

BOROUGH OF AMBLER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019

**BOROUGH OF AMBLER
DIRECTORY**

MAYOR

Jeanne Sorg

(Term expires January 1, 2022)

MEMBERS OF BOROUGH COUNCIL

(Terms expire January 1, 2024)

Brooke Marshall

Frank DeRuosi

Jennifer Henderson

Haley Welch

(Terms expire January 1, 2022)

Nellie DiPietro

Sara Hertz

Erin McKenna-Endicott

Glynnis Siskind

Nancy Deininger

OFFICERS

Frank DeRuosi

Sara Hertz

Marita Bondi

President of Council

Vice President

Treasurer

BOROUGH MANAGER

Mary Aversa

FINANCE MANAGER

Gail Gordon

TAX COLLECTOR

Jennifer Stomsky

SOLICITOR

Joseph E. Bresnan

ACCOUNTANTS

ZELENKOF SKE AXELROD LLC

Certified Public Accountants

BOROUGH OF AMBLER
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INDEPENDENT AUDITOR'S REPORT

Honorable Borough Council
Borough of Ambler
Ambler, Pennsylvania

Report on the Financial Statements

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 the Borough of Ambler (Pennsylvania), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ambler, as of December 31, 2019, 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.

Emphasis of Matter

As discussed in Note 17, subsequent events may lead the tax revenues to have a significant impact on the operations of the Borough of Ambler. Management has determined that it is not possible to predict the eventual outcome of the subsequent event. The accompanying financial statements do not include any adjustments related to the subsequent event. Our opinion is not modified with respect to this matter.



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 Borough of Ambler
 Ambler, Pennsylvania

Adoption of Governmental Accounting Standards Board (GASB) Statements

As described in Note 16 to the financial statements, in 2019 the Borough of Ambler adopted the provisions of Governmental Accounting Standards Board's Statement No. 83, "*Certain Asset Retirement Obligations*," Statement No. 84, "*Fiduciary Activities*," Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*," Statement No. 90, "*Majority Equity Issues – an amendment of GASB Statements No. 14 and No. 61*," and Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*." Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of pension and other postemployment benefit (OPEB) information, and budgetary comparison information on pages 3-11 and 52-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Borough of Ambler's basic financial statements. The combining nonmajor fund financial statements and combining schedules of fiduciary funds on pages 59-62 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and combining statements of fiduciary funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and combining statements of fiduciary funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania
 June 8, 2020

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

This section of Ambler Borough's annual financial report presents our discussion and analysis of the Borough's financial performance during the fiscal year that ended on December 31, 2019.

Our discussion and analysis of Ambler Borough's financial performance provides an overview of the Borough's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the Borough's financial statements, which begin with the statement of net position.

Financial Highlights

- The assets and deferred outflows of the Borough exceeded its liabilities and deferred inflows by \$16,460,503 (net position).
- The Borough's total net position increased by \$408,955.

Overview of the Financial Statements

The Borough's annual financial report consists of several sections. Taken together, they provide a comprehensive financial look at the Borough. The components of the report include the independent auditor's report, management's discussion and analysis, government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains other required and not required supplementary information in addition to the basic financial statements.

The independent auditor's report briefly describes the audit engagement and also renders an opinion as to the material components of the Borough's financial position.

Management's discussion and analysis (MD&A), prepared by the Borough's management, provides a narrative introduction and overview that users of the financial statements need to interpret the basic financial statements. The MD&A also provides analysis of some key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

The basic financial statements include the statement of net position, statement of activities, fund financial statements and the notes to the basic financial statements. Statements of net position and activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Borough.

- The statement of net position focuses on resources available for future operations. This statement presents a snapshot view of the assets the Borough owns, the liabilities it owes and the net difference.
- The statement of activities focuses on gross and net costs of the Borough's programs and the extent to which such programs rely upon taxes and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other sources.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Overview of the Financial Statements (Continued)

- Fund financial statements focus separately on major Governmental Funds, Proprietary Funds and Fiduciary Funds. Governmental Funds statements follow the more traditional presentation of financial statements. The Borough's major Governmental Funds are presented in their own columns, and the remaining funds are combined into a column titled "Other Governmental Funds." Statements for the Borough's Proprietary Funds follow the Governmental Funds and include net position, revenues, expenses and changes in net position and cash flows. The Proprietary Funds represent the Borough's Sanitary Sewer and Water Funds and can be found in more detail beginning with the statement of net position-Proprietary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The Borough's Fiduciary Funds consist of the Borough's Pension Funds, which are Component Units of the Borough. Fiduciary Funds are not reflected in the governmental-wide statements because the Borough cannot use these assets to finance its operations.
- The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Borough's financial condition.

Required supplementary information is additional information consisting of budgetary comparisons for the General Fund and Refuse Fund and pension and OPEB plans funding progress.

Other supplementary information consists of the combining statements of Other Nonmajor Governmental Funds and combining statements of Fiduciary Funds.

Reporting the Borough as a Whole

Statement of Net Position and Statement of Activities:

Our analysis of the Borough as a whole begins with the statement of net position. One of the most important questions asked about the Borough's finances is, "Is the Borough as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the Borough as a whole and about its activities in a way that helps answer this question. In these statements, we divide the Borough into two kinds of activities.

- **Governmental Activities** – Most of the Borough's basic services are reported here, including police, public works, refuse, safety and codes, parks and recreation and administration. Real Estate, Business and Earned Income Taxes, fees and charges and grants finance most of these activities.
- **Business-Type Activities** – The Borough charges a fee to customers to cover the cost of certain services it provides. The Borough's Sanitary Sewer and the Water Funds are reported here.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Reporting the Borough as a Whole (Continued)

Statement of Net Position and Statement of Activities (Continued):

The analysis below focuses on the net position of the Borough's governmental and business-type activities.

**Condensed Statement of Net Position
December 31, 2019**

	2019			2018
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
ASSETS				
Current and Other Assets	\$ 6,954,439	\$ 2,552,302	\$ 9,506,741	\$ 7,526,746
Capital Assets	<u>11,334,379</u>	<u>8,264,339</u>	<u>19,598,718</u>	<u>19,036,238</u>
Total Assets	18,288,818	10,816,641	29,105,459	26,562,984
 DEFERRED OUTFLOWS OF RESOURCES	 591,138	 30,907	 622,045	 1,516,718
 LIABILITIES				
Other Liabilities	437,054	148,381	585,435	736,521
Long-Term Debt Outstanding	<u>8,409,579</u>	<u>2,627,659</u>	<u>11,037,238</u>	<u>10,577,699</u>
Total Liabilities	8,846,633	2,776,040	11,622,673	11,314,220
 DEFERRED INFLOWS OF RESOURCES	 1,387,862	 256,466	 1,644,328	 713,934
 NET POSITION				
Net Investment in Capital Assets	7,827,290	5,636,680	13,463,970	12,447,945
Restricted	1,887,187	151,204	2,038,391	2,555,277
Unrestricted (Deficit)	<u>(1,069,016)</u>	<u>2,027,158</u>	<u>958,142</u>	<u>1,048,326</u>
Total Net Position	<u>\$ 8,645,461</u>	<u>\$ 7,815,042</u>	<u>\$ 16,460,503</u>	<u>\$ 16,051,548</u>

Cash represents 23% of Ambler Borough's total governmental assets.

The largest portion of the Borough's governmental assets, 67%, is reflected in its investment in capital assets (e.g. land, buildings and recreation equipment). The Borough uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

Assets in the business-type activities column reflect the Borough's investment in its Sanitary Sewer System and Water System. The Borough's Water System services parts of four municipalities in addition to the Borough.

Total revenues exceeded total expenses by \$35,463 for Governmental Activities and total revenue exceeded total expenses by \$373,492 for Business-Type Activities.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Reporting the Borough as a Whole (Continued)

Government-Wide Activities:

The Borough generates governmental (General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund) revenues from a variety of sources. Total general revenue for governmental activities for fiscal 2019 was \$4,262,432. General revenues by source were as follows:

<u>General Revenues</u>	<u>2019</u>		<u>2018</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Property Taxes	\$ 2,126,592	49.89%	\$ 2,157,759	52.12%
Earned Income Tax	1,090,559	25.59%	1,010,353	24.40%
Business Privilege Tax	148,237	3.48%	158,087	3.82%
Local Services Tax	131,637	3.09%	124,173	3.00%
State Motor Vehicle Fuel Tax	177,043	4.15%	172,935	4.18%
Deed Transfer Tax	162,667	3.82%	152,892	3.69%
Public Utility Realty Tax	2,994	0.07%	3,150	0.08%
Investment Earnings and Rent	116,527	2.73%	85,129	2.06%
Miscellaneous	<u>306,176</u>	<u>7.18%</u>	<u>275,870</u>	<u>6.65%</u>
Total General Revenues and Other Items	<u>\$ 4,262,432</u>	<u>100.00%</u>	<u>\$ 4,140,348</u>	<u>100.00%</u>

The Borough's governmental programs (General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund)) consist of 8 operating departments to include police (protection to persons and property), zoning and code enforcement, health and sanitation, highways, street lighting, fire protection, recreation and administration. Total expenses, net of program revenues, for fiscal 2019 were \$4,226,969. Expenses (Net of Program Revenues) by source were as follows:

	<u>2019</u>	<u>2018</u>
General	\$ 539,932	\$ 567,559
Police (Protection to Persons and Property)	2,735,080	2,868,857
Health and Sanitation	(22,701)	136,647
Highways	492,581	466,505
Street Lighting	-	57,826
Streets and Roads	115,099	127,613
Fire Protection	275,281	204,457
Recreation	113,585	85,068
Revitalization	(131,410)	(331,968)
Interest	<u>109,522</u>	<u>147,404</u>
Total Governmental Activities	<u>\$ 4,226,969</u>	<u>\$ 4,329,968</u>
Change in Net Position		
(Governmental Activities)	<u>\$ 35,463</u>	<u>\$ (189,620)</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Reporting the Borough as a Whole (Continued)

Business-Type Activities:

The Borough's proprietary funds (Water Fund and Sewer Fund) total revenue and expenses, net of program revenues, were as follows:

	<u>2019</u>	<u>2018</u>
<u>General Revenues</u>		
Interest Earnings	\$ 26,044	\$ 17,497
Other Items	<u>\$ 26,044</u>	<u>\$ 17,497</u>
 <u>Expenses Net of Program Revenues</u>		
Water	\$ 391,952	\$ 212,216
Sewer	<u>(44,504)</u>	<u>(111,429)</u>
Total Business-Type Activities	<u>\$ 347,448</u>	<u>\$ 100,787</u>
 Change in Net Position (Business-Type Activities)	 <u>\$ 373,492</u>	 <u>\$ 118,284</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Reporting the Borough as a Whole (Continued)

Government-Wide Activities:

**CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019**

	2019			
	Governmental Activities	Business-Type Activities	Total Primary Governmental	2018
Revenues				
Program Revenues:				
Charges for Services	\$ 934,682	\$ 3,885,939	\$ 4,820,621	\$ 4,350,013
Operating Grants and Contributions	568,753	-	568,753	289,756
Capital Grants and Contributions	31,338	-	31,338	351,159
General Revenues:				
Property Taxes	2,126,592	-	2,126,592	2,157,759
Other Taxes	1,713,137	-	1,713,137	1,621,590
Investment Income	116,527	26,044	142,571	102,626
Miscellaneous	306,176	-	306,176	275,870
Total Revenues	<u>5,797,205</u>	<u>3,911,983</u>	<u>9,709,188</u>	<u>9,148,773</u>
Expenses				
Operating	-	3,538,491	3,538,491	3,437,199
General	1,051,622	-	1,051,622	1,070,280
Police (Protection to Persons/Property)	2,981,203	-	2,981,203	3,072,935
Health and Sanitation	501,050	-	501,050	531,303
Highways	492,581	-	492,581	466,505
Street Lighting	-	-	-	57,826
Streets and Roads	123,593	-	123,593	127,613
Fire Protection	275,281	-	275,281	204,457
Recreation	113,585	-	113,585	85,396
Revitalization	113,305	-	113,305	19,191
Interest	109,522	-	109,522	147,404
Total Expenses	<u>5,761,742</u>	<u>3,538,491</u>	<u>9,300,233</u>	<u>9,220,109</u>
Changes in Net Position	<u>35,463</u>	<u>373,492</u>	<u>408,955</u>	<u>(71,336)</u>
Net Position - Beginning of Year	8,609,998	7,441,550	16,051,548	16,918,759
Restatement (GASB 75)	-	-	-	(795,875)
Net Position - Beginning of Year (Restated)	<u>8,609,998</u>	<u>7,441,550</u>	<u>16,051,548</u>	<u>16,122,884</u>
Net Position - End of Year	<u>\$ 8,645,461</u>	<u>\$ 7,815,042</u>	<u>\$ 16,460,503</u>	<u>\$ 16,051,548</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Financial Analysis

Governmental Funds:

General Fund – The \$228,514 net change in fund balance was due to Earned Income Tax revenues coming in over budget and delays in capital projects.

