

BOROUGH OF AMBLER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020

**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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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 Ambler, Pennsylvania

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 Axelrod LLC

ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania
 May 14, 2021

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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, 2020.

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, 2020. 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 \$17,351,387 (net position).
- The Borough's total net position increased by \$890,884.

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, 2020

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 fund 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, 2020

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, 2020**

	2020			
	Governmental Activities	Business-Type Activities	Total Primary Governmental	2019
ASSETS				
Current and Other Assets	\$ 7,601,474	\$ 2,577,534	\$ 10,179,008	\$ 9,506,741
Capital Assets	<u>11,890,521</u>	<u>8,257,902</u>	<u>20,148,423</u>	<u>19,598,718</u>
Total Assets	19,491,995	10,835,436	30,327,431	29,105,459
 DEFERRED OUTFLOWS OF RESOURCES	 680,220	 17,347	 697,567	 622,045
LIABILITIES				
Other Liabilities	297,375	159,762	457,137	585,435
Long-Term Debt Outstanding	<u>8,904,601</u>	<u>2,407,460</u>	<u>11,312,061</u>	<u>11,037,238</u>
Total Liabilities	9,201,976	2,567,222	11,769,198	11,622,673
 DEFERRED INFLOWS OF RESOURCES	 1,618,437	 285,976	 1,904,413	 1,644,328
NET POSITION				
Net Investment in Capital Assets	8,492,565	5,850,442	14,343,007	13,463,970
Restricted	2,486,624	257,993	2,744,617	2,038,391
Unrestricted (Deficit)	<u>(1,627,387)</u>	<u>1,891,150</u>	<u>263,763</u>	<u>958,142</u>
Total Net Position	<u>\$ 9,351,802</u>	<u>\$ 7,999,585</u>	<u>\$ 17,351,387</u>	<u>\$ 16,460,503</u>

Cash represents 20% of Ambler Borough's total governmental assets.

The largest portion of the Borough's governmental assets, 61%, 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 \$706,341 for Governmental Activities and total revenue exceeded total expenses by \$184,543 for Business-Type Activities.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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 2020 was \$4,082,861. General revenues by source were as follows:

<u>General Revenues</u>	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Property Taxes	\$ 2,261,158	55.38%	\$ 2,126,592	49.89%
Earned Income Tax	1,050,163	25.72%	1,090,559	25.59%
Business Privilege Tax	120,007	2.94%	148,237	3.48%
Local Services Tax	124,967	3.06%	131,637	3.09%
State Motor Vehicle Fuel Tax	172,319	4.22%	177,043	4.15%
Deed Transfer Tax	130,900	3.21%	162,667	3.82%
Public Utility Realty Tax	3,153	0.08%	2,994	0.07%
Investment Earnings and Rent	76,131	1.86%	116,527	2.73%
Miscellaneous	<u>144,063</u>	<u>3.53%</u>	<u>306,176</u>	<u>7.18%</u>
Total General Revenues and Other Items	<u>\$ 4,082,861</u>	<u>100.00%</u>	<u>\$ 4,262,432</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 2020 were \$3,376,520. Expenses (Net of Program Revenues) by source were as follows:

	<u>2020</u>	<u>2019</u>
General	\$ 212,071	\$ 539,932
Police (Protection to Persons and Property)	2,363,486	2,735,080
Health and Sanitation	(81,868)	(22,701)
Highways	517,799	492,581
Street Lighting	26,717	-
Streets and Roads	56,849	115,099
Fire Protection	205,709	275,281
Recreation	96,283	113,585
Revitalization	(83,192)	(131,410)
Interest	<u>62,666</u>	<u>109,522</u>
Total Governmental Activities	<u>\$ 3,376,520</u>	<u>\$ 4,226,969</u>
Change in Net Position		
(Governmental Activities)	<u>\$ 706,341</u>	<u>\$ 35,463</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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>2020</u>	<u>2019</u>
<u>General Revenues</u>		
Interest Earnings	\$ 7,105	\$ 26,044
Other Items	<u>\$ 7,105</u>	<u>\$ 26,044</u>
 <u>Expenses Net of Program Revenues</u>		
Water	\$ 134,230	\$ 391,952
Sewer	<u>43,208</u>	<u>(44,504)</u>
Total Business-Type Activities	<u>\$ 177,438</u>	<u>\$ 347,448</u>
 Change in Net Position (Business-Type Activities)	 <u>\$ 184,543</u>	 <u>\$ 373,492</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Reporting the Borough as a Whole (Continued)

Government-Wide Activities:

**CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020**

	2020			
	Governmental Activities	Business-Type Activities	Total Primary Governmental	2019
Revenues				
Program Revenues:				
Charges for Services	\$ 999,789	\$ 3,531,336	\$ 4,531,125	\$ 4,820,621
Operating Grants and Contributions	420,417	-	420,417	568,753
Capital Grants and Contributions	132,141	-	132,141	31,338
General Revenues:				
Property Taxes	2,261,158	-	2,261,158	2,126,592
Other Taxes	1,601,509	-	1,601,509	1,713,137
Investment Income	76,131	7,105	83,236	142,571
Miscellaneous	144,063	-	144,063	306,176
Total Revenues	<u>5,635,208</u>	<u>3,538,441</u>	<u>9,173,649</u>	<u>9,709,188</u>
Expenses				
Operating	-	3,353,898	3,353,898	3,538,491
General	945,438	-	945,438	1,051,622
Police (Protection to Persons/Property)	2,363,486	-	2,363,486	2,981,203
Health and Sanitation	602,098	-	602,098	501,050
Highways	520,396	-	520,396	492,581
Street Lighting	26,717	-	26,717	-
Streets and Roads	56,849	-	56,849	123,593
Fire Protection	205,709	-	205,709	275,281
Recreation	96,559	-	96,559	113,585
Revitalization	48,949	-	48,949	113,305
Interest	62,666	-	62,666	109,522
Total Expenses	<u>4,928,867</u>	<u>3,353,898</u>	<u>8,282,765</u>	<u>9,300,233</u>
Changes in Net Position	706,341	184,543	890,884	408,955
Net Position - Beginning of Year	<u>8,645,461</u>	<u>7,815,042</u>	<u>16,460,503</u>	<u>16,051,548</u>
Net Position - End of Year	<u>\$ 9,351,802</u>	<u>\$ 7,999,585</u>	<u>\$ 17,351,387</u>	<u>\$ 16,460,503</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Financial Analysis

Governmental Funds:

General Fund – The (\$129,044) net change in fund balance was due to Earned Income Tax, Local Service Tax and Parking revenues coming in under budget due to the COVID-19 pandemic.

Proprietary Funds:

Water Fund – The \$140,687 change in Net Position was primarily due to a delay in completing the Butler Avenue Project.

Sewer Fund – The \$43,856 excess of revenues over expenses was due to capital billing for the Waste Water Treatment Plant being down.

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

Revenues were under budget due to COVID-19.

