURES	<u>16,857,743</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,092,657)
OTHER FINANCING SOURCES (USES) OF FUNDS	
OPEB trust contribution	(75,000)
Operating transfer in	1,243,930
Total other financing sources (uses) of funds	<u>1,168,930</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES OF FUNDS	76,273
FUND BALANCE - BEGINNING	<u>3,131,090</u>
FUND BALANCE - ENDING	<u><u>\$ 3,207,363</u></u>



CYNTHIA FELZER 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, 2022, 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 March 15, 2024.

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 or significant deficiencies 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

March 15, 2024