Proprietary Funds:

Water Fund – The \$416,193 change in Net Position was primarily due to tapping fees received from a new development.

Sewer Fund – The \$42,701 excess of expenses over revenues was primarily due to a very wet summer resulting in sewer revenue being down.

Revenue Budgetary Highlights (as noted in General Fund budget and actual schedule on page 56)

Revenues were over budget due to EIT and additional Grant funding received.

Expenditures Budgetary Highlights

Expenditures were over budget due to projects completed with additional Grant funding received.

Capital Assets and Debt Administration

Capital Assets:

Ambler Borough's capital assets for its governmental and business-type activities as of December 31, 2019 totals \$19,598,718 (net of accumulated depreciation). Borough capital assets include land, plant, infrastructure, site improvements, buildings and machinery and equipment.

**CAPITAL ASSETS AT YEAR END
(NET OF DEPRECIATION)
DECEMBER 31, 2019**

	Governmental Activities	Business-Type Activities	Total 2019	Total 2018
Land	\$ 1,820,868	\$ 2,328	\$ 1,823,196	\$ 1,823,196
Construction in Progress	756,677	147,731	904,408	747,530
Buildings and Improvements	5,540,974	267,534	5,808,508	5,473,036
Site Improvements	144,707	-	144,707	161,887
Machinery, Vehicles, Furniture & Equipment	602,201	253,801	856,002	832,866
Plant in Service	-	7,471,589	7,471,589	7,423,207
Infrastructure	2,468,952	121,356	2,590,308	2,574,516
Total Capital Assets, Net of Depreciation	<u>\$ 11,334,379</u>	<u>\$ 8,264,339</u>	<u>\$ 19,598,718</u>	<u>\$ 19,036,238</u>

Infrastructure, site improvements, building and machinery and equipment are depreciated using the straight-line method.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Debt

At year end, the Borough had \$6,134,748 in outstanding debt, \$464,634 of which is due within one year. The Borough's business-type activities (Water & Sewer Funds) debt represents 43% of the total debt.

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>
General Obligation Bonds/Notes	\$ 3,410,131	\$ 3,500,131
Capital Lease Payable	<u>96,958</u>	<u>216,162</u>
Total	<u>\$ 3,507,089</u>	<u>\$ 3,716,293</u>
 <u>Business-Type Activities</u>		
General Obligation Bonds	\$ 2,612,000	\$ 2,872,000
Capital Lease Payable	<u>15,659</u>	<u>-</u>
Total	<u>\$ 2,627,659</u>	<u>\$ 2,872,000</u>

Economic Factors and Next Year's Budget and Rates

Governmental Activities:

Ambler Borough services an area of approximately one square mile and a community of 6,417 residents. Of the residents, 15.1% are over the age of 65, compared to the national average of 13%. Of the residents age 16 and over 73.6% are employed, compared to the national average of 64.3%. The major employers in the Borough are: the Artman Home, LTK Engineering Services, Gessnar Products, and the U.S. Post Office. The average median household income is \$57,465 compared to the national average of \$51,900 (economic statistics from the 2010 U.S. Census Bureau).

The Borough has undergone many changes over the last few years. The Downtown area continues to flourish. The Borough was awarded 3 significant grants in 2017 and the projects associated with the grants were started in 2018 and expect to be completed in 2020. One is a Growing Greener Grant to install Rain Barrels, Rain Gardens and help with Riparian Buffer Restoration. The second one is a CDBG (Community Development Block Grant) to create handicapped accessibility to the Borough Building's Community Center which was completed in 2019. The third is a DCNR (Department of Conservation and Natural Resources) Grant to remove the existing asphalt and create a beautiful green pocket park to help with storm water issues and add use and beautification to this downtown area.

Business-Type Activities:

The Borough Water Department services approximately 5,700 customers in a six square mile radius. In addition to Amber Borough residents, it also services portions of Upper Dublin, Lower Gwynedd, Whitpain and Whitemarsh Townships.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

In 2019, Ambler Borough Water Department replaced piping at Whitemarsh station, value replacements at Whitemarsh, replaced pumps at Beth Pike Quarry and Whitemarsh, completed the Dager Rd project, replaced gate valves at Lindenwold Terrace and Lindenwold Ave., replaced a major section of piping at Militia Hill road and start the Butler Ave Water Main replacement project.

Next Year's Budget:

The 2020 Proposed Budget is presented with a ½ mil tax increase. This increase is to fund the cost of an additional Police office. The Borough is fortunate to have Taxable Assessed Values and Earned Income Taxes experiencing slight increases which are sufficient to cover our normal inflationary expense increase.

Refuse fees will be increased from \$250 per year to \$275 per year. Four years ago refuse fees were \$300 per year. The Borough was able to affect this reduction using prior year's refuse reserves.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Borough's finances and show the Borough's accountability for the funds it receives and disburses. If you have any questions about this report or to request additional financial information, please contact the Borough Manager or Finance Manager at 131 Rosemary Avenue, Ambler, PA 19002.

**BOROUGH OF AMBLER
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 4,124,180	\$ 1,847,479	\$ 5,971,659
Restricted Cash	156,825	-	156,825
Taxes Receivable	283,801	-	283,801
Accounts Receivable - Net	354,990	249,330	604,320
Grants Receivable	38,008	-	38,008
Miscellaneous Receivables	106	-	106
Internal Balances	13,738	(13,738)	-
Prepaid Expenses	14,577	-	14,577
Grants Receivable	-	13,330	13,330
Other Assets	-	4,000	4,000
Inventories	-	75,138	75,138
Due from Other Governments	52,735	-	52,735
Net Pension Asset	1,915,479	376,763	2,292,242
Capital Assets - Not Being Depreciated			
Land	1,820,868	2,328	1,823,196
Construction in Progress	756,677	147,731	904,408
Capital Assets - Net of Depreciation:			
Buildings and Improvements	5,540,974	267,534	5,808,508
Site Improvements	144,707	-	144,707
Machinery, Vehicles, Furniture and Equipment	602,201	253,801	856,002
Plant in Service	-	7,471,589	7,471,589
Infrastructure	2,468,952	121,356	2,590,308
Total Assets	18,288,818	10,816,641	29,105,459
<u>Deferred Outflows of Resources</u>			
Pension - Differences in Assumptions	69,873	30,907	100,780
OPEB - Differences in Experience	521,265	-	521,265
Total Deferred Outflows of Resources	591,138	30,907	622,045
Liabilities			
Accounts Payable	250,028	118,470	368,498
Accrued Expenses	30,201	29,911	60,112
Long Term Debt			
Due Within One Year	95,000	265,000	360,000
Due Beyond One Year	3,315,131	2,347,000	5,662,131
Capital Leases Payable			
Due Within One Year	96,958	7,676	104,634
Due Beyond One Year	-	7,983	7,983
Other Postemployment Benefits			
Due Beyond One Year	4,902,490	-	4,902,490
Escrow Funds Payable	156,825	-	156,825
Total Liabilities	8,846,633	2,776,040	11,622,673
<u>Deferred Inflows of Resources</u>			
Pension - Investment Earnings	702,254	-	702,254
Pension - Difference in Experience	408,761	256,466	665,227
OPEB - Difference in Experience	276,847	-	276,847
Total Deferred Inflows of Resources	1,387,862	256,466	1,644,328
Net Position			
Net Investment in Capital Assets	7,827,290	5,636,680	13,463,970
Restricted for:			
Net Pension Asset	874,337	151,204	1,025,541
Refuse Collection	96,322	-	96,322
Highway Fund	87,480	-	87,480
Debt Service	280,878	-	280,878
Revolving Loan Fund	345,191	-	345,191
Recreation	136,589	-	136,589
Street Lighting	66,390	-	66,390
Unrestricted (Deficit)	(1,069,016)	2,027,158	958,142
Total Net Position	\$ 8,645,461	\$ 7,815,042	\$ 16,460,503

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities							
General	\$ 1,051,622	\$ 231,583	\$ 280,107	\$ -	\$ (539,932)	\$ -	\$ (539,932)
Protection to Persons and Property	2,981,203	193,388	52,735	-	(2,735,080)	-	(2,735,080)
Health and Sanitation	501,050	509,711	14,040	-	22,701	-	22,701
Highways	492,581	-	-	-	(492,581)	-	(492,581)
Street Lighting	-	-	-	-	-	-	-
Streets and Roads	123,593	-	8,494	-	(115,099)	-	(115,099)
Fire Protection	275,281	-	-	-	(275,281)	-	(275,281)
Recreation	113,585	-	-	-	(113,585)	-	(113,585)
Revitalization	113,305	-	213,377	31,338	131,410	-	131,410
Interest on Long Term Debt	109,522	-	-	-	(109,522)	-	(109,522)
Total Governmental Activities	<u>5,761,742</u>	<u>934,682</u>	<u>568,753</u>	<u>31,338</u>	<u>(4,226,969)</u>	<u>-</u>	<u>(4,226,969)</u>
Business-Type Activities:							
Water	2,527,453	2,919,405	-	-	-	391,952	391,952
Sewer	1,011,038	966,534	-	-	-	(44,504)	(44,504)
Total Business-Type Activities	<u>3,538,491</u>	<u>3,885,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,448</u>	<u>347,448</u>
Total Primary Government	<u>\$ 9,300,233</u>	<u>\$ 4,820,621</u>	<u>\$ 568,753</u>	<u>\$ 31,338</u>	<u>(4,226,969)</u>	<u>347,448</u>	<u>(3,879,521)</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	2,126,592	-	2,126,592
Earned Income Tax	1,090,559	-	1,090,559
Business Privilege Tax	148,237	-	148,237
Local Services Tax	131,637	-	131,637
State Motor Vehicle Fuel Tax	177,043	-	177,043
Deed Transfer Tax	162,667	-	162,667
Public Utility Realty Tax	2,994	-	2,994
Investment Earnings and Rent	116,527	26,044	142,571
Miscellaneous	<u>306,176</u>	<u>-</u>	<u>306,176</u>
Total General Revenues and Other Items	<u>4,262,432</u>	<u>26,044</u>	<u>4,288,476</u>
Change in Net Position	35,463	373,492	408,955
Net Position - Beginning of Year	<u>8,609,998</u>	<u>7,441,550</u>	<u>16,051,548</u>
Net Position - End of Year	<u>\$ 8,645,461</u>	<u>\$ 7,815,042</u>	<u>\$ 16,460,503</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>Major Funds</u>		Other	Total
	General	Refuse	Governmental Funds	Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 3,456,412	\$ 43,331	\$ 624,437	\$ 4,124,180
Restricted Cash	156,825	-	-	156,825
Taxes Receivable	281,887	-	1,914	283,801
Accounts Receivable, Net	900	44,090	310,000	354,990
Miscellaneous Receivables	106	-	-	-
Due from Other Funds	24,660	13,013	-	37,673
Prepaid Expenses	-	-	14,577	14,577
Grants Receivable	38,008	-	-	38,008
Due from Other Governments	<u>52,735</u>	<u>-</u>	<u>-</u>	<u>52,735</u>
Total Assets	<u>\$ 4,011,533</u>	<u>\$ 100,434</u>	<u>\$ 950,928</u>	<u>\$ 5,062,895</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts Payable	\$ 235,451	\$ 4,112	\$ 10,465	\$ 250,028
Accrued Expenses	30,201	-	-	30,201
Due to Other Funds	-	-	23,935	23,935
Escrow Funds Payable	<u>156,825</u>	<u>-</u>	<u>-</u>	<u>156,825</u>
Total Liabilities	<u>422,477</u>	<u>4,112</u>	<u>34,400</u>	<u>460,989</u>
Fund Balances				
Restricted	-	96,322	916,528	1,012,850
Assigned	95,778	-	-	95,778
Unassigned	<u>3,493,278</u>	<u>-</u>	<u>-</u>	<u>3,493,278</u>
Total Fund Balances	<u>3,589,056</u>	<u>96,322</u>	<u>916,528</u>	<u>4,601,906</u>
Total Liabilities and Fund Balances	<u>\$ 4,011,533</u>	<u>\$ 100,434</u>	<u>\$ 950,928</u>	<u>\$ 5,062,895</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2019