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, 2020 totals \$20,148,423 (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, 2020**

	Governmental Activities	Business-Type Activities	Total 2020	Total 2019
Land	\$ 2,179,081	\$ 2,328	\$ 2,181,409	\$ 1,823,196
Construction in Progress	1,042,956	237,783	1,280,739	904,408
Buildings and Improvements	5,383,907	244,822	5,628,729	5,808,508
Site Improvements	127,529	-	127,529	144,707
Machinery, Vehicles, Furniture & Equipment	660,092	354,085	1,014,177	856,002
Plant in Service	-	7,300,230	7,300,230	7,471,589
Infrastructure	2,496,956	118,654	2,615,610	2,590,308
Total Capital Assets, Net of Depreciation	<u>\$ 11,890,521</u>	<u>\$ 8,257,902</u>	<u>\$ 20,148,423</u>	<u>\$ 19,598,718</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, 2020

Debt

At year end, the Borough had \$5,805,414 in outstanding debt, \$473,684 of which is due within one year. The Borough's business-type activities (Water & Sewer Funds) debt represents 41% of the total debt.

<u>Governmental Activities</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds/Notes	\$ 3,315,131	\$ 3,410,131
Capital Lease Payable	<u>82,825</u>	<u>96,958</u>
Total	<u>\$ 3,397,956</u>	<u>\$ 3,507,089</u>
 <u>Business-Type Activities</u>		
General Obligation Bonds	\$ 2,347,000	\$ 2,612,000
Capital Lease Payable	<u>60,460</u>	<u>15,659</u>
Total	<u>\$ 2,407,460</u>	<u>\$ 2,627,659</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 was awarded three significant grants. In 2017 we were awarded a Growing Ambler Greener Grant to address stormwater issues in the Borough by installing rain barrels, rain gardens, permeable pavers and riparian buffer restorations. In 2019, we were awarded a DCNR (Department of Conservation and Natural Resources) Grant to remove the existing asphalt and create a beautiful green pocket park to help with stormwater issues and add use and beautification to the downtown area. The Borough purchased a property on Poplar Avenue to create much needed additional downtown parking and were awarded a RACP Grant to address adding the parking while assessing stormwater issues in the area.

The Borough had to cancel all events due to COVID and with revenues down many projects were put on hold. Protective measures were put in place to protect employees and still maintain essential services.

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.

In 2020, Ambler Borough Water Department completed the Lafayette Avenue water main replacement and began work on the Butler Avenue water main replacement. The Borough Water Department is also working with a MIRIA Grant to address PFAS in the water system as a result of the Horsham Naval Base contamination.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Next Year's Budget:

The 2021 Proposed Budget is presented with no tax or fee increase. All new projects were put on hold until COVID issues are resolved and activities go back to normal.

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, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 3,835,683	\$ 1,556,745	\$ 5,392,428
Restricted Cash	70,457	-	70,457
Taxes Receivable	324,049	-	324,049
Accounts Receivable - Net	393,983	428,150	822,133
Grants Receivable	117,314	-	117,314
Miscellaneous Receivables	-	-	-
Internal Balances	26,564	(26,564)	-
Prepaid Expenses	7,631	-	7,631
Grants Receivable	-	-	-
Other Assets	-	3,500	3,500
Inventories	-	89,081	89,081
Due from Other Governments	49,181	-	49,181
Net Pension Asset	2,776,612	526,622	3,303,234
Capital Assets - Not Being Depreciated			
Land	2,179,081	2,328	2,181,409
Construction in Progress	1,042,956	237,783	1,280,739
Capital Assets - Net of Depreciation:			
Buildings and Improvements	5,383,907	244,822	5,628,729
Site Improvements	127,529	-	127,529
Machinery, Vehicles, Furniture and Equipment	660,092	354,085	1,014,177
Plant in Service	-	7,300,230	7,300,230
Infrastructure	2,496,956	118,654	2,615,610
Total Assets	<u>19,491,995</u>	<u>10,835,436</u>	<u>30,327,431</u>
Deferred Outflows of Resources			
Pension - Differences in Assumptions	25,509	17,347	42,856
OPEB - Differences in Experience	654,711	-	654,711
Total Deferred Outflows of Resources	<u>680,220</u>	<u>17,347</u>	<u>697,567</u>
Liabilities			
Accounts Payable	218,722	136,497	355,219
Accrued Expenses	8,196	23,265	31,461
Long Term Debt			
Due Within One Year	100,000	273,000	373,000
Due Beyond One Year	3,215,131	2,074,000	5,289,131
Capital Leases Payable			
Due Within One Year	27,186	20,415	47,601
Due Beyond One Year	55,639	40,045	95,684
Other Postemployment Benefits			
Due Beyond One Year	5,506,645	-	5,506,645
Escrow Funds Payable	70,457	-	70,457
Total Liabilities	<u>9,201,976</u>	<u>2,567,222</u>	<u>11,769,198</u>
Deferred Inflows of Resources			
Pension - Investment Earnings	1,143,710	196,918	1,340,628
Pension - Difference in Experience	239,262	89,058	328,320
OPEB - Difference in Experience	235,465	-	235,465
Total Deferred Inflows of Resources	<u>1,618,437</u>	<u>285,976</u>	<u>1,904,413</u>
Net Position			
Net Investment in Capital Assets	8,492,565	5,850,442	14,343,007
Restricted for:			
Net Pension Asset	1,419,149	257,993	1,677,142
Refuse Collection	131,679	-	131,679
Highway Fund	164,167	-	164,167
Debt Service	281,631	-	281,631
Revolving Loan Fund	347,614	-	347,614
Recreation	176,516	-	176,516
Street Lighting	(34,132)	-	(34,132)
Unrestricted (Deficit)	<u>(1,627,387)</u>	<u>1,891,150</u>	<u>263,763</u>
Total Net Position	<u>\$ 9,351,802</u>	<u>\$ 7,999,585</u>	<u>\$ 17,351,387</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

