

MARPLE NEWTOWN SCHOOL DISTRICT
FINANCIAL STATEMENTS AND
SINGLE AUDIT
For Year Ended June 30, 2025



INTRODUCTORY SECTION

MARPLE NEWTOWN SCHOOL DISTRICT

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2025

	Page
Introductory Section	
Table of Contents	1
Financial Section	
Independent Auditors' Report	3
Management's Discussion and Analysis	6
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities	9
Fund Financial Statements	
<i>Governmental Funds</i>	
Balance Sheet	10
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of Net Change in Fund Balances – Governmental Funds to Change in Net Position of Governmental Activities	13
<i>Proprietary Fund</i>	
Statement of Net Position	14
Statement of Revenues, Expenses, and Change in Fund Net Position	15
Statement of Cash Flows	16

MARPLE NEWTOWN SCHOOL DISTRICT

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2025

	Page
<i>Fiduciary Funds</i>	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to the Basic Financial Statements	19
Required Supplementary Information	
Schedule of the District's Proportionate Share of the Net Pension Liability	53
Schedule of the District's Pension Contributions	54
Schedule of the District's Proportionate Share of the Net OPEB Liability - PSERS Health Insurance Premium Assistance Plan	55
Schedule of the District's OPEB Contributions - PSERS Health Insurance Premium Assistance Plan	56
Schedule of Changes in the District's Total OPEB Liability and Related Ratios - Single Employer Plan	57
Budgetary Comparison Schedule	58
Notes to the Budgetary Comparison Schedule	59
Single Audit Section	
Independent Auditors' 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	60
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	62
Schedule of Expenditures of Federal and Certain State Awards	65
Notes to the Schedule of Expenditures of Federal Awards and Certain State Grants	66
Schedule of Findings and Questioned Costs	67

FINANCIAL SECTION

Independent Auditors' Report

To the Board of School Directors
Marple Newtown School District
Newtown Square, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marple Newtown School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Marple Newtown School District's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of Marple Newtown School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note O to the financial statements, Marple Newtown School District implemented GASB Statement No. 101, *Compensated Absences*, during the current fiscal year. As a result of this implementation, the beginning net position was restated to reflect the change in the beginning balance of compensated absences. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marple Newtown School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Marple Newtown School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marple Newtown School District's ability to continue as a going concern for a reasonable period of time.

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

To the Board of School Directors
Marple Newtown School District
Newtown Square, Pennsylvania

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, pension and other postemployment benefit information on pages 53 through 56 and budgetary comparison information on pages 58 and 59, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marple Newtown School District's basic financial statements. The schedule of expenditures of federal and certain state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal and certain state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is 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 December 10, 2025, on our consideration of Marple Newtown School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Marple Newtown School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marple Newtown School District's internal control over financial reporting and compliance.



Limerick, Pennsylvania
December 10, 2025

MARPLE NEWTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2025

INTRODUCTION

As management of the Marple Newtown School District, we offer readers of the Marple Newtown School District's financial statements this narrative overview and analysis of the financial activities of Marple Newtown School District for the fiscal year ended June 30, 2025. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

DISTRICT PROFILE

The District consists of six schools – four elementary schools, a middle school and a high school consisting of approximately 3,678 students. Marple Newtown is a suburban Philadelphia school district in Delaware County, Pennsylvania, in a community of approximately 35,000 people, most of whom are involved in business and professions.

The mission of the Marple Newtown School District is to provide rigorous educational opportunities for all students in a safe, healthy, and responsive learning environment through a collaborative commitment to involve students, staff, families, and the community.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the Marple Newtown School District at the close of the most recent fiscal year by \$16,925 (negative net position). The negative net position is the result of recording the district's proportionate share of net pension and other post-employment benefits liabilities and deferred pension and other post-employment benefit amounts in accordance with GASB Statement Nos. 68 and 75, which were implemented during 2015 and 2018, respectively.
- The Governmental Funds reported an increase in fund balance of \$991, bringing the cumulative balance to \$35,017 at the conclusion of the 2024-2025 fiscal year. The increase is primarily due to favorable investment income and expenditure savings offset by spending of capital funds for the Russell Elementary School boiler room.
- The General Fund reported a balance of \$16,758 at the end of the 2024-2025 fiscal year. Of this amount \$4,008 is committed for capital projects, \$2,650 is assigned for upcoming capital needs and tax appeals, \$840 is restricted, \$4 is nonspendable, and \$9,256 is unassigned. The unassigned balance of \$9,256 is 8 percent of the budgeted 2025-2026 general fund expenditures.
- Marple Newtown School District's total debt decreased by \$6,505 during the current fiscal year due to normal annual debt service payments during the year. The balance of outstanding bonds at the conclusion of the 2024-2025 fiscal year is \$66,255.

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Marple Newtown School District's basic financial statements. The accompanying financial statements have been prepared in accordance with GASB Statement Number 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 government-wide financial statements are designed to provide readers with a broad overview of the Marple Newtown School District's finances, in a manner similar to a private-sector business.

The *statement of net position* measures and reports all of Marple Newtown School District's assets and liabilities, with the difference between the two reported as *net position*. Capital assets should be depreciated over their estimated useful lives. Net position should be displayed in three components; net investment in capital assets, and restricted and unrestricted net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Marple Newtown School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Marple Newtown School District that are principally supported by school taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business –type activities*). The governmental activities of the Marple Newtown School District include the general, and two capital projects funds. The business-type activities of the Marple Newtown School District include the Food Service Fund. The government-wide financial statements for Marple Newtown School District include both governmental activities plus business-type activities.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Marple Newtown School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Marple Newtown School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The District has adopted Governmental Accounting Standard Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its fiscal year 2010-11 reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Marple Newtown School District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and two capital projects funds, all of which are considered to be major funds.

Marple Newtown School District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Marple Newtown School District maintains one type of proprietary fund, an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Marple Newtown School District uses enterprise funds to account for its Food Service Fund. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the school district. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Marple Newtown School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Marple Newtown School District, liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the Marple Newtown School District at the close of the most recent fiscal year by \$16,925 (negative net position).

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

Marple Newtown School District's Net Position 2025

The following table reflects the current and prior year's information.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 48,048	\$ 48,698	\$ 2,057	\$ 2,013	\$ 50,105	\$ 50,711
Noncurrent assets	138,444	138,397	427	338	138,871	138,735
Total assets	<u>186,492</u>	<u>187,095</u>	<u>2,484</u>	<u>2,351</u>	<u>188,976</u>	<u>189,446</u>
Deferred outflows of resources	<u>24,314</u>	<u>25,506</u>	<u>251</u>	<u>272</u>	<u>24,565</u>	<u>25,778</u>
Long-term liabilities outstanding	200,793	202,341	1,426	1,495	202,219	203,836
Other liabilities	22,505	22,585	58	134	22,563	22,719
Total liabilities	<u>223,298</u>	<u>224,926</u>	<u>1,484</u>	<u>1,629</u>	<u>224,782</u>	<u>226,555</u>
Deferred inflows of resources	<u>5,642</u>	<u>6,711</u>	<u>42</u>	<u>54</u>	<u>5,684</u>	<u>6,765</u>
Net Position:						
Invested in capital assets, net of related debt	55,151	47,016	427	338	55,578	47,354
Restricted	19,099	17,242	-	-	19,099	17,242
Unrestricted	<u>(92,384)</u>	<u>(83,294)</u>	<u>782</u>	<u>602</u>	<u>(91,602)</u>	<u>(82,692)</u>
Total net position	\$ <u>(18,134)</u>	\$ <u>(19,036)</u>	\$ <u>1,209</u>	\$ <u>940</u>	\$ <u>(16,925)</u>	\$ <u>(18,096)</u>

The restricted net position is comprised of \$18,259 representing the amount restricted in the Capital Projects Funds for future capital needs, and \$840 for taxes paid under protest.

Governmental activities. Governmental activities increased Marple Newtown School District net position by \$7,286 for the current year.

Business type activity. The business-type activity increased net position by \$269 for the current year.

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

Marple Newtown School District Changes in Net Position – 2025

The following table reflects the revenues and expenses for the current and prior year (as adjusted).

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 2,253	\$ 1,835	\$ 908	\$ 910	\$ 3,161	\$ 2,745
Operating grants	16,710	15,484	1,128	1,164	17,838	16,648
Capital grants	285	283	-	-	285	283
General revenues:						
Taxes	86,663	83,343	-	-	86,663	83,343
Grants, not restricted specific programs	5,672	5,090	-	-	5,672	5,090
Investment and other income	2,972	3,238	38	43	3,010	3,281
Total Revenues	<u>114,555</u>	<u>109,273</u>	<u>2,074</u>	<u>2,117</u>	<u>116,629</u>	<u>111,390</u>
Expenses:						
Depreciation	7,237	7,162	-	-	7,237	7,162
Instruction	58,058	53,893	-	-	58,058	53,893
Instructional student support	8,569	8,134	-	-	8,569	8,134
Administration and financial support services	10,285	9,551	-	-	10,285	9,551
Operation and maintenance of plant services	10,059	9,219	-	-	10,059	9,219
Pupil transportation	7,942	7,165	-	-	7,942	7,165
Student activities	2,379	1,570	-	-	2,379	1,570
Community services	50	48	-	-	50	48
Interest on long-term debt	2,690	2,813	-	-	2,690	2,813
Food service	-	-	1,805	2,064	1,805	2,064
Total expenses	<u>107,269</u>	<u>99,555</u>	<u>1,805</u>	<u>2,064</u>	<u>109,074</u>	<u>101,619</u>
Change in Net Position	7,286	9,718	269	53	7,555	9,771
Beginning Net Position (restated)	<u>(25,420)</u>	<u>(28,754)</u>	<u>940</u>	<u>887</u>	<u>(24,480)</u>	<u>(27,867)</u>
Ending Net Position	<u>\$ (18,134)</u>	<u>\$ (19,036)</u>	<u>\$ 1,209</u>	<u>\$ 940</u>	<u>\$ (16,925)</u>	<u>\$ (18,096)</u>

Compared to 2023-24, tax revenue increased \$3,320 in 2024-25. This increase is primarily due to an increase in assessed value and mileage rate.

