

TOWNSHIP OF MARPLE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2020



LEITZELL & ECONOMIDIS, PC
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF MARPLE

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Township of Marple
Broomall, Pennsylvania

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Marple, Broomall, Pennsylvania, as of December 31, 2020, 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.



CYNTHIA FELZER LEITZELL, CPA
SHELLA C. ECONOMIDIS, CPA

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CERTIFIED PUBLIC ACCOUNTANTS

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, other post employment benefits trend and pension plans trend information on pages 3-18 and 63-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Marple's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual general fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual general fund financial statements 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 August 15, 2021 on our consideration of the Township of Marple, Broomall, Pennsylvania'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 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 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, Broomall, Pennsylvania's internal control over financial reporting and compliance.

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

Media, Pennsylvania
August 15, 2021

**TOWNSHIP OF MARPLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
DECEMBER 31, 2020**

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, 2020. 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 19.

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 exceeded its assets at the close of the most recent fiscal year by \$20,989,007 (representing its net position).
- Total revenues of the Township's 2020 governmental activities were \$16,266,500 (without regard to transfers between governmental activities and business type activities), and expenditures totaled \$17,493,559. This compares to 2019 activity of \$16,974,615 in revenues and \$16,713,998 in expenditures. The decrease in revenue was particularly reflective in the decrease in charges for services and grant activity as well as local enabling taxes. Corresponding expenditures in the government activities increased by \$779,561 or 4.6% particularly inclusive of a increased municipal pension expense (35%), public works (9.5%) and depreciation costs (reflective of ongoing construction being placed in service). Public safety costs were actually reduced this period by 2%.
- Township revenues decreased within the business type activities to \$7,576,770, down slightly (less than 1 percent) from the prior year. Operating expenses of business-type activities in 2020 increased correspondingly about 15.3% to \$8,611,778, excluding transfers out and debt related costs and state pension revenue support. This did include, however, the allocation of pension cost to the proprietary funds in the amount of \$913,304 (compared with \$117,345 in the prior year) a significant increase from prior year resulting from actuarial determinations. The increase in total costs, aside from pension expense increases, was primarily reflected in an increase in treatment costs within the Sewer Fund, approximately 12%.

Highlights for Fund Financial Statements (Modified Accrual):

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

- The Township's governmental funds reported a combined fund balance of \$4,713,926 as of December 31, 2020. This represents a decrease from the prior year of \$1,914,934, which included \$2,625,153 in capital projects shown as expenditures in the governmental funds.
- At December 31, 2020, the General Fund reported a fund balance of \$2,539,836, a decrease of \$648,721. Asset to liability ratio did remain stable this period with a slight decline. The Township asset to liability ratio is indicative of a continued strong financial position. Cash decreased somewhat while other assets remained relatively consistent. Liabilities increased in the area of accounts payables.
- Expenditures in the government activities increased by \$271,055 or about 1.2% including \$2,625,153 in capital expenditures (a fairly consistent capital outlay with the prior year). While many functional governmental expenditures remained stable from the prior year, there was a 9% increase in public works (related to facility and related construction) and an increase in minimum municipal obligation pension requirements.
- Debt service, without regard to the 2019 refundings and proceeds, remained consistent this period. Further the Proprietary Funds (specifically the Paxon Hollow Fund) showed a decrease in net long term bond payable liability in the amount of \$169,000.

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 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 kinds 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 by \$20,989,007. The following table presents condensed comparative information for the net assets of the Township for calendar years 2020 and 2019.

TOWNSHIP OF MARPLE
SUMMARY OF STATEMENTS OF NET POSITION
DECEMBER 31,

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 6,794,598	\$ 8,551,968	\$ 3,253,667	\$ 3,643,094	\$ 10,048,265	\$ 12,195,062
Capital assets, net of depreciation	21,763,355	20,313,764	4,835,833	5,136,642	26,599,188	25,450,406
Total assets	28,557,953	28,865,732	8,089,500	8,779,736	36,647,453	37,645,468
Deferred outflows of resources	1,315,775	2,585,294	11,926	227,246	1,327,701	2,812,540
	29,873,728	31,451,026	8,101,426	9,006,982	37,975,154	40,458,008
Liabilities:						
Current liabilities	1,483,476	1,300,759	426,952	387,150	1,910,428	1,687,909
Long-term liabilities	45,854,574	47,284,187	4,289,957	3,815,570	50,144,531	51,099,757
Total liabilities	47,338,050	48,584,946	4,716,909	4,202,720	52,054,959	52,787,666
Deferred inflow of resources	3,524,685	2,853,028	348,946	452,010	3,873,631	3,305,038
	50,862,735	51,437,974	5,065,855	4,654,730	55,928,590	56,092,704
Net position:						
Invested in capital assets, net of related debt	4,255,037	1,985,225	1,608,833	1,694,470	5,863,870	3,679,695
Unrestricted	(25,244,044)	(21,972,173)	1,426,738	2,657,782	(23,817,306)	(19,314,391)
Total net position	\$ (20,989,007)	\$ (19,986,948)	\$ 3,035,571	\$ 4,352,252	\$ (17,953,436)	\$ (15,634,696)

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

A significant portion of the Township's net position, \$4,255,037 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 2020 Statement of Net Position to 2019 there was a decrease in total net assets of \$1,002,059 inclusive of a transfer from business activities. Governmental activity expense increased about 4.6%, much of that as noted above within the pension expense category. Business activity costs increased about 15% as a result of increased treatment costs and again increased pension obligations. The loss within the business activities was inclusive of a net transfer from the governmental activities in the amount of \$225,000.

The following comparison illustrates revenues and expenses of governmental activities and business-type activities for fiscal years 2020 and 2019 in a detailed format:

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program services:						
Charges for services	\$ 2,223,703	\$ 2,433,861	\$ 7,469,356	\$ 7,528,565	\$ 9,693,059	\$ 9,962,226
Operating grants and contributions	1,713,131	1,881,147	107,414	116,548	1,820,545	1,997,695
General revenues:						
Property taxes	8,205,488	8,176,360	-	-	8,205,488	8,176,360
Public utility realty tax	11,404	10,257	-	-	11,404	10,257
Local enabling act taxes	3,291,651	3,527,999	-	-	3,291,651	3,527,999
Franchise fee - cable television	538,954	557,660	-	-	538,954	557,660
Other revenue	282,169	387,531	12,032	35,013	294,201	422,544
Total revenues	16,266,500	16,974,615	7,588,802	7,680,126	23,855,302	24,654,741
EXPENSES:						
General government	1,720,737	1,651,136	-	-	1,720,737	1,651,136
Public safety	6,572,003	6,723,509	-	-	6,572,003	6,723,509
Public works - highway	2,056,517	1,877,572	-	-	2,056,517	1,877,572
Library	734,233	761,064	-	-	734,233	761,064
Culture and recreation	824,271	761,824	-	-	824,271	761,824
Interest on long-term debt	372,733	444,033	68,705	112,286	441,438	556,319
Pension	2,811,329	2,088,000	-	-	2,811,329	2,088,000
Issuance costs	-	189,999	-	29,625	-	219,624
Post employment benefits	1,225,556	1,252,978	-	-	1,225,556	1,252,978
Unallocated depreciation expense	1,175,562	962,647	-	-	1,175,562	962,647
Discount amortization	618	1,236	-	-	618	1,236
Sewer fund	-	-	4,233,372	3,726,278	4,233,372	3,726,278
Refuse fund	-	-	2,550,942	2,019,498	2,550,942	2,019,498
Paxon Hollow Club fund	-	-	1,827,464	1,718,360	1,827,464	1,718,360
Total expenses	17,493,559	16,713,998	8,680,483	7,606,047	26,174,042	24,320,045
Transfers	225,000	(443,328)	(225,000)	443,328	-	-
Changes in net assets	\$ (1,002,059)	\$ (182,711)	\$ (1,316,681)	\$ 617,407	\$ (2,318,740)	\$ 334,696

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

Revenues:

- 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.
- 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 mileage, sewer rental fees, refuse fee, building fees, user fees, etc.).
- 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.
- Market impacts on investment income** – The Township's investment portfolio is managed using a longer average maturity on capital funds. Market conditions cause investment income to fluctuate with the economic environment.

Expenses:

1. **Introduction to new programs** – Within the functional expense categories (public safety, public works, refuse, sewer, etc.), individual programs may be added or deleted to meet changing community needs and requirements.
2. **Increase in authorized personnel** – Changes in service demand may cause the Township Board to increase or decrease authorized staffing. Personnel costs (salary and related benefits) represent approximately 50% of the Township's primary program expenses.
3. **Salary increases (annual adjustments and merit)** – The ability to attract and retain human resources requires Marple Township to strive to approach a competitive salary and range position in the marketplace.
4. **Inflation** – While overall inflation appears to be reasonably modest, 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 2020 totaled \$16,266,500. 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 some 4.2% from 2019. Taxes comprise the largest source of Township revenues (70.6%), amounting to \$11,497,139 in 2020. Property taxes represent \$8,205,488 (50.44% of revenue) with business and deed transfer taxes accounting for the balance. The decrease in governmental revenues from the prior year was reflective of a decrease in certain public work grants as well as related project building fees and permits. Expenses of all governmental activities this year totaled \$17,493,559, an increase of \$1,220,439 from 2019. Public safety, including post-employment benefit charges, which accounts for the largest program expenditures (\$7,797,559 or 45% of governmental expenditures) decreased this period by 2%. However, pension costs of which the police represent 83% of the governmental expense increased some \$723,000 or about 35%.

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 \$7,469,356 in 2020. This represented slight decrease in total revenues from the prior year (less than 1%). However, while sewer fund revenues increased some \$269,000 and refuse fees increased minimally, Paxon Hollow revenue was reduced over \$336,000 primarily due to Pandemic related closures. For business-type activities, total operating expenses for 2020 increased \$1,147,642 or approximately 15% compared to calendar year 2019. Treatment costs within the sewer fund increased this period by 12.2%, consistent with the prior year increase and treatment costs continue to rise. Further, solid waste disposal rates increased slightly but were reasonably consistent with prior year. Paxon Hollow revenues as mentioned above were notably lower as a result of pandemic

restrictions on the use of the facilities. Despite the reduction in revenue, Paxon Hollow expenses increased by \$109,104, most notably in the aforementioned pension expense.