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	\$ 945,438	\$ 333,449	\$ 399,918	\$ -	\$ (212,071)	\$ -	\$ (212,071)
Protection to Persons and Property	2,363,486	-	-	-	(2,363,486)	-	(2,363,486)
Health and Sanitation	602,098	666,064	17,902	-	81,868	-	81,868
Highways	520,396	-	2,597	-	(517,799)	-	(517,799)
Street Lighting	26,717	-	-	-	(26,717)	-	(26,717)
Streets and Roads	56,849	-	-	-	(56,849)	-	(56,849)
Fire Protection	205,709	-	-	-	(205,709)	-	(205,709)
Recreation	96,559	276	-	-	(96,283)	-	(96,283)
Revitalization	48,949	-	-	132,141	83,192	-	83,192
Interest on Long Term Debt	62,666	-	-	-	(62,666)	-	(62,666)
Total Governmental Activities	<u>4,928,867</u>	<u>999,789</u>	<u>420,417</u>	<u>132,141</u>	<u>(3,376,520)</u>	<u>-</u>	<u>(3,376,520)</u>
Business-Type Activities:							
Water	2,406,140	2,540,370	-	-	-	134,230	134,230
Sewer	947,758	990,966	-	-	-	43,208	43,208
Total Business-Type Activities	<u>3,353,898</u>	<u>3,531,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,438</u>	<u>177,438</u>
Total Primary Government	<u>\$ 8,282,765</u>	<u>\$ 4,531,125</u>	<u>\$ 420,417</u>	<u>\$ 132,141</u>	<u>(3,376,520)</u>	<u>177,438</u>	<u>(3,199,082)</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	2,261,158	-	2,261,158
Earned Income Tax	1,050,163	-	1,050,163
Business Privilege Tax	120,007	-	120,007
Local Services Tax	124,967	-	124,967
State Motor Vehicle Fuel Tax	172,319	-	172,319
Deed Transfer Tax	130,900	-	130,900
Public Utility Realty Tax	3,153	-	3,153
Investment Earnings and Rent	76,131	7,105	83,236
Miscellaneous	144,063	-	144,063
Total General Revenues and Other Items	4,082,861	7,105	4,089,966
Change in Net Position	706,341	184,543	890,884
Net Position - Beginning of Year	8,645,461	7,815,042	16,460,503
Net Position - End of Year	<u>\$ 9,351,802</u>	<u>\$ 7,999,585</u>	<u>\$ 17,351,387</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>Major Funds</u>		Nonmajor	Total
	General	Refuse	Governmental	Governmental
<u>Assets</u>			Funds	Funds
Cash and Cash Equivalents	\$ 3,057,019	\$ 68,648	\$ 710,016	\$ 3,835,683
Restricted Cash	70,457	-	-	70,457
Taxes Receivable	317,499	-	6,550	324,049
Accounts Receivable, Net	53	83,930	310,000	393,983
Due from Other Funds	121,146	26,684	3,898	151,728
Prepaid Expenses	-	-	7,631	7,631
Grants Receivable	117,314	-	-	117,314
Due from Other Governments	49,181	-	-	49,181
Total Assets	<u>\$ 3,732,669</u>	<u>\$ 179,262</u>	<u>\$ 1,038,095</u>	<u>\$ 4,950,026</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts Payable	\$ 189,986	\$ 6,437	\$ 22,299	\$ 218,722
Accrued Expenses	8,196	-	-	8,196
Due to Other Funds	4,018	41,146	80,000	125,164
Escrow Funds Payable	70,457	-	-	70,457
Total Liabilities	<u>272,657</u>	<u>47,583</u>	<u>102,299</u>	<u>422,539</u>
Fund Balances				
Restricted	-	131,679	935,796	1,067,475
Assigned	95,778	-	-	95,778
Unassigned	3,364,234	-	-	3,364,234
Total Fund Balances	<u>3,460,012</u>	<u>131,679</u>	<u>935,796</u>	<u>4,527,487</u>
Total Liabilities and Fund Balances	<u>\$ 3,732,669</u>	<u>\$ 179,262</u>	<u>\$ 1,038,095</u>	<u>\$ 4,950,026</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, 2020

Fund Balances - Total Governmental Funds	\$ 4,527,487
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	1,419,149
Net OPEB Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds	(5,087,399)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	11,890,521
Long term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Capital Lease	(82,825)
General Obligation Bonds and Note Payable	<u>(3,315,131)</u>
Net Position of Governmental Activities	<u>\$ 9,351,802</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, 2020

	<u>Major Funds</u>		Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Refuse</u>		
Revenues				
Taxes	\$ 3,361,251	\$ -	\$ 325,944	\$ 3,687,195
Foreign Fire Relief	-	-	40,581	40,581
State Motor Vehicle Fuel Tax	-	-	172,319	172,319
Licenses and Permits	178,303	-	-	178,303
Fines, Forfeits and Costs	31,291	-	-	31,291
Interest on Investments	71,002	896	4,233	76,131
Grants and Revenue Sharing	552,558	-	-	552,558
Deed Transfer Tax	-	-	-	-
Charges for Services	155,146	666,064	276	821,486
Contributions	-	-	-	-
Public Utility Realty Tax	3,153	-	-	3,153
Miscellaneous	61,131	495	-	61,626
Sale of Assets	<u>1,350</u>	<u>-</u>	<u>-</u>	<u>1,350</u>
Total Revenues	<u>4,415,185</u>	<u>667,455</u>	<u>543,353</u>	<u>5,625,993</u>
Expenditures				
General	670,454	-	-	670,454
Protection to Persons and Property	2,333,222	-	-	2,333,222
Health and Sanitation	-	602,098	-	602,098
Highways	512,340	-	8,056	520,396
Streets and Roads	56,849	-	-	56,849
Street Lighting	-	-	26,717	26,717
Fire Protection	-	-	205,709	205,709
Recreation	24,365	-	72,194	96,559
Revitalization	48,949	-	-	48,949
Debt Service	197,409	-	88,015	285,424
Capital Outlays	<u>844,266</u>	<u>-</u>	<u>133,959</u>	<u>978,225</u>
Total Expenditures	<u>4,687,854</u>	<u>602,098</u>	<u>534,650</u>	<u>5,824,602</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(272,669)</u>	<u>65,357</u>	<u>8,703</u>	<u>(198,609)</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease	113,625	-	-	113,625
Transfers In (Out)	<u>30,000</u>	<u>(30,000)</u>	<u>10,565</u>	<u>10,565</u>
Total Other Financing Sources (Uses)	<u>143,625</u>	<u>(30,000)</u>	<u>10,565</u>	<u>124,190</u>
Net Change in Fund Balances	(129,044)	35,357	19,268	(74,419)
Fund Balances - Beginning of Year	<u>3,589,056</u>	<u>96,322</u>	<u>916,528</u>	<u>4,601,906</u>
Fund Balances - End of Year	<u>\$ 3,460,012</u>	<u>\$ 131,679</u>	<u>\$ 935,796</u>	<u>\$ 4,527,487</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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	(74,419)
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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		978,225
Current year depreciation		(422,083)

The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.		544,812
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The issuance of long term debt provides current financial resources to governmental
funds, while the repayment of the principal of long term debt consumes the current
financial resources of governmental funds.

This amount is the proceeds of the issuance of Capital Leases.		(113,625)
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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		95,000
Capital Leases		127,758

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>(429,327)</u>
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Change in Net Position of Governmental Activities	\$	<u>706,341</u>
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BOROUGH OF AMBLER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Water Fund	Sewer Fund	Total
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 1,350,198	\$ 206,547	\$ 1,556,745
Accounts Receivable (Net of Allowance for Uncollectibles)	353,412	74,738	428,150
Due from Other Funds	120	33,594	33,714
Grants Receivable	-	-	-
Other Assets	3,500	-	3,500
Inventories	<u>89,081</u>	<u>-</u>	<u>89,081</u>
Total Current Assets	<u>1,796,311</u>	<u>314,879</u>	<u>2,111,190</u>
Non-Current Assets			
Net Pension Asset	<u>421,323</u>	<u>105,299</u>	<u>526,622</u>
Capital Assets			
Land	2,328	-	2,328
Construction-In-Progress	237,783	-	237,783
Infrastructure (Net)	-	118,654	118,654
Building (Net)	243,931	891	244,822
Machinery, Vehicles, Furniture and Equipment (Net)	341,707	12,378	354,085
Plant in Service (Net)	<u>7,300,230</u>	<u>-</u>	<u>7,300,230</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>8,125,979</u>	<u>131,923</u>	<u>8,257,902</u>
Total Non-Current Assets	<u>8,547,302</u>	<u>237,222</u>	<u>8,784,524</u>
Total Assets	<u>10,343,613</u>	<u>552,101</u>	<u>10,895,714</u>
<u>Deferred Outflows of Resources</u>			
Pension-Differences in Assumptions	<u>14,324</u>	<u>3,023</u>	<u>17,347</u>
Total Deferred Outflows of Resources	<u>14,324</u>	<u>3,023</u>	<u>17,347</u>
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	78,524	57,973	136,497
Accrued Expenses	22,667	598	23,265
Due to Other Funds	60,278	-	60,278
Capital Leases Payable - Due Within One Year	40,045	-	40,045
General Obligation Bonds Payable - Due Within One Year	<u>273,000</u>	<u>-</u>	<u>273,000</u>
Total Current Liabilities	<u>474,514</u>	<u>58,571</u>	<u>533,085</u>
Non-Current Liabilities			
Capital Leases Payable - Due in More than One Year	20,415	-	20,415
General Obligation Bonds Payable - Due in More than One Year	<u>2,074,000</u>	<u>-</u>	<u>2,074,000</u>
Total Non-Current Liabilities	<u>2,094,415</u>	<u>-</u>	<u>2,094,415</u>
Total Liabilities	<u>2,568,929</u>	<u>58,571</u>	<u>2,627,500</u>
<u>Deferred Inflows of Resources</u>			
Pension-Investment Earnings	157,746	39,172	196,918
Pension-Difference in Experience	<u>71,246</u>	<u>17,812</u>	<u>89,058</u>
Total Deferred Inflows of Resources	<u>228,992</u>	<u>56,984</u>	<u>285,976</u>
<u>Net Position</u>			
Net Investment in Capital Assets	5,718,519	131,923	5,850,442
Restricted for Pension	206,655	51,338	257,993
Unrestricted	<u>1,634,842</u>	<u>256,308</u>	<u>1,891,150</u>
Total Net Position	<u>\$ 7,560,016</u>	<u>\$ 439,569</u>	<u>\$ 7,999,585</u>