Fund Balances - Total Governmental Funds	\$ 4,601,906
Amounts reported for governmental activities in the statement of net position are different because:	
Net Pension Asset and Deferrals are not financial resources and, therefore are not reported in the governmental funds	874,337
Net OPEB Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds	(4,658,072)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	11,334,379
Long term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Capital Lease	(96,958)
General Obligation Bonds and Note Payable	<u>(3,410,131)</u>
Net Position of Governmental Activities	<u>\$ 8,645,461</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>Major Funds</u>		Other	Total
	General	Refuse	Governmental Funds	Governmental Funds
Revenues				
Taxes	\$ 3,329,062	\$ -	\$ 330,630	\$ 3,659,692
Foreign Fire Relief	-	-	40,534	40,534
State Motor Vehicle Fuel Tax	-	-	177,043	177,043
Licenses and Permits	193,388	-	-	193,388
Fines, Forfeits and Costs	63,128	-	-	63,128
Interest on Investments	101,173	5,901	9,453	116,527
Grants and Revenue Sharing	600,091	-	-	600,091
Charges for Services	231,583	509,711	-	741,294
Public Utility Realty Tax	2,994	-	-	2,994
Miscellaneous	<u>134,497</u>	<u>315</u>	<u>-</u>	<u>134,812</u>
Total Revenues	<u>4,655,916</u>	<u>515,927</u>	<u>557,660</u>	<u>5,729,503</u>
Expenditures				
General	604,476	-	-	604,476
Protection to Persons and Property	2,373,797	-	-	2,373,797
Health and Sanitation	-	501,050	-	501,050
Highways	434,480	-	58,101	492,581
Streets and Roads	123,593	-	-	123,593
Street Lighting	-	-	75,404	75,404
Fire Protection	-	-	199,877	199,877
Recreation	7,556	-	106,029	113,585
Revitalization	113,305	-	-	113,305
Debt Service	230,711	-	88,015	318,726
Capital Outlays	<u>637,186</u>	<u>-</u>	<u>212,163</u>	<u>849,349</u>
Total Expenditures	<u>4,525,104</u>	<u>501,050</u>	<u>739,589</u>	<u>5,765,743</u>
Excess (Deficit) of Revenues Over Expenditures	<u>130,812</u>	<u>14,877</u>	<u>(181,929)</u>	<u>(36,240)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>97,702</u>	<u>(30,000)</u>	<u>-</u>	<u>67,702</u>
Total Other Financing Sources (Uses)	<u>97,702</u>	<u>(30,000)</u>	<u>-</u>	<u>67,702</u>
Net Change in Fund Balances	228,514	(15,123)	(181,929)	31,462
Fund Balances - Beginning of Year	<u>3,360,542</u>	<u>111,445</u>	<u>1,098,457</u>	<u>4,570,444</u>
Fund Balances - End of Year	<u>\$ 3,589,056</u>	<u>\$ 96,322</u>	<u>\$ 916,528</u>	<u>\$ 4,601,906</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
 YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	31,462
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense

Expenditures less disposals for general capital assets, infrastructure, and other related capital assets adjustments		849,349
Current year depreciation		(398,200)

The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.		(305,915)
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The governmental funds report debt proceeds as financing sources, while repayment
of debt principal is reported as an expenditure. In the statement of net position,
however, issuing debt increases long term liabilities and does not affect the
statement of activities and repayment of principal reduces the liability. The net
effect of these differences in the treatment of long-term debt is as follows:

Principal repayments:		
General Obligation Note		90,000
Capital Leases		119,204

Other postemployment benefits do not require the use of current financial resources,
therefore, are not reported as expenditures in Governmental Funds as follows:

Change in postemployment benefits		<u>(350,437)</u>
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Change in Net Position of Governmental Activities	\$	<u>35,463</u>
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BOROUGH OF AMBLER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Water Fund	Sewer Fund	Total
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 1,620,417	\$ 227,062	\$ 1,847,479
Accounts Receivable (Net of Allowance for Uncollectibles)	214,201	35,129	249,330
Due from Other Funds	-	27,303	27,303
Grants Receivable	6,665	6,665	13,330
Other Assets	4,000	-	4,000
Inventories	75,138	-	75,138
Total Current Assets	1,920,421	296,159	2,216,580
Non-Current Assets			
Net Pension Asset	301,436	75,327	376,763
Capital Assets			
Land	2,328	-	2,328
Construction-In-Progress	147,731	-	147,731
Infrastructure (Net)	-	121,356	121,356
Building (Net)	266,347	1,187	267,534
Machinery, Vehicles, Furniture and Equipment (Net)	237,093	16,708	253,801
Plant in Service (Net)	7,471,589	-	7,471,589
Total Capital Assets (Net of Accumulated Depreciation)	8,125,088	139,251	8,264,339
Total Non-Current Assets	8,426,524	214,578	8,641,102
Total Assets	10,346,945	510,737	10,857,682
<u>Deferred Outflows of Resources</u>			
Pension-Differences in Assumptions	25,172	5,735	30,907
Total Deferred Outflows of Resources	25,172	5,735	30,907
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	51,134	67,336	118,470
Accrued Expenses	27,570	2,341	29,911
Due to Other Funds	41,041	-	41,041
Capital Leases Payable - Due Within One Year	7,676	-	7,676
General Obligation Bonds Payable - Due Within One Year	265,000	-	265,000
Total Current Liabilities	392,421	69,677	462,098
Non-Current Liabilities			
Capital Leases Payable - Due in More than One Year	7,983	-	7,983
General Obligation Bonds Payable - Due in More than One Year	2,347,000	-	2,347,000
Total Non-Current Liabilities	2,354,983	-	2,354,983
Total Liabilities	2,747,404	69,677	2,817,081
<u>Deferred Inflows of Resources</u>			
Pension-Difference in Experience	205,384	51,082	256,466
Total Deferred Inflows of Resources	205,384	51,082	256,466
<u>Net Position</u>			
Net Investment in Capital Assets	5,497,429	139,251	5,636,680
Restricted for Pension	121,224	29,980	151,204
Unrestricted	1,800,676	226,482	2,027,158
Total Net Position	\$ 7,419,329	\$ 395,713	\$ 7,815,042

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Water Fund	Sewer Fund	Total
Operating Revenues			
Metered Water Sales	\$ 2,641,087	\$ -	\$ 2,641,087
Sewer Rents	-	900,744	900,744
Water Tower Rental	210,211	-	210,211
Water Line Protection	5,627	-	5,627
Miscellaneous	<u>62,480</u>	<u>65,790</u>	<u>128,270</u>
Total Operating Revenue	<u>2,919,405</u>	<u>966,534</u>	<u>3,885,939</u>
Operating Expenses			
Source of Supply	61,695	-	61,695
Purification	130,690	-	130,690
Pumping	317,169	-	317,169
Distribution	554,434	-	554,434
Meter Installation	62,298	-	62,298
Collection System	-	630,479	630,479
Administrative	<u>1,338,094</u>	<u>380,559</u>	<u>1,718,653</u>
Total Operating Expenses	<u>2,464,380</u>	<u>1,011,038</u>	<u>3,475,418</u>
Operating Income (Loss)	<u>455,025</u>	<u>(44,504)</u>	<u>410,521</u>
Nonoperating Revenue (Expense)			
Interest Income	24,241	1,803	26,044
Debt Service Expense	<u>(63,073)</u>	<u>-</u>	<u>(63,073)</u>
Total Nonoperating Revenue (Expense)	<u>(38,832)</u>	<u>1,803</u>	<u>(37,029)</u>
Change in Net Position	416,193	(42,701)	373,492
Net Position - Beginning of Year	<u>7,003,136</u>	<u>438,414</u>	<u>7,441,550</u>
Net Position - End of Year	<u>\$ 7,419,329</u>	<u>\$ 395,713</u>	<u>\$ 7,815,042</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Water Fund	Sewer Fund	Total
Cash Flows Operating Activities			
Receipts from Customers and Users	\$ 2,629,696	\$ 896,136	\$ 3,525,832
Receipts from Others	278,318	65,790	344,108
Payments to Suppliers and Vendors	(1,445,047)	(997,889)	(2,442,936)
Payments to Employees	<u>(685,142)</u>	<u>(186,664)</u>	<u>(871,806)</u>
Net Cash Provided by (Used in) Operating Activities	<u>777,825</u>	<u>(222,627)</u>	<u>555,198</u>
Cash Flows from Non-Capital Financing Activities			
Operating Interfund Advances, Net	<u>11,602</u>	<u>(9,895)</u>	<u>1,707</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>11,602</u>	<u>(9,895)</u>	<u>1,707</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(476,520)	(6,881)	(483,401)
Repayment of Capital Lease	15,629	-	15,629
Principal Paid on General Obligation Bonds	(260,000)	-	(260,000)
Interest Paid on General Obligation Bonds	<u>(64,934)</u>	<u>-</u>	<u>(64,934)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(785,825)</u>	<u>(6,881)</u>	<u>(792,706)</u>
Cash Flows from Investing Activities			
Reinvested Interest on Investment	<u>24,241</u>	<u>1,803</u>	<u>26,044</u>
Net Increase (Decrease) in Cash and Cash Equivalents	27,843	(237,600)	(209,757)
Cash and Cash Equivalents - Beginning of Year	<u>1,592,574</u>	<u>464,662</u>	<u>2,057,236</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,620,417</u>	<u>\$ 227,062</u>	<u>\$ 1,847,479</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Water Fund	Sewer Fund	Total
Reconciliation of Operating Income To			
Net Cash Provided By (Used in) Operating Activities			
Operating Income (Loss)	\$ 455,025	\$ (44,504)	\$ 410,521
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	362,569	9,502	372,071
Change in Assets and Liabilities:			
Increase in Accounts Receivable	(11,391)	(4,608)	(15,999)
Decrease in Inventory	3,902	-	3,902
Increase in Accounts Payable	(44,553)	(186,556)	(231,109)
Increase in Accrued Expense	1,138	755	1,893
Decrease in Other Assets	11,135	2,784	13,919
Total Adjustments	322,800	(178,123)	144,677
Net Cash Provided by (Used in) Operating Activities	\$ 777,825	\$ (222,627)	\$ 555,198

Noncash Transactions:

The Borough's Water Fund had proceeds from capital leases in 2019 totaling \$23,692.