Cost of services – expenses analysis

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

TOWNSHIP OF MARPLE
COST OF SERVICES - EXPENSE ANALYSIS

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental activities:				
General government	\$ 1,720,737	\$ 1,668,937	\$ 1,651,136	\$ 1,617,136
Public safety	6,572,003	5,373,961	6,723,509	5,184,591
Public works- highway	2,056,517	28,676	1,877,572	(173,196)
Library	734,233	734,233	761,064	761,064
Culture and recreation	824,271	819,271	761,824	761,824
Interest on long-term debt	372,733	372,733	444,033	444,033
Pension	2,811,329	2,157,178	2,088,000	1,398,878
Issuance costs	-	-	189,999	189,999
Post employment benefits	1,225,556	1,225,556	1,252,978	1,252,978
Unallocated depreciation and amortization	1,176,180	1,176,180	963,883	963,883
Total governmental activities	\$ 17,493,559	\$ 13,556,725	\$ 16,713,998	\$ 12,399,190
Business-type activities:				
Sewer fund	\$ 4,233,372	\$ 395,293	\$ 3,726,278	\$ 156,411
Refuse fund	2,550,942	474,461	2,019,498	(51,806)
Paxon Hollow Country Club	1,827,464	233,959	1,860,271	(143,871)
Total business-type activities	\$ 8,611,778	\$ 1,103,713	\$ 7,606,047	\$ (39,066)

Net cost of governmental activities is 77% of total cost of services in 2020. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

Financial analysis of governmental funds

The Township uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such data is useful in assessing the Township's financing requirements. For example, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As the Township completed the year, its governmental funds reported a combined fund balance of \$4,713,926. The Township's general fund unassigned fund balance was \$990,235 as of December 31, 2020, which equals to 6% of 2020 total revenues and 5.4% of total expenditures, excluding operating transfers. Total unassigned fund balance

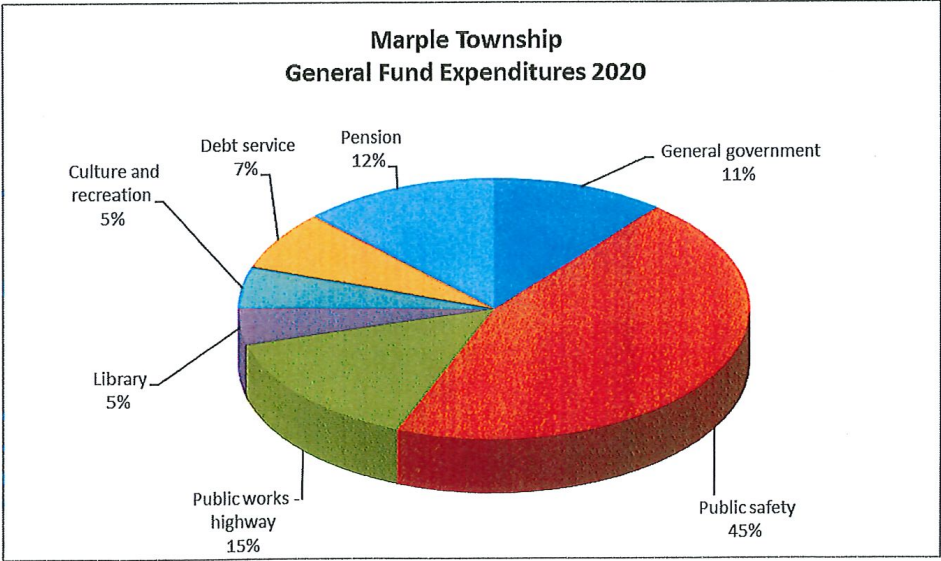
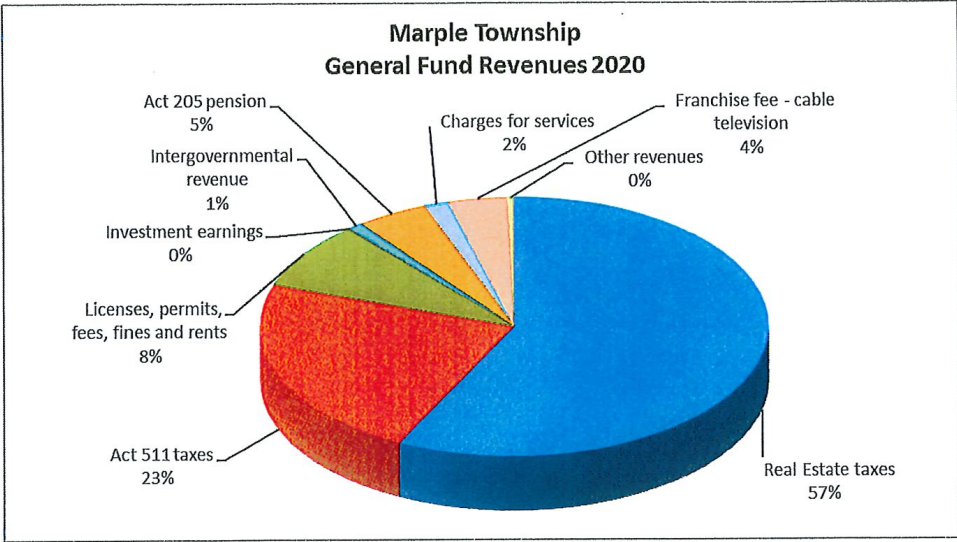
along with the administratively assigned fund balance totaled 13.6% of total revenues and 12% of total expenditures, excluding operating transfers.

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 2020 totaled \$16,489,185 including \$225,000 in transfers from proprietary funds and another \$807,444 in inter-governmental fund activity. In 2020, operating revenues decreased \$579,691. License and permit fees decreased (21%), partly from pandemic restrictions resulting in limited construction projects. Local enabling taxes showed a decrease 7% in activity, again related from pandemic shutdowns and stay at home restrictions.

- Revenue from Act 511 taxes decreased \$264,000, or 21% as noted above compared to 2019. Although collections were lower than last year or initially expected due to the pandemic impact, these collections are expected to increase in 2021 once the economy recovers and the workforce returns to normalcy.
- Collections for real estate taxes increased slightly (about 2%) during the period despite the millage rate remaining at 4.48 mills. Collection rate for the period was approximately 98.7 percent, consistent with prior years' activity and assessment changes.
- Licenses and inspections decreased significantly this period (21%). Development as noted above was not as robust due to restrictions as noted above.

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



Financial analysis of proprietary fund (business-type)

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

Sewer Fund	2020	2019	Increase (Decrease)
Revenues:			
Sewer fees	\$3,827,283	\$3,559,412	\$ 267,871
Interest and other income	11,357	17,388	(6,031)
Total revenues	3,838,640	3,576,800	261,840
Expenses:			
Salaries and benefits	260,600	193,308	67,292
Sewer Authority charges	3,762,947	3,354,309	408,638
Depreciation	74,517	76,531	(2,014)
Transfer to General Fund	100,000	100,000	-
Other costs	135,308	102,130	33,178
Total expenses	4,333,372	3,826,278	507,094
Net income (loss)	\$ (494,732)	\$ (249,478)	\$ (245,254)

Sewer fees showed an increase representing an increase in overall assessment charges and new construction. Correspondingly, treatment costs were increased this period by some 12%, consistent with prior year increase in costs.

Total sewer expenses in 2020 increased \$507,094 or approximately 13%, as noted above as impacted by the increased treatment costs and pension expense. Payments to the Central Delaware County Sewer Authority (CDCA) and the Radnor/Haverford/Marple Sewer Authority (RHM) represent 87% of total sewer expenses.

Refuse Fund			Increase
	2020	2019	(Decrease)
Revenues:			
Refuse collection fees	\$2,018,572	\$2,010,262	\$ 8,310
Interest and other income	60,838	72,117	(11,279)
Transfer in	-	-	-
Total revenues	<u>2,079,410</u>	<u>2,082,379</u>	<u>(2,969)</u>
Expenses:			
Salaries and benefits	1,638,525	1,148,961	489,564
Vehicle fuel and maintenance	149,502	137,410	12,092
Depreciation	66,545	66,545	-
Transfer to General Fund	25,000	25,000	-
Other costs including disposal	696,370	666,582	29,788
Total expenses	<u>2,575,942</u>	<u>2,044,498</u>	<u>531,444</u>
Net income (loss)	<u>\$ (496,532)</u>	<u>\$ 37,881</u>	<u>\$ (534,413)</u>

Refuse collection fees increased slightly in 2020. There was no increase in refuse fees in 2020. There were 7,722 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 10,316 tons of refuse collected from households in 2020. This equates to an average of 2,671.84 pounds of trash collected per household in 2020. There was 1,797 tons of recyclable waste collected in 2020 which equates to 465.42 pounds per household. During the pandemic shutdown in 2020, many residents stayed home and accumulated more trash which is reflective in the increased tonnage.

Total refuse expenses increased \$531,444 or 26% in 2020, primarily the result of the increased pension costs of approximately \$461,000. The General Fund provides 100% of the administrative support for the Refuse Fund operation. In 2020, 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			Increase
	2020	2019	(Decrease)
Revenues:			
Golf fees	\$ 1,169,687	\$ 1,272,148	\$ (102,461)
Rental income and other income	448,180	748,799	(300,619)
Transfer in	52,885	668,328	(615,443)
Total revenues	1,670,752	2,689,275	(1,018,523)
Expenses:			
Salaries and benefits	1,001,018	763,061	237,957
Transfer to general fund	100,000	100,000	-
Depreciation and amortization	240,536	271,894	(31,358)
Vehicle fuel and maintenance	108,152	163,997	(55,845)
Course maintenance	136,281	133,039	3,242
Golf cart rental	99,598	81,128	18,470
Interest expenses and issuance costs	68,705	141,911	(73,206)
Other costs	241,879	305,241	(63,362)
Total expenses	1,996,169	1,960,271	35,898
Net Income (loss)	\$ (325,417)	\$ 729,004	\$ (1,054,421)

In 2020, Paxon Hollow golf fees revenue decreased for the year. Paid rounds of golf decreased by 7.9% from 34,325 in 2019 to 31,619 in 2020. The decrease in rounds of golf was the direct result of the pandemic restrictions imposed beginning in March of 2020. The course was closed for 46 consecutive days due to COVID-19.

Salaries and benefits increased approximately 31% or 237,957 resulting from salary and benefit increases including actuarial determined pension expense. Pension expense alone accounted for \$261,828, with salaries declining \$23,971. Most other expenses decreased during the period with the exception of necessary course maintenance and contractual golf cart rental.

For calendar year 2020, Paxon Hollow experienced a decrease in net position of \$325,417. Net income before operating transfers to the General Fund was \$74,079 in 2019 and \$(225,417) in 2020. Paxon Hollow Fund transferred \$100,000 to the General Fund shown in these financial statements as operating transfers. It is not required that Paxon Hollow Fund transfer profits to the General Fund; however, it does provide the General Fund with additional operating capital which offsets potential real estate tax increases from year to year.

General Fund Budgetary Highlights

Revenues

The statement comparing the Township's general fund budget to actual results can be found on page 64. Total actual revenues ended the year less than budgeted revenue by approximately 2% or \$344,908. The following factors reflect the primary differences between budget and actual expenditures:

- Act 511 taxes were significantly below that of anticipated budget by \$288,349, primarily in the mercantile tax area as well as deed transfer taxes
- Certain grants and entitlements were somewhat lower than anticipated; certain anticipated state grants were not forthcoming
- Charges for services combined with license and permits jointly were lower than anticipated as a result of limited building and development activity within the Township resulting from Covid-19 restrictions

Expenditures

Actual expenditures in the General Fund ended the year \$1,640,309 below budget (or approximately 9%) without regard to the funding of the Township's Post Employment Benefit Trust. This is despite capital outlays in the amount of \$432,885 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.

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, 2020 is \$21,763,355 net of accumulated depreciation. Major capital assets acquired and improvements made during the year out of the operations and capital project funds totaled \$2,625,153, consisting primarily of vehicles, equipment and infrastructure improvements such as follows:

- Bathroom renovations to Library and administrative areas
- Two dump truck and two Ford pickup trucks
- Township website
- Road paving throughout the Township
- Kubato excavator
- Board of Commissioners room audio and visual equipment

Capital assets – business-type activities

The Township's investment in capital assets for its business-type activities as of December 31, 2020 is \$4,835,833 net of accumulated depreciation. Assets in these activities consist of the golf course improvements, sanitary sewer system, rolling stock, and equipment. A total of \$79,428 in capital assets were purchased during the year consisting of:

- Club House improvements
- Golf Course design

Long-Term Debt

As of December 31, 2020, Marple Township's outstanding debt portfolio consisted of \$20,682,000 in general obligation notes.