MARPLE NEWTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2025

Financial Analysis of the Governmental Funds

As noted earlier, the Marple Newtown School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Marple Newtown School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Marple Newtown School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Marple Newtown School District's governmental funds reported combined ending fund balance of \$35,017, an increase of \$991 in comparison with the prior year. This balance consists of \$18,259 remaining in the capital projects funds, \$4,008 committed for capital projects, \$2,650 assigned, \$840 restricted, and \$4 nonspendable. The unassigned general fund balance is \$9,256 or 8 percent of 2025-26 general fund expenditures budget.

The general fund is the chief operating fund of Marple Newtown School District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,256 or 8% of 2025-2026 budgeted expenditures and the total general fund balance is \$16,758.

As a measure of the general fund's liquidity, it may be useful to compare both 2024-2025 unassigned fund balance and total fund balance to total 2024-2025 fund expenditures. Unassigned fund balance represents 8.14% of total general fund expenditures, while total general fund balance represents 14.74% of that same amount.

Proprietary funds. Marple Newtown School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights and significant changes

- The District's general fund revenues for the fiscal year ended June 30, 2025 were \$112,986.
- The general fund revenue exceeded the original budgeted revenues by \$2,286. The positive variance of \$2,286 is primarily due to the following:
 - \$960 interest earnings
 - \$754 real estate taxes
 - \$365 of other taxes

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

- This year's expenditure and other financing uses, excluding the interfund transfer out, variance is approximately \$1,816 under original budget. The variance includes \$4,785 of expenditures because of the new lease accounting standard and SBITA. Disregarding the lease and SBITA standard, expenditures were \$2,969 less than budgeted primarily due the following:
 - \$755 attritional savings
 - \$691 of employee benefit savings largely due to self-insured medical plan
 - \$1,354 of nonpublic tuition

Capital Asset and Debt Administration

Capital assets. Marple Newtown School District's investment in capital assets for its governmental and business type activities as of June 30, 2025 amount to \$131,279 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, site improvements, buildings and building improvements, and property and equipment.

Major capital asset events during the current fiscal year include the following:

- Russell Boiler Room Renovations
- Bus Garage and Parking Renovations

Marple Newtown School District's Capital Assets – 2025 (net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 143	\$ 143	\$ -	\$ -	\$ 143	\$ 143
Site improvements	12,126	12,861	-	-	12,126	12,861
Construction in progress	6,371	3,752	-	-	6,371	3,752
Building and building improvements	106,802	111,883	-	-	106,802	111,883
Machinery and equipment	3,723	3,074	427	338	4,150	3,412
Right to use assets	2,687	504	-	-	2,687	504
Total	<u>\$ 131,852</u>	<u>\$ 132,217</u>	<u>\$ 427</u>	<u>\$ 338</u>	<u>\$ 132,279</u>	<u>\$ 132,555</u>

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

Long Term Debt. At the end of the current fiscal year, the Marple Newtown School District had total bonded debt outstanding of \$66,255. Of this amount, \$66,255 comprises debt backed by the full faith and credit of the government.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 66,255	\$ 72,760	\$ -	\$ -	\$ 66,255	\$ 72,760
Total	\$ 66,255	\$ 72,760	\$ -	\$ -	\$ 66,255	\$ 72,760

Marple Newtown School District’s debt decreased by \$6,505 during the 2024-2025 fiscal year due to normal debt service payments.

Marple Newtown School District has improved its rating and was recently provided with an Aa1 rating from Moody’s Investor service for its recent (June 2019) general obligation debt. Moody’s Investors Service affirmed this rating in its annual issuer comment dated November 29, 2021.

State statutes limit the amount of general obligation debt a governmental entity may issue to 225% of a 3-year average of revenues. The current debt limitation for Marple Newtown School District is estimated at \$244,682 which is in excess of Marple Newtown School District’s outstanding general obligation debt. Due to the growing student population and aging facilities, the school district is in the process of reviewing the need for additional capital improvements which could require the school district to increase its current debt level.

Economic Factors

- The most current unemployment rate for the Philadelphia Metro Area (July 2025), which the Marple Newtown School District is located, is currently 4.9 percent, which is a decrease from a rate of 5.1 percent a year ago. This is higher than the state’s average unemployment rate of 4.0 percent, and higher than the national average of 4.2 percent. (BLS 2025). It is important to point out that although the district is within the Philadelphia Metro Area, the unemployment rate for Delaware County, in which the district lies, is 4.2%. (BLS 2025)
- The most current CPI-U index for the Philadelphia Area, which the Marple Newtown School District is located, is 3.3 percent compared to a national index of 2.9 percent for the same August 2025 time period.

Legislative changes

On June 12, 2017 the most recent pension reform was passed and signed into law. The legislation is Act 5 of 2017 (formerly SB1).

MARPLE NEWTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2025

Act 5 changes the retirement's benefits of all school employees hired on or after July 1, 2019. Act 5 will not impact the pension benefits of current employees or retirees. For more details on the new benefit levels provided for in the act please follow this link:
<http://www.legis.state.pa.us/cfdocs/legis/li/uconsCheck.cfm?yr=2017&sessInd=0&act=5>

The employer contribution rate for 2025-2026 has been set and budgeted at 33.90%. The employer contribution rate for the upcoming 2026-2027 cycle is being projected at 34.00%.

On November 23, 2010 Pension Reform Legislation was signed into law. The legislation is now known as Act 120 of 2010. Act 120 includes a series of actuarial and funding changes to the public school employee's retirement system ("PSERS") and benefit reductions for individuals who become new members of PSERS on or after July 1, 2011. Act 120 will not impact the pension benefits of current or retired PSERS members.

Act 1 of 2006. This legislation changed how school districts in Pennsylvania plan, prepare, and approve their budgets and corresponding tax increases. Participation in this law is mandatory.

This law is referred to as the Taxpayer Relief Act that intends to utilize gaming revenue and a local tax shift to an earned income or personal income tax to fund the plan. The law also provides that all school districts must allow an option to taxpayers to pay their real estate taxes in installments beginning with the 2007-2008 fiscal year (PSBA, 2006). To date, this has not presented any significant challenges to the district's cash flow.

The most significant requirement under Act 1 is the limitation on school real estate tax increases. The School District will have to seek approval from the voters if it intends to increase taxes over a set inflationary index provided by the Pennsylvania Department of Education. The index for 2025-2026 budget year is 4.0%. Any tax increase that is proposed that exceeds this index must either meet several exceptions provided for in the Act or be approved by the voters. The school district increased the real estate tax rate 3.87% for the 2025- 2026 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Marple Newtown School District's finances for all those with an interest in the district's finances. Questions concerning any of the information should be addressed to the Marple Newtown School District, Business Office, 38 Media Line Road, Suite 210, Newtown Square, PA 19073.

MARPLE NEWTOWN SCHOOL DISTRICT**STATEMENT OF NET POSITION****JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 41,795,537	\$ 1,863,471	\$ 43,659,008
Restricted cash	1,200,320	-	1,200,320
Taxes receivable, net	1,165,323	-	1,165,323
Due from other governments	2,844,656	130,550	2,975,206
Prepaid expenses	4,289	-	4,289
Other receivables, net	1,038,205	8,604	1,046,809
Inventories	-	54,165	54,165
Capital assets			
Land	142,627	-	142,627
Construction in progress	6,370,517	-	6,370,517
Site improvements	17,290,497	-	17,290,497
Buildings and building improvements	189,895,878	-	189,895,878
Machinery and equipment	15,960,890	1,048,370	17,009,260
Accumulated depreciation	(100,495,082)	(621,623)	(101,116,705)
Right to use assets	5,340,180	-	5,340,180
Accumulated amortization	(2,653,184)	-	(2,653,184)
Funds held by Delaware County Public Schools			
Healthcare Trust	6,592,218	-	6,592,218
TOTAL ASSETS	186,492,871	2,483,537	188,976,408
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	2,669,979	-	2,669,979
Deferred amounts related to pensions	19,514,681	240,564	19,755,245
Deferred amounts related to other post-employment benefits	2,129,044	10,118	2,139,162
TOTAL DEFERRED OUTFLOWS OF RESOURCES	24,313,704	250,682	24,564,386

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Accounts payable and accrued expenses	\$ 6,736,238	\$ 15,729	\$ 6,751,967
Accrued salaries and benefits	5,070,322	-	5,070,322
Accrued interest	237,910	-	237,910
Unearned revenue	329,792	63,802	393,594
Internal balances	22,031	(22,031)	-
Portion due or payable within one year			
Bonds payable	6,830,000	-	6,830,000
Notes payable	713,552	-	713,552
Operating lease liabilities	1,352,712	-	1,352,712
Accumulated compensated absences	2,802,320	-	2,802,320
Portion due or payable after one year			
Bonds payable	59,425,000	-	59,425,000
Bond premium	8,570,914	-	8,570,914
Notes payable	1,135,315	-	1,135,315
Operating lease liabilities	1,343,750	-	1,343,750
Accumulated compensated absences	5,860,587	-	5,860,587
Net pension liability	110,929,534	1,367,466	112,297,000
Other post-employment benefits	11,938,653	58,256	11,996,909
TOTAL LIABILITIES	223,298,630	1,483,222	224,781,852
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,550,491	31,440	2,581,931
Deferred amounts related to other post-employment benefits	3,091,550	10,740	3,102,290
TOTAL DEFERRED INFLOWS OF RESOURCES	5,642,041	42,180	5,684,221
NET POSITION			
Net investment in capital assets	55,151,059	426,747	55,577,806
Restrict for			
Taxes paid under protest	839,712	-	839,712
Capital projects	18,258,967	-	18,258,967
Unrestricted	(92,383,834)	782,070	(91,601,764)
TOTAL NET POSITION	\$ (18,134,096)	\$ 1,208,817	\$ (16,925,279)