BOROUGH OF AMBLER
STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Component Unit
Assets	
Cash and Cash Equivalents	\$ 121,604
Accrued Income	27,626
Investments	
Stocks, at Fair Value	6,614,191
Mutual Funds, at Fair Value	<u>9,671,629</u>
Total Assets	<u>\$ 16,435,050</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
 SCHEDULE OF CHANGES IN PLAN NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2019

	Component Unit
Additions	
Contributions:	
Plan Members	\$ 104,006
Employer	<u>150,919</u>
Total Contributions	<u>254,925</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	2,451,840
Interest and Dividends	<u>492,267</u>
Total Investment Earnings	2,944,107
Less Investment Expense	<u>(175,819)</u>
Net Investment Earnings	<u>2,768,288</u>
Total Additions	<u>3,023,213</u>
Deductions	
Benefits	<u>574,437</u>
Total Deductions	<u>574,437</u>
Change in Net Position	2,448,776
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning of Year	<u>13,986,274</u>
Net Position - End of Year	<u>\$ 16,435,050</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Borough's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) for the year ended December 31, 2019. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations) and Implementation Guide.

A. Financial Reporting Entity

The Borough of Ambler ("Borough") was incorporated in 1888 under the laws of the Commonwealth of Pennsylvania. The Borough operates under a council-mayor form of government in accordance with the Pennsylvania Borough Code.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government and its component units. Based on the criteria set forth by GASB, the Borough has determined that there are no organizations or agencies which qualify as component units which should be included in these financial statements. These statements include the financial activities of the overall Borough government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

In the government-wide statement of net position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Borough's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. The Borough first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the Borough's governmental activities and different business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges for services paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the Borough's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (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. The principal operating revenues of the Borough's proprietary funds are charges to customers for services. Operating expenses include the cost of providing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Borough reports the following major governmental funds:

The General Fund is the general operating fund of the Borough and accounts for all revenues and expenditures of the Borough not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and capital improvement costs not paid through other funds are paid from the General Fund. The primary sources of revenues are from property taxes and earned income taxes.

The Refuse Fund is used to account for revenues and expenses related to refuse collection.

Additionally, the Borough reports the following fund types: (special revenue funds, and debt service funds which are included as nonmajor funds in Other Governmental Funds).

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Street Lighting Fund, Recreation Fund, Fire Fund, Liquid Fuels, Highway Fund and the Revolving Loan Fund are classified as special revenue funds.

Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

Fiduciary Component Unit

The Borough's Non-Uniform and Police Pension Plans ("Plans") were established to provide retirement benefits to eligible retirees of the Borough. The Plans are included in the financial reporting entity as fiduciary funds because the Plans are (1) considered to be legally separate entities, (2) the Borough appoints a voting majority of the governing board, and (3) the Plans impose a financial burden on the Borough as it is legally obligated to make contributions to the Plans.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The Borough of Ambler considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Acquisition of capital assets is recorded as expenditures.

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

D. Budgets and Budgetary Accounting

Budgets are prepared on the same basis of accounting as the financial statements. Each fall, the Borough Council adopts an annual budget for the following year for the General, Proprietary and certain Special Revenue Funds as set forth in the Borough code. Legal budgetary control is at the fund level. The accompanying statements of revenues, expenditures and changes in fund balance budget and actual – general fund and refuse fund are included in required supplementary information.

Interfund transfers not approved in the budget must be approved by Council motion in accordance with the Borough Code.

Budgeted amounts are reported as originally adopted, and amended, if any. Unexpended budget amounts lapse at the end of the year. The Council may take specific action to commit or assign fund equity.

E. Assets, Liabilities, and Net Position or Fund Balance

1. *Cash and Cash Equivalents*

Bank accounts, certificates of deposits and investment in the Pennsylvania Local Government Investment Trust are all highly liquid investments and are considered to be cash and cash equivalents as presented on the statement of net position, balance sheet and statement of cash flows.

2. *Receivables and Payables*

During the course of operations numerous transactions occur between funds for goods or services, which require reimbursement. Amounts unpaid at the end of the year are reflected as due to / due from other funds. Long term interfund loans expected to be paid back within a defined time period are reflected as advances to / advances from other funds.

Taxes receivable reflect amounts receivable for real estate, earned income, local services and transfer taxes collected by the tax collector for 2019 and remitted to the Borough after year end.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity (Continued)

3. *Inventories*

The Borough does not maintain accounting records relating to the minor cost of materials and supplies inventories, other than those in the Water Fund. Accordingly, such items are not included in the financial statements. Water Fund inventories are recorded at fair value. The Water Fund inventory includes small parts used for repairs and maintenance.

4. *Capital Assets*

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' estimated useful lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Other Improvements	25-75
Site Improvement	25-75
Infrastructure	25-75
Machinery, Vehicles, Furniture and Equipment	3-15

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity (Continued)

6. *Long-Term Obligation*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issues is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Net Position*

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, net of any unspent debt proceeds. Net investment in capital assets excludes unspent debt proceeds. The Borough applies restricted resources when an expense is incurred for purposes for which restricted net position is available.

8. *Fund Balance*

The Borough follows GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This statement provides defined fund balance categories to make the nature and extent of the constraints placed upon a government's fund balance more transparent. Fund balances of the government funds are classified as follows:

Nonspendable – Amounts that cannot be spent because of their form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Borough Council. The Council is the highest decision making authority of the Borough. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Borough Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – Residual net resources.

The Borough typically uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Revenues, Expenditures and Expenses

Tax revenues – General Fund property taxes and earned income taxes collected within sixty days subsequent to December 31 are recognized as revenue, if material and they apply to the prior year.

Real estate property tax – Real estate property taxes attach as an enforceable lien on property on January 1. Taxes are billed March 1 and payable under the following terms: a 2% discount March 1 through April 30; face amount May 1 through June 30; and a 10% penalty after June 30. The Borough elects a tax collector to collect the property tax levied. The tax collector remits Borough taxes at least monthly and is paid a salary.

Transfers and dividends – Operating transfers between governmental and nongovernmental fund types are reported as other financing sources (uses) within those funds.

G. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

Pennsylvania statutes provide for investment of municipal funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. The Borough may also place deposits that are insured by the Federal Deposit Insurance Corporation ("FDIC") and deposits that are collateralized on an individual or on a pooled basis in accordance with Act No. 72 of the Commonwealth of Pennsylvania, August 6, 1971.

The deposit and investment policy of the Borough adheres to state statutes and prudent business practice. Deposits of the Borough are either maintained in demand deposits, highly liquid money market funds or pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT) and are captioned as "cash and cash equivalents" in the balance sheet and statement of net position. The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Borough.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. As of December 31, 2019, the Borough's cash balances, excluding fiduciary funds, were exposed to custodial credit risk as follows:

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Insured by FDIC	\$ 250,000
Collateralized	-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the Government's Name	<u>6,602,816</u>
Total	<u>\$ 6,852,816</u>

Reconciliation to the Financial Statements

Uninsured Amount Above	\$ 6,602,816
Plus: Insured Amount	250,000
Less: Outstanding Checks	(742,556)
Plus: Deposits in Transit	3,665
Other Reconciling Items	<u>13,259</u>
Carrying Amount - Bank Balances	6,127,184
Plus: Petty Cash	<u>1,300</u>
Total Cash per Financial Statements	<u>\$ 6,128,484</u>

The Borough's cash balance includes \$156,825 of restricted escrow deposits. These monies are held by the Borough in a custodial capacity for developers.

NOTE 3 ACCOUNTS RECEIVABLE

Following is a summary of receivables at December 31, 2019:

	Governmental Funds				Proprietary Funds		
	General Fund	Refuse Fund	Other Governmental Funds	Total	Water Fund	Sewer Fund	Total
Refuse Fees	\$ -	\$ 46,090	\$ -	\$ 46,090	\$ -	\$ -	\$ -
Utility User Fees	900	-	-	900	236,350	40,129	276,479
Mortgage Receivable	-	-	310,000	310,000	-	-	-
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>(22,149)</u>	<u>(5,000)</u>	<u>(27,149)</u>
Net Accounts Receivable	<u>\$ 900</u>	<u>\$ 44,090</u>	<u>\$ 310,000</u>	<u>\$ 354,990</u>	<u>\$ 214,201</u>	<u>\$ 35,129</u>	<u>\$ 249,330</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 4 PROPERTY AND EQUIPMENT

Governmental Activities capital assets consist of the following at December 31, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,820,868	\$ -	\$ -	\$ 1,820,868
Construction in Progress	649,573	273,866	166,762	756,677
Total Capital Assets, Not Being Depreciated	<u>2,470,441</u>	<u>273,866</u>	<u>166,762</u>	<u>2,577,545</u>
Capital Assets, Depreciated:				
Buildings and Other Improvements	6,191,376	505,663	-	6,697,039
Site Improvements	315,059	-	-	315,059
Machinery, Vehicles, Furniture and Equipment	1,254,758	84,209	38,224	1,300,743
Infrastructure	3,381,681	181,041	-	3,562,722
Total Capital Assets, Being Depreciated	<u>11,142,874</u>	<u>770,913</u>	<u>38,224</u>	<u>11,875,563</u>
Accumulated Depreciation for:				
Buildings and Other Improvements	1,008,737	147,328	-	1,156,065
Site Improvements	153,172	17,180	-	170,352
Machinery, Vehicles, Furniture and Equipment	636,954	71,144	9,556	698,542
Infrastructure	931,222	162,548	-	1,093,770
Total Accumulated Depreciation	<u>2,730,085</u>	<u>398,200</u>	<u>9,556</u>	<u>3,118,729</u>
Total Capital Assets, Being Depreciated, Net	<u>8,412,789</u>	<u>372,713</u>	<u>28,668</u>	<u>8,756,834</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,883,230</u>	<u>\$ 646,579</u>	<u>\$ 195,430</u>	<u>\$ 11,334,379</u>

Business-Type Activities capital assets consist of the following at December 31, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,328	\$ -	\$ -	\$ 2,328
Construction in Progress	97,957	49,774	-	147,731
Total Capital Assets, Not Being Depreciated	<u>100,285</u>	<u>49,774</u>	<u>-</u>	<u>150,059</u>
Capital Assets, Being Depreciated				
Infrastructure	128,618	-	-	128,618
Buildings and Other Improvements	822,749	-	-	822,749
Machinery, Vehicles, Furniture and Equipment	1,307,168	83,651	-	1,390,819
Plant in Service	13,824,433	349,976	-	14,174,409
Total Capital Assets, Being Depreciated	<u>16,082,968</u>	<u>433,627</u>	<u>-</u>	<u>16,516,595</u>
Accumulated Depreciation for:				
Infrastructure	4,561	2,701	-	7,262
Buildings and Other Improvements	532,351	22,863	-	555,214
Machinery, Vehicles, Furniture and Equipment	1,092,107	44,912	-	1,137,019
Plant in Service	6,401,226	301,594	-	6,702,820
Total Accumulated Depreciation	<u>8,030,245</u>	<u>372,070</u>	<u>-</u>	<u>8,402,315</u>
Total Capital Assets, Being Depreciated, Net	<u>8,052,723</u>	<u>61,557</u>	<u>-</u>	<u>8,114,280</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,153,008</u>	<u>\$ 111,331</u>	<u>\$ -</u>	<u>\$ 8,264,339</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 5 CAPITAL LEASE OBLIGATIONS

The Borough acquired several pieces of equipment under the provisions of long term leases. For financial reporting purposes, minimum lease payments relating to the leases have been capitalized.