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, 2020

	Water Fund	Sewer Fund	Total
Operating Revenues			
Metered Water Sales	\$ 2,242,840	\$ -	\$ 2,242,840
Sewer Rents	-	926,764	926,764
Water Tower Rental	221,220	-	221,220
Water Line Protection	5,454	-	5,454
Miscellaneous	<u>70,856</u>	<u>64,202</u>	<u>135,058</u>
Total Operating Revenue	<u>2,540,370</u>	<u>990,966</u>	<u>3,531,336</u>
Operating Expenses			
Source of Supply	69,680	-	69,680
Purification	154,606	-	154,606
Pumping	273,497	-	273,497
Distribution	587,170	-	587,170
Meter Installation	10,328	-	10,328
Collection System	-	598,647	598,647
Administrative	<u>1,251,665</u>	<u>349,111</u>	<u>1,600,776</u>
Total Operating Expenses	<u>2,346,946</u>	<u>947,758</u>	<u>3,294,704</u>
Operating Income (Loss)	<u>193,424</u>	<u>43,208</u>	<u>236,632</u>
Nonoperating Revenue (Expense)			
Interest Income	6,457	648	7,105
Debt Service Expense	<u>(59,194)</u>	<u>-</u>	<u>(59,194)</u>
Total Nonoperating Revenue (Expense)	<u>(52,737)</u>	<u>648</u>	<u>(52,089)</u>
Change in Net Position	140,687	43,856	184,543
Net Position - Beginning of Year	<u>7,419,329</u>	<u>395,713</u>	<u>7,815,042</u>
Net Position - End of Year	<u><u>\$ 7,560,016</u></u>	<u><u>\$ 439,569</u></u>	<u><u>\$ 7,999,585</u></u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Water Fund	Sewer Fund	Total
Cash Flows Operating Activities			
Receipts from Customers and Users	\$ 2,110,292	\$ 893,819	\$ 3,004,111
Receipts from Others	297,530	64,202	361,732
Payments to Suppliers and Vendors	(1,241,043)	(761,966)	(2,003,009)
Payments to Employees	(837,801)	(210,927)	(1,048,728)
Net Cash Provided by (Used in) Operating Activities	<u>328,978</u>	<u>(14,872)</u>	<u>314,106</u>
Cash Flows from Non-Capital Financing Activities			
Operating Interfund Advances, Net	<u>19,117</u>	<u>(6,291)</u>	<u>12,826</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>19,117</u>	<u>(6,291)</u>	<u>12,826</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(345,878)	-	(345,878)
Repayment of Capital Lease	(21,997)	-	(21,997)
Proceeds from Issuance of Capital Leases	66,798		
Principal Paid on General Obligation Bonds	(265,000)	-	(265,000)
Interest Paid on General Obligation Bonds	(58,694)	-	(58,694)
Net Cash Used in Capital and Related Financing Activities	<u>(624,771)</u>	<u>-</u>	<u>(691,569)</u>
Cash Flows from Investing Activities			
Reinvested Interest on Investment	<u>6,457</u>	<u>648</u>	<u>7,105</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(270,219)	(20,515)	(357,532)
Cash and Cash Equivalents - Beginning of Year	<u>1,620,417</u>	<u>227,062</u>	<u>1,847,479</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,350,198</u>	<u>\$ 206,547</u>	<u>\$ 1,489,947</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Water Fund	Sewer Fund	Total
Reconciliation of Operating Income To			
Net Cash Provided By (Used in) Operating Activities			
Operating Income (Loss)	\$ 193,424	\$ 43,208	\$ 236,632
Adjustments to Reconcile Operating Income			
to Net Cash Provided by Operating Activities:			
Depreciation Expense	344,987	7,327	352,314
Change in Assets and Liabilities:			
Increase in Accounts Receivable	(132,548)	(32,944)	(165,492)
Decrease in Inventory	(13,943)	-	(13,943)
Increase in Accounts Payable	27,389	(9,361)	18,028
Increase in Accrued Expense	(4,900)	(1,744)	(6,644)
Decrease in Other Assets	(85,431)	(21,358)	(106,789)
Total Adjustments	135,554	(58,080)	77,474
Net Cash Provided by (Used in) Operating Activities	\$ 328,978	\$ (14,872)	\$ 314,106

Noncash Transactions:

The Borough's Water Fund had proceeds from capital leases in 2020 totaling \$66,798.

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	<u>Component Unit</u>
Assets	
Cash and Cash Equivalents	\$ 197,581
Accrued Income	42,914
Investments	
Stocks, at Fair Value	7,242,780
Mutual Funds, at Fair Value	<u>10,542,214</u>
 Total Assets	 \$ <u>18,025,489</u>
 Net Position Restricted for Pensions	 \$ <u>18,025,489</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
SCHEDULE OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Component Unit
Additions	
Contributions:	
Plan Members	\$ 131,048
Employer	<u>320,495</u>
Total Contributions	<u>451,543</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	1,629,719
Interest and Dividends	<u>377,984</u>
Total Investment Earnings	2,007,703
Less Investment Expense	<u>(131,282)</u>
Net Investment Earnings	<u>1,876,421</u>
Total Additions	<u>2,327,964</u>
Deductions	
Benefits	<u>737,525</u>
Total Deductions	<u>737,525</u>
Change in Net Position	1,590,439
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning of Year	<u>16,435,050</u>
Net Position - End of Year	<u>\$ 18,025,489</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020. 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. 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, 2020

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, 2020

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, Refuse, 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 2020 and remitted to the Borough after year end.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

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, 2020

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, 2020

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, 2020, 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, 2020

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>5,622,723</u>
Total	<u>\$ 5,872,723</u>