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 58,057,994	\$ -	\$ 7,599,798	\$ -
Instructional student support	8,569,123	2,150,531	3,424,966	-
Administrative support service	10,284,892	-	1,345,176	-
Operation and maintenance of plant services	10,058,461	102,862	1,779,934	284,999
Pupil transportation	7,942,314	-	2,200,002	-
Student activities	2,379,089	-	360,056	-
Community services	49,469	-	-	-
Interest on long-term debt	2,691,435	-	-	-
Unallocated depreciation	7,236,795	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	107,269,572	2,253,393	16,709,932	284,999
BUSINESS-TYPE ACTIVITIES				
Food service	1,804,827	907,632	1,128,348	-
TOTAL SCHOOL DISTRICT ACTIVITIES	\$ 109,074,399	\$ 3,161,025	\$ 17,838,280	\$ 284,999

GENERAL REVENUES

Property taxes, levied for general purposes
 Public utility taxes
 Transfer taxes
 Grants and entitlements not restricted to specific programs
 Investment earnings
 Gain on sale of fixed assets

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY PRESENTED

RESTATEMENTS

NET POSITION - BEGINNING OF YEAR, AS RESTATED

NET POSITION - END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (50,458,196)	\$ -	\$ (50,458,196)
(2,993,626)	-	(2,993,626)
(8,939,716)	-	(8,939,716)
(7,890,666)	-	(7,890,666)
(5,742,312)	-	(5,742,312)
(2,019,033)	-	(2,019,033)
(49,469)	-	(49,469)
(2,691,435)	-	(2,691,435)
(7,236,795)	-	(7,236,795)
<u>(88,021,248)</u>	<u>-</u>	<u>(88,021,248)</u>
 -	 231,153	 231,153
 <u>\$ (88,021,248)</u>	 <u>\$ 231,153</u>	 <u>\$ (87,790,095)</u>
 \$ 84,700,666	 \$ -	 \$ 84,700,666
77,256	-	77,256
1,884,798	-	1,884,798
5,672,134	-	5,672,134
2,963,028	38,050	3,001,078
8,975	-	8,975
<u>95,306,857</u>	<u>38,050</u>	<u>95,344,907</u>
 7,285,609	 269,203	 7,554,812
<u>(19,036,281)</u>	<u>939,614</u>	<u>(18,096,667)</u>
 (6,383,424)	 -	 (6,383,424)
<u>(25,419,705)</u>	<u>939,614</u>	<u>(24,480,091)</u>
 <u>\$ (18,134,096)</u>	 <u>\$ 1,208,817</u>	 <u>\$ (16,925,279)</u>

MARPLE NEWTOWN SCHOOL DISTRICT**BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2025**

	<u>General Fund</u>	<u>Capital Projects Fund I</u>	<u>Capital Projects Fund II</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 22,802,757	\$ 18,883,339	\$ 109,441	\$ 41,795,537
Cash-restricted	1,119,630	64,101	16,589	1,200,320
Taxes receivable net	1,192,315	-	-	1,192,315
Due from other governments	2,844,656	-	-	2,844,656
Other receivables	1,038,205	-	-	1,038,205
Prepaid expenditures	4,289	-	-	4,289
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 29,001,852	\$ 18,947,440	\$ 126,030	\$ 48,075,322
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 5,921,735	\$ 814,503	\$ -	\$ 6,736,238
Unearned revenue	329,792	-	-	329,792
Interfund payable	22,031	-	-	22,031
Accrued salaries and benefits	5,070,322	-	-	5,070,322
TOTAL LIABILITIES	<u>11,343,880</u>	<u>814,503</u>	<u>-</u>	<u>12,158,383</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - real estate taxes	899,745	-	-	899,745
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	4,289	-	-	4,289
Restricted				
Tax appeals	839,712	-	-	839,712
Capital projects	-	18,132,937	126,030	18,258,967
Committed				
Capital projects	4,008,226	-	-	4,008,226
Assigned				
Capital expenditures	650,000	-	-	650,000
Tax appeals	2,000,000	-	-	2,000,000
Unassigned	9,256,000	-	-	9,256,000
TOTAL FUND BALANCES	<u>16,758,227</u>	<u>18,132,937</u>	<u>126,030</u>	<u>35,017,194</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,001,852	\$ 18,947,440	\$ 126,030	\$ 48,075,322
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2025

TOTAL GOVERNMENTAL FUND BALANCES	\$	35,017,194
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Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets and right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

131,852,323

Funds held by Delaware County Public Schools Healthcare Trust are not financial resources and, therefore, are not reported in the funds.

6,592,218

Some of the District's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

872,753

Deferred charges on refunding are recorded as other financing uses in the Governmental funds, the statement of net position includes these amounts as deferred outflows of resources.

2,669,979

Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows of resources related to pensions

19,514,681

Deferred inflows of resources related to pensions

(2,550,491)

Deferred outflows related to other post-employment benefits

2,129,044

Deferred inflows related to other post-employment benefits

(3,091,550)

16,001,684

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities

Accrued interest

(237,910)

Bonds payable

(66,255,000)

Notes payable

(1,848,867)

Bond premium

(8,570,914)

Operating lease liabilities

(2,696,462)

Net pension liability

(110,929,534)

Other post-employment benefits

(11,938,653)

Accumulated compensated absences

(8,662,907)

(211,140,247)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (18,134,096)

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Capital Projects Fund I</u>	<u>Capital Projects Fund II</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources	\$ 92,394,934	\$ 701,131	\$ 2,213	\$ 93,098,278
State sources	18,799,396	-	-	18,799,396
Federal sources	1,791,574	-	-	1,791,574
TOTAL REVENUES	<u>112,985,904</u>	<u>701,131</u>	<u>2,213</u>	<u>113,689,248</u>
EXPENDITURES				
Instruction	58,764,511	-	-	58,764,511
Support services	39,585,557	-	-	39,585,557
Operation of non-instructional services	2,240,921	-	-	2,240,921
Capital outlay	242,951	3,776,049	-	4,019,000
Debt service				
Interest	3,618,574	-	-	3,618,574
Principal	9,263,433	-	-	9,263,433
TOTAL EXPENDITURES	<u>113,715,947</u>	<u>3,776,049</u>	<u>-</u>	<u>117,491,996</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(730,043)</u>	<u>(3,074,918)</u>	<u>2,213</u>	<u>(3,802,748)</u>
OTHER FINANCING SOURCES (USES)				
Leases and other right-to-use arrangements	3,915,484	-	-	3,915,484
Extended term financing proceeds	869,578	-	-	869,578
Sale of fixed assets	8,975	-	-	8,975
Interfund transfers in (out)	(4,428,734)	4,428,734	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>365,303</u>	<u>4,428,734</u>	<u>-</u>	<u>4,794,037</u>
NET CHANGE IN FUND BALANCES	<u>(364,740)</u>	<u>1,353,816</u>	<u>2,213</u>	<u>991,289</u>
FUND BALANCES - BEGINNING	<u>17,122,967</u>	<u>16,779,121</u>	<u>123,817</u>	<u>34,025,905</u>
FUND BALANCES - ENDING	<u>\$ 16,758,227</u>	<u>\$ 18,132,937</u>	<u>\$ 126,030</u>	<u>\$ 35,017,194</u>

See accompanying notes to the basic financial statements.

YEAR ENDED JUNE 30, 2025

RECONCILIATION OF NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES YEAR ENDED JUNE 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$	991,289
Amounts reported for governmental activities in the statement of activities are different because:			
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in Governmental Funds.			(54,047)
Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense and capital outlays:			
Capital outlays	\$	10,523,544	
Depreciation and amortization expense		<u>(10,389,312)</u>	134,232
The change in the balance of funds held by Delaware County Public Schools Healthcare Trust is included in the expenses reported in the statement of activities but is not reported in the fund financial statements.			412,379
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Notes payable		(869,578)	
Subscription-based technology arrangement obligations		(198,626)	
Operating lease liabilities		<u>(3,716,858)</u>	(4,785,062)
The repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:			
Bonds payable		6,505,000	
Notes payable		1,018,416	
Operating lease liabilities		1,541,387	
Subscription-based technology arrangement obligations		<u>198,626</u>	9,263,429
Governmental funds report the effect of premiums and refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.			
Deferred amount on refunding		(450,969)	
Premium on general obligation bonds		<u>1,351,452</u>	900,483
Compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			(234,092)
The net change in the net pension liability, as well as the change in the related deferred inflows and outflows, is reported in the statement of activities, but is not reported in the fund financial statements.			3,114,313
The net change in the net OPEB liability, as well as the change in the related deferred inflows and outflows, is reported in the statement of activities, but is not reported in the fund financial statements.			(2,483,975)
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt in the statement of activities.			<u>26,660</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>7,285,609</u></u>

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Enterprise Fund Food Service Fund
ASSETS	
CURRENT ASSETS	
Cash	\$ 1,863,471
Due from other governments	130,550
Other receivables	8,604
Interfund receivables	22,031
Inventories	54,165
TOTAL CURRENT ASSETS	<u>2,078,821</u>
PROPERTY AND EQUIPMENT	
Property and equipment	1,048,370
Accumulated depreciation	(621,623)
NET PROPERTY AND EQUIPMENT	<u>426,747</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	240,564
Deferred amounts - other post-employment benefits	10,118
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>250,682</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	15,729
Unearned revenues	63,802
TOTAL CURRENT LIABILITIES	<u>79,531</u>
LONG-TERM LIABILITIES	
Net pension liability	1,367,466
Other post-employment benefits	58,256
TOTAL LONG-TERM LIABILITIES	<u>1,425,722</u>
TOTAL LIABILITIES	<u>1,505,253</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	31,440
Deferred amounts - other post-employment benefits	10,740
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>42,180</u>
NET POSITION	
Net investment in capital assets	426,747
Unrestricted	782,070
TOTAL NET POSITION	<u>\$ 1,208,817</u>

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	<u>Food Service Fund</u>
OPERATING REVENUES	
Food service revenue	\$ <u>907,632</u>
OPERATING EXPENSES	
Payroll and benefits	813,935
Food service management	101
Supplies	889,473
Purchased services	39,972
Other operating expenses	400
Depreciation	<u>60,946</u>
TOTAL OPERATING EXPENSES	<u>1,804,827</u>
OPERATING LOSS	<u>(897,195)</u>
NONOPERATING REVENUES	
Earnings on investments	38,050
State sources	276,065
Federal sources	<u>852,283</u>
TOTAL NONOPERATING REVENUES	<u>1,166,398</u>
CHANGE IN NET POSITION	269,203
NET POSITION AT BEGINNING OF YEAR	<u>939,614</u>
NET POSITION AT END OF YEAR	\$ <u><u>1,208,817</u></u>