The cost and depreciation under the capital leases are as follows:

	<u>Amount</u>
Cost	\$ 544,142
Accumulated Depreciation	<u>85,000</u>
Total	<u><u>\$ 459,142</u></u>

The future minimum lease payments under the capital lease and the net present value of future minimum capital lease payments at December 31, 2019 are as follows:

<u>Year Ending December 31.</u>	<u>Amount</u>
2020	\$ 109,163
2021	<u>8,302</u>
Total Minimum Lease Payments	117,465
Less: Amount of Representing Interest	<u>4,848</u>
	<u><u>\$ 112,617</u></u>
Present Value of Future Lease Payments	
Current Portion	\$ 104,634
Long-Term Portion	<u>7,983</u>
	<u><u>\$ 112,617</u></u>

NOTE 6 LONG-TERM DEBT

On October 15, 2009, the Borough issued \$3,455,000 of General Obligation Bonds, Series of 2009, as fully registered bonds in the denominations of \$5,000 each. The proceeds of the bonds were to be used for (1) the current refunding of the Borough's General Obligation Bonds, Series of 2003; (2) certain capital improvements to the water system serving the Borough and surrounding municipalities; and (3) the payment of the costs and expenses incurred in connection with the issuance of the Bonds.

The Series of 2009 Bonds were currently refunded by the issuance of the General Obligation Note Series of 2015. The Series of 2015 Note also provides funds for capital projects related to the Borough's water system. The Note was issued in the amount of \$3,505,000 and is being utilized on a draw down basis. The Note carries a variable interest rate, the initial rate is 2.37% and may not exceed 4.50%, and payments in amounts ranging from \$132,000 to \$319,000 are due annually through 2028.

On December 20, 2013, the Borough issued a \$1,890,000 General Obligation Term Note. The proceeds of the note were used for the purchase of a building. In addition, a \$1,700,000 General Obligation Line of Credit Loan Note was issued for the renovations of the building in 2015. In 2016, the Borough paid off the 2013 and the 2015 Line of Credit with the issuance of the Series 2016 Bonds in the amount of \$3,645,000. Interest is payable semiannually commencing June 15, 2015. The interest rates on the bonds vary from 3% to 4%.

The General Obligation Term Notes and Bonds are direct obligations of the Borough.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 6 LONG-TERM DEBT (CONTINUED)

The following is a schedule of aggregate principal and interest payments for each of the next five years and each five-year period thereafter for the 2015 General Obligation Note:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 265,000	\$ 58,764	\$ 323,764
2021	273,000	52,389	325,389
2022	278,000	45,860	323,860
2023	286,000	39,176	325,176
2024	294,000	32,303	326,303
2024-2028	<u>1,216,000</u>	<u>84,698</u>	<u>1,300,698</u>
Total	<u>\$ 2,612,000</u>	<u>\$ 313,190</u>	<u>\$ 2,925,190</u>

The following is a schedule of aggregate principal and interest payments for each of the next five years and each five-year period thereafter for the 2016 General Obligation Bonds:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 95,000	\$ 109,065	\$ 204,065
2021	100,000	105,165	205,165
2022	100,000	101,665	201,665
2023	105,000	98,590	203,590
2024	110,000	95,365	205,365
2025-2029	595,000	425,150	1,020,150
2030-2034	700,000	326,742	1,026,742
2035-2039	815,000	203,872	1,018,872
2040-2043	<u>790,131</u>	<u>54,425</u>	<u>844,556</u>
Total	<u>\$ 3,410,131</u>	<u>\$ 1,520,039</u>	<u>\$ 4,930,170</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 6 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt:

Long-term debt activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2016 Bonds	\$ 3,500,131	\$ -	\$ 90,000	\$ 3,410,131	\$ 95,000
Capital Leases	216,162	-	119,204	96,958	96,958
Governmental Activity Long-Term Debt	<u>\$ 3,716,293</u>	<u>\$ -</u>	<u>\$ 209,204</u>	<u>\$ 3,507,089</u>	<u>\$ 191,958</u>
Business-Type Activities:					
Series 2015 Note	\$ 2,872,000	\$ -	\$ 260,000	\$ 2,612,000	\$ 265,000
Capital Leases	-	23,692	8,033	15,659	7,676
Business -Type Activity Long-Term Debt	<u>\$ 2,872,000</u>	<u>\$ 23,692</u>	<u>\$ 268,033</u>	<u>\$ 2,627,659</u>	<u>\$ 272,676</u>

NOTE 7 JOINT VENTURE

The Borough is one of five participating municipalities in the Ambler Waste Water Treatment Plant, which provides sewage treatment services to its members. The Borough of Ambler is the plant administrator.

The cost of operating and maintaining the Treatment Plant including the costs of administrative expenses and record keeping are shared by each municipality in proportion to the resident population equivalents of the units connected to the representative collection system. The annual operating fee varies each year based on the budget and usage. The Borough's operating fee paid to the Treatment Plant by the Sewer Fund amounted to \$484,680 in 2019.

The participant's share of capital improvements and additions is based on each municipality's purchased capacity as per a 1959 agreement and its subsequent amendments. The current rates in effect were fixed as of 1978. The Borough's capital contribution paid by the Sewer Fund to the Treatment Plant amounted to \$112,444 in 2019.

The Treatment Plant reimburses the Borough of Ambler for administrative costs related to plant operations. An administrative fee of \$247,242 was recognized as revenue for the year ended December 31, 2019.

Separate financial statements for the Treatment Plant are prepared and available.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 8 INTERFUND PAYABLE AND RECEIVABLE

The composition of interfund balances for the fund financial statements as of December 31, 2019, is as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 24,660	\$ -
Fire Fund	-	23,935
Refuse Fund	13,013	-
Water Fund		41,041
Sewer Fund	<u>27,303</u>	<u>-</u>
Total	<u>\$ 64,976</u>	<u>\$ 64,976</u>

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

NOTE 9 EARNED INCOME TAX

Earned income tax was levied at a rate of one percent of gross wages for all individuals living or working in the Borough of Ambler in 2019. The Borough is entitled to 50% of the tax collected and the Wissahickon School District is entitled to the other 50% of the tax receipts. Earned income tax revenue recognized by the Borough for the year ended December 31, 2019 amounted to \$1,090,559.

NOTE 10 RISK MANAGEMENT

The Borough 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. Accordingly, the Borough has entered into a participation agreement with certain surrounding municipalities in Montgomery and Bucks Counties, Pennsylvania to form the Delaware Valley Insurance Trust (Trust). The Trust has created a self insurance pool to offer coverage to eligible municipalities. The Borough is participating in the Trust insurance coverage.

For the pool coverage there is a total risk and cost sharing for all participants. Liabilities in excess of assets of the Trust may be assessed to participating members. Specific excess insurance is provided to protect against catastrophic losses.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the previous year in the Borough's insurance policies.

NOTE 11 COMMITMENTS

In December 2010, the Borough entered into a contract for refuse, dumpster, and yard waste services over a five-year period. The contract was extended until September 30, 2020, at a cost of approximately \$25,806 per month.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 12 CONTINGENT LIABILITIES

The Borough is involved in certain legal matters through the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters. Management believes that any liability that may result from the resolution of these matters will not have a material adverse effect on the accompanying financial statements and, accordingly, no provision has been recorded.

NOTE 13 PENSION PLANS

MUNICIPAL EMPLOYEES (NON-UNIFORMED) DEFINED BENEFIT PENSION PLAN

A. Plan Description:

The plan is a single employer defined benefit plan administered by the Borough of Ambler. The authority to establish and amend benefit provisions rests with the Borough of Ambler Council. Covered employees are full-time non-uniform employees that were hired prior to January 1, 2014. The normal retirement benefit is the greater of 25% of average monthly salary paid to such employee during three calendar years of highest earnings ending with December 31st on or next preceding his or her 65th birthday, reduced by 1/15 for each full year of service by which the employee's service at retirement is less than fifteen years, and is 40% of the average monthly salary paid to such employee during the three calendar years of highest earnings ending with the December 31st on or next preceding his or her 65th birthday, reduced by 1/25 for each full year of service by which the employee's service at retirement is less than twenty five years. A member is eligible for normal retirement on the last day of the month in which the member's 65th birthday occurs. There are 29 active employees currently covered. There are eight persons receiving benefits.

Early retirement is provided for upon the attainment of age 55 and at least 25 years of service. Ten years of service are required for vesting. If a member dies before the 60 monthly payments have been received, the remainder of the 60 months will automatically continue to the member's beneficiary. The funds are invested primarily in stocks and mutual funds.

All full time non-uniform employees hired after January 1, 2014 will be enrolled in a defined contribution plan as described in Note 14.

B. Summary of Significant Accounting Policies:

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

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 the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES (NON-UNIFORMED) DEFINED BENEFIT PENSION PLAN (CONTINUED)

Valuation of Investments

Investments are reported at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Risks and Uncertainties

The plan provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net position.

C. Funding Policy and Contributions

The plan is funded by member contributions, funds paid by the Commonwealth of Pennsylvania and by Borough contributions, if required.

Employees are required to contribute 3% of compensation to the plan. Employee contributions amounted to \$32,155 for the year ended December 31, 2019.

D. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. The law provides that the Borough's Pension Trust funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Borough to be prudent. As of December 31, 2019, the Borough's pension cash and cash equivalents were not exposed to custodial credit risk since the balance is covered by FDIC insurance.

E. Investments

As of December 31, 2019, the Borough had the following pension plan investments:

	Fair Value
Money Market Fund	\$ 73,747
Accrued Income	10,397
Domestic Equities	2,440,858
Mutual Funds	3,430,530
Total Investments	<u>\$ 5,955,532</u>

As of December 31, 2019, none of the Borough's pension plan investments are rated.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES (NON-UNIFORMED) DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. Investment Concentration

Total plan net position as of December 31, 2019 amounted to \$5,955,532. Five percent of total plan assets amounted to \$297,777 as of December 31, 2019. The following funds represent 5% or more of the total net plan assets at December 31:

Investments	Amount	Percent of Total
Univest Special Money Market Fund	1,748,092	34.09%

G. Actuarial Assumptions

The information presented in the required supplementary schedules was determined as part of the biennial actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2019
Actuarial cost method	Normal entry age actuarial cost method (a)
Asset Valuation method	Market Value
Actuarial assumptions	
Investment rate of return	6.75% per annum
Projected salary increases	3.75% average, including inflation

- (a) Under the normal entry age actuarial cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the compensation of the individual between entry age and assumed exit age.
- (b) There are no significant factors that would distort the evaluation of trends for amounts presented in the two required supplementary schedules.

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN

A. Plan Description

The plan is a single employer defined benefit plan administered by the Borough of Ambler. The plan provides retirement disability and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Borough of Ambler Council.

The plan's normal retirement is age 50 with 25 years of service. Twelve years of service is required for vesting. The normal retirement benefit is life income consisting of one-half of the member's average salary for the last 36 months plus \$100 per month for each year of service in excess of 25 years up to a maximum of 30 years of service, or \$500 per month including any social security from police service and any pension from a previous fund. Retirement is mandatory at age 70. The plan allows members to retire with a reduced benefit after 20 years of service. The amount of early retirement pension is the actuarial equivalent of the normal retirement benefit reduced by service at retirement over expected service at normal retirement.

If an officer is killed in the line of duty, then 100% of the salary is payable to the surviving spouse or children, if no spouse.

A survivor benefit of 50% of the member's pension is provided to the survivor spouse or children under 18.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN

A. Plan Description (Continued)

The plan also provides a disability benefit. Upon total and permanent disability, a member will receive 75 percent of the monthly salary rate effective at the time of applying for disability benefits, offset by benefits under workers compensation, until normal retirement, at which time the employee receives their retirement benefit.

After each anniversary of retirement, the retirement benefit is adjusted annually to reflect the cost of living change in the preceding calendar year, based upon the increase in the Consumer Price Index of the U.S. Department of Labor for the Philadelphia area.