Reconciliation to the Financial Statements

Uninsured Amount Above	\$ 5,622,723
Plus: Insured Amount	250,000
Less: Outstanding Checks	(416,725)
Plus: Deposits in Transit	5,593
Other Reconciling Items	<u>(20)</u>
Carrying Amount - Bank Balances	5,461,571
Plus: Petty Cash	<u>1,314</u>
Total Cash per Financial Statements	<u>\$ 5,462,885</u>

The Borough's cash balance includes \$162,257 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, 2020:

	Governmental Funds				Proprietary Funds		
	General Fund	Refuse Fund	Other Governmental Funds	Total	Water Fund	Sewer Fund	Total
Refuse Fees	\$ -	\$ 85,930	\$ -	\$ 85,930	\$ -	\$ -	\$ -
Utility User Fees	53	-	-	53	375,562	79,738	455,300
Mortgage Receivable	-	-	310,000	310,000	-	-	-
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>(22,150)</u>	<u>(5,000)</u>	<u>(27,150)</u>
Net Accounts Receivable	<u>\$ 53</u>	<u>\$ 83,930</u>	<u>\$ 310,000</u>	<u>\$ 393,983</u>	<u>\$ 353,412</u>	<u>\$ 74,738</u>	<u>\$ 428,150</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 4 PROPERTY AND EQUIPMENT

Governmental Activities capital assets consist of the following at December 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,820,868	\$ 358,213	\$ -	\$ 2,179,081
Construction in Progress	<u>756,677</u>	<u>296,279</u>	<u>10,000</u>	<u>1,042,956</u>
Total Capital Assets, Not Being Depreciated	<u>2,577,545</u>	<u>654,492</u>	<u>10,000</u>	<u>3,222,037</u>
Capital Assets, Depreciated:				
Buildings and Other Improvements	6,697,039	-	-	6,697,039
Site Improvements	315,059	-	-	315,059
Machinery, Vehicles, Furniture and Equipment	1,300,743	136,999	23,785	1,413,957
Infrastructure	<u>3,562,722</u>	<u>199,112</u>	<u>-</u>	<u>3,761,834</u>
Total Capital Assets, Being Depreciated	<u>11,875,563</u>	<u>336,111</u>	<u>23,785</u>	<u>12,187,889</u>
Accumulated Depreciation for:				
Buildings and Other Improvements	1,156,065	157,067	-	1,313,132
Site Improvements	170,352	17,179	-	187,531
Machinery, Vehicles, Furniture and Equipment	698,542	76,729	21,407	753,864
Infrastructure	<u>1,093,770</u>	<u>171,108</u>	<u>-</u>	<u>1,264,878</u>
Total Accumulated Depreciation	<u>3,118,729</u>	<u>422,083</u>	<u>21,407</u>	<u>3,519,405</u>
Total Capital Assets, Being Depreciated, Net	<u>8,756,834</u>	<u>(85,972)</u>	<u>2,378</u>	<u>8,668,484</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,334,379</u>	<u>\$ 568,520</u>	<u>\$ 12,378</u>	<u>\$ 11,890,521</u>

Business-Type Activities capital assets consist of the following at December 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,328	\$ -	\$ -	\$ 2,328
Construction in Progress	<u>147,731</u>	<u>175,097</u>	<u>85,045</u>	<u>237,783</u>
Total Capital Assets, Not Being Depreciated	<u>150,059</u>	<u>175,097</u>	<u>85,045</u>	<u>240,111</u>
Capital Assets, Being Depreciated				
Infrastructure	128,618	-	-	128,618
Buildings and Other Improvements	822,749	-	-	822,749
Machinery, Vehicles, Furniture and Equipment	1,390,819	142,599	-	1,533,418
Plant in Service	<u>14,174,409</u>	<u>113,227</u>	<u>-</u>	<u>14,287,636</u>
Total Capital Assets, Being Depreciated	<u>16,516,595</u>	<u>255,826</u>	<u>-</u>	<u>16,772,421</u>
Accumulated Depreciation for:				
Infrastructure	7,262	2,701	-	9,963
Buildings and Other Improvements	555,214	22,712	-	577,926
Machinery, Vehicles, Furniture and Equipment	1,137,019	42,314	-	1,179,333
Plant in Service	<u>6,702,820</u>	<u>284,588</u>	<u>-</u>	<u>6,987,408</u>
Total Accumulated Depreciation	<u>8,402,315</u>	<u>352,315</u>	<u>-</u>	<u>8,754,630</u>
Total Capital Assets, Being Depreciated, Net	<u>8,114,280</u>	<u>(96,489)</u>	<u>-</u>	<u>8,017,791</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,264,339</u>	<u>\$ 78,608</u>	<u>\$ 85,045</u>	<u>\$ 8,257,902</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

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	\$ 508,315
Accumulated Depreciation	<u>(59,198)</u>
Total	<u>\$ 449,117</u>

The future minimum lease payments under the capital lease and the net present value of future minimum capital lease payments at December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 53,423
2022	45,121
2023	28,682
2024	<u>28,642</u>
Total Minimum Lease Payments	155,868
Less: Amount of Representing Interest	<u>12,583</u>
	<u>\$ 143,285</u>
Present Value of Future Lease Payments	
Current Portion	\$ 47,601
Long-Term Portion	<u>95,684</u>
	<u>\$ 143,285</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, 2020

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
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
2025	302,000	25,241	327,241
2026-2028	<u>914,000</u>	<u>59,457</u>	<u>973,457</u>
Total	<u>\$ 2,347,000</u>	<u>\$ 254,426</u>	<u>\$ 2,601,426</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
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	110,000	92,065	202,065
2026-2030	615,000	407,000	1,022,000
2031-2035	725,000	304,209	1,029,209
2036-2040	840,000	175,909	1,015,909
2040-2043	<u>610,131</u>	<u>30,975</u>	<u>641,106</u>
Total	<u>\$ 3,315,131</u>	<u>\$ 1,410,943</u>	<u>\$ 4,726,074</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 6 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt:

Long-term debt activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2016 Bonds	\$ 3,410,131	\$ -	\$ 95,000	\$ 3,315,131	\$ 100,000
Capital Leases	<u>96,958</u>	<u>113,625</u>	<u>127,758</u>	<u>82,825</u>	<u>55,639</u>
Governmental Activity Long-Term Debt	<u>\$ 3,507,089</u>	<u>\$ 113,625</u>	<u>\$ 222,758</u>	<u>\$ 3,397,956</u>	<u>\$ 155,639</u>
Business-Type Activities:					
Series 2015 Note	\$ 2,612,000	\$ -	\$ 265,000	\$ 2,347,000	\$ 273,000
Capital Leases	<u>15,659</u>	<u>66,798</u>	<u>21,997</u>	<u>60,460</u>	<u>40,045</u>
Business -Type Activity Long-Term Debt	<u>\$ 2,627,659</u>	<u>\$ 66,798</u>	<u>\$ 286,997</u>	<u>\$ 2,407,460</u>	<u>\$ 313,045</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 \$486,291 in 2020.

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 \$93,410 in 2020.

The Treatment Plant reimburses the Borough of Ambler for administrative costs related to plant operations. An administrative fee of \$189,738 was recognized as revenue for the year ended December 31, 2020.