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2025

	Food Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 923,909
Payments to employees	(874,278)
Payments to suppliers	(927,088)
NET CASH USED BY OPERATING ACTIVITIES	<u>(877,457)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net transfer from other funds	(77,773)
State sources	255,185
Federal sources	774,971
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>952,383</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of equipment	<u>(149,216)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>38,050</u>
NET DECREASE IN CASH	(36,240)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,899,711</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,863,471</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (897,195)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	60,946
(Increase) decrease in assets and deferred outflows of resources:	
Receivables	(3,278)
Inventory	21,436
Deferred amounts related to pensions	20,528
Deferred amounts - other post-employment benefits	791
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(18,578)
Unearned revenue	19,555
Net pension and OPEB liability	(69,622)
Deferred amounts related to pensions	(9,706)
Deferred amounts - other post-employment benefits	<u>(2,334)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (877,457)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES	
Donated commodities received	\$ 176,140
Donated commodities used	198,545

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUND****JUNE 30, 2025**

	Scholarship Trust Fund	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ <u>106,564</u>	\$ <u>178,601</u>
TOTAL ASSETS	<u>106,564</u>	<u>178,601</u>
NET POSITION		
Restricted for scholarships	106,564	-
Restricted for custodial purposes	<u>-</u>	<u>178,601</u>
	\$ <u><u>106,564</u></u>	\$ <u><u>178,601</u></u>

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025

	Scholarship Trust Fund	Custodial Fund
ADDITIONS		
Gifts and contributions	\$ 25,080	\$ -
Revenue from student sponsored activities	-	289,317
Interest earnings	2,388	4,068
TOTAL ADDITIONS	<u>27,468</u>	<u>293,385</u>
DEDUCTIONS		
Fees paid and scholarships awarded	31,326	-
Student activity expenses	-	281,178
TOTAL DEDUCTIONS	<u>31,326</u>	<u>281,178</u>
CHANGE IN FIDUCIARY NET POSITION	(3,858)	12,207
NET POSITION AT BEGINNING OF YEAR	<u>110,422</u>	<u>166,394</u>
NET POSITION AT END OF YEAR	<u>\$ 106,564</u>	<u>\$ 178,601</u>

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Marple Newtown School District (the "District") are prepared in accordance with the accounting system and procedures prescribed for school districts by the Commonwealth of Pennsylvania, Department of Education, which conforms to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the District's ability to impose its will over a component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. In addition, component units can be other organizations or which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. Based on these criteria, there have been no component units defined within our reporting entity.

Basis of Presentation and Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds. 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The District does not have any nonmajor funds. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for 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 District considers revenues to be available if they are collected within 60 days of the end of the 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. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources; and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 government's proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds are reported using the economic resources measurement focus.

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

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which constitutes a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts. The various funds of the District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental Funds

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental fund types:

General Fund - The General Fund is for the general operations of the District and all financial transactions not required to be accounted for in another fund.

Capital Projects Fund I - This capital projects fund is used to account for financial resources to be used for the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund II - This capital projects fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and improvements in accordance with the applicable general obligation bond agreements.

Proprietary Fund

Food Service Fund - The proprietary fund accounts for the District's Food Service operations, which is maintained to account for operations that are financed and operated in a manner similar to a private business enterprise. The fund accounts for all revenues, food purchases, costs, and expenses for the food service program on the accrual method of accounting. This method recognizes expenses when incurred and revenues when earned. All proprietary activities are accounted for using GASB pronouncements as established by GASB No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Trust Fund - The Trust Fund accounts for assets held by the District in a trustee capacity or as an agent for individuals and private organizations.

Custodial Fund - Custodial Funds are used to account for assets held by the District as an agent for other funds and student clubs and other activities. Transactions are accounted for using the accrual basis of accounting. The District's custodial fund consists of the Student Activities Fund.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of reporting cash flows for proprietary fund financial statements, cash and cash equivalents include cash on hand, amounts due from banks, and highly liquid investments with original maturities of less than 90 days.

Investments

Investments are stated at amortized cost, which approximates fair value, the amount at which a financial instrument could be exchanged in a current transaction between parties, other than in a forced or liquidation sale. This method of valuation is in compliance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended by GASB Statement No. 72, Fair Value Measurement and Application.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for interfund reimbursements or transfers. These receivables and payables are classified as "interfund receivables" or "interfund payables" on the balance sheet – governmental funds and the statement of net position – proprietary fund. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities which, when present, are shown as internal balances.

Inventories

Food service inventory is presented at the lower of cost or market. Cost is determined on a first in first out basis and is expensed when used.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation

Capital assets, which includes land, construction in progress, site improvements, buildings and building improvements, machinery and equipment, and right-to-use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Right-to-use assets are recorded at the present value of the lease liability plus any additional costs paid to place the asset in service.

Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

The District defines capital assets as assets with an initial individual cost equal to or greater than \$2,500 and an estimated useful life in excess of one year. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Estimated useful lives are as follows:

	<u>Years</u>
Site improvements	10-20
Buildings and building improvements	25-50
Machinery and equipment	5-20

Right to use assets are amortized over the smaller of the useful life of the asset or the lease term.

Unearned Revenue

Unearned revenue arises when assets are recognized before the revenue recognition criteria have been satisfied. Unearned revenue arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds balance sheet and revenue is recognized.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The District's policies regarding sick and vacation time permit employees to accumulate earned but unused sick and vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

The District implemented GASB Statement No. 101, Compensated Absences, effective January 1, 2024. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences.

The adoption of GASB 101 did have a material impact on the financial statements. See Note O for additional information.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities columns of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources and the payment of principal and interest is reported as expenditures. 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 expenditures.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has three items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The other two items are proportionate share of the collective deferred outflows of resources related to the District's net pension and other post-employment benefit obligations ("OPEB"). Pension and OPEB contributions made after the measurement date are required to be reported as deferred outflows.

Deferred inflows of resources represent an acquisition of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue from property taxes or insurance proceeds, reported in the governmental balance sheet, are deferred and recognized as an inflow from resources in the period that the amounts become available. The other two items are proportionate share of the collective deferred inflows of resources related to the District's net pension and OPEB obligations are reported on the Statement of Net Position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Fund Balances

The District classifies fund balance in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types have also been modified for clarity and consistency.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal action (board motion) of the Board of School Directors, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of School Directors removes the specified use by taking the same type of action imposing the commitment.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned fund balance - This classification reflects amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The business administrator has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Use of fund balance - The restricted fund balance shall be reduced to the extent that the underlying reason for the restriction has been eliminated. Then committed, assigned and unassigned, in that order, as needed. If the Board of School Directors has approved a plan for periodic use of committed fund balance, the balance will not be reduced by more than the amount designated in the plan.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the general and capital projects funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - CASH AND CASH EQUIVALENTS

Cash

Under Act No. 72 enacted by the General Assembly of the Commonwealth of Pennsylvania, the funds deposited with the depository are permitted to be secured on a pooled basis with all other public funds which the banking institution has on deposit in excess of the Federal Depository Insurance limit. These may be bonds of the United States, any State of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania or insured by the Federal Deposit Insurance Corporation.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE B - CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy states that all funds invested shall be insured or secured by approved assets pledged as collateral and the financial institutions will be monitored for credit worthiness. As of June 30, 2025, the carrying amount of the District's deposits was \$45,144,493 and the bank balance was \$45,316,556. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$13,428,275 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the District's name. The remaining \$31,638,281, was held with the Pennsylvania Local Government Investment Trust (PLGIT).

Credit Risk

The District has no investment policy that would limit its investment choices to certain credit ratings, however, the primary objective of the policy is ensuring safety through the mitigation of credit risk.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE C - TAXES

The tax on real estate, as levied by the Board of School Directors, was 12.0581 mills (\$12.0581 per \$1,000 of assessed valuation) for the year ended June 30, 2025. Assessed valuation of property is established by the Board of Assessments, and the elected or appointed tax collectors are responsible for collection. Real property in the district for the July 1, 2024 levy was assessed at \$87,248,208. The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy date
July 1 - August 31	2% discount period
September 1 - October 31	Face value period
November 1 - December 31	10% penalty period
January 1	Lien date

For the government-wide financial statements, the District, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes in the amount of \$26,992 as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements.

NOTE D - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2025, is as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 22,031
Food Service Fund	22,031	-
	<u>\$ 22,031</u>	<u>\$ 22,031</u>

These balances resulted from the time lag between the dates that reimbursable expenditures occurred and the dates the payments between funds were made.