Covered employees are full-time police officers.

Number of covered active employees	13
Number of persons receiving benefits	10
Terminated employees vested, but not receiving benefits	1

B. Summary of Significant Accounting Policies:

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

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 the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments

Investments, which consist primarily of common stock and mutual funds, are reported at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the plan at year end.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses

The plan pays the administrative expenses.

Risks and Uncertainties

The plan provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net position.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Funding Policy and Contributions

The plan is funded from contributions by all full time police officers, funds paid by the Commonwealth of Pennsylvania and by Borough contributions, if required.

Members were required to contribute at least five percent of compensation to the plan, but not more than 8%. Effective September 20, 2000 for any year in which it is determined by an actuarial valuation report prepared in accordance with the Municipal Plan Funding Standard and Recovery Act (Act 205) that the plan has a balance that is twenty-five percent (25%) in excess of the minimum amount needed to declare it actuarially sound, then the Borough Council could, on an annual basis by ordinance or resolution, reduce or eliminate payments into the pension fund by plan members. When required by the actuary in accordance with any such report, funding must resume as necessary to keep the balance at or over 25% in excess of the minimum needed for actuarial soundness, but member contributions will in such event remain within the parameters set forth above.

Employees contributed 5% for the year ended December 31, 2019. Amount contributed was \$71,851.

D. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. The law provides that the Borough's Pension Trust funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Borough to be prudent. As of December 31, 2019, the Borough's pension plan cash and cash equivalents were not exposed to custodial credit risk since the balance is covered by FDIC insurance.

E. Investments

As of December 31, 2019, the plan had the following investments:

	Fair Value
Money Market Fund	\$ 47,857
Accrued Income	17,229
Domestic Equities	4,173,333
Mutual Funds	<u>6,241,099</u>
Total Investments	<u>\$ 10,479,518</u>

F. Investment Concentration

Total plan net position as of December 31, 2019 amounted to \$10,479,518. Five percent of total plan assets amounted to \$523,976.

The following funds represent 5% or more of the total plan assets at December 31:

Investments	Amount	Percent of Total
Univest Special Money Market Fund	\$ 2,290,920	25.92%

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. Actuarial Assumptions

The information presented in the required supplementary schedules was determined as part of the biennial actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	6.75% per annum
Projected salary increases	4.25% average, including inflation

GASB STATEMENTS NO. 67 and NO. 68 – FINANCIAL REPORTING FOR PENSION PLANS

The Borough has adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in 2014 and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* in 2015. These Statements enhance the Borough's accounting and footnote disclosures and expand the Required Supplemental Information (RSI) data with new schedules. The Statements were issued to improve financial reporting by state and local government pension plans. The following provides information required to be disclosed under Statements No. 67 and 68 for both plans.

Plan Administration

Management of the Police Pension and Non-Uniform Plans is overseen by a Pension Committee under Ordinance 851. Per the Plan Document, the Pension Committee is comprised of nine members of Borough Council and a full time member of the Ambler Borough Police department. The duly appointed Borough Manager is designated as the chief administrative officer who has the discretion and authority to interpret the plan and to determine the eligibility and benefits of Participants and beneficiaries pursuant to the provisions of the plans. The Committee meets annually with the investment advisor to review the plan earning and investment policies. Management of the plan is overseen by Ambler Borough Council; however, Borough Council may delegate the following responsibilities:

- A) Council may appoint a subcommittee to review the performance of the investment manager and to review the Funds' compliance with Act 205.
- B) Council may assign the daily administrative operations of the Fund to the Borough Manager.
- C) Council may appoint a corporate trustee.
- D) Council may delegate other responsibilities as it deems appropriate.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

GASB STATEMENTS NO. 67 and NO. 68 – FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Investment Policy

The Pension Fund Board is responsible for administering the investment policies of the plans and providing oversight for the management of the plans' assets. The investment strategy of the plans is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy requires that all plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the plan, with minimal impact on market price. The following was the plans' adopted asset allocation policy as of December 31, 2019:

<u>Asset Category</u>	<u>Target Asset Allocation</u>
Return-Seeking Assets	60%
Risk-Mitigating Assets	40%
Diversifying Assets	0%
	<u>100%</u>

Net Pension (Asset) Liability

The net pension (asset) liability of the plans for measurement date December 31, 2019, were as follows:

	<u>Non-Uniform Pension Plan</u>	<u>Police Pension Plan</u>
Total Pension Liability	\$ 4,966,654	\$ 9,176,154
Plan Fiduciary Net Position	<u>(5,955,532)</u>	<u>(10,479,518)</u>
Net Pension Liability (Asset)	<u>\$ (988,878)</u>	<u>\$ (1,303,364)</u>
NON-UNIFORM PENSION PLAN		
<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>	
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>
Balances at 12/31/18	\$ 5,087,212	\$ 5,129,672
Changes for the Year		
Service Cost	96,462	-
Interest on Total Pension Liability	341,409	-
Changes in benefits	-	-
Difference between expected and actual experience	(306,896)	-
Changes in assumptions	-	-
Employer Contributions	-	34,297
Employee Contributions	-	32,155
Net investment income	-	1,010,941
Benefit payments, including employee refunds	(251,533)	(251,533)
Administrative expense	-	-
Other changes	-	-
Net Changes	<u>(120,558)</u>	<u>825,860</u>
Balances at 12/31/19	<u>\$ 4,966,654</u>	<u>\$ 5,955,532</u>
		<u>\$ (988,878)</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

GASB STATEMENTS NO. 67 and NO. 68 – FINANCIAL REPORTING FOR PENSION PLANS
(CONTINUED)

POLICE PENSION PLAN		Increase (Decrease)		
<u>Changes in Net Pension Liability</u>		Total Pension	Plan Fiduciary	Net Pension
		<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
Balances at 12/31/18		\$ 8,674,700	\$ 8,856,602	\$ (181,902)
Changes for the Year				
Service Cost	263,891	-	-	263,891
Interest on Total Pension Liability	592,457	-	-	592,457
Changes in benefits	-	-	-	-
Difference between expected and actual experience	(31,990)	-	-	(31,990)
Changes in assumptions	-	-	-	-
Employer Contributions	-	116,622	(116,622)	
Employee Contributions	-	71,851	(71,851)	
Net investment income	-	1,757,347	(1,757,347)	
Benefit payments, including employee refunds	(322,904)	(322,904)	-	
Administrative expense	-	-	-	
Other changes	-	-	-	
Net Changes	501,454	1,622,916	(1,121,462)	
Balances at 12/31/19		\$ 9,176,154	\$ 10,479,518	\$ (1,303,364)

Method and assumptions used to determine Net Pension Liability (Asset) of the plans were as follows:

Police:

Valuation Date	January 1, 2019, projected to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, closed
Remaining Amortization	Zero
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.75%
Projected Salary Increases	4.25%, average, including inflation
Retirement age	Normal retirement age
General Inflation	3.00% per year
Mortality Rate	RP-2000 Mortality Table (Blue Collar) with Scale AA

Non-Uniformed:

Valuation Date	January 1, 2019, projected to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, closed
Remaining Amortization	Zero
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.75% per year compounded annually, net of investment expenses
Projected Salary Increases	3.75%, average, including inflation
Retirement age	Age 65 and 5 years of service, age 62 and 25 years of service, or attained age plus one year, if later.
General Inflation	3.00% per year
Mortality Rate	RP-2000 Mortality Table (Blue Collar) with Scale AA

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

GASB STATEMENTS NO. 67 and NO. 68 – FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

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. Best estimates of arithmetic real rate of return for each major asset class are included in the pension plan's target asset allocation of December 31, 2019.

The plans have not had an experience study completed.

Asset Class	Estimated Long-Term Rates of Return
Cash and Cash Equivalents	2.0%
Domestic Equities	7.2%
Emerging Markets	6.0%
International Equities	7.9%
Fixed Income	4.1%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flow to determine the discount rate assumed the contributions will be made at contractually required rates specified under Act 205. Act 205 requires full funding of the entry age normal cost plus plan expenses in addition to amortization of the unfunded liability to ultimately achieve a 100% funded status. Based on those assumptions, the pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%), or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset) - Non-Uniform Pension Plan	\$ (477,243)	\$ (988,878)	\$ (1,429,372)
Net Pension Liability (Asset) - Police Pension Plan	\$ (30,220)	\$ (1,303,364)	\$ (2,350,226)

Rate of Return on Investments

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, for plan year 2018 was -6.10%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 13 PENSION PLANS (CONTINUED)

GASB STATEMENTS NO. 67 and NO. 68 – FINANCIAL REPORTING FOR PENSION PLANS
(CONTINUED)

Deferred Outflows and Inflows of Resources

At December 31, 2019, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 702,254
Differences in assumptions	100,780	-
Differences in experience	-	665,227
	<u>\$ 100,780</u>	<u>\$ 1,367,481</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (332,853)
2021	(327,148)
2022	(170,698)
2023	(433,287)
2024	(2,715)
Thereafter	-
	<u>\$ (1,266,701)</u>

NOTE 14 NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN

The Borough has a defined contribution plan covering all eligible employees hired subsequent to January 1, 2014. Employees may contribute to the plan between 3% and 5% of annual compensation. The Borough may contribute at a rate determined by the Borough Council at the beginning of each year. Borough employee members of the plan contributed \$45,239 in 2019. Plan contributions totaled \$45,776 from the Borough in 2019. These amounts are classified as payroll taxes and benefits within the functional expenses on the financial statements.

NOTE 15 POSTEMPLOYMENT BENEFITS

Plan Description

The Borough provides postemployment healthcare benefits, in accordance with Borough policies and collective bargaining agreements, for Police and Non-Uniform employees. The plan is a single-employer defined benefit plan. Separate financial statements are not issued for the plan.

For police, the Borough will provide medical coverage to retired officers and their spouses at age fifty and ending at sixty-five years of age for all full time police officers employed by the Borough as of December 31, 2008. For retired officers hired on or after January 1, 2009, the Borough shall provide only single coverage from age fifty to sixty-five years of age. Subsequent to January 1, 2009, if an officer remarries after divorce or the spouse's death, the new spouse shall not be provided with post-retirement medical benefits.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

All full-time non-uniformed employees, who retire under the terms of the Non-Uniform Pension Plan, may not continue in the Borough's group health plan; therefore, the Borough has no postemployment healthcare liability for these individuals.

The net OPEB liability of the plan for measurement date December 31, 2019, was as follows:

<u>Changes in Net OPEB Liability</u>	<u>Total OPEB Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at 12/31/18	\$ 3,989,406	\$ -	\$ 3,989,406
Changes for the Year			
Service Cost	217,726	-	217,726
Interest on Total Pension Liability	143,959	-	143,959
Changes in benefits	-	-	-
Difference between expected and actual experience	595,945	-	595,945
Changes in assumptions	-	-	-
Employer Contributions	-	44,546	(44,546)
Net investment income	-	-	-
Benefit payments, including employee refunds	(44,546)	(44,546)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	913,084	-	913,084
Balances at 12/31/19	\$ 4,902,490	\$ -	\$ 4,902,490

Employer Contributions

The Borough's contractually required contribution rate for fiscal year ended December 31, 2019 was 3.10% 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 Borough were \$44,456 for the year ended December 31, 2019.