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

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 8 INTERFUND PAYABLE AND RECEIVABLE

The composition of interfund balances for the fund financial statements as of December 31, 2020, is as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 121,146	\$ 4,018
Street Light	-	80,000
Fire Fund	3,898	-
Refuse Fund	26,684	41,146
Water Fund	120	60,278
Sewer Fund	<u>33,594</u>	<u>-</u>
Total	<u>\$ 185,442</u>	<u>\$ 185,442</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 2020. 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, 2020 amounted to \$1,050,163.

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 September 2020, the Borough entered into a contract for refuse, dumpster, and yard waste services over a five-year period. The contract was extended until December 31, 2025, at a cost of approximately \$44,568 per month.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

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 who 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 14 active employees currently covered. There are 14 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, 2020

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 \$32,205 for the year ended December 31, 2020.

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, 2020, 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, 2020, the Borough had the following pension plan investments:

	Fair Value
Money Market Fund	\$ 71,098
Accrued Income	9,628
Corporate Debt and Equities	2,631,407
Other Investments	3,651,111
Total Investments	<u>\$ 6,363,244</u>

As of December 31, 2020, none of the Borough's pension plan investments are rated.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

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, 2020 amounted to \$6,363,244. Five percent of total plan assets amounted to \$318,162 as of December 31, 2020. 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	\$ 1,588,461	26.72%

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 projected to December 31, 2020
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.

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, 2020

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	12
Number of persons receiving benefits	13
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, 2020

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, 2020. Amount contributed was \$70,168.

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, 2020, 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, 2020, the plan had the following investments:

	Fair Value
Money Market Fund	\$ 126,483
Accrued Income	33,286
Domestic Equities	4,611,373
Mutual Funds	<u>6,891,103</u>
Total Investments	<u>\$ 11,662,245</u>

F. Investment Concentration

Total plan net position as of December 31, 2020 amounted to \$11,662,245. Five percent of total plan assets amounted to \$583,112.

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	\$ 2,662,404	25.45%

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

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 projected to December 31, 2020
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, 2020

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, 2020:

<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, 2020, were as follows:

	<u>Non-Uniform Pension Plan</u>	<u>Police Pension Plan</u>
Total Pension Liability	\$ 5,062,246	\$ 9,660,009
Plan Fiduciary Net Position	<u>(6,363,244)</u>	<u>(11,662,245)</u>
Net Pension Liability (Asset)	<u>\$ (1,300,998)</u>	<u>\$ (2,002,236)</u>

NON-UNIFORM PENSION PLAN

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/19	\$ 4,966,654	\$ 5,955,532	\$ (988,878)
Changes for the Year			
Service Cost	86,489	-	86,489
Interest on Total Pension Liability	329,567	-	329,567
Changes in benefits	-	-	-
Difference between expected and actual experience	20,881	-	20,881
Changes in assumptions	-	-	-
Employer Contributions	-	32,205	(32,205)
Employee Contributions	-	60,880	(60,880)
Net investment income	-	704,577	(704,577)
Benefit payments, including employee refunds	(341,345)	(341,345)	-
Administrative expense	-	(48,605)	48,605
Other changes	-	-	-
Net Changes	<u>95,592</u>	<u>407,712</u>	<u>(312,120)</u>
Balances at 12/31/20	<u>\$ 5,062,246</u>	<u>\$ 6,363,244</u>	<u>\$ (1,300,998)</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 13 PENSION PLANS (CONTINUED)

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

POLICE PENSION PLAN			
<u>Changes in Net Pension Liability</u>			
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/19	\$ 9,176,154	\$ 10,479,518	\$ (1,303,364)
Changes for the Year			
Service Cost	240,828	-	240,828
Interest on Total Pension Liability	622,275	-	622,275
Changes in benefits	-	-	-
Difference between expected and actual experience	16,933	-	16,933
Changes in assumptions	-	-	-
Employer Contributions	-	288,290	(288,290)
Employee Contributions	-	70,168	(70,168)
Net investment income	-	1,293,419	(1,293,419)
Benefit payments, including employee refunds	(396,181)	(396,181)	-
Administrative expense	-	(72,969)	72,969
Other changes	-	-	-
Net Changes	<u>483,855</u>	<u>1,182,727</u>	<u>(698,872)</u>
Balances at 12/31/20	\$ 9,660,009	\$ 11,662,245	\$ (2,002,236)

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, 2020
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, 2020
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, 2020

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, 2020.

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	\$ (786,837)	\$ (1,300,998)	\$ (1,744,409)
Net Pension Liability (Asset) - Police Pension Plan	\$ (675,255)	\$ (2,002,236)	\$ (3,093,650)

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 2020 was 10.89%. 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, 2020

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, 2020, 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	\$ -	\$ (1,340,628)
Differences in assumptions	42,856	-
Differences in experience	-	(328,320)
	<u>\$ 42,856</u>	<u>\$ (1,668,948)</u>

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

2021	\$ (499,452)
2022	(343,002)
2023	(605,591)
2024	(179,036)
2025	989
Thereafter	-
	<u>\$ (1,626,092)</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 \$47,348 in 2020. Plan contributions totaled \$69,696 from the Borough in 2020. 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, 2020

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, are not offered coverage 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, 2020, 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 12/31/19	\$ 4,902,490	\$ -	\$ 4,902,490
Changes for the Year			
Service Cost	262,202	-	262,202
Interest on Total Pension Liability	141,108	-	141,108
Changes in benefits	-	-	-
Difference between expected and actual experience	230,409	-	230,409
Changes in assumptions	-	-	-
Employer Contributions	-	29,564	(29,564)
Net investment income	-	-	-
Benefit payments, including employee refunds	(29,564)	(29,564)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	604,155	-	604,155
Balances at 12/31/20	\$ 5,506,645	\$ -	\$ 5,506,645

Employer Contributions

The Borough's contractually required contribution rate for fiscal year ended December 31, 2020 was 1.95% 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 \$29,564 for the year ended December 31, 2020.

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

At December 31, 2020, the Borough reported a net OPEB liability of \$5,506,645. The net OPEB liability was measured as of January 1, 2020, 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, 2020 to December 31, 2020.

For the year ended December 31, 2020, the Borough recognized OPEB expense of \$458,891. At December 31, 2020, 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	\$ 654,711	\$ 235,465

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

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:

2021	\$	55,581
2022		55,581
2023		55,581
2024		55,581
2025		55,581
Thereafter		141,341
	\$	<u>419,246</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: 2.74% as of December 31, 2019 and 2.12% as of 12/31/2020. 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 and Post-retirement Mortality – RP-2000 Healthy Annuitant Mortality Table (Blue Collar) 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 first year gradually decreasing by 1% per year, to an ultimate rate of 5%.
- Inflation – 3%

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, 2020

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The following presents the net OPEB liability of the Borough, calculated using the discount rate of 2.12%, 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 (1.12 percent) or 1-percent-point higher (3.12 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Net OPEB Liability	\$ 6,153,634	\$ 5,506,645	\$ 4,938,295

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	\$ 4,777,638	\$ 5,506,645	\$ 6,374,465

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

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." This Statement is required to be adopted for 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.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

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, 2022. The Borough has not yet completed the process of evaluating the impact of GASB No. 94 on its financial statements.

The GASB issued Statement No. 96, "Subscription-Based Information Technology Agreements". Statement No. 96 is effective for fiscal years beginning after June 15, 2022. The Borough has not yet completed the process of evaluating the impact of GASB No. 94 on its financial statements.

The GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". Statement No. 97 is effective for fiscal years beginning after June 15, 2021. The Borough has not yet completed the process of evaluating the impact of GASB No. 94 on its financial statements.

NOTE 17 RISKS AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the Borough of Ambler's operations and financial results are uncertain at this time.

NOTE 18 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events for disclosure or recording through May 14, 2021 the date the audit was ready for release.

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, 2020
(UNAUDITED)

	Non-Uniform Pension Plan 2020	Police Pension Plan 2020	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	\$ 86,489	\$ 240,828	\$ 96,462	\$ 263,891	\$ 89,404	\$ 219,250	\$ 112,308	\$ 215,986	\$ 96,856	\$ 193,189	\$ 141,552	\$ 189,639
Interest	329,567	622,275	341,409	592,457	336,708	568,614	327,801	567,664	316,301	541,021	280,003	476,105
Benefit Payments	(341,345)	(396,181)	(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	20,881	16,933	(306,896)	(31,990)	(124,327)	(6,559)	(60,890)	(329,953)	(36,479)	(18,823)	(31,150)	(8,523)
Assumption Changes	-	-	-	-	-	-	-	-	-	203,617	272,441	537,035
Net Change in Total Pension Liability	95,592	483,855	(120,558)	501,454	74,904	158,782	157,377	190,426	155,020	570,975	582,157	956,142
Total Pension Liability - Beginning	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	4,117,754	6,798,375
Total Pension Liability - Ending (a)	<u>\$ 5,062,246</u>	<u>\$ 9,660,009</u>	<u>\$ 4,966,654</u>	<u>\$ 9,176,154</u>	<u>\$ 5,087,212</u>	<u>\$ 8,674,700</u>	<u>\$ 5,012,308</u>	<u>\$ 8,515,918</u>	<u>\$ 4,854,931</u>	<u>\$ 8,325,492</u>	<u>\$ 4,699,911</u>	<u>\$ 7,754,517</u>
Plan Fiduciary Net Position												
Contribution - Employer and State Aid	\$ 32,205	\$ 288,290	\$ 34,297	\$ 116,622	\$ 34,543	\$ 125,434	\$ -	\$ -	\$ 17,213	\$ -	\$ 50,699	\$ 31,499
Contribution - Member	60,880	70,168	32,155	71,851	29,271	57,290	37,765	-	43,835	-	46,764	-
Net Investment Income	704,577	1,293,419	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	(341,345)	(396,181)	(251,533)	(322,904)	(226,881)	(622,523)	(221,842)	(263,271)	(221,658)	(348,029)	(80,689)	(238,114)
Administrative Expense	(48,605)	(72,969)	-	-	(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	407,712	1,182,727	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	5,955,532	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	5,129,434	9,583,581
Plan Fiduciary Net Position - End (b)	<u>\$ 6,363,244</u>	<u>\$ 11,662,245</u>	<u>\$ 5,955,532</u>	<u>\$ 10,479,518</u>	<u>\$ 5,129,672</u>	<u>\$ 8,856,602</u>	<u>\$ 5,606,427</u>	<u>\$ 9,851,777</u>	<u>\$ 5,216,087</u>	<u>\$ 8,939,109</u>	<u>\$ 5,016,548</u>	<u>\$ 8,687,868</u>
Net Pension Liability (Asset) (a-b)	<u>\$ (1,300,998)</u>	<u>\$ (2,002,236)</u>	<u>\$ (988,878)</u>	<u>\$ (1,303,364)</u>	<u>\$ (42,460)</u>	<u>\$ (181,902)</u>	<u>\$ (594,119)</u>	<u>\$ (1,335,859)</u>	<u>\$ (361,156)</u>	<u>\$ (613,617)</u>	<u>\$ (316,637)</u>	<u>\$ (933,351)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	125.70%	120.73%	119.91%	114.20%	100.83%	102.10%	111.85%	115.69%	107.44%	107.37%	106.74%	112.04%
Covered Payroll	\$ 1,107,801	\$ 1,426,446	\$ 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	-117.44%	-140.37%	-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, 2020
(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%
Non-Uniform Pension Plan	2020	-	32,205	-	1,107,801	2.91%
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%
Police Pension Plan	2020	-	288,290	-	1,426,446	20.21%

Schedule of Investment Returns*					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actual Money Weighted Rate of Return, Net of Investment Expense	10.89%	18.20%	-6.10%	11.70%	7.69%
	<u>2015</u>	<u>2014</u>			
	-6.27%	6.20%			

Schedule of the Employer's Net Pension Liability*						
	Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Net Position as a % of Total Pension Liability	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%
Non-Uniform Pension Plan	2020	5,062,246	6,363,244	(1,300,998)	125.70%	1,107,801 -117.44%
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%
Police Pension Plan	2020	9,660,009	11,662,245	(2,002,236)	120.73%	1,426,446 -140.37%

* 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, 2020
(UNAUDITED)

	2020	2019	2018
Service Cost	\$ 262,202	\$ 217,726	\$ 212,897
Interest	141,108	143,959	145,418
Differences (Expected vs Actual)	230,409	595,945	(359,611)
Benefit Payments	(29,564)	(44,546)	(47,308)
Net Change in Total OPEB Liability	604,155	913,084	(48,604)
Net OPEB Obligation, Beginning of Year	4,902,490	3,989,406	4,038,010
Net OPEB Obligation, End of Year	<u>\$ 5,506,645</u>	<u>\$ 4,902,490</u>	<u>\$ 3,989,406</u>

Notes to Schedule:

Valuation Date: January 1, 2020 projected to December 31, 2020.

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) 2.12% (12/31/2020 Bond Buyer Municipal Bind 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.

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
OPEB – SCHEDULE OF BOROUGH'S CONTRIBUTIONS
LAST 10 FISCAL YEARS*
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020	2019	2018
Contractually required contribution	\$ 506,874	\$ 438,125	\$ 438,125
Contributions in relation to the contractually required contribution	29,564	44,546	47,308
Contribution deficiency (excess)	<u>\$ 477,310</u>	<u>\$ 393,579</u>	<u>\$ 390,817</u>
Borough's covered payroll	\$ 1,519,742	\$ 1,438,308	\$ 1,305,028
Contributions as a percentage of covered payroll	1.95%	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, 2020
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Taxes	\$ 3,314,126	\$ 3,314,126	\$ 3,361,251	\$ 47,125
Licenses and Permits	192,250	192,250	178,303	(13,947)
Fines, Forfeits and Costs	46,000	46,000	31,291	(14,709)
Interest on Investments and Rent	67,000	67,000	71,002	4,002
Grants and Revenue Sharing	356,187	356,187	552,558	196,371
Charges for Services	262,675	262,675	155,146	(107,529)
Public Utility Realty Tax	3,000	3,000	3,153	153
Miscellaneous	238,296	238,296	61,131	(177,165)
Sale of Assets	50	50	1,350	1,300
Total Revenues	4,479,584	4,479,584	4,415,185	(64,399)
Expenditures				
General	712,546	712,546	670,454	42,092
Protection to Persons and Property	2,517,385	2,517,385	2,333,222	184,163
Public Works - Highways, Streets & Parking	909,297	909,297	569,189	340,108
Recreation	22,524	22,524	24,365	(1,841)
Revitalization	25,000	25,000	48,949	(23,949)
Debt Service	107,587	107,587	197,409	(89,822)
Capital Outlays	222,591	222,591	844,266	(621,675)
Total Expenditures	4,516,930	4,516,930	4,687,854	(170,924)
Excess (Deficit) of Revenues Over Expenditures	(37,346)	(37,346)	(272,669)	(235,323)
Other Financing Sources (Uses)				
Proceeds from Capital Lease	-	-	113,625	113,625
Transfers In (Out)	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	143,625	113,625
Net Change in Fund Balances	\$ (7,346)	\$ (7,346)	(129,044)	\$ (121,698)
Fund Balances - Beginning of Year			3,589,056	
Fund Balances - End of Year			\$ 3,460,012	