Interfund Transfers

The District typically transfers funds from the General Fund to the Capital Project Fund I to pay for improvements and capital acquisitions. Transfers from the General Fund to the Capital Project Fund I totaled \$4,428,734 during the year ended June 30, 2025.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE E - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 142,627	\$ -	\$ -	\$ 142,627
Construction in progress	3,752,271	3,118,113	(499,867)	6,370,517
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	3,894,898	3,118,113	(499,867)	6,513,144
Capital assets being depreciated				
Site improvements	17,146,158	144,339	-	17,290,497
Building and building improvements	188,625,527	1,270,351	-	189,895,878
Machinery and equipment	14,382,938	2,076,109	(498,157)	15,960,890
TOTAL CAPITAL ASSETS BEING DEPRECIATED	220,154,623	3,490,799	(498,157)	223,147,265
Accumulated depreciation				
Site improvements	(4,285,545)	(878,974)	-	(5,164,519)
Buildings and building improvements	(76,742,309)	(6,350,958)	-	(83,093,267)
Machinery and equipment	(11,308,809)	(1,426,644)	498,157	(12,237,296)
TOTAL ACCUMULATED DEPRECIATION	(92,336,663)	(8,656,576)	498,157	(100,495,082)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	127,817,960	(5,165,777)	-	122,652,183
Capital assets being amortized				
Right-to-use assets - equipment	1,952,613	3,716,857	(527,916)	5,141,554
Right-to-use assets - software	-	198,626	-	198,626
TOTAL CAPITAL ASSETS BEING AMORTIZED	1,952,613	3,915,483	(527,916)	5,340,180
Accumulated amortization				
Right-to-use assets - equipment	(1,448,365)	(1,666,526)	527,916	(2,586,975)
Right-to-use assets - software	-	(66,209)	-	(66,209)
TOTAL ACCUMULATED AMORTIZATION	(1,448,365)	(1,732,735)	527,916	(2,653,184)
TOTAL CAPITAL ASSETS BEING AMORTIZED, net	504,248	2,182,748	-	2,686,996
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 132,217,106	\$ 135,084	\$ (499,867)	\$ 131,852,323
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Machinery and equipment	\$ 955,655	\$ 149,215	\$ (56,500)	\$ 1,048,370
Accumulated depreciation	(617,178)	(60,946)	56,500	(621,624)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	\$ 338,477	\$ 88,269	\$ -	\$ 426,746

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE E - CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to governmental functions as follows:

GOVERNMENTAL ACTIVITIES	
Instruction	\$ 789,671
Instructional student support	31,135
Administrative support services	380,280
Operation and maintenance of plant services	88,234
Pupil transportation	102,807
Student activities	27,654
TOTAL DEPRECIATION CHARGED AS DIRECT EXPENSE	<u>1,419,781</u>
Unallocated depreciation	<u>7,236,795</u>
TOTAL GOVERNMENTAL ACTIVITIES DEPRECIATION EXPENSE	<u>\$ 8,656,576</u>

NOTE F - FUNDS HELD BY DELAWARE COUNTY PUBLIC SCHOOLS HEALTHCARE TRUST

The District is a member of Delaware County Public Schools Healthcare Trust, a cost-sharing multiple-employer welfare benefit plan, which was formed to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses, and dependents. The Trust works with a broker consultant and carriers to create comprehensive health benefits. The Trust also has an excess (stop-loss) insurance policy to limit the self-insured loss retention on individual health insurance claims. As of June 30, 2025, the balance of the District's member account was \$6,592,218 and is reported on the government-wide Statement of Net Position as "Funds Held by Southeastern Pennsylvania Schools Trust". Since these funds do not represent available financial resources, they are not reported as an asset in the governmental fund financial statements. Members' accounts are available to be utilized to fund future claims.

The following table presents the components of the self-insurance claims surplus and the related changes in the claims surplus for the year ended June 30, 2025:

Insurance claims surplus, July 1, 2024	\$ 6,179,839
Current year District contributions and interest	12,785,986
Current year insurance claims and changes in estimates	<u>(12,373,607)</u>
Insurance claims surplus, June 30, 2025	<u>\$ 6,592,218</u>

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H - UNEARNED REVENUE

As of June 30, 2025, unearned revenue for governmental activities included the following amounts:

	Governmental Activities	Business-Type Activities
Value of donated commodities inventory	\$ -	\$ 63,802
Other unearned revenue	<u>329,792</u>	<u>-</u>
TOTAL UNEARNED REVENUE - GOVERNMENTAL ACTIVITIES	<u>\$ 329,792</u>	<u>\$ 63,802</u>

Unearned revenue reported in the fund financial statements includes only the value of donated commodities and other unearned revenue shown above.

NOTE I - LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Bonds outstanding as of June 30, 2025, include the following bond issues:

General Obligation Bond Series of 2019: Original principal amount of \$39,485,000; the remaining bonds are stated to mature on June 1 of each year through 2044, bearing interest from 3% to 5%. Interest is paid semi-annually on June 1 and December 1 each year	\$ 33,465,000
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General Obligation Bond Series of 2016: Original principal amount of \$66,480,000; the remaining bonds are stated to mature on June 1 of each year through 2031, bearing interest at 5%. Interest is paid semi-annually on June 1 and December 1 each year	\$ 32,790,000
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MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE I - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 6,830,000	\$ 2,902,500	\$ 9,732,500
2027	7,170,000	2,561,000	9,731,000
2028	7,530,000	2,202,500	9,732,500
2029	7,900,000	1,826,000	9,726,000
2030	8,300,000	1,431,000	9,731,000
2031-2035	9,650,000	4,051,600	13,701,600
2036-2040	9,860,000	2,276,950	12,136,950
2041-2044	9,015,000	686,100	9,701,100
	<u>\$ 66,255,000</u>	<u>\$ 17,937,650</u>	<u>\$ 84,192,650</u>

General obligation bond debt service payments are made from the District's general fund.

Notes Payable

The District leases certain equipment under various long-term leases that are deemed financing leases. For the government-wide financial statements, these lease obligations are reported as debt and the related assets are included in capital assets subject to depreciation. For the fund financial statements, the proceeds from the financing are reported as "extended term financing proceeds" in the year the lease was initiated, and subsequent lease payments are classified as debt service expenditures. Actual or imputed interest rates on the long-term leases range from 2.58% to 7.45%. Future required payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 713,552	\$ 110,006	\$ 823,558
2027	568,693	72,725	641,418
2028	469,104	37,967	507,071
2029	97,518	6,469	103,987
	<u>\$ 1,848,867</u>	<u>\$ 227,167</u>	<u>\$ 2,076,034</u>

Notes payable debt service payments are made from the District's general fund.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE I - LONG-TERM DEBT (Continued)

Operating Lease Liabilities

The District leases certain equipment under various long-term leases that are deemed operating leases in accordance with GASB Statement No. 87, Leases. For the government-wide financial statements, these lease obligations are reported as debt and the related assets are categorized as right-to-use assets subject to amortization. For the fund financial statements, the proceeds from the operating leases are reported as "leases and other right-to-use arrangements" in the year the lease was initiated, and subsequent lease payments are classified as debt service expenditures. Actual or imputed interest rates on the long-term leases range from 2.25% to 5.88%. Future required payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,352,712	\$ 150,280	\$ 1,502,992
2027	1,343,750	75,250	1,419,000
	<u>\$ 2,696,462</u>	<u>\$ 225,530</u>	<u>\$ 2,921,992</u>

Operating lease debt service payments are made from the District's general fund.

Subscription-Based Information Technology Arrangement (SBITA) Obligations

The District has certain long-term subscription-based information technology arrangements that have been recorded as debt in accordance with GASB Statement No. 96, Subscription-Based Information Technology Agreements. For the government-wide financial statements, these obligations are reported as debt and the related assets are categorized as right-to-use assets subject to amortization. For the fund financial statements, the proceeds from the obligations are reported as "leases and other right-to-use arrangements" in the year the lease was initiated, and subsequent obligation payments are classified as debt service expenditures. The imputed interest rate on these obligations was 4.29%. These obligations were liquidated during the year ended June 30, 2025. SBITA payments were made from the School District's general fund.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE I - LONG-TERM DEBT (Continued)

Summary

The following is a summary of long-term liability activity of the District for the year ended June 30, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds					
Series of 2016	\$ 38,185,000	\$ -	\$ (5,395,000)	\$ 32,790,000	\$ 5,665,000
Series of 2019	34,575,000	-	(1,110,000)	33,465,000	1,165,000
TOTAL GENERAL OBLIGATION BONDS	72,760,000	-	(6,505,000)	66,255,000	6,830,000
Bond premiums	9,922,366	-	(1,351,452)	8,570,914	-
TOTAL GENERAL OBLIGATION BONDS, NET	82,682,366	-	(7,856,452)	74,825,914	6,830,000
Notes payable	1,997,705	869,579	(1,018,417)	1,848,867	713,552
Operating lease liabilities	520,991	3,716,859	(1,541,388)	2,696,462	1,352,712
Subscription-based technology arrangement obligations	-	198,626	(198,626)	-	-
Compensated absences	8,428,815	234,092	-	8,662,907	2,802,320
Net pension liability (PSERS plan)	116,065,000	-	(3,768,000)	112,297,000	-
Net OPEB obligation					
PSERS plan	4,738,000	46,000	-	4,784,000	-
District plan	3,862,417	3,350,492	-	7,212,909	-
TOTAL LONG-TERM LIABILITIES	\$ 218,295,294	\$ 8,415,648	\$ (14,382,883)	\$ 212,328,059	\$ 11,698,584

NOTE J - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

The Public School Employees' Retirement System (PSERS) is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per-diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS.

NOTE J - DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally equal to 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J - DEFINED BENEFIT PENSION PLAN (Continued)

Member Contributions

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit DB Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92%* of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$14,567,245 for the year ended June 30, 2025.

*The defined contribution rate of 0.35% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported a liability of \$112,297,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one- year reported covered payroll as it relates to the total one-year reported covered payroll. As of June 30, 2025, the District's proportion was 0.2693%, which was an increase of 0.0084% from its proportion measured as of June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the District recognized pension expense of \$11,391,931. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,766,000
Net difference between projected and actual investment earnings	1,859,000	-
Changes in proportions	3,329,000	774,000
Difference between employer contributions and proportionate share of total contributions	-	41,931
Contributions subsequent to the measurement date	<u>14,567,245</u>	<u>-</u>
	<u>\$ 19,755,245</u>	<u>\$ 2,581,931</u>

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J - DEFINED BENEFIT PENSION PLAN (Continued)

An amount of \$14,567,245 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2026	\$ (1,675,931)
2027	3,365,000
2028	1,294,000
2029	<u>(377,000)</u>
	<u>\$ 2,606,069</u>

Changes in actuarial assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward the System's total pension liability as of the June 30, 2023 actuarial valuation to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement.

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J - DEFINED BENEFIT PENSION PLAN (Continued)

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five-year period ended June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

The following was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	<u>100.0%</u>	

NOTE J - DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	\$ <u>147,929,000</u>	\$ <u>112,297,000</u>	\$ <u>82,208,000</u>

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report, which can be found on the System's website at www.pa.gov/PSERS.

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the statement of activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits. The post-employment benefit liability is recognized on the statement of net position over time.

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Health Insurance Premium Assistance Program

General Information about the Health Insurance Premium Assistance Program

The System provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Pension Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/psers.