State statutes limit the amount of general obligation debt a governmental entity may issue to 250 percent of its average borrowing base (average revenues over the past three years). The Township's current allowable debt borrowing is approximately \$55 million. As of December 31, 2020, the Township's borrowing level is only at 37% capacity. This is a relatively favorable position.

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

	Principal Outstanding 01/01/20	Refunding/ Maturities	Additions	Principal Outstanding 12/31/20	Amounts Due in One Year
General obligation note series A of 2015	\$ 5,994,000	\$ 305,000	\$ -	\$ 5,689,000	\$ 337,000
General obligation note series B of 2015	570,000	29,000	-	541,000	29,000
General obligation note series C of 2015	1,228,000	192,000	-	1,036,000	201,000
General obligation note Series A of 2019	5,129,000	88,000	-	5,041,000	222,000
General obligation note Series B of 2019	2,826,000	140,000	-	2,686,000	143,000
General obligation note Series C of 2019	3,094,000	1,000	-	3,093,000	1,000
General obligation note Series D of 2019	2,796,000	200,000	-	2,596,000	95,000
	<u>\$ 21,637,000</u>	<u>\$ 955,000</u>	<u>\$ -</u>	<u>20,682,000</u>	<u>1,028,000</u>
Net pension obligation				13,791,435	-
Other post employment benefit obligation				15,625,423	-
Severance pay				45,673	-
Total long term liabilities				<u>\$ 50,144,531</u>	<u>\$ 1,028,000</u>
Governmental Funds	\$ 786,000				
Proprietary Funds	169,000				
	<u>\$ 955,000</u>				

Economic factors and next year's budgets and rates

- Marple Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.
- In 2019 resident rates increased to \$250 curbside and \$385 for rear pickup and remained stable in 2020. 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.
- The sewer rate of \$7.60 per thousand gallons used for calendar year 2020 is expected to increase in 2021 due to significant water treatment cost and capital improvement made by both sewer authorities.

- Real estate tax millage in 2020 was \$4.48 per \$1,000 of assessed value which remains the same in 2021. The median assessed value in Marple Township is approximately \$161,000. Based on this value, the average real estate tax bill in the Township for 2020 was \$721.28. A reassessment was conducted in 2020 resulting in the change of the median assessed value to XXXXX. Based on the changes in the reassessment, the average real estate tax bill in 2021 is \$827.27
- Marple Township continues to maintain a "AA" Bond Rating from S&P. An "AA" rating generally indicates that the Municipality has a very strong capacity to meet financial commitments. Our strong general fund balance contributed to this excellent rating.
- The Township provides Other Post Employment Benefits to its police officers. These other post employment benefits, known as OPEB, include healthcare, as well as other retiree benefits that are not a part of a pension plan. Currently, only uniformed police officers are eligible for these benefits. In the past, the Township accounted for and financed these benefits on a "pay as you go" (PAYGO) basis. They are now treated for accounting purposes on an accrual basis similar to pensions. The Township has established an OPEB trust fund which it continues to fund annually. The Trust, pursuant to the most recent actuarial study is underfunded and the Township has accounted for this as shown in the long-term liability section of these financial statements. The Township continues to pay the current costs for the post-employment benefit liability from the General Fund and will continue to fund the Trust accordingly. Market value of the OPEB Trust Fund at December 31, 2020 was \$2,675,138.
- All these factors were considered in preparing the Township's budget for the 2021 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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marple Public Library
	ASSETS			
Cash and cash equivalents	\$ 5,414,500	\$ 2,075,889	\$ 7,490,389	\$ 147,203
Investments	-	-	-	512,301
Receivables (net of allowance for uncollectibles)	1,042,798	1,100,288	2,143,086	1,097
Prepaid assets	322,897	77,490	400,387	2,942
Inventory	14,403	-	14,403	-
Internal balances	-	-	-	-
Capital assets (net of accumulated depreciation)				
Land	5,748,476	1,073,435	6,821,911	-
Land improvements	1,387,984	1,169,102	2,557,086	-
Buildings and improvements	9,166,962	4,645,993	13,812,955	518,079
Machinery and equipment	5,767,513	3,492,719	9,260,232	-
Infrastructure	19,356,363	7,278,877	26,635,240	-
Construction in progress	502,600	-	502,600	-
Capital lease	200,864	-	200,864	-
Library books and materials	-	-	-	853,106
Less accumulated depreciation	(20,367,407)	(12,824,293)	(33,191,700)	(1,166,742)
Total capital assets net of depreciation	21,763,355	4,835,833	26,599,188	204,443
Total assets	28,557,953	8,089,500	36,647,453	867,986
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense deferral	637,931	11,926	649,857	-
Deferred outflow on OPEB plan	672,862	-	672,862	-
Deferred loss on refinancing (net of amortization)	-	-	-	-
Bond discount (net of amortization)	4,982	-	4,982	-
	1,315,775	11,926	1,327,701	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	29,873,728	8,101,426	37,975,154	867,986
LIABILITIES				
Accounts payable and accrued expenses	782,474	211,017	993,491	30,024
Accrued interest	5,830	1,136	6,966	-
Unearned revenue	195,370	214,799	410,169	-
Escrow liability	498,717	-	498,717	-
Due to Fiduciary fund	1,085	-	1,085	-
Long-term liabilities:				
Net pension liability	12,728,478	1,062,957	13,791,435	-
Other post employment benefit liability	15,625,423	-	15,625,423	-
Due within one year	809,641	218,359	1,028,000	-
Due in more than one year	16,691,032	3,008,641	19,699,673	-
Total liabilities	47,338,050	4,716,909	52,054,959	30,024
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow on pension related costs	2,271,030	340,758	2,611,788	-
Deferred inflow on OPEB plan	1,253,655	-	1,265,815	-
Deferred gain on refinancing (net of amortization)	-	8,188	8,188	-
Total liabilities and deferred inflows of resources	60,862,735	5,065,855	55,940,750	30,024
NET POSITION				
Invested in capital assets net of related debt	4,308,355	1,608,833	5,917,188	204,443
Restricted	-	-	-	186,440
Unrestricted	(25,297,362)	1,426,738	(23,870,624)	447,079
Total net position	\$ (20,989,007)	\$ 3,035,571	\$ (17,953,436)	\$ 837,962

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, 2020

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	Total	
Primary Government:								
General governmental	\$ 1,720,737	\$ 51,800	\$ -	\$ -	\$ (1,668,937)	\$ -	\$ (1,668,937)	\$ -
Public safety	6,572,003	1,198,042	-	-	(5,373,961)	-	(5,373,961)	-
Public works - highways and streets	2,056,517	973,861	1,053,980	-	(28,676)	-	(28,676)	-
Culture and recreation	824,271	-	5,000	-	(819,271)	-	(819,271)	-
Municipal pension	2,811,329	-	654,151	-	(2,157,178)	-	(2,157,178)	-
Library contribution	734,233	-	-	-	(734,233)	-	(734,233)	-
Interest on long-term debt	372,733	-	-	-	(372,733)	(68,705)	(441,438)	-
Post employment benefits	1,225,556	-	-	-	(1,225,556)	-	(1,225,556)	-
Discount amortization	618	-	-	-	(618)	-	(618)	-
Non-allocated depreciation	1,175,562	-	-	-	(1,175,562)	-	(1,175,562)	-
Total governmental activities	17,493,559	2,223,703	1,713,131	-	(13,556,725)	(68,705)	(13,625,430)	-
Business Type Activities								
Sewer Fund	4,233,372	3,828,390	9,689	-	-	(395,293)	(395,293)	-
Refuse Fund	2,550,942	2,018,572	57,909	-	-	(474,461)	(474,461)	-
Paxon Hollow Country Club Fund	1,827,464	1,622,394	39,816	-	-	(165,254)	(165,254)	-
Total business type activities	8,611,778	7,469,356	107,414	-	-	(1,035,008)	(1,035,008)	-
Total Primary Government	<u>\$ 26,105,337</u>	<u>\$ 9,693,059</u>	<u>\$ 1,820,545</u>	<u>\$ -</u>	<u>(13,556,725)</u>	<u>(1,103,713)</u>	<u>(14,660,438)</u>	<u>-</u>
Component Units:								
Marple Public Library	\$ 841,961	\$ 15,614	\$ 955,364	\$ -	-	-	-	129,017
General revenues:								
Property taxes					8,205,488	-	8,205,488	-
Local enabling taxes					3,291,651	-	3,291,651	-
Cable television					538,954	-	538,954	-
Grants and contributions not restricted to a specific program					11,404	-	11,404	-
Investment earnings, net					31,821	7,958	39,779	34,179
Miscellaneous refunds and reimbursements					59,979	-	59,979	156
Rent					183,818	-	183,818	-
Gain on sale of asset					6,551	-	6,551	-
Amortization of gain on refunding					-	4,074	4,074	-
Total general revenues					12,329,666	12,032	12,341,698	34,335
Transfers					225,000	(225,000)	-	-
Change in net position					(1,002,059)	(1,316,681)	(2,318,740)	163,352
Net position - beginning					(19,986,948)	4,352,252	(15,634,696)	674,610
Net position - ending					<u>\$ (20,989,007)</u>	<u>\$ 3,035,571</u>	<u>\$ (17,953,436)</u>	<u>\$ 837,962</u>

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

THE TOWNSHIP OF MARPLE

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	Highway Aid Fund	Capital Projects Fund	Totals Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,113,428	\$ 11	\$ 2,301,061	\$ 5,414,500
Real estate tax receivable	630,404	-	-	630,404
Other accounts receivable	300,115	-	-	300,115
Due from other governments	112,279	-	-	112,279
Due from other funds	-	-	-	-
Inventory	14,403	-	-	14,403
Prepaid expenditures	322,897	-	-	322,897
Total assets	<u>4,493,526</u>	<u>11</u>	<u>2,301,061</u>	<u>6,794,598</u>
DEFERRED OUTFLOW OF RESOURCES				
	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,493,526</u>	<u>\$ 11</u>	<u>\$ 2,301,061</u>	<u>\$ 6,794,598</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 467,543	\$ -	\$ 126,982	\$ 594,525
Accrued payroll and related liabilities	187,949	-	-	187,949
Due to other funds	1,085	-	-	1,085
Accrued interest	5,830	-	-	5,830
Unearned revenue	195,370	-	-	195,370
Escrow deposits	498,717	-	-	498,717
Total liabilities	<u>1,356,494</u>	<u>-</u>	<u>126,982</u>	<u>1,483,476</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable taxes	597,196	-	-	597,196
Total liabilities and deferred inflows of resources	<u>1,953,690</u>	<u>-</u>	<u>126,982</u>	<u>2,080,672</u>
Fund balances:				
Nonspendable	322,897	-	-	322,897
Restricted	-	-	-	-
Committed for:				
Capital projects	-	-	2,174,079	2,174,079
Assigned to:				
Green Bank Farm improvements	20,065	-	-	20,065
2021 budget projected shortfall	1,206,650	-	-	1,206,650
Unassigned	990,224	11	-	990,235
Total fund balance	<u>2,539,836</u>	<u>11</u>	<u>2,174,079</u>	<u>4,713,926</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,493,526</u>	<u>\$ 11</u>	<u>\$ 2,301,061</u>	<u>\$ 6,794,598</u>