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

At December 31, 2019, the Borough reported a net OPEB liability of \$4,902,490. The net OPEB liability was measured as of January 1, 2018, and the total OPEB liability used to determine the net OPEB liability was determined by rolling forward the total OPEB liability as of January 1, 2018 to December 31, 2019.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$350,437. At December 31, 2019, the Borough 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	\$ 521,265	\$ 276,847

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB (Continued):

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2020	\$	33,298
2021		33,298
2022		33,298
2023		33,298
2024		33,298
Therafter		77,928
	\$	<u>244,418</u>

Actuarial Assumptions

A summary of the actuarial assumptions used in the valuation is presented below:

- Investment Return – The assumed rates used to discount obligations are as follows: 3.44% as of January 1, 2018 and 2.74% as of 12/31/2019. These rates are reflective of Bond Buyer Municipal Bond Index AA.
- Salary scale – 4.25% per annum, was assumed.
- Retirement Rates – Age 50 and 25 years of service for the police.
- Termination – Sarason T-1.
- Pre-retirement Mortality – RP-2000 Healthy Annuitant Mortality Table Blue Collar for males and females with generational mortality using Scale BB.
- Post-retirement Mortality – RP-2000 Healthy Annuitant Mortality Table for males and females with generational mortality using Scale BB.
- Rates of Disablement – None assumed.
- Post-Disablement Mortality – Ten year set forward from the standard mortality rates were used.
- Administrative Expenses – None assumed.
- Percent Married – 90% of males and 90% of females were assumed to be married.
- Age of Spouse – The female spouse is assumed to be three years younger than the male spouse for future retirees.
- Medical Inflation – 8% in the second year gradually decreasing by 1% per year, to an ultimate rate of 5%.

Actuarial Methods

- Valuation of Obligations – The Entry Age Normal Method (level percentage of pay) was used.
- Valuation of Assets – Market Value of assets was used.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The following presents the net OPEB liability of the Borough, calculated using the discount rate of 2.74%, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (1.74 percent) or 1-percent-point higher (3.74 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Net OPEB Liability	\$ 5,465,086	\$ 4,902,490	\$ 4,407,995

Medical Inflation Rate

The following presents the net OPEB liability of the Borough, calculated using current medical inflation rate as well as what the Borough's net OPEB liability would be if it were calculated using an inflation rate that is 1-percent-point lower or 1-percent-point higher than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Medical Inflation Rate			
	1% Decrease	Current Medical Inflation Rate	1% Increase
Net OPEB Liability	\$ 4,226,214	\$ 4,902,490	\$ 5,712,207

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Government Accounting Standards Board issued Statement No. 83, "Certain Asset Retirement Obligations." This statement was adopted by the Borough for the year ended December 31, 2019. The adoption of this statement had no effect on previously reported amounts.

The Government Accounting Standards Board issued Statement No. 84, "Fiduciary Activities." This statement was adopted by the Borough for the year ended December 31, 2019. The adoption of this statement had no effect on previously reported amounts.

The Government Accounting Standards Board issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This statement was adopted by the Borough for the year ended December 31, 2019. The adoption of this statement had no effect on previously reported amounts.

The Government Accounting Standards Board issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61." This statement was adopted by the Borough for the year ended December 31, 2019. The adoption of this statement had no effect on previously reported amounts.

The Government Accounting Standards Board issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." This statement is required to be adopted by the Borough for the year ended December 31, 2019. The adoption of this statement had no effect on previously reported amounts.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Pending Governmental Accounting Standards Board (GASB) Statements

The Government Accounting Standards Board has issued Statement No. 87, "Leases." This statement is required to be adopted by the Borough for the year ending December 31, 2022. The Borough has not determined the effect of GASB's Statement No. 87 on the financial statements.

The Government Accounting Standards Board has issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." This statement is required to be adopted by the Borough for the year ending December 31, 2021. The Borough has not determined the effect of GASB's Statement No. 89 on the financial statements.

The Government Accounting Standards Board has issued Statement No. 91, "Conduit Debt Obligations." This statement is required to be adopted by the Borough for the year ending December 31, 2022. The Borough has not determined the effect of GASB's Statement No. 91 on the financial statements.

The GASB issued Statement No. 92, "Omnibus 2020." Sections of this Statement are required to be adopted in two stages; periods beginning after December 15, 2021 and fiscal years beginning after June 15, 2021. The Borough has not yet completed the process of evaluating the impact of GASB No. 92 on its financial statements.

The GASB issued Statement No. 93, "Replacement of Interbank Offered Rates" (regarding LIBOR). The Statement is effective for reporting periods ending after December 31, 2022 for removing LIBOR as an appropriate benchmark interest rate, and all other sections are effective for reporting periods beginning after June 15, 2021. The Borough has not yet completed the process of evaluating the impact of GASB No. 93 on its financial statements.

The GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". Statement No. 94 is effective for fiscal years beginning after June 15, 2023. The Borough has not yet completed the process of evaluating the impact of GASB No. 94 on its financial statements.

NOTE 17 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events for disclosure or recording through June 8, 2020 the date the audit was ready for release. In May of 2020, the Borough purchased property at 106 Poplar Street in the amount of \$358,213 to create additional downtown parking.

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of the Borough of Ambler's operations. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, State and Federal tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by local municipalities to fund specific projects. In addition, the Borough's own source revenue or derived revenues could be affected negatively. Overall, decreased funding could result in the Borough having to curtail or eliminate some services.

Required Supplementary Information

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
PENSION PLANS – SCHEDULES OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS CALCULATED IN ACCORDANCE
WITH GASB 68
LAST 10 FISCAL YEARS*
DECEMBER 31, 2019
(UNAUDITED)

	Non-Uniform Pension Plan 2019	Police Pension Plan 2019	Non-Uniform Pension Plan 2018	Police Pension Plan 2018	Non-Uniform Pension Plan 2017	Police Pension Plan 2017	Non-Uniform Pension Plan 2016	Police Pension Plan 2016	Non-Uniform Pension Plan 2015	Police Pension Plan 2015
Total Pension Liability										
Service Cost	\$ 96,462	\$ 263,891	\$ 89,404	\$ 219,250	\$ 112,308	\$ 215,986	\$ 96,856	\$ 193,189	\$ 141,552	\$ 189,639
Interest	341,409	592,457	336,708	568,614	327,801	567,664	316,301	541,021	280,003	476,105
Benefit Payments	(251,533)	(322,904)	(226,881)	(622,523)	(221,842)	(263,271)	(221,658)	(348,029)	(80,689)	(238,114)
Difference Between Actual and Expected Assumption Changes	(306,896)	(31,990)	(124,327)	(6,559)	(60,890)	(329,953)	(36,479)	(18,823)	(31,150)	(8,523)
Net Change in Total Pension Liability	(120,558)	501,454	74,904	158,782	157,377	190,426	155,020	570,975	582,157	956,142
Total Pension Liability - Beginning	5,087,212	8,674,700	5,012,308	8,515,918	4,854,931	8,325,492	4,699,911	7,754,517	4,117,754	6,798,375
Total Pension Liability - Ending (a)	\$ 4,966,654	\$ 9,176,154	\$ 5,087,212	\$ 8,674,700	\$ 5,012,308	\$ 8,515,918	\$ 4,854,931	\$ 8,325,492	\$ 4,699,911	\$ 7,754,517
Plan Fiduciary Net Position										
Contribution - Employer and State Aid	\$ 34,297	\$ 116,622	\$ 34,543	\$ 125,434	\$ -	\$ -	\$ 17,213	\$ -	\$ 50,699	\$ 31,499
Contribution - Member	32,155	71,851	29,271	57,290	37,765	-	43,835	-	46,764	-
Net Investment Income	1,010,941	1,757,347	(293,403)	(531,124)	615,455	1,263,839	385,800	648,519	(109,802)	(609,254)
Benefit Payments	(251,533)	(322,904)	(226,881)	(622,523)	(221,842)	(263,271)	(221,658)	(348,029)	(80,689)	(238,114)
Administrative Expense	-	-	(20,285)	(24,252)	(41,038)	(87,900)	(25,651)	(64,075)	(27,492)	(72,210)
Other	-	-	-	-	-	-	-	14,826	7,634	(7,634)
Net Change in Plan Fiduciary Net Position	825,860	1,622,916	(476,755)	(995,175)	390,340	912,668	199,539	251,241	(112,886)	(895,713)
Plan Fiduciary Net Position - Beginning	5,129,672	8,856,602	5,606,427	9,851,777	5,216,087	8,939,109	5,016,548	8,687,868	5,129,434	9,583,581
Plan Fiduciary Net Position - End (b)	\$ 5,955,532	\$ 10,479,518	\$ 5,129,672	\$ 8,856,602	\$ 5,606,427	\$ 9,851,777	\$ 5,216,087	\$ 8,939,109	\$ 5,016,548	\$ 8,687,868
Net Pension Liability (Asset) (a-b)	\$ (988,878)	\$ (1,303,364)	\$ (42,460)	\$ (181,902)	\$ (594,119)	\$ (1,335,859)	\$ (361,156)	\$ (613,617)	\$ (316,637)	\$ (933,351)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.91%	114.20%	100.83%	102.10%	111.85%	115.69%	107.44%	107.37%	106.74%	112.04%
Covered Payroll	\$ 1,022,504	\$ 1,438,308	\$ 1,172,396	\$ 1,169,711	\$ 1,448,998	\$ 1,084,947	\$ 1,432,148	\$ 1,040,716	\$ 1,793,834	\$ 968,450
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-96.71%	-90.62%	-3.62%	-15.55%	-41.00%	-123.13%	-25.22%	-58.96%	-17.65%	-96.38%

*Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available, in future years.

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
PENSION PLANS – SCHEDULES OF EMPLOYER CONTRIBUTIONS, INVESTMENT
RETURNS AND EMPLOYER'S NET PENSION LIABILITY
LAST 10 FISCAL YEARS*
DECEMBER 31, 2019
(UNAUDITED)

Schedule of Employer Contributions*						
	Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
Non-Uniform Pension Plan	2014	\$ 89,819	\$ 106,693	\$ (16,874)	\$ 1,845,636	5.78%
Non-Uniform Pension Plan	2015	50,699	50,699	-	1,695,313	2.99%
Non-Uniform Pension Plan	2016	17,213	17,213	-	1,432,148	1.20%
Non-Uniform Pension Plan	2017	-	-	-	1,448,998	-
Non-Uniform Pension Plan	2018	-	29,271	-	1,172,396	2.50%
Non-Uniform Pension Plan	2019	-	34,297	-	1,022,504	3.35%
Police Pension Plan	2014	-	28,315	(28,315)	1,030,020	2.75%
Police Pension Plan	2015	31,094	31,094	-	1,010,427	3.08%
Police Pension Plan	2016	-	-	-	1,040,716	0.00%
Police Pension Plan	2017	-	-	-	1,084,947	-
Police Pension Plan	2018	-	125,434	-	1,169,711	10.72%
Police Pension Plan	2019	-	116,622	-	1,438,308	8.11%

Schedule of Investment Returns*					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actual Money Weighted Rate of Return, Net of Investment Expense	18.20%	-6.10%	11.70%	7.69%	-6.27%
	<u>2014</u>				
	6.20%				

	Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
Non-Uniform Pension Plan	2014	\$ 4,117,764	\$ 5,129,434	\$ (1,011,670)	124.57%	\$ 1,845,636	-54.81%
Non-Uniform Pension Plan	2015	4,699,911	5,016,547	(316,636)	106.74%	1,695,313	-18.68%
Non-Uniform Pension Plan	2016	4,854,930	5,216,087	(361,157)	107.44%	1,432,148	-25.22%
Non-Uniform Pension Plan	2017	5,012,308	5,606,427	(594,119)	111.85%	1,448,998	-41.00%
Non-Uniform Pension Plan	2018	5,087,212	5,129,672	(42,460)	100.83%	1,172,396	-3.62%
Non-Uniform Pension Plan	2019	4,966,654	5,955,532	(988,878)	119.91%	1,022,504	-96.71%
Police Pension Plan	2014	7,077,640	9,583,581	(2,505,941)	135.41%	1,030,020	-243.29%
Police Pension Plan	2015	8,033,782	8,963,997	(930,215)	111.58%	1,010,427	-92.06%
Police Pension Plan	2016	8,325,492	9,142,726	(817,234)	109.82%	1,040,716	-78.53%
Police Pension Plan	2017	8,515,918	9,851,777	(1,335,859)	115.69%	1,084,947	-123.13%
Police Pension Plan	2018	8,674,700	8,856,602	(181,902)	102.10%	1,169,711	-15.55%
Police Pension Plan	2019	9,176,154	10,479,518	(1,303,364)	114.20%	1,438,308	-90.62%

* Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available, in future years.