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$278,777 for the year ended June 30, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2025, the District reported a liability of \$4,784,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of June 30, 2025, the District's proportion was 0.2693%, which was an increase of 0.0074% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$200,962. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 18,000	\$ 72,000
Changes in assumptions	292,000	731,000
Net difference between projected and actual investment earnings	5,000	-
Changes in proportions	237,000	79,000
Difference between employer contributions and proportionate share of total contributions	98	-
Contributions subsequent to the measurement date	<u>278,777</u>	<u>-</u>
	<u>\$ 830,875</u>	<u>\$ 882,000</u>

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

An amount of \$278,777 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2026	\$ (84,902)
2027	(108,000)
2028	(138,000)
2029	(9,000)
2030	10,000
	<u>\$ (329,902)</u>

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in Premium Assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre-age 65 at 50%
 - Eligible retirees will elect to participate Post-age 65 at 70%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

The following was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	1.7%
	<u>100.0%</u>	

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21%, which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if the health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 4,784,000	\$ 4,784,000	\$ 4,784,000

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
School District's proportionate share of the net OPEB liability	\$ 5,404,000	\$ 4,784,000	\$ 4,264,000

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report which can be found on the System's website at www.pa.gov/PSERS.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Single-Employer Defined Benefit OPEB Plan

The District's other post-employment benefits ("OPEB") include a single employer defined benefit plan that provides medical, prescription drug, dental, and vision benefits to eligible retirees and their dependents. Teachers, non-professional union members hired on or after July 1, 2010 and non-union employees who retire from the District and eligible dependents may continue to participate in the district's group health plan by paying full premiums until the retired employee reaches Medicare age. Employees are eligible when they become eligible for PSERS retirement. Current superintendent, current business administrator, and former director of human resources are immediately eligible upon retirement or termination; coverage continues for life of member/spouse. Administrators hired after July 1, 2010, who have attained age 59 with 10 consecutive years of service are eligible for subsidized coverage paying 50% of the premiums until the retired employee reaches Medicare age; if the employees do not meet the eligibility for subsidized coverage, they must pay full premiums. Administrators, teachers, and non-union employees hired before July 1, 2010, who have attained superannuation with 5 consecutive years of service are eligible for subsidized coverage paying the same percentage as active employees at the time of retirement until the retired employee reaches Medicare age; if the employees do not meet the subsidized coverage, they must pay full premiums. Non-professional nonunion members hired before July 1, 2010, who have attained age 62 with 10 consecutive years of service are eligible for subsidized coverage paying the same percentage as active employees at the time of retirement until the retired employee reaches Medicare age; if the employees do not meet the subsidized coverage, they must pay full premiums.

The Board of School Directors has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following as of July 1, 2024:

Active Participants	\$	547
Vested former participants		-
Retired participants		<u>19</u>
TOTAL	\$	<u><u>566</u></u>

Funding Policy

No assets are accumulated in a trust; the District's contributions are funded on a pay-as-you-go basis. The contribution requirements of retirees are established and may be amended by the Board of School Directors.

OPEB Liability

The District's OPEB liability has been measured as of July 1, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, and by rolling forward the liabilities from the July 1, 2023, actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$7,212,909, all of which is unfunded.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The District's change in its OPEB liability for the year ended June 30, 2025, was as follows:

OPEB liability as of July 1, 2024	\$ 3,862,417
Changes for the year:	
Service cost	250,657
Interest	166,035
Changes of benefit terms	2,451,465
Differences between expected and actual experience	(76,901)
Changes of assumptions	730,644
Benefit payments	<u>(171,408)</u>
OPEB liability as of June 30, 2025	<u>\$ 7,212,909</u>

OPEB Expense and Deferred Outflows Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$2,745,667. As of June 30, 2025, the District had deferred inflows and outflows of resources related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ 1,122,474	\$ 799,097
Differences between expected and actual experience	-	1,421,193
Benefit payments subsequent to the measurement date	<u>185,813</u>	<u>-</u>
TOTALS	<u>\$ 1,308,287</u>	<u>\$ 2,220,290</u>

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

An amount of \$185,813 reported as deferred outflows of resources related to the OPEB plan resulting from District benefit payments subsequent to the measurement date will be recognized as reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	\$ (122,490)
2027	(122,490)
2028	(122,490)
2029	(122,491)
2030	(140,191)
Thereafter	(467,664)
	<u>\$ (1,097,816)</u>

Sensitivity of the OPEB Liability to Change in Healthcare Cost Trend Rates

The following presents the OPEB liability for June 30, 2025, calculated using current healthcare cost trends as well as what the OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ <u>6,258,048</u>	\$ <u>7,212,909</u>	\$ <u>8,381,461</u>

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District calculated using the discount rate of 4.29%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.29%) or 1 percentage point higher (5.29%) than the current rate:

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
Total OPEB liability	\$ <u>8,187,944</u>	\$ <u>7,212,909</u>	\$ <u>6,400,141</u>

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Methods and Significant Assumptions

The OPEB Liability as of June 30, 2025, was determined by rolling forward the OPEB Liability as of July 1, 2024 to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age normal
- Discount rate - 4.29%, based on S&P Municipal Bond 20-Year High Grade Index as of July 1, 2023. The discount rate changed from 4.13% to 4.29%.
- Salary growth - An annual rate of 2.50% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase ranging from 2.75% to 0%.
- Withdrawal - Rates of withdrawal are based on PSERS plan experience and vary by age, gender, years of service, and PSERS Pension Class.
- Mortality rates - PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers; PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.
- Disability - No disability was assumed.
- Retirement - Assumed retirement rates are based on PSERS plan experience and vary by age, service, and gender.
- Percent of eligible retirees electing coverage in the Plan – 100% of superintendent and business administrator, 75% of teachers, 90% of administrators and non-union employees, 25% of non-professional union employees, and 0% of part-time employees.
- Healthcare cost trend rate - 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Summary of Net Other Post-Employment Liabilities and Related Deferred Outflows of Resources and Deferred Inflows of Resources

The following is a summary of the District's net other post-employment liabilities and related deferred outflows of resources and deferred inflows of resources:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Health insurance premium assistance program (PSERS)	\$ 4,784,000	\$ 830,875	\$ 882,000
District's post-employment benefit plan	7,212,909	1,308,287	2,220,290
TOTALS	\$ 11,996,909	\$ 2,139,162	\$ 3,102,290

MARPLE NEWTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE L - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION

Delaware County Intermediate Unit

The District and the other Delaware County school districts are participating members of the Delaware County Intermediate Unit ("DCIU"). DCIU is a regional education service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating district. The School Board of each participating district must approve the annual operating budget of DCIU, but the participating districts have no ongoing fiduciary interest or responsibility to DCIU. DCIU is a self-sustaining organization that provides a broad array of services to participating districts which includes curriculum development and instructional improvement, educational planning services, instructional material, continuing professional development, pupil personnel services, management services, and state and federal liaison services.

Delaware County Vocational Technical School and Delaware Vocational Technical School Authority

Delaware County School Districts (including the District) participate in the Delaware County Vocational Technical School ("DCVTS"). DCVTS provides vocational-technical training and education to students of the participating districts. DCVTS is controlled by a joint Board comprised of school board members of the participating districts. District oversight of DCVTS operations is the responsibility of the joint board. The District's share of operating costs for DCVTS fluctuates based on the District's percentage of enrollment.

Delaware County School Districts (including the District) participate in a joint venture for the operation of the Delaware County Vocational-Technical Authority ("DCVTSA"). DCVTSA oversees acquiring, holding, constructing, improving, and maintaining the DCVTSA school buildings. DCVTSA is controlled by a joint board comprised of school board members of each participating school district.

Both DCVTS and DCVTSA prepare financial statements that are available to the public from their administrative offices located at 200 Yale Avenue, Morton, PA 19070.

NOTE M - COMMITMENTS AND CONTINGENCIES

Construction Contracts

As of June 30, 2025, the District has no outstanding commitments under long-term construction contracts.

Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal 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 School District expects such amounts, if any, to be immaterial.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE N - RISK MANAGEMENT

The District 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 natural disasters. It is the policy of the District to purchase commercial insurance for the risks of loss to which it is exposed, including workers' compensation and liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE O - RESTATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES

During the current year, the Marple Newtown School District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Marple Newtown School District now recognizes an estimated amount of sick leave earned as of June 30, 2024 that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement – GASB 101 implementation" column in the table below.

	Net position 6/30/2024 as previously reported	Restatement - GASB 101 implementation	Net position 6/30/2024 as restated
GOVERNMENT-WIDE			
Governmental activities	\$ (19,036,281)	\$ (6,383,424)	\$ (25,419,705)

NOTE P - SUBSEQUENT EVENT

The District has evaluated all subsequent events through December 10, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

MARPLE NEWTOWN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net pension liability	<u>0.2693%</u>	<u>0.2609%</u>	<u>0.2644%</u>	<u>0.2563%</u>
District's proportionate share of the net pension liability	<u>\$ 112,297,000</u>	<u>\$ 116,065,000</u>	<u>\$ 117,549,000</u>	<u>\$ 105,228,000</u>
District's covered payroll	<u>\$ 42,757,042</u>	<u>\$ 40,124,359</u>	<u>\$ 38,943,253</u>	<u>\$ 36,324,914</u>
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>262.64%</u>	<u>289.26%</u>	<u>301.85%</u>	<u>289.69%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>64.63%</u>	<u>61.85%</u>	<u>61.34%</u>	<u>63.67%</u>

NOTE TO SCHEDULE

The amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.2607%</u>	<u>0.2571%</u>	<u>0.2567%</u>	<u>0.2595%</u>	<u>0.2500%</u>	<u>0.2519%</u>
\$ <u>128,366,000</u>	\$ <u>120,278,000</u>	\$ <u>123,229,000</u>	\$ <u>128,163,000</u>	\$ <u>123,892,000</u>	\$ <u>109,111,000</u>
\$ <u>36,579,995</u>	\$ <u>35,461,069</u>	\$ <u>34,565,142</u>	\$ <u>34,546,852</u>	\$ <u>32,379,885</u>	\$ <u>32,408,377</u>
<u>350.92%</u>	<u>339.18%</u>	<u>356.51%</u>	<u>370.98%</u>	<u>382.62%</u>	<u>336.68%</u>
<u>54.32%</u>	<u>55.66%</u>	<u>54.00%</u>	<u>51.84%</u>	<u>50.14%</u>	<u>54.36%</u>