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

DECEMBER 31, 2020

Total fund balances - governmental funds	\$ 4,713,926
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	\$ 5,748,476
Infrastructure assets	19,356,363
Other capital assets	16,523,323
Construction in progress	502,600
Accumulated depreciation	<u>(20,367,407)</u>
Total capital assets	21,763,355
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	
	597,196
Bond costs are expended in the funds but capitalized and amortized in the government-wide statements	
	4,982
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	
	(15,625,423)
Pension and OPEB plan expense deferrals are capitalized and amortized in the government-wide statements (shown as net)	
	(2,213,892)
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>(30,229,151)</u>
Net position of governmental activities	<u>\$ (20,989,007)</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, 2020

	General Fund	Highway Aid Fund	Capital Projects Fund	Total Governments Funds
REVENUES				
Taxes and assessments:				
Property	\$ 8,284,724	\$ -	\$ -	\$ 8,284,724
Local enabling act taxes	3,291,651	-	-	3,291,651
Licenses-permits	989,039	-	-	989,039
Fines and forfeits	37,541	-	-	37,541
Rent	183,818	-	-	183,818
Investment earnings	18,147	1,612	12,062	31,821
Public utility realty tax	11,404	-	-	11,404
Other intergovernmental and miscellaneous grants	119,610	715,840	223,530	1,058,980
Departmental earnings	223,262	-	-	223,262
Franchise fee - cable television	538,954	-	-	538,954
Pennsylvania contribution for pension and volunteer firemen	654,151	-	-	654,151
Other revenue	59,979	-	973,861	1,033,840
Total revenues	<u>14,412,280</u>	<u>717,452</u>	<u>1,209,453</u>	<u>16,339,185</u>
EXPENDITURES				
Current:				
General government	1,720,737	-	-	1,720,737
Public safety	7,066,237	-	242,394	7,308,631
Public Works - Highways and streets	2,043,754	-	12,763	2,056,517
Culture and recreation	811,022	-	13,249	824,271
Pension	1,975,844	-	-	1,975,844
Library contribution	734,233	-	-	734,233
Debt service:				
Principal	786,000	-	-	786,000
Interest	372,733	-	-	372,733
Capital outlay:				
Public safety	137,888	-	349,193	487,081
Public Works - Highways and streets	267,205	-	1,233,024	1,500,229
Culture and recreation	-	-	74,313	74,313
General government	27,792	-	535,738	563,530
Total expenditures	<u>15,943,445</u>	<u>-</u>	<u>2,460,674</u>	<u>18,404,119</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,531,165)	717,452	(1,251,221)	(2,064,934)
OTHER FINANCING SOURCES (USES) OF FUNDS				
Other post employment benefit trust funding	(75,000)	-	-	(75,000)
Operating transfer in	957,444	-	-	957,444
Operating transfer out	-	(732,444)	-	(732,444)
Total other financing sources (uses) of funds	<u>882,444</u>	<u>(732,444)</u>	<u>-</u>	<u>150,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	(648,721)	(14,992)	(1,251,221)	(1,914,934)
FUND BALANCE - BEGINNING	3,188,557	15,003	3,425,300	6,628,860
FUND BALANCE - ENDING	<u>\$ 2,539,836</u>	<u>\$ 11</u>	<u>\$ 2,174,079</u>	<u>\$ 4,713,926</u>

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

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, 2020

Net change in fund balances - total governmental funds	\$ (1,914,934)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts were:	
Capital outlay - inclusive of capital lease payment	\$ 2,625,153
Depreciation expense	<u>(1,175,562)</u>
	1,449,591
Gain on sale of asset	6,551
Repayment of long term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:	
Principal repayment	786,000
Decrease in severance pay accrual	89,398
Amortization of discount	(618)
Change of post employment benefit actuarial determinations	(503,326)
Pension expense reflected in the governmental statements is increased pursuant to actuarial determination of net pension obligations, pension expense and amortizations	(835,485)
Because some property taxes will not be collected for several months after the after the Township fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues are not reflected in the government wide financial statements and unavailable taxes in the governmental are included in revenue pursuant to accrual basis of accounting	<u>(79,236)</u>
Change in net position of governmental activities	<u><u>\$ (1,002,059)</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, 2020

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Assets				
Current:				
Cash and cash equivalents	\$ 77,774	\$ 552,815	\$ 1,445,300	\$ 2,075,889
Accounts receivable, net of allowance for uncollectibles	796,909	303,379	-	1,100,288
Prepaid expenditures	16,530	38,396	22,564	77,490
Total current assets	<u>891,213</u>	<u>894,590</u>	<u>1,467,864</u>	<u>3,253,667</u>
Property and equipment, net of accumulated depreciation	596,653	270,901	3,968,279	4,835,833
Other:				
Deferred expenses, net of accumulated amortization	-	-	-	-
Total assets	<u>1,487,866</u>	<u>1,165,491</u>	<u>5,436,143</u>	<u>8,089,500</u>
Deferred outflows of resources				
Deferred pension related expenses	1,075	6,430	4,421	11,926
Total assets and deferred outflows of resources	<u>\$ 1,488,941</u>	<u>\$ 1,171,921</u>	<u>\$ 5,440,564</u>	<u>\$ 8,101,426</u>
Liabilities				
Current:				
General obligation bonds payable - current portion	\$ -	\$ -	\$ 218,359	\$ 218,359
Accounts payable	18,728	123,923	27,212	169,863
Accrued payroll and payroll taxes	4,429	31,154	5,571	41,154
Accrued interest	-	-	1,136	1,136
Due to other funds	-	-	-	-
Unearned revenue	-	-	214,799	214,799
Total current liabilities	<u>23,157</u>	<u>155,077</u>	<u>467,077</u>	<u>645,311</u>
Long-term:				
Net pension liability	95,885	573,061	394,011	1,062,957
General obligation bonds payable - long term portion	-	-	3,008,641	3,008,641
Total long-term liabilities	<u>95,885</u>	<u>573,061</u>	<u>3,402,652</u>	<u>4,071,598</u>
Total liabilities	<u>119,042</u>	<u>728,138</u>	<u>3,869,729</u>	<u>4,716,909</u>
Deferred inflows of resources				
Deferred inflow on pension related costs	30,738	183,710	126,310	340,758
Deferred gain on refinancing (net of amortization)	-	-	8,188	8,188
Total liabilities and deferred inflows of resources	<u>149,780</u>	<u>911,848</u>	<u>4,004,227</u>	<u>5,065,855</u>
Net position				
Invested in capital assets, net of related debt	596,653	270,901	741,279	1,608,833
Unrestricted	742,508	(10,828)	695,058	1,426,738
Total net position	<u>1,339,161</u>	<u>260,073</u>	<u>1,436,337</u>	<u>3,035,571</u>
Total liabilities and net position	<u>\$ 1,488,941</u>	<u>\$ 1,171,921</u>	<u>\$ 5,440,564</u>	<u>\$ 8,101,426</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, 2020

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Operating revenues:				
Charges for services	\$ 3,827,283	\$ 1,997,019	\$ 1,169,687	\$ 6,993,989
Rental income	-	-	448,180	448,180
Other income	1,107	21,553	4,527	27,187
Total operating revenues	<u>3,828,390</u>	<u>2,018,572</u>	<u>1,622,394</u>	<u>7,469,356</u>
Operating expenses:				
Salaries and wages	124,085	741,603	509,894	1,375,582
Employee benefits	53,834	394,531	162,892	611,257
Pension expense	82,681	502,391	328,232	913,304
Vehicle fuel	7,798	62,357	18,080	88,235
Repairs and maintenance	56,723	87,145	90,072	233,940
Insurance	33,657	30,645	32,414	96,716
Bad debt expense	11,154	1,279	-	12,433
Expenses - sewer authorities	3,762,947	-	-	3,762,947
Expenses - waste management authorities	-	547,658	-	547,658
Utilities	4,424	-	34,418	38,842
Golf course maintenance	-	-	136,281	136,281
Supplies	13,563	12,821	25,696	52,080
Cart rental expense	-	-	99,598	99,598
Other services and charges	7,989	18,264	149,351	175,604
Recycling fees and supplies	-	85,703	-	85,703
Depreciation	74,517	66,545	239,176	380,238
Amortization	-	-	1,360	1,360
Total operating expenses	<u>4,233,372</u>	<u>2,550,942</u>	<u>1,827,464</u>	<u>8,611,778</u>
Operating (loss)	<u>(404,982)</u>	<u>(532,370)</u>	<u>(205,070)</u>	<u>(1,142,422)</u>
Non-operating revenues (expenses):				
Pennsylvania contribution for pension	9,689	57,909	39,816	107,414
Amortization of gain on refunding	-	-	4,074	4,074
Investment earnings	561	2,929	4,468	7,958
Interest expense	-	-	(68,705)	(68,705)
Total non-operating revenues (expenses)	<u>10,250</u>	<u>60,838</u>	<u>(20,347)</u>	<u>50,741</u>
Operating loss before operating transfers	(394,732)	(471,532)	(225,417)	(1,091,681)
Operating transfers (out)	<u>(100,000)</u>	<u>(25,000)</u>	<u>(100,000)</u>	<u>(225,000)</u>
Change in net position	(494,732)	(496,532)	(325,417)	(1,316,681)
Net position - beginning	1,833,893	756,605	1,761,754	4,352,252
Net position - ending	<u>\$ 1,339,161</u>	<u>\$ 260,073</u>	<u>\$ 1,436,337</u>	<u>\$ 3,035,571</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, 2020

	SEWER FUND	REFUSE FUND	PAXON HOLLOW COUNTRY CLUB FUND	TOTAL
Cash flows from operating activities:				
Cash received from users	\$ 3,723,881	\$ 1,976,660	\$ 1,601,911	\$ 7,302,452
Cash paid to employees	(176,739)	(1,124,545)	(673,496)	(1,974,780)
Cash payments to suppliers for goods and services	(3,921,369)	(844,776)	(588,480)	(5,354,625)
Net cash provided (used) by operating activities	(374,227)	7,339	339,935	(26,953)
Cash flows from non-capital financing activities:				
Operating transfer (out)	(100,000)	(25,000)	(100,000)	(225,000)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	(79,428)	(79,428)
Principal paid on capital lease obligations	-	-	-	-
Principal paid	-	-	(169,000)	(169,000)
Interest paid on debt obligations	-	-	(70,737)	(70,737)
Net cash (used) by capital and related financing activities	-	-	(319,165)	(319,165)
Cash flows from investing activities:				
Interest earnings	581	2,929	4,468	7,978
Net decrease in cash and cash equivalents	(473,646)	(14,732)	(74,762)	(563,140)
Cash and cash equivalents - beginning	551,420	567,547	1,520,062	2,639,029
Cash and cash equivalents - ending	<u>\$ 77,774</u>	<u>\$ 552,815</u>	<u>\$ 1,445,300</u>	<u>\$ 2,075,889</u>
Reconciliation of operating (loss) to net cash (used)				
by operating activities:				
Operating (loss)	\$ (404,982)	\$ (532,370)	\$ (205,070)	\$ (1,142,422)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	74,517	66,545	239,176	380,238
Amortization	-	-	1,360	1,360
Pension expense paid by General Fund	82,681	502,391	328,232	913,304
Changes in assets and liabilities:				
Interfund	75	(431)	(327)	(683)
Accounts receivable	(131,668)	(41,920)	-	(173,588)
Prepaid expenditures	(29)	(3,939)	1,365	(2,603)
Accounts payable and accrued expenses	5,179	17,063	(1,268)	20,974
Unearned revenue	-	-	(23,533)	(23,533)
Net cash provided (used) by operating activities	<u>\$ (374,227)</u>	<u>\$ 7,339</u>	<u>\$ 339,935</u>	<u>\$ (26,953)</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, 2020