BOROUGH OF AMBLER
 REQUIRED SUPPLEMENTARY INFORMATION –
 OPEB – SCHEDULE OF CHANGES IN PLAN'S NET OPEB LIABILITY
 LAST 10 FISCAL YEARS*
 DECEMBER 31, 2019
 (UNAUDITED)

Service Cost	\$ 217,726
Interest	143,959
Differences (Expected vs Actual)	595,945
Benefit Payments	<u>(44,546)</u>
Net Change in Total OPEB Liability	913,084
Net OPEB Obligation, Beginning of Year	<u>3,989,406</u>
 Net OPEB Obligation, End of Year	 <u><u>\$ 4,902,490</u></u>

Notes to Schedule:

Valuation Date: January 1, 2018 projected to December 31, 2019.

Methods and Assumptions:

Actuarial cost method	Entry Age Normal Percentage of Pay
Medical inflation rate	8% increase in the first year, decreasing by 1% per year to an ultimate rate of 5%
Asset valuation method	Market Value
Inflation	3%
Wage inflation	3.50%
Salary Increases	4.25%, average, including inflation
Long-term investment rate of return	4.10% (12/31/2018 Bond Buyer Municipal Bond Index AA) 2.74% (12/31/2019 Bond Buyer Municipal Bond Index AA)
Retirement age	Age 50 and 25 years of service
Mortality	RP-2000 Mortality Table (Blue Collar) with Scale BB

* Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available, in future years.

*Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available, in future years.

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
OPEB – SCHEDULE OF BOROUGH'S CONTRIBUTIONS
LAST 10 FISCAL YEARS*
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 438,125	\$ 438,125
Contributions in relation to the contractually required contribution	<u>44,546</u>	<u>47,308</u>
Contribution deficiency (excess)	<u>\$ 393,579</u>	<u>\$ 390,817</u>
Borough's covered payroll	\$ 1,438,308	\$ 1,305,028
Contributions as a percentage of covered payroll	3.10%	3.63%

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Taxes	\$ 3,025,653	\$ 3,025,653	\$ 3,329,062	\$ 303,409
Licenses and Permits	195,200	195,200	193,388	(1,812)
Fines, Forfeits and Costs	42,000	42,000	63,128	21,128
Interest on Investments and Rent	51,500	51,500	101,173	49,673
Grants and Revenue Sharing	221,961	221,961	600,091	378,130
Charges for Services	120,000	120,000	231,583	111,583
Public Utility Realty Tax	3,000	3,000	2,994	(6)
Miscellaneous	61,396	61,396	134,497	73,101
Total Revenues	<u>3,720,710</u>	<u>3,720,710</u>	<u>4,655,916</u>	<u>935,206</u>
Expenditures				
General	615,243	615,243	604,476	10,767
Protection to Persons and Property	2,416,349	2,416,349	2,373,797	42,552
Public Works - Highways, Streets & Parking	718,663	718,663	558,073	160,590
Recreation	24,623	24,623	7,556	17,067
Revitalization	70,050	70,050	113,305	(43,255)
Debt Service	96,388	96,388	230,711	(134,323)
Capital Outlays	230,261	230,261	637,186	(406,925)
Total Expenditures	<u>4,171,577</u>	<u>4,171,577</u>	<u>4,525,104</u>	<u>(353,527)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(450,867)</u>	<u>(450,867)</u>	<u>130,812</u>	<u>581,679</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease	-	-	-	-
Transfers In (Out)	<u>30,000</u>	<u>30,000</u>	<u>97,702</u>	<u>67,702</u>
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>97,702</u>	<u>67,702</u>
Net Change in Fund Balances	<u>\$ (420,867)</u>	<u>\$ (420,867)</u>	<u>228,514</u>	<u>\$ 649,381</u>
Fund Balances - Beginning of Year			<u>3,360,542</u>	
Fund Balances - End of Year			<u>\$ 3,589,056</u>	

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE FUND
YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Interest on Investments	\$ 600	\$ 600	\$ 5,901	\$ 5,301
Charges for Services	458,844	458,844	509,711	50,867
Reserve Transfers	85,290	85,290	-	(85,290)
Miscellaneous	<u>500</u>	<u>500</u>	<u>315</u>	<u>(185)</u>
Total Revenues	<u>545,234</u>	<u>545,234</u>	<u>515,927</u>	<u>(29,307)</u>
Expenditures				
Health and Sanitation	<u>515,234</u>	<u>515,234</u>	<u>501,050</u>	<u>14,184</u>
Total Expenditures	<u>515,234</u>	<u>515,234</u>	<u>501,050</u>	<u>14,184</u>
Excess (Deficit) of Revenues Over Expenditures	<u>30,000</u>	<u>30,000</u>	<u>14,877</u>	<u>(15,123)</u>
Other Financing Sources (Uses)				
Transferred In (Out)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(15,123)</u>	<u>\$ (15,123)</u>
Fund Balances - Beginning of Year			<u>111,445</u>	
Fund Balances - End of Year			<u>\$ 96,322</u>	

Other Supplementary Information

BOROUGH OF AMBLER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(SEE INDEPENDENT AUDITOR'S REPORT)

		Nonmajor Special Revenue Funds					Debt Service	Total Nonmajor Funds
		Street Lighting Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Highway		
<u>Assets</u>								
Cash and Cash Equivalents		\$ 71,837	\$ 12,250	\$ 136,801	\$ 35,191	\$ 87,480	\$ 280,878	\$ 624,437
Taxes Receivable		372	851	691	-	-	-	1,914
Prepaid Expenses		-	14,577	-	-	-	-	14,577
Accounts Receivable		-	-	-	310,000	-	-	310,000
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets		<u>\$ 72,209</u>	<u>\$ 27,678</u>	<u>\$ 137,492</u>	<u>\$ 345,191</u>	<u>\$ 87,480</u>	<u>\$ 280,878</u>	<u>\$ 950,928</u>
<u>Liabilities and Fund Balance</u>								
<u>Liabilities</u>								
Accounts Payable		\$ 5,819	\$ 3,743	\$ 903	\$ -	\$ -	\$ -	\$ 10,465
Due to Other Funds		-	23,935	-	-	-	-	23,935
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>5,819</u>	<u>27,678</u>	<u>903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,400</u>
<u>Fund Balances</u>								
Restricted		<u>66,390</u>	<u>-</u>	<u>136,589</u>	<u>345,191</u>	<u>87,480</u>	<u>280,878</u>	<u>916,528</u>
Total Fund Balances		<u>66,390</u>	<u>-</u>	<u>136,589</u>	<u>345,191</u>	<u>87,480</u>	<u>280,878</u>	<u>916,528</u>
Total Liabilities and Fund Balances		<u>\$ 72,209</u>	<u>\$ 27,678</u>	<u>\$ 137,492</u>	<u>\$ 345,191</u>	<u>\$ 87,480</u>	<u>\$ 280,878</u>	<u>\$ 950,928</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF REVENUES EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2019
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Nonmajor Special Revenue Funds							Total Nonmajor Funds
	Street Light Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Highway	Total	Debt Service	
Revenues								
Taxes	\$ 59,987	\$ 159,093	\$ 111,550	\$ -	\$ -	\$ 330,630	\$ -	\$ 330,630
Foreign Fire Relief	-	40,534	-	-	-	40,534	-	40,534
Interest Income	767	250	1,334	2,482	2,469	7,302	2,151	9,453
State Motor Vehicle Fuel Tax	-	-	-	-	177,043	177,043	-	177,043
Total Revenues	<u>60,754</u>	<u>199,877</u>	<u>112,884</u>	<u>2,482</u>	<u>179,512</u>	<u>555,509</u>	<u>2,151</u>	<u>557,660</u>
Expenditures								
Street Lighting	75,404	-	-	-	-	75,404	-	75,404
Fire	-	199,877	-	-	-	199,877	-	199,877
Recreation	-	-	106,029	-	-	106,029	-	106,029
Highways and Streets	-	-	-	-	58,101	58,101	-	58,101
Debt Service	-	-	-	-	88,015	88,015	-	88,015
Capital Outlay	<u>21,900</u>	<u>-</u>	<u>4,058</u>	<u>-</u>	<u>186,205</u>	<u>212,163</u>	<u>-</u>	<u>212,163</u>
Total Expenditures	<u>97,304</u>	<u>199,877</u>	<u>110,087</u>	<u>-</u>	<u>332,321</u>	<u>739,589</u>	<u>-</u>	<u>739,589</u>
Excess (Deficit) of Revenues Over Expenditures	(36,550)	-	2,797	2,482	(152,809)	(184,080)	2,151	(181,929)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(36,550)	-	2,797	2,482	(152,809)	(184,080)	2,151	(181,929)
Fund Balances - Beginning of Year	<u>102,940</u>	<u>-</u>	<u>133,792</u>	<u>342,709</u>	<u>240,289</u>	<u>819,730</u>	<u>278,727</u>	<u>1,098,457</u>
Fund Balances - End of Year	<u>\$ 66,390</u>	<u>\$ -</u>	<u>\$ 136,589</u>	<u>\$ 345,191</u>	<u>\$ 87,480</u>	<u>\$ 635,650</u>	<u>\$ 280,878</u>	<u>\$ 916,528</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF PLAN NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2019
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Assets			
Cash and Cash Equivalents	\$ 47,857	\$ 73,747	\$ 121,604
Accrued Income	17,229	10,397	27,626
Investments:			
Stocks, at Fair Value	4,173,333	2,440,858	6,614,191
Mutual Funds, at Fair Value	<u>6,241,099</u>	<u>3,430,530</u>	<u>9,671,629</u>
Total Assets	<u>\$ 10,479,518</u>	<u>\$ 5,955,532</u>	<u>\$ 16,435,050</u>
Net Position Restricted for Pensions	<u>\$ 10,479,518</u>	<u>\$ 5,955,532</u>	<u>\$ 16,435,050</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2019
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Plan Members	\$ 71,851	\$ 32,155	\$ 104,006
Employer	<u>116,622</u>	<u>34,297</u>	<u>150,919</u>
Total Contributions	<u>188,473</u>	<u>66,452</u>	<u>254,925</u>
Investment Earnings			
Net Appreciation in Fair Value of Investments	1,555,337	896,503	2,451,840
Interest and Dividends	<u>303,819</u>	<u>188,448</u>	<u>492,267</u>
Total Investment Earnings	1,859,156	1,084,951	2,944,107
Less Investment Expense	<u>(101,809)</u>	<u>(74,010)</u>	<u>(175,819)</u>
Net Investment Earnings	<u>1,757,347</u>	<u>1,010,941</u>	<u>2,768,288</u>
Total Additions	<u>1,945,820</u>	<u>1,077,393</u>	<u>3,023,213</u>
Deductions			
Benefits	<u>322,904</u>	<u>251,533</u>	<u>574,437</u>
Total Deductions	<u>322,904</u>	<u>251,533</u>	<u>574,437</u>
Changes in Net Position	1,622,916	825,860	2,448,776
Net Position - Beginning of Year	<u>8,856,602</u>	<u>5,129,672</u>	<u>13,986,274</u>
Net Position - End of Year	<u>\$ 10,479,518</u>	<u>\$ 5,955,532</u>	<u>\$ 16,435,050</u>