MARPLE NEWTOWN SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 14,567,245	\$ 14,585,407	\$ 13,766,668	\$ 13,236,812
Contributions in relation to the contractually required contributions	<u>\$14,567,245</u>	<u>14,585,407</u>	<u>13,766,668</u>	<u>13,236,812</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered payroll	\$ <u>44,250,443</u>	\$ <u>42,757,042</u>	\$ <u>40,124,359</u>	\$ <u>38,943,253</u>
Contributions as a percentage of covered payroll	<u>32.92%</u>	<u>34.11%</u>	<u>34.31%</u>	<u>33.99%</u>

NOTE TO SCHEDULE

The amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 12,172,479	\$ 12,203,086	\$ 11,560,308	\$ 10,970,976	\$ 10,087,681	\$ 8,094,971
<u>12,172,479</u>	<u>12,203,086</u>	<u>11,560,308</u>	<u>10,970,976</u>	<u>10,087,681</u>	<u>8,094,971</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>36,324,914</u>	\$ <u>36,579,995</u>	\$ <u>35,461,069</u>	\$ <u>34,565,142</u>	\$ <u>34,546,852</u>	\$ <u>32,379,885</u>
<u>33.51%</u>	<u>33.36%</u>	<u>32.60%</u>	<u>31.74%</u>	<u>29.20%</u>	<u>25.00%</u>

MARPLE NEWTOWN SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OTHER POST EMPLOYMENT BENEFIT PLAN LIABILITY
PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PLAN
LAST NINE FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net OPEB liability	<u>0.2693%</u>	<u>0.2619%</u>	<u>0.2648%</u>	<u>0.2562%</u>
District's proportionate share of the net OPEB liability	\$ <u>4,784,000</u>	\$ <u>4,738,000</u>	\$ <u>4,874,000</u>	\$ <u>6,073,000</u>
District's covered employee payroll	\$ <u>42,757,042</u>	\$ <u>40,124,359</u>	\$ <u>38,943,253</u>	\$ <u>36,324,914</u>
District's proportionate share of the net OPEB liability as a percentage of its percentage of its covered payroll	<u>11.19%</u>	<u>11.81%</u>	<u>12.52%</u>	<u>16.72%</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	<u>7.13%</u>	<u>7.22%</u>	<u>6.86%</u>	<u>5.30%</u>

NOTE TO SCHEDULE

The amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>0.2606%</u>	<u>0.2571%</u>	<u>0.2567%</u>	<u>0.2595%</u>	<u>0.2500%</u>
\$ <u>5,631,000</u>	\$ <u>5,468,000</u>	\$ <u>5,352,000</u>	\$ <u>5,287,000</u>	\$ <u>5,385,000</u>
\$ <u>36,579,995</u>	\$ <u>35,461,069</u>	\$ <u>34,565,142</u>	\$ <u>34,546,852</u>	\$ <u>32,379,885</u>
<u>15.39%</u>	<u>15.42%</u>	<u>15.48%</u>	<u>15.30%</u>	<u>16.63%</u>
<u>5.69%</u>	<u>5.56%</u>	<u>5.56%</u>	<u>5.73%</u>	<u>5.47%</u>

MARPLE NEWTOWN SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OTHER POSTEMPLOYMENT
BENEFIT CONTRIBUTIONS
PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PLAN
LAST NINE FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 278,777	\$ 274,549	\$ 300,933	\$ 311,546
Contributions in relation to the contractually required contribution	<u>278,777</u>	<u>274,549</u>	<u>300,933</u>	<u>311,546</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered employee payroll	\$ <u>44,250,443</u>	\$ <u>42,757,042</u>	\$ <u>40,124,359</u>	\$ <u>38,943,253</u>
Contribution as a percentage of covered employee payroll	<u>0.63%</u>	<u>0.64%</u>	<u>0.75%</u>	<u>0.80%</u>

NOTE TO SCHEDULE

The amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 297,864	\$ 307,272	\$ 294,327	\$ 286,891	\$ 286,739
<u>297,864</u>	<u>307,272</u>	<u>294,327</u>	<u>286,891</u>	<u>286,739</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 36,324,914</u>	<u>\$ 36,579,995</u>	<u>\$ 35,461,069</u>	<u>\$ 34,565,142</u>	<u>\$ 34,546,852</u>
<u>0.82%</u>	<u>0.84%</u>	<u>0.83%</u>	<u>0.83%</u>	<u>0.83%</u>

MARPLE NEWTOWN SCHOOL DISTRICT**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT
BENEFIT LIABILITY AND RELATED RATIOS****SINGLE EMPLOYER PLAN****LAST EIGHT FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 250,657	\$ 234,032	\$ 417,110	\$ 401,329
Interest	166,035	150,668	117,146	90,829
Changes of benefit terms	2,451,465	-	339,861	-
Differences between expected and actual experience	(76,901)	-	(1,211,431)	-
Changes of assumptions	730,644	57,059	(792,756)	(156,979)
Benefit payments, including refunds of member contributions	<u>(171,408)</u>	<u>(122,934)</u>	<u>(103,057)</u>	<u>(88,170)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	3,350,492	318,825	(1,233,127)	247,009
TOTAL OPEB LIABILITY, BEGINNING	<u>3,862,417</u>	<u>3,543,592</u>	<u>4,776,719</u>	<u>4,529,710</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 7,212,909</u>	<u>\$ 3,862,417</u>	<u>\$ 3,543,592</u>	<u>\$ 4,776,719</u>
COVERED PAYROLL	<u>\$ 38,624,455</u>	<u>\$ 34,407,141</u>	<u>\$ 34,407,141</u>	<u>\$ 33,988,336</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>18.67%</u>	<u>11.23%</u>	<u>10.30%</u>	<u>14.05%</u>

NOTES TO SCHEDULE

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	313,481	\$ 313,611	\$ 309,481	\$ 294,686
	146,833	124,201	129,987	91,291
	-	-	-	-
	(462,478)	-	(289,757)	-
	534,539	(121,427)	(32,990)	212,411
	<u>(129,173)</u>	<u>(96,185)</u>	<u>(117,561)</u>	<u>(137,193)</u>
	403,202	220,200	(840)	461,195
	<u>4,126,508</u>	<u>3,906,308</u>	<u>3,907,148</u>	<u>3,445,953</u>
\$	<u>4,529,710</u>	\$ <u>4,126,508</u>	\$ <u>3,906,308</u>	\$ <u>3,907,148</u>
\$	<u>33,988,336</u>	\$ <u>30,414,520</u>	\$ <u>30,414,520</u>	\$ <u>28,883,107</u>
	<u>13.33%</u>	<u>13.57%</u>	<u>12.84%</u>	<u>13.53%</u>

MARPLE NEWTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amount		Actual (GAAP) Basis	Variances Final to Actual
	Original	Final		
REVENUES				
Local sources	\$ 90,755,881	\$ 91,013,442	\$ 92,394,934	\$ 1,381,492
State sources	18,117,541	18,424,499	18,799,396	374,897
Federal sources	1,826,578	1,859,142	1,791,574	(67,568)
TOTAL REVENUES	<u>110,700,000</u>	<u>111,297,083</u>	<u>112,985,904</u>	<u>1,688,821</u>
EXPENDITURES				
INSTRUCTION				
Regular programs	35,318,714	36,150,310	35,490,388	659,922
Special programs	24,647,199	24,865,241	22,585,006	2,280,235
Vocational programs	553,669	553,669	551,199	2,470
Other Instructional and nonpublic programs	123,446	128,636	137,918	(9,282)
TOTAL INSTRUCTION	<u>60,643,028</u>	<u>61,697,856</u>	<u>58,764,511</u>	<u>2,933,345</u>
SUPPORT SERVICES				
Pupil personnel services	3,813,087	3,828,606	3,721,219	107,387
Instructional staff services	4,179,836	3,224,168	3,042,547	181,621
Administration services	5,398,466	5,426,820	5,365,224	61,596
Pupil health	1,964,977	2,058,677	2,053,081	5,596
Business services	1,501,835	1,708,869	1,697,869	11,000
Operation and maintenance of plant services	9,588,363	10,039,943	9,738,418	301,525
Student transportation	8,553,329	10,481,441	10,214,133	267,308
Central services	3,796,775	3,606,755	3,596,598	10,157
Other support services	246,169	166,536	156,468	10,068
TOTAL SUPPORT SERVICES	<u>39,042,837</u>	<u>40,541,815</u>	<u>39,585,557</u>	<u>956,258</u>
OPERATION OF NONINSTRUCTIONAL SERVICES				
Student activities	2,026,954	2,219,026	2,191,452	27,574
Community services	54,039	53,585	49,469	4,116
TOTAL OPERATION OF NONINSTRUCTIONAL SERVICES	<u>2,080,993</u>	<u>2,272,611</u>	<u>2,240,921</u>	<u>31,690</u>
CAPITAL OUTLAY	<u>400,392</u>	<u>334,221</u>	<u>242,951</u>	<u>91,270</u>
DEBT SERVICES	<u>9,732,750</u>	<u>12,882,004</u>	<u>12,882,007</u>	<u>(3)</u>
TOTAL EXPENDITURES	<u>111,900,000</u>	<u>117,728,507</u>	<u>113,715,947</u>	<u>4,012,560</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,200,000)</u>	<u>(6,431,424)</u>	<u>(730,043)</u>	<u>5,701,381</u>
OTHER FINANCING SOURCES (USES)				
Leases and other right-to-use arrangements	-	3,915,484	3,915,484	-
Other extended term financing proceeds	-	869,578	869,578	-
Sale of fixed assets	-	-	8,975	8,975
Interfund transfers out	-	-	(4,428,734)	(4,428,734)
Budgetary reserve	(800,000)	(353,635)	-	353,635
TOTAL OTHER FINANCING SOURCES (USES)	<u>(800,000)</u>	<u>4,431,427</u>	<u>365,303</u>	<u>(4,066,124)</u>
NET CHANGE IN FUND BALANCE	(2,000,000)	(1,999,997)	(364,740)	1,635,257
FUND BALANCES - BEGINNING			<u>17,122,967</u>	
FUND BALANCES - ENDING			<u>\$ 16,758,227</u>	

See accompanying notes to the basic financial statements.