	POLICE PENSION FUND	MUNICIPAL PENSION FUND	NON UNIFORM DEFINED CONTRIBUTION FUND	OPEB TRUST FUND	TOTAL
Assets					
Cash and cash equivalents	\$ 528,936	\$ 263,297	\$ 102	\$ 90,732	\$ 883,067
Due from General Fund	-	-	1,085	-	1,085
Investments (at market value)	19,318,249	8,372,165	2,689	2,596,775	30,289,878
Prepaid benefits and other prepaids	172,432	23,919	-	-	196,351
Total assets	<u>20,019,617</u>	<u>8,659,381</u>	<u>3,876</u>	<u>2,687,507</u>	<u>31,370,381</u>
Liabilities					
Accounts payable	1,250	2,090	-	15,200	3,340
	<u>1,250</u>	<u>2,090</u>	<u>-</u>	<u>15,200</u>	<u>3,340</u>
Net position					
Restricted	<u>\$ 20,018,367</u>	<u>\$ 8,657,291</u>	<u>\$ 3,876</u>	<u>\$ 2,672,307</u>	<u>\$ 31,367,041</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, 2020

	POLICE PENSION FUND	MUNICIPAL PENSION FUND	NON UNIFORM DEFINED CONTRIBUTION FUND	OPEB TRUST FUND	TOTAL
Additions:					
Contributions:					
State subsidies - Act 205	\$ 274,917	\$ 311,019	\$ -	\$ -	\$ 585,936
Employee contributions	195,130	106,938	-	-	302,068
Township contributions	1,493,685	-	3,637	75,000	1,572,322
Total contributions	<u>1,963,732</u>	<u>417,957</u>	<u>3,637</u>	<u>75,000</u>	<u>2,460,326</u>
Investment earnings:					
Net appreciation in fair value of investments	2,161,629	1,013,652	223	310,275	3,485,779
Investment earnings	350,667	153,042	16	48,021	551,746
Less investment expense	(48,005)	(20,830)	-	(10,915)	(79,750)
Total investment income	<u>2,464,291</u>	<u>1,145,864</u>	<u>239</u>	<u>347,381</u>	<u>3,957,775</u>
Total additions	<u>4,428,023</u>	<u>1,563,821</u>	<u>3,876</u>	<u>422,381</u>	<u>6,418,101</u>
Deductions:					
Pension benefits and refunds	1,978,278	313,265	-	-	2,291,543
Other services and charges	32,378	30,138	-	15,200	77,716
Total deductions	<u>2,010,656</u>	<u>343,403</u>	<u>-</u>	<u>15,200</u>	<u>2,369,259</u>
Change in net position	2,417,367	1,220,418	3,876	407,181	4,048,842
Net position - beginning of the year	17,601,000	7,436,873	-	2,265,126	27,302,999
Net position - end of the year	<u>\$ 20,018,367</u>	<u>\$ 8,657,291</u>	<u>\$ 3,876</u>	<u>\$ 2,672,307</u>	<u>\$ 31,351,841</u>

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

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020

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 considered 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, 2020**

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.

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 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 OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Township's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020.

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.

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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Compensated Absences

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

Accrued Severance Pay

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

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

TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net position

Government-wide Statements

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

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

Fund Statements

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

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

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

TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020 are as originally adopted, or as amended by the Township Board of Commissioners.

There were no budgetary areas this period in which there were incurred expenditures in excess of appropriations. Expenditures in total were significantly under appropriations for the period.

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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits – As of December 31, 2020, the aggregate bank balance included in cash and cash equivalents of the primary government, the fiduciary fund, and the component unit (Library) was \$8,526,108 of which \$901,054 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$7,625,054 collateralized as noted below pursuant to Act 72. The Township maintains a cash checking account which is available for use by all funds. By State statute, the Township may appoint one or more depositories for Township funds and approve security to be furnished by any such depository. This security may be in the form of collateral consisting of obligations of the United States or the Commonwealth of Pennsylvania, or any political subdivision thereof, deposited with the bank or trust company. Pennsylvania Act 72 of 1971, as amended, allows depositories to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institution's trust department.

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

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

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

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

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

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

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, 2020. 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, 2020.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

	Market Value	Credit Rating	Investment Duration
<u>Police Pension Plan:</u>			
Invested with broker:			
Ishares Tip Bond	\$ 816,960	various	Not applicable
Ishares Trust IBOXX Hi Yd	792,859	various	Not applicable
Mutual funds - total bond	2,710,608	various	Not applicable
Mutual funds - intermediate term corporate bond	1,085,540	various	Not applicable
Mutual funds - Allworld ex US	4,828,298	various	Not applicable
Mutual funds - mid cap	1,138,269	Not applicable	Not applicable
Mutual funds - growth	3,377,782	Not applicable	Not applicable
Mutual funds - small cap	1,152,116	Not applicable	Not applicable
Mutual funds - value	3,415,817	Not applicable	Not applicable
Total police pension investments	19,318,249		
<u>Municipal Pension Plan:</u>			
Frozen assets:			
Mutual funds - equity	55,860	Not applicable	Not applicable
Total frozen assets	55,860		
Invested with broker:			
Ishares Tip Bond	309,551	various	Not applicable
Ishares Trust IBOXX Hi Yd	313,232	various	Not applicable
Mutual funds - total bond	1,022,650	various	Not applicable
Mutual funds - intermediate term corporate bond	412,262	various	Not applicable
Mutual funds - Allworld ex US	2,197,663	various	Not applicable
Mutual funds - mid cap	514,030	Not applicable	Not applicable
Mutual funds - growth	1,475,706	Not applicable	Not applicable
Mutual funds - small cap	553,281	Not applicable	Not applicable
Mutual funds - value	1,517,930	Not applicable	Not applicable
Total municipal pension investments	8,316,305		
<u>Non Uniform Defined Contribution Fund</u>			
Invested with broker:			
Ishares IBOXX Hi Yd	86	various	Not applicable
Mutual funds - total bond	353	various	Not applicable
Mutual funds - intermediate term corporate bond	194	various	Not applicable
Mutual funds - Allworld ex US	759	various	Not applicable
Mutual funds - growth	507	Not applicable	Not applicable
Mutual funds - small cap	195	Not applicable	Not applicable
Mutual funds - value	595	Not applicable	Not applicable
Total non uniform defined contribution investments	2,689		

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

OPEB Trust Fund

Invested with broker:

Cash and cash alternatives	90,732	Not applicable	Not applicable
Ishares Tip Bond	99,822	various	Not applicable
Ishares IBOXX Hi Yd	104,062	various	Not applicable
Mutual funds - total bond	339,620	various	Not applicable
Mutual funds - intermediate term corporate bond	132,208	various	Not applicable
Mutual funds - Allworld ex US	671,198	various	Not applicable
Mutual funds - mid cap	162,521	Not applicable	Not applicable
Mutual funds - growth	452,212	Not applicable	Not applicable
Mutual funds - small cap	171,902	Not applicable	Not applicable
Mutual funds - value	463,230	Not applicable	Not applicable
Total OPEB investments	<u>2,596,775</u>		

\$30,289,878

\$ 512,301 Not applicable Not applicable

The pension plans have established an investment policy regarding the allocation of invested assets and may be amended by the Township Board of Commissioners and its Pension Board. The policy strategy acts to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations as they become due. Both the Police Pension Plan and the Non-Uniform Pension Plan have the following adopted asset allocation policy as of December 31, 2020:

	<u>Target</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	45.50%	4.63%
International equities	24.50%	6.01%
Fixed income	27.00%	0.68%
Cash	3.00%	-0.38%

The net blended rate of return is 3.74% for each of the pension plans (excluding the inflation assumption). The long-term expected rate of return including inflation was 5.92%.

For the year ended December 31, 2020, the annual money-weighted rate of return on the Police pension plan investments was 14.67%. The annual money-weighted rate of return on the Non-Uniform plan investments was 15.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (continued)

The trustees of the OPEB trust have established an investment policy regarding the allocation of invested assets and has the following adopted asset allocation policy as of December 31, 2020:

	Target	Long-term Expected Real Rate of Return
Domestic equities	46.00%	6.15%
International equities	24.00%	6.45%
Fixed income	21.00%	1.40%
Global funds	3.00%	2.55%
TIPS	3.00%	0.80%
Cash equivalents	3.00%	0.10%

The net blended rate of return is 4.77% for the plan net of inflation assumption. The expected real return of the trust is 7.25% blended with the 20-year Aa bond rate of 2.00%. The blended rate is based on the 5.45% from 2036 on, and 2.00% before that time.

For the year ended December 31, 2020, the annual money-weighted rate of return on the OPEB investments was approximately 15.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 PROPERTY TAXES / TAXES RECEIVABLE (continued)

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	\$ 1,842,233,918	4.480
Tax duplicate, adjusted by authorized revisions	\$ 8,258,008	\$ 8,258,008
Interims	99,182	99,182
Add: penalties applied		27,585
Deduct:		
Collections		<u>8,263,327</u>
Total deductions		<u>8,263,327</u>
2020 Property tax receivable including penalty		<u>\$ 121,448</u>
2020 property taxes receivable	\$ 105,700	
2020 interim taxes receivable	4,707	
Penalties imputed on 2020 delinquencies	11,041	
Delinquent property taxes receivable	<u>508,956</u>	
Total property taxes receivable	<u>\$ 630,404</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, 2020 are as follows:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>
Franchise fee - Cable TV	\$ 135,863	\$ -	\$ -
Fees	-	838,852	312,744
Grants and intergovernmental payments	156,234	-	-
Transfer Taxes	51,956	-	-
Health insurance reimbursements	23,862	-	-
Miscellaneous	<u>44,479</u>	<u>-</u>	<u>-</u>
	412,394	838,852	312,744
Less: allowance for uncollectibles	-	<u>(41,943)</u>	<u>(9,365)</u>
Accounts receivable (net)	<u>\$ 412,394</u>	<u>\$796,909</u>	<u>\$ 303,379</u>

TOWNSHIP OF MARPLE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE 6 INVENTORY AND PREPAID ASSETS

	General Fund	Sewer Fund	Refuse Fund	Paxon Hollow Country Club
Inventory	\$ 14,403	\$ -	\$ -	\$ -
Prepaid expenditures	322,897	16,530	38,396	22,564
Total other current assets	<u>\$ 337,300</u>	<u>\$ 16,530</u>	<u>\$ 38,396</u>	<u>\$ 22,564</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	\$ -	\$ 1,085
Non Uniform defined contribution fund	1,085	-
	<u>\$ 1,085</u>	<u>\$ 1,085</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	\$ -	\$ 957,444
Paxon Hollow fund	100,000	-
Sewer fund	100,000	-
Refuse fund	25,000	-
Highway aid fund	732,444	-
	<u>\$ 957,444</u>	<u>\$ 957,444</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 CAPITAL ASSETS