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

NOTE A - BUDGETARY INFORMATION

The District follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 31, the Board of School Directors submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
2. Public hearings are conducted at the Marple Newtown School District building to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. Legal budgetary control is maintained by the Board of School Directors at the departmental level. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund must be approved by the Board of School Directors as provided by school code.
5. Budgetary data are included in the District's management information system and are employed as a management control device during the year.
6. A budget for the General Fund is adopted substantially on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

***Independent Auditors' 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***

To the Board of School Directors
Marple Newtown School District
Newtown Square, 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, each major fund, and the aggregate remaining fund information of Marple Newtown School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Marple Newtown School District's basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marple Newtown School District'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 Marple Newtown School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Marple Newtown School District'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 entity'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 internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Board of School Directors
Marple Newtown School District
Newtown Square, Pennsylvania

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marple Newtown School District's financial statements are free from 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Limerick, Pennsylvania
December 10, 2025

***Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance***

To the Board of School Directors
Marple Newtown School District
Newtown Square, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marple Newtown School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Marple Newtown School District's major federal programs for the year ended June 30, 2025. Marple Newtown School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Marple Newtown School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Marple Newtown School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Marple Newtown School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Marple Newtown School District's federal programs.

To the Board of School Directors
Marple Newtown School District
Newtown Square, Pennsylvania

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Marple Newtown School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Marple Newtown School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Marple Newtown School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Marple Newtown School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Marple Newtown School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of School Directors
Marple Newtown School District
Newtown Square, Pennsylvania

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Limerick, Pennsylvania
December 10, 2025

**SUPPLEMENTARY INFORMATION –
MAJOR FEDERAL AWARD PROGRAMS AUDIT**

MARPLE NEWTOWN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND CERTAIN STATE AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Source Code	Federal AL Number
U.S. Department of Education		
Passed through PA Department of Education		
Title I Improving Basic Programs	I	84.010
Title I Improving Basic Programs	I	84.010
TOTAL ALN 84.010 TITLE I IMPROVING BASIC PROGRAMS (TITLE I)		
Title II Improving Teacher Quality	I	84.367
Title II Improving Teacher Quality	I	84.367
TOTAL ALN 84.367 IMPROVING TEACHER QUALITY (TITLE II)		
Title III Language Inst LEP/Immigrant Students	I	84.365
Title III Language Inst LEP/Immigrant Students	I	84.365
TOTAL ALN 84.365 LANGUAGE INST LEP/IMMIGRANT SERVICES (TITLE III)		
Title IV Student Support and Academic Enrichment Program	I	84.424
Title IV Student Support and Academic Enrichment Program	I	84.424
TOTAL ALN 84.424 STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM (TITLE IV)		
COVID-19 - ARP ESSER	I	84.425U
COVID-19 - ARP ESSER 7%	I	84.425U
COVID-19 - ARP ESSER Homeless Children and Youth	I	84.425U
TOTAL ALN 84.425 EDUCATION STABILIZATION FUND		
Passed Through Delaware County Intermediate Unit		
Special Education Grants to States - IDEA	I	84.027
Special Education Grants to States - IDEA - 619	I	84.173
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)		
TOTAL U.S. DEPARTMENT OF EDUCATION		
U.S. Department of Health and Human Services		
Passed through PA Department of Public Welfare		
Medical Assistance Reimbursement for Administration	I	93.778
TOTAL ALN 93.778 AND MEDICAID CLUSTER		
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
U.S. Department of Agriculture		
Passed through PA Department of Education		
National School Breakfast Program	I	10.553
National School Breakfast Program	I	10.553
Total ALN 10.553		
National School Lunch Program	I	10.555
National School Lunch Program	I	10.555
Passed through PA Department of Agriculture		
Value of USDA Commodities	I	10.555
TOTAL ALN 10.555		
TOTAL CHILD NUTRITION CLUSTER		
TOTAL U.S. DEPT. OF AGRICULTURE		
TOTAL FEDERAL AWARDS		
State Grantor/Program Title		
National School Lunch Program		
National School Lunch Program		
TOTAL STATE AWARDS		
TOTAL FEDERAL AND STATE AWARDS		

Source Codes: I = Indirect, D= Direct

Note: No funds were passed through to subrecipients in the year ended June 30, 2025

See accompanying notes to the schedule of expenditures of federal awards.

Federal Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Unearned) Revenue at July 1, 2024	Revenue Recognized	Expenditures	Accrued or (Unearned) Revenue at June 30, 2025
013-24-0239	7/1/2023-9/30/2024	\$ 459,735	\$ 152,856	131,139	\$ 21,717	\$ 21,717	\$ -
013-25-0239	7/2/2024-9/30/2025	390,774	312,619	-	385,453	385,453	72,834
			<u>465,475</u>	<u>131,139</u>	<u>407,170</u>	<u>407,170</u>	<u>72,834</u>
020-24-0239	7/1/2023-9/30/2025	93,301	25,203	(4,138)	25,956	25,956	(3,385)
020-25-0239	7/2/2024-9/30/2025	78,605	41,467	-	70,281	70,281	28,814
			<u>66,670</u>	<u>(4,138)</u>	<u>96,237</u>	<u>96,237</u>	<u>25,429</u>
010-24-0239	7/1/2023-9/30/2024	23,074	9,230	3,207	6,023	6,023	-
010-25-0239	7/2/2024-9/30/2025	22,525	16,518	-	18,449	18,449	1,931
			<u>25,748</u>	<u>3,207</u>	<u>24,472</u>	<u>24,472</u>	<u>1,931</u>
144-24-0239	7/1/2023-9/30/2024	15,325	8,173	795	7,378	7,378	-
144-25-0239	7/2/2024-9/30/2025	34,622	23,081	-	33,396	33,396	10,315
			<u>31,254</u>	<u>795</u>	<u>40,774</u>	<u>40,774</u>	<u>10,315</u>
223-21-0239	3/13/2020-9/30/2024	1,850,587	100,941	94,837	6,104	6,104	-
225-21-0239	3/13/2020-9/30/2024	143,831	11,358	(1,909)	13,267	13,267	-
225-21-0239	3/13/2020-9/30/2024	10,037	10,037	10,037	-	-	-
			<u>122,336</u>	<u>102,965</u>	<u>19,371</u>	<u>19,371</u>	<u>-</u>
	7/1/2024-6/30/2025	879,148	879,148	-	879,148	879,148	-
	7/1/2024-6/30/2025	2,805	2,805	-	2,805	2,805	-
			<u>881,953</u>	<u>-</u>	<u>881,953</u>	<u>881,953</u>	<u>-</u>
			<u>1,593,436</u>	<u>233,968</u>	<u>1,469,977</u>	<u>1,469,977</u>	<u>110,509</u>
	7/1/2024-6/30/2025	N/A	48,640	-	48,640	48,640	-
			<u>48,640</u>	<u>-</u>	<u>48,640</u>	<u>48,640</u>	<u>-</u>
			<u>48,640</u>	<u>-</u>	<u>48,640</u>	<u>48,640</u>	<u>-</u>
	7/1/2023-6/30/2024	N/A	3,277	3,277	-	-	-
	7/1/2024-6/30/2025	N/A	73,088	-	87,690	87,690	14,602
			<u>76,365</u>	<u>3,277</u>	<u>87,690</u>	<u>87,690</u>	<u>14,602</u>
	7/1/2023-6/30/2024	N/A	23,634	23,634	-	-	-
	7/1/2024-6/30/2025	N/A	476,426	-	566,048	566,048	89,622
	7/1/2023-6/30/2024	N/A	176,140	(44,247)	198,545	198,545	(21,842)
			<u>676,200</u>	<u>(20,613)</u>	<u>764,593</u>	<u>764,593</u>	<u>67,780</u>
			<u>752,565</u>	<u>(17,336)</u>	<u>852,283</u>	<u>852,283</u>	<u>82,382</u>
			<u>752,565</u>	<u>(17,336)</u>	<u>852,283</u>	<u>852,283</u>	<u>82,382</u>
			<u>\$ 2,394,641</u>	<u>\$ 216,632</u>	<u>\$ 2,370,900</u>	<u>\$ 2,370,900</u>	<u>\$ 192,891</u>
	7/1/2023-6/30/2024	N/A	\$ 5,447	\$ 5,447	\$ -	\$ -	\$ -
	7/1/2024-6/30/2025	N/A	136,129	-	162,456	162,456	26,327
			<u>141,576</u>	<u>5,447</u>	<u>162,456</u>	<u>162,456</u>	<u>26,327</u>
			<u>\$ 2,536,217</u>	<u>\$ 222,079</u>	<u>\$ 2,533,356</u>	<u>\$ 2,533,356</u>	<u>\$ 219,218</u>

MARPLE NEWTOWN SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND CERTAIN STATE GRANTS
YEAR ENDED JUNE 30, 2025

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and Certain State Grants (the Schedule) includes the federal award activity, as well as certain state grant activity, of Marple Newtown School District under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Marple Newtown School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Marple Newtown School District.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

Marple Newtown School District did not elect to use the de minimis indirect cost rate.

NOTE D - NON-MONETARY FEDERAL AWARDS – DONATED COMMODITIES

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures for USDA Donated Commodities, reported in the Schedule of Expenditures of Federal Awards under CFDA #10.555, National School Lunch Program, represent surplus food consumed by Marple Newtown School District during the year ended June 30, 2025. Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

MARPLE NEWTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: **Unmodified**

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Noncompliance material to financial statements noted: **No**

Federal Awards

Internal control over major programs:

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Circular: **No**

Identification of Major Programs

<u>Program</u>	<u>ALN</u>
IDEA Cluster	84.027/84.173
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low risk auditee?	Yes

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.