	Capital Assets			Balance 12/31/20
	Balance 01/01/20	Additions	Deletions	
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 5,748,476	\$ -	\$ -	\$ 5,748,476
Construction in progress	279,258	502,600	(279,258)	502,600
Total capital assets not being depreciated	6,027,734	502,600	(279,258)	6,251,076
Capital assets being depreciated				
Land improvements	1,387,984	-	-	1,387,984
Buildings	8,757,918	409,044	-	9,166,962
Infrastructure	18,139,934	1,216,429	-	19,356,363
Furniture and equipment	5,195,049	776,338	(203,874)	5,767,513
Subtotal	33,480,885	2,401,811	(203,874)	35,678,822
Total capital assets before capital lease	39,508,619	2,904,411	(483,132)	41,929,898
Capital lease	200,864	-	-	200,864
Total capital assets	39,709,483	2,904,411	(483,132)	42,130,762
Accumulated depreciation				
Land improvements	504,714	56,306	-	561,020
Buildings	2,315,739	240,019	-	2,555,758
Infrastructure	12,406,214	578,281	-	12,984,495
Furniture and equipment	4,169,052	300,956	(203,874)	4,266,134
Total accumulated depreciation	19,395,719	1,175,562	(203,874)	20,367,407
Governmental activities capital assets, net of depreciation	\$ 20,313,764	\$ 1,728,849	\$ (279,258)	\$ 21,763,355

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 CAPITAL ASSETS (continued)

	Balance 01/01/20	Additions	Deletions	Balance 12/31/20
Business-type activities				
Capital assets not being depreciated				
Land	\$ 1,073,435	\$ -	\$ -	\$ 1,073,435
Construction in progress	25,000	-	(25,000)	-
Total capital assets not being depreciated	<u>1,098,435</u>	<u>-</u>	<u>(25,000)</u>	<u>1,073,435</u>
Capital assets being depreciated				
Furniture and equipment	3,485,570	7,149	-	3,492,719
Golf course clubhouse	4,609,694	36,299	-	4,645,993
Golf course improvements	1,108,122	60,980	-	1,169,102
Sewer system	7,278,877	-	-	7,278,877
Total capital assets being depreciated	<u>16,482,263</u>	<u>104,428</u>	<u>-</u>	<u>16,586,691</u>
Total capital assets	<u>17,580,698</u>	<u>104,428</u>	<u>(25,000)</u>	<u>17,660,126</u>
Accumulated depreciation				
Furniture and equipment	2,931,594	148,911	-	3,080,505
Golf course clubhouse	1,861,626	150,433	-	2,012,059
Golf course improvements	905,779	44,817	-	950,596
Sewer system	6,745,057	36,076	-	6,781,133
Total accumulated depreciation	<u>12,444,056</u>	<u>380,237</u>	<u>-</u>	<u>12,824,293</u>
Business-type activities				
Capital assets, net of depreciation	<u>\$ 5,136,642</u>	<u>\$ (275,809)</u>	<u>\$ (25,000)</u>	<u>\$ 4,835,833</u>

Component unit – Marple Public Library

	Balance 01/01/20	Additions	Deletions	Balance 12/31/20
Capital assets:				
Leasehold improvements	\$ 220,315	\$ -	\$ -	\$ 220,315
Furniture and equipment	286,834	10,930	-	297,764
Total capital assets	<u>507,149</u>	<u>10,930</u>	<u>-</u>	<u>518,079</u>
Accumulated depreciation for:				
Leasehold improvements	170,498	12,484	-	182,982
Furniture and equipment	278,133	4,240	-	282,373
Total accumulated depreciation	<u>448,631</u>	<u>16,724</u>	<u>-</u>	<u>465,355</u>
Capital assets, net	<u>58,518</u>	<u>(5,794)</u>	<u>-</u>	<u>52,724</u>
Book collection:				
Exhaustible book collection	801,578	51,528	-	853,106
Accumulated depreciation for:				
Exhaustible book collection	624,866	76,521	-	701,387
Book collection, net	<u>176,712</u>	<u>(24,993)</u>	<u>-</u>	<u>151,719</u>
Total capital assets	<u>\$ 235,230</u>	<u>\$ (30,787)</u>	<u>\$ -</u>	<u>\$ 204,443</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 LONG-TERM DEBT

	Principal Outstanding 01/01/20	Refunding/ Maturities	Additions	Principal Outstanding 12/31/20	Amounts Due in One Year
General obligation note series A of 2015	\$ 5,994,000	\$ 305,000	\$ -	\$ 5,689,000	\$ 337,000
General obligation note series B of 2015	570,000	29,000	-	541,000	29,000
General obligation note series C of 2015	1,228,000	192,000	-	1,036,000	201,000
General obligation note Series A of 2019	5,129,000	88,000	-	5,041,000	222,000
General obligation note Series B of 2019	2,826,000	140,000	-	2,686,000	143,000
General obligation note Series C of 2019	3,094,000	1,000	-	3,093,000	1,000
General obligation note Series D of 2019	2,796,000	200,000	-	2,596,000	95,000
	<u>\$ 21,637,000</u>	<u>\$ 955,000</u>	<u>\$ -</u>	<u>20,682,000</u>	<u>1,028,000</u>
Net pension obligation				13,791,435	-
Other post employment benefit obligation				15,625,423	-
Severance pay				45,673	-
Total long term liabilities				<u>\$ 60,144,531</u>	<u>\$ 1,028,000</u>
Governmental Funds	\$ 786,000				
Proprietary Funds	169,000				
	<u>\$ 955,000</u>				

The above General Obligation Notes at December 31, 2020 totaled \$20,682,000.

The annual requirements to amortize all debts outstanding as of December 31, 2020 are as follows:

Year	Principal	Interest	Total
2021	\$1,028,000	\$409,062	\$1,437,062
2022	1,048,000	388,890	1,436,890
2023	1,069,000	368,327	1,437,327
2024	1,076,000	347,435	1,423,435
2025	1,098,000	326,321	1,424,321
2026-2030	5,806,000	1,281,431	7,087,431
2031-2035	6,405,000	657,693	7,062,693
2036-2038	3,152,000	94,425	3,246,425
	<u>\$20,682,000</u>	<u>\$3,873,587</u>	<u>\$24,555,587</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 LONG-TERM DEBT (continued)

	Principal Outstanding
General Obligation Notes Series A of 2015 in the amount of \$6,800,000, bearing interest at 2.049%, maturing in 2035.	\$5,689,000
General Obligation Note Series B of 2015 in the amount of \$630,000, bearing interest at 2.049%, maturing in 2035.	541,000
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.	1,036,000
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.	5,041,000
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.	2,686,000
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.	3,093,000
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.	2,596,000
Outstanding Principal	<u>\$20,682,000</u>

NOTE 10 OPERATING LEASE OBLIGATION

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

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

2021	\$ 6,192
2022	6,192
2023	<u>3,096</u>
	<u>\$ 15,480</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 OPERATING LEASE OBLIGATION (continued)

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

Schedule of proprietary funds operating lease payments:

2021	\$	99,598
2022		99,598
2023		<u>99,598</u>
	\$	<u>298,794</u>

NOTE 11 DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

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

NOTE 12 UNEARNED REVENUE

Country club passes and prepayments for golf outings for the 2020 calendar year are reflected as unearned revenue.

	General Fund	Paxon Hollow Country Club	Total
Deposits on outings / gift cards	\$ -	\$ 214,799	\$ 214,799
Finger printing	62,970	-	62,970
Traffic signals - Old Marple and Sproul Roads	125,000	-	125,000
Other	7,400	-	7,400
Total unearned revenue	<u>\$ 195,370</u>	<u>\$ 214,799</u>	<u>\$ 410,169</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 01/01/20	Additions	Reductions	Balance 12/31/20
Accrued severance	<u>\$135,071</u>	<u>\$ -</u>	<u>\$ 89,398</u>	<u>\$ 45,673</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020 and plan assets are measured as of that date. The total OPEB Liability is based on an actuarial valuation as of July 1, 2020 with adjustments for the one-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 \$2,687,507. 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 \$15,625,423, 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 \$3,583,066; and the ratio of the net OPEB Liability as a percentage of covered payroll was 435.7%.

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, 2020**

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, 2018 actuarial valuation the following actuarial assumptions were used:

Actuarial method	Entry age
Discount rate	5.45%
Amortization method	closed level percentage of payroll
Amortization period	30 years (20 remaining)

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

Investment return:	7.25%, net of investment expense and including inflation
Healthcare trend:	Ranging from 7% to 4.25%
Mortality:	Healthy: RP 2000 Blue Collar Mortality Table for males and females with static projection to 2027 with Scale BB (50% of these tables apply to pre-retirement deaths)
	Disabled: RP 200 Disabled Mortality Tables, with static projection to 2027 with Scale BB

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

Active participants	25
Retirees/spouses	<u>31</u>
Total participants	<u>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, 2020

NOTE 14 OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation (NOO) at 1/1/20	\$ 15,702,890
Change in OPEB liability for period	329,714
Investment	(347,381)
Employer contribution/benefits paid	647,230
Implicit subsidy	(722,230)
Admin	15,200
OPEB liability as of 12/31/20	<u>\$ 15,625,423</u>

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

Following represents the net OPEB liability of the plan using the discount rate of 5.45% 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 7% 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 4.45%	Current Rate 5.45%	1% Increase 6.45%
Net OPEB Liability	\$17,778,949	\$15,625,423	\$13,827,848

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase 5.25%
Net OPEB Liability	\$13,690,848	\$15,625,423	\$17,953,964

At December 31, 2020, 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	\$ -	\$ 1,060,008
Changes in assumptions	672,862	-
Net difference between projected and actual investment earnings	-	193,647
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 672,862</u>	<u>\$ 1,253,655</u>

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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:	
2021	\$ (216,170)
2022	\$ (216,168)
2023	\$ (112,195)
2024	\$ (36,260)
2025	\$ -
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 new 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 plan 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, 2020**

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%.

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 will increase in 2021 to 5% of gross salary. Effective also in 2021, the Defined Benefit plan formula shall be 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.

General Information:

The Township received \$585,936 in Commonwealth funds on behalf of the plans in 2020, pursuant to Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act distributed as follows:

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

	<u>Commonwealth Aid</u>	<u>Township Contribution</u>	<u>Minimum Municipal Obligation</u>
Uniform	\$ 274,917	\$ 1,493,685	\$ 1,768,602
Non-uniform	311,019	-	311,019
Total	<u>\$ 585,936</u>	<u>\$ 1,493,685</u>	<u>\$ 2,079,621</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 \$3,637 to its Defined Contribution Pension Plan established this period.

Pension expense within the government wide statements recognized for the period pursuant to GASB 68 is as follows:

<u>Police Pension Plan</u>	<u>Non-Uniform Pension Plan</u>	<u>Total Net Pension Expense</u>
\$ 1,864,964	\$ 1,859,669	\$ 3,724,633

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>
\$ 2,811,329	\$ 913,304	\$ 3,724,633

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

	Police	Non-Uniform	Defined Contribution
Inactive Plan Members currently receiving benefits	43	20	7
Inactive Plan Members entitled to but not receiving benefits	-	7	-
Active Plan members	<u>31</u>	<u>57</u>	<u>-</u>
	<u>74</u>	<u>84</u>	<u>7</u>

Active membership of each plan contributed as follows for 2020:

Police	\$ 195,131
Non-Uniform	\$ 106,938

Total covered payroll for the non-uniform employees' participants was \$3,736,486; annual covered payroll of the Police members totaled \$3,583,066.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

Projected funding requirements for the 2021 plans based on actuarial computations of minimum municipal obligations are as follows:

Police	\$ 1,771,386
Non Uniform	235,886
Defined Contribution	7,350
	<u>\$ 2,014,622</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, 2020:

<u>Police Pension Plan</u>	<u>Non-Uniform Pension Plan</u>	<u>Total Net Pension Liability</u>
\$ 10,713,647	\$ 3,077,788	\$ 13,791,435

Police

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

Total Pension Liability	\$ 30,732,014
Plan fiduciary net position	<u>(20,018,367)</u>
Net pension liability	<u>\$ 10,713,647</u>

Plan fiduciary net position as a percentage of the total pension liability: 65.1%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 (updated through roll forward procedures through the measurement date of December 31, 2020) using the following actuarial assumptions applied to all periods in the measurement:

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

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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

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 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and adding expected inflation. The long term *expected real* rate of return including inflation is 5.92%

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	\$14,119,089	\$10,713,647	\$7,647,921

For the year ended December 31, 2020, the Township recognized pension expense in its government wide statements for the Police pension as noted above in the amount of \$1,864,964.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

At December 31, 2020, 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	\$ -	\$ 91,436
Changes in assumptions	615,222	-
Net difference between projected and actual investment earnings	-	1,533,685
Changes in proportions	-	
Contributions subsequent to measurement date	-	-
	<u>\$ 615,222</u>	<u>\$ 1,625,121</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:	
2021	\$ (162,888)
2022	42,509
2023	(640,923)
2024	(248,597)
2025	-
Thereafter	-

Non-Uniform

The Plan Fiduciary net position includes \$62,358 pertaining to the aforementioned prior defined contribution plan. The components of the net pension liability of the Township at December 31, 2020 were as follows:

Total pension liability	\$ 11,735,079
Plan fiduciary net position	<u>(8,657,291)</u>
Net pension liability	<u>\$ 3,077,788</u>

Plan fiduciary net position as percentage of the total pension liability: 73.77%

TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 15 **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 (updated through roll forward procedures through the measurement date of December 31, 2020) 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 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and adding expected inflation. The long term *expected real* rate of return including inflation is 5.92%

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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 DEFINED BENEFIT PENSION PLANS (continued)

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	\$4,601,464	\$3,077,788	\$1,729,211

For the year ended December 31, 2020, the Township recognized pension expense in its government wide statements for the Non-Uniform pension as noted above in the amount of \$1,859,669, allocated among the Governmental Activities and the Proprietary Funds activities. At December 31, 2020, 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	\$ -	\$ 204,432
Changes in assumptions	34,535	69,388
Net difference between projected and actual investment earnings	-	712,847
Changes in proportions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 34,535</u>	<u>\$ 986,667</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:		
2021	\$	(236,822)
2022	\$	(149,802)
2023	\$	(345,029)
2024	\$	(154,929)
2025	\$	(32,775)
Thereafter	\$	(32,775)

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 2020 was \$1,491,079.

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 2020 was \$2,266,312.

NOTE 17 LEASES

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

<u>Year ending</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
12/31/21	\$ 20,345	\$ 244,140
12/31/22	21,050	252,600
12/31/23	21,682	260,184
	<u>\$ 63,077</u>	<u>\$ 756,924</u>

However, due to the result of restrictions imposed by the COVID-19 protocols, the Township did not receive the full amount of rent anticipated. The Township received \$131,530 this period in rent.

The Township further holds a memorandum of understanding with the Paxon Hollow golf professional for use of the Golf Pro Shop for private sale of golf related merchandise as well as for the use of the practice range for private lessons for an annual fee of \$6,000. This period the Township only received \$2,000 again the result of Covid-19 restrictions. 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.

**TOWNSHIP OF MARPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 of such risks. There has been no significant reduction in insurance coverage from the previous year in any of the Township's policy coverage. Settled claims resulting from these risks have not exceeded commercial insurance in the past three years.

NOTE 19 CONTINGENT LIABILITIES

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

NOTE 20 SUBSEQUENT EVENTS

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

The Township has evaluated subsequent events through August 13, 2021, which represents the date the financial statements were available to be issued.

THE TOWNSHIP OF MARPLE
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 8,264,304	\$ 8,264,304	\$ 8,284,724	\$ 20,420
Local enabling act taxes	3,580,000	3,580,000	3,291,651	(288,349)
Licenses and permits	847,025	847,025	989,039	142,014
Fines and forfeits	42,000	42,000	37,541	(4,459)
Rent	190,814	190,814	183,818	(6,996)
Investment earnings	65,000	65,000	18,147	(46,853)
Public utility realty tax	10,257	10,257	11,404	1,147
Grants and entitlements	131,828	131,828	119,610	(12,218)
Charges for services	239,900	239,900	223,262	(16,638)
Cable TV income	560,000	560,000	538,954	(21,046)
Pennsylvania contribution for pension and volunteer fireman	807,669	807,669	654,151	(153,518)
Miscellaneous/refunds and reimbursements	18,391	18,391	59,979	41,588
Total revenues	<u>14,757,188</u>	<u>14,757,188</u>	<u>14,412,280</u>	<u>(344,908)</u>
EXPENDITURES				
General governmental	1,854,284	1,854,284	1,748,529	105,755
Public safety	7,759,841	7,759,841	7,204,125	555,716
Public works - highways and streets	3,005,973	3,005,973	2,310,959	695,014
Culture and recreation	904,212	904,212	811,022	93,190
Library contribution	780,567	780,567	734,233	46,334
Pension	2,079,621	2,082,621	1,975,844	106,777
Debt principal	815,000	815,000	786,000	29,000
Debt interest	381,256	381,256	372,733	8,523
Total expenditures	<u>17,580,754</u>	<u>17,583,754</u>	<u>15,943,445</u>	<u>1,640,309</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,823,566)</u>	<u>(2,826,566)</u>	<u>(1,531,165)</u>	<u>1,295,401</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	975,000	915,000	957,444	42,444
Other post employment benefit trust funding	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses) of funds, net	<u>900,000</u>	<u>840,000</u>	<u>882,444</u>	<u>42,444</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ (1,923,566)</u>	<u>\$ (1,986,566)</u>	<u>(648,721)</u>	<u>\$ 1,337,845</u>
FUND BALANCE - BEGINNING			<u>3,188,557</u>	
FUND BALANCE - ENDING			<u>\$ 2,539,836</u>	

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

ties all schedules to respective actuarial reporting

POLICE PENSION PLAN

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

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 333,530	\$ 322,251	\$ 309,114	\$ 296,512	\$ 306,262	\$ 306,263	\$ 343,699
Interest	2,145,490	2,159,235	2,091,786	2,024,107	1,911,174	1,832,004	1,494,278
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(182,872)	-	794,849	-	3,020,225	-
Changes in assumptions	-	1,230,444	-	-	-	843,664	-
Benefit payments	(1,978,278)	(1,642,626)	(1,475,479)	(1,417,873)	(1,312,907)	(1,283,004)	(1,329,472)
Net change in total pension liability	500,742	1,896,432	925,421	1,697,595	904,529	4,719,152	508,505
Total pension liability - beginning	30,231,272	28,344,840	27,419,419	25,721,824	24,817,295	20,098,143	19,589,638
Total pension liability - ending	\$ 30,732,014	\$ 30,231,272	\$ 28,344,840	\$ 27,419,419	\$ 25,721,824	\$ 24,817,295	\$ 20,098,143
Plan Fiduciary Net Position							
Contributions - Township and state aid	\$ 1,768,602	\$ 1,501,098	\$ 1,500,447	\$ 1,371,077	\$ 1,368,619	\$ 1,088,977	\$ 1,085,475
Contributions - employee	195,131	193,178	185,235	175,677	171,555	169,205	161,626
Miscellaneous income	-	-	-	-	-	-	790
Net investment income	2,464,290	2,977,820	(958,097)	2,012,735	836,725	(163,932)	683,451
Benefit payments (includes non-uniform defined contribution Plan)	(1,978,278)	(1,642,626)	(1,475,479)	(1,417,873)	(1,312,907)	(1,283,004)	(1,329,472)
Administrative expense	(32,378)	(38,340)	(33,524)	(43,546)	(30,805)	(35,071)	(23,811)
Net change in fiduciary net position	2,417,367	2,992,930	(779,418)	2,098,070	1,033,187	(223,825)	558,059
Plan fiduciary net position - beginning	17,691,000	14,608,070	15,387,488	13,289,418	12,256,229	12,480,054	11,921,995
Plan fiduciary net position - ending	\$ 20,018,367	\$ 17,601,000	\$ 14,608,070	\$ 15,387,488	\$ 13,289,418	\$ 12,256,229	\$ 12,480,054
Marple Township net pension liability	\$ 10,713,647	\$ 12,630,272	\$ 13,736,770	\$ 12,031,931	\$ 12,432,408	\$ 12,561,066	\$ 7,618,089
Plan fiduciary net position as a percentage of total pension liability	65.14%	58.22%	51.54%	56.12%	51.67%	49.39%	62.10%
Covered employee payroll	\$ 3,583,066	\$ 3,693,888	\$ 3,538,582	\$ 3,362,394	\$ 3,383,692	\$ 3,341,114	\$ 3,195,536
Net pension liability as a percentage of covered payroll	299.01%	341.92%	388.20%	357.84%	367.42%	375.95%	238.40%
SCHEDULE OF INVESTMENT RETURNS							
	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return net of investment expense	14.67%	21.43%	-6.49%	15.88%	7.14%	-1.37%	5.82%
SCHEDULE OF TOWNSHIP CONTRIBUTIONS							
	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 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	1,768,602	1,501,098	1,500,373	1,371,077	1,368,619	1,088,977	1,085,475
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,275)
Covered employee payroll	\$ 3,583,066	\$ 3,693,888	\$ 3,538,582	\$ 3,362,394	\$ 3,383,692	\$ 3,341,114	\$ 3,195,536
Contributions as a percentage of covered payroll	49.36%	40.64%	42.40%	40.78%	40.45%	32.59%	33.97%

TOWNSHIP OF MARPLE
REQUIRED SUPPLEMENTARY INFORMATION
NON UNIFORM PENSION PLAN

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

	2020 (Defined Benefit Portion)	2019 (Defined Benefit Portion)	2018 (Defined Benefit Portion)	2017 (Defined Benefit Portion)	2016 (Defined Benefit Portion)	2015 (Defined Benefit Portion)	2014 (Defined Benefit Portion)
Total Pension Liability							
Service cost	\$ 215,894	\$ 208,593	\$ 200,089	\$ 191,932	\$ 185,947	\$ 185,947	\$ 139,968
Interest	615,771	639,510	602,130	566,003	552,219	510,039	478,831
Changes in benefit terms	2,785,283	-	-	-	-	-	-
Differences between expected and actual experience	-	(169,682)	-	(161,963)	-	(31,027)	-
Changes in assumptions	-	(92,518)	-	-	-	138,149	-
Benefit payments	(313,265)	(368,072)	(275,975)	(317,967)	(271,794)	(251,754)	(482,399)
Net change in total pension liability	3,303,682	197,831	528,244	278,005	486,372	551,354	136,400
Total pension liability - beginning	8,431,397	8,233,566	7,707,322	7,429,317	6,962,945	6,411,591	6,275,191
Total pension liability - ending	<u>\$ 11,735,079</u>	<u>\$ 8,431,397</u>	<u>\$ 8,233,566</u>	<u>\$ 7,707,322</u>	<u>\$ 7,429,317</u>	<u>\$ 6,962,945</u>	<u>\$ 6,411,591</u>
Plan Fiduciary Net Position							
Contributions - Township and state aid	\$ 311,019	\$ 311,555	\$ 313,522	\$ 292,388	\$ 295,077	\$ 255,984	\$ 250,302
Contributions - employee	106,938	111,689	111,860	107,950	100,868	98,140	97,953
Miscellaneous income	-	-	-	-	-	-	5,686
Net investment income	1,145,864	1,273,868	(304,832)	859,864	358,560	(78,315)	278,172
Benefit payments	(313,265)	(368,072)	(275,975)	(317,967)	(271,794)	(251,754)	(482,399)
Administrative expense	(30,137)	(30,550)	(45,503)	(40,516)	(23,702)	(28,655)	(24,237)
Net change in fiduciary net position	1,220,418	1,278,490	(290,908)	901,739	459,009	(4,801)	125,477
Plan fiduciary net position - beginning	7,436,873	6,158,383	6,449,291	5,547,552	5,088,543	5,093,144	4,967,667
Plan fiduciary net position - ending	<u>\$ 8,657,291</u>	<u>\$ 7,436,873</u>	<u>\$ 6,158,383</u>	<u>\$ 6,449,291</u>	<u>\$ 5,547,552</u>	<u>\$ 5,088,543</u>	<u>\$ 5,093,144</u>
Marple Township net pension liability	<u>\$ 3,077,788</u>	<u>\$ 934,524</u>	<u>\$ 2,075,183</u>	<u>\$ 1,258,031</u>	<u>\$ 1,881,765</u>	<u>\$ 1,874,402</u>	<u>\$ 1,318,447</u>
Plan fiduciary net position as a percentage of total pension liability	73.77%	88.20%	74.80%	83.68%	74.67%	73.08%	79.44%
Covered employee payroll	\$ 3,736,486	\$ 3,675,606	\$ 3,580,812	\$ 3,252,822	\$ 3,373,610	\$ 3,366,669	\$ 3,308,917
Net pension liability as a percentage of covered payroll	82.37%	27.06%	57.95%	38.68%	55.78%	55.68%	39.83%
SCHEDULE OF INVESTMENT RETURNS							
Annual money-weighted rate of return net of investment expense	2020 15.62%	2019 21.16%	2018 -6.49%	2017 15.81%	2016 7.11%	2015 -1.55%	2014 5.87%
SCHEDULE OF TOWNSHIP CONTRIBUTIONS							
Actuarially determined contribution	\$ 311,019	\$ 311,555	\$ 308,968	\$ 292,388	\$ 295,077	\$ 253,196	\$ 250,302
Contributions in relation to the actuarially determined contribution	311,019	311,555	308,968	292,388	295,077	253,196	250,302
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,736,486	\$ 3,675,606	\$ 3,580,812	\$ 3,252,822	\$ 3,357,508	\$ 3,394,102	\$ 3,204,872
Contributions as a percentage of covered payroll	8.32%	8.48%	8.63%	8.99%	8.79%	7.46%	7.81%

TOWNSHIP OF MARPLE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER AND COMMONWEALTH OF PENNSYLVANIA CONTRIBUTIONS

(UNAUDITED)

DECEMBER 31, 2020

POLICE:

	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution excess (deficiency)	Covered employee payroll	Contributions as a percentage of covered payroll
2011	\$ 692,590	\$ 694,090	\$ 1,500	\$2,870,112	24.18%
2012	\$ 808,424	\$ 809,924	\$ 1,500	\$2,917,541	27.76%
2013	\$ 817,901	\$ 819,401	\$ 1,500	\$2,964,969	27.64%
2014	\$ 1,084,200	\$ 1,085,475	\$ 1,275	\$3,195,536	33.97%
2015	\$ 1,088,977	\$ 1,088,977	\$ -	\$3,341,114	32.59%
2016	\$ 1,368,616	\$ 1,368,619	\$ -	\$3,383,692	40.45%
2017	\$ 1,371,077	\$ 1,371,077	\$ -	\$3,362,394	40.78%
2018	\$ 1,500,373	\$ 1,500,447	\$ 74	\$3,538,582	42.40%
2019	\$ 1,501,098	\$ 1,501,098	\$ -	\$3,693,888	40.64%
2020	\$ 1,768,602	\$ 1,768,602	\$ -	\$3,583,066	49.36%

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
2011	\$ 183,081	\$ 183,081	\$ -	\$2,979,753	6.14%
2012	\$ 148,801	\$ 148,801	\$ -	\$2,972,304	5.01%
2013	\$ 148,760	\$ 148,760	\$ -	\$2,964,854	5.02%
2014	\$ 250,302	\$ 250,302	\$ -	\$3,309,917	7.56%
2015	\$ 253,196	\$ 255,984	\$ 2,788	\$3,366,669	7.60%
2016	\$ 295,077	\$ 295,077	\$ -	\$3,373,610	8.75%
2017	\$ 292,388	\$ 292,388	\$ -	\$3,252,822	8.99%
2018	\$ 313,525	\$ 313,525	\$ -	\$3,580,812	8.76%
2019	\$ 311,555	\$ 311,555	\$ -	\$3,675,606	8.48%
2020	\$ 311,019	\$ 311,019	\$ -	\$3,736,486	8.32%

TOWNSHIP OF MARPLE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF POST EMPLOYMENT BENEFIT OBLIGATION FUNDING PROGRESS
 (UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2020

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%

SCHEDULE OF POST EMPLOYMENT BENEFIT EMPLOYER CONTRIBUTIONS

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

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

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

THE TOWNSHIP OF MARPLE

BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2020

ASSETS	
Cash and cash equivalents	\$ 3,113,428
Real estate taxes receivable	630,404
Other accounts receivable	300,115
Due from other funds	-
Due from other government	112,279
Inventory	14,403
Prepaid expenditures	322,897
Total assets	<u>4,493,526</u>
DEFERRED OUTFLOW OF RESOURCES	
	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,493,526</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 467,543
Due to other funds	1,085
Accrued payroll and related liabilities	187,949
Accrued interest	5,830
Unearned revenue	195,370
Escrow liability	498,717
Total liabilities	<u>1,356,494</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable taxes	597,196
Total liabilities and deferred inflows of resources	<u>1,953,690</u>
Fund balance:	
Nonspendable	322,897
Restricted	-
Committed for:	
Capital projects	-
Assigned to:	
Green Bank Farm improvements	20,065
2021 budget projected shortfall	1,206,650
Unassigned	990,224
Total fund balance	<u>2,539,836</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,493,526</u>

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES	
Taxes - real estate (net)	\$ 8,284,724
Local enabling act taxes	
Deed transfer tax	642,201
Mercantile tax	854,961
Business privilege tax	1,250,200
Local service tax	508,640
Amusement tax	35,649
	<u>3,291,651</u>
Licenses and permits	
Licenses and inspection	989,039
Franchise fee - cable television	538,954
	<u>1,527,993</u>
Fines - forfeits costs	
District justice fines	16,132
Reimbursements and motor vehicle code violations	21,409
	<u>37,541</u>
Interest and rents	
Investment earnings	18,147
Rent of building and parking lots	183,818
	<u>201,965</u>
Grants	
Recycling grant	45,912
Equity share program	21,029
Public utility realty tax act	11,404
County aid	34,628
PECO Green Grant	5,000
PennDot snow removal grant reimbursement	13,041
Pennsylvania contribution for pension and volunteer firemen	654,151
	<u>785,165</u>
Charges for services	
Garbage, refuse charges and recycling	25,543
Other departmental revenue	197,719
	<u>223,262</u>
Other	
Refunds and reimbursements	30,399
Miscellaneous	29,580
	<u>59,979</u>
TOTAL REVENUES	<u>14,412,280</u>

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

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

GOVERNMENTAL EXPENDITURES

GENERAL GOVERNMENT

Administration

Salaries and benefits	753,049
Materials and supplies	15,364
General expenses	330,500
Computer software and consulting	43,315
Municipal pension contribution	207,242
Accounting, payroll and actuarial services	59,286
Collection fees 511 taxes	84,643
Repairs and maintenance and capital purchases	8,421
Solicitor and arbitration	88,268
General engineering	183,666
	<u>1,773,754</u>

Treasurer

Salaries and benefits	39,194
General expense	14,854
	<u>54,048</u>

Municipal buildings

Salaries and benefits	48,834
Materials and supplies - general	2,541
Utility cost	19,893
Maintenance and repairs	28,909
	<u>100,177</u>

Total general government	<u>1,927,979</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, 2020

PROTECTION TO PERSONS AND PROPERTY

Police protection	
Salaries and benefits	5,340,374
Materials, supplies and general expenses	377,633
Utilities	37,187
Vehicle operation and new vehicles	73,562
Animal control	6,900
Maintenance and repairs and equipment	18,965
Police training, physicals and police testing	30,622
Pension plan contribution	1,768,602
Equity share program-DOJ	21,029
Capital purchases	152,353
	<u>7,827,227</u>
Fire and ambulance rescue	
Fire hydrants	106,990
Utilities	22,649
Workers compensation and other insurances	36,204
Contributions	5,500
Contribution volunteer fire companies	150,000
Pennsylvania relief funds	175,629
	<u>496,972</u>
Building regulation, planning, zoning and emergency management	
Salaries and benefits	544,328
General expenses	92,069
Materials and supplies	12,131
	<u>648,528</u>
Total protection to persons and property	<u>8,972,727</u>

THE TOWNSHIP OF MARPLE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

GENERAL SERVICES, STREET LIGHTS AND HIGHWAY

Public works	
Salaries and benefits	1,501,101
Materials and supplies	37,862
General expenses	40,864
Traffic signals, street signs and street lights	61,974
Snow removal	13,692
Electricity and other utilities	192,354
Gas, oil and diesel	39,186
Leaf collection	24,524
Maintenance of equipment and building	67,093
Pavement management program	99,221
Capital equipment general	202,264
Minor equipment	30,824
Total public works	<u>2,310,959</u>

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

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

CULTURE AND RECREATION

General recreation services

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

Parks and playgrounds

Salaries and benefits	487,234
Materials and supplies	8,446
Maintenance and repairs	48,060
Utilities	27,950
General expenses	145,701
	<u>717,391</u>

Libraries

Insurance	9,285
Utilities	22,505
General expense	8,200
Library funding	734,233
	<u>774,223</u>

Total department of culture and recreation	<u>1,573,047</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, 2020

Debt service	
Interest	372,733
Principal	<u>786,000</u>
Total debt service expenditures	<u>1,158,733</u>
TOTAL EXPENDITURES	<u>15,943,445</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,531,165)
OTHER FINANCING SOURCES (USES) OF FUNDS	
OPEB trust contribution	(75,000)
Operating transfer in	<u>957,444</u>
Total other financing sources (uses) of funds	<u>882,444</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	(648,721)
FUND BALANCE - BEGINNING	<u>3,188,557</u>
FUND BALANCE - ENDING	<u><u>\$ 2,539,836</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, 2020, 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 August 15, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

August 15, 2021

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