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE FUND
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Interest on Investments	\$ 600	\$ 600	\$ 896	\$ 296
Charges for Services	552,493	552,493	666,064	113,571
Reserve Transfers	-	-	-	-
Miscellaneous	900	900	495	(405)
Total Revenues	553,993	553,993	667,455	113,462
Expenditures				
Health and Sanitation	523,993	523,993	602,098	(78,105)
Total Expenditures	523,993	523,993	602,098	(78,105)
Excess (Deficit) of Revenues Over Expenditures	30,000	30,000	65,357	35,357
Other Financing Sources (Uses)				
Transferred In (Out)	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	(30,000)	(30,000)	(30,000)	-
Net Change in Fund Balances	\$ -	\$ -	35,357	\$ 35,357
Fund Balances - Beginning of Year			96,322	
Fund Balances - End of Year			\$ 131,679	

Other Supplementary Information

BOROUGH OF AMBLER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITOR'S REPORT)

		Nonmajor Special Revenue Funds						Total Nonmajor Funds
		Street Lighting Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Highway	Total	
<u>Assets</u>								
Cash and Cash Equivalents	\$	47,973	\$ 4,044	\$ 174,587	\$ 37,614	\$ 164,167	\$ 428,385	\$ 710,016
Taxes Receivable		1,273	2,913	2,364	-	-	6,550	6,550
Due From Other Funds		-	3,898	-	-	-	3,898	3,898
Prepaid Expenses		-	7,631	-	-	-	7,631	7,631
Mortgage Receivable		-	-	-	310,000	-	310,000	310,000
Total Assets	\$	<u>49,246</u>	<u>\$ 18,486</u>	<u>\$ 176,951</u>	<u>\$ 347,614</u>	<u>\$ 164,167</u>	<u>\$ 756,464</u>	<u>\$ 1,038,095</u>
<u>Liabilities and Fund Balance</u>								
Liabilities								
Accounts Payable	\$	3,378	\$ 18,486	\$ 435	\$ -	\$ -	\$ 22,299	\$ 22,299
Due to Other Funds		80,000	-	-	-	-	80,000	80,000
Total Liabilities		<u>83,378</u>	<u>18,486</u>	<u>435</u>	<u>-</u>	<u>-</u>	<u>102,299</u>	<u>102,299</u>
Fund Balances								
Restricted		<u>(34,132)</u>	<u>-</u>	<u>176,516</u>	<u>347,614</u>	<u>164,167</u>	<u>654,165</u>	<u>935,796</u>
Total Fund Balances		<u>(34,132)</u>	<u>-</u>	<u>176,516</u>	<u>347,614</u>	<u>164,167</u>	<u>654,165</u>	<u>935,796</u>
Total Liabilities and Fund Balances	\$	<u>49,246</u>	<u>\$ 18,486</u>	<u>\$ 176,951</u>	<u>\$ 347,614</u>	<u>\$ 164,167</u>	<u>\$ 756,464</u>	<u>\$ 1,038,095</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2020
 (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	\$ 59,988	\$ 154,518	\$ 111,438	\$ -	\$ -	\$ 325,944	\$ -	\$ 325,944
Foreign Fire Relief	-	40,581	-	-	-	40,581	-	40,581
Interest Income	166	45	407	2,423	439	3,480	753	4,233
Charges for Service	-	-	276	-	-	276	-	276
State Motor Vehicle Fuel Tax	-	-	-	-	172,319	172,319	-	172,319
Total Revenues	<u>60,154</u>	<u>195,144</u>	<u>112,121</u>	<u>2,423</u>	<u>172,758</u>	<u>542,600</u>	<u>753</u>	<u>543,353</u>
Expenditures								
Street Lighting	26,717	-	-	-	-	26,717	-	26,717
Fire	-	205,709	-	-	-	205,709	-	205,709
Recreation	-	-	72,194	-	-	72,194	-	72,194
Highways and Streets	-	-	-	-	8,056	8,056	-	8,056
Debt Service	-	-	-	-	88,015	88,015	-	88,015
Capital Outlay	133,959	-	-	-	-	133,959	-	133,959
Total Expenditures	<u>160,676</u>	<u>205,709</u>	<u>72,194</u>	<u>-</u>	<u>96,071</u>	<u>534,650</u>	<u>-</u>	<u>534,650</u>
Excess (Deficit) of Revenues Over Expenditures	(100,522)	(10,565)	39,927	2,423	76,687	7,950	753	8,703
Other Financing Sources (Uses)								
Proceeds from Capital Lease	-	-	-	-	-	-	-	-
Transfers In (Out)	-	10,565	-	-	-	10,565	-	10,565
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,565</u>	<u>-</u>	<u>10,565</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(100,522)	-	39,927	2,423	76,687	18,515	753	19,268
Fund Balances - Beginning 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>
Fund Balances - End of Year	<u>\$ (34,132)</u>	<u>\$ -</u>	<u>\$ 176,516</u>	<u>\$ 347,614</u>	<u>\$ 164,167</u>	<u>\$ 654,165</u>	<u>\$ 281,631</u>	<u>\$ 935,796</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF PLAN NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2020
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Assets			
Cash and Cash Equivalents	\$ 126,483	\$ 71,098	\$ 197,581
Accrued Income	33,286	9,628	42,914
Investments:			
Corporate Debt and Equity, at Fair Value	4,611,373	2,631,407	7,242,780
Other Investments, at Fair Value	<u>6,891,103</u>	<u>3,651,111</u>	<u>10,542,214</u>
Total Assets	<u>\$ 11,662,245</u>	<u>\$ 6,363,244</u>	<u>\$ 18,025,489</u>
Net Position Restricted for Pensions	<u>\$ 11,662,245</u>	<u>\$ 6,363,244</u>	<u>\$ 18,025,489</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2020
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Plan Members	\$ 70,168	\$ 60,880	\$ 131,048
Employer	<u>288,290</u>	<u>32,205</u>	<u>320,495</u>
Total Contributions	<u>358,458</u>	<u>93,085</u>	<u>451,543</u>
Investment Earnings			
Net Appreciation in Fair Value of Investments	1,052,557	577,162	1,629,719
Interest and Dividends	<u>240,861</u>	<u>137,123</u>	<u>377,984</u>
Total Investment Earnings	1,293,418	714,285	2,007,703
Less Investment Expense	<u>(72,969)</u>	<u>(58,313)</u>	<u>(131,282)</u>
Net Investment Earnings	<u>1,220,449</u>	<u>655,972</u>	<u>1,876,421</u>
Total Additions	<u>1,578,907</u>	<u>749,057</u>	<u>2,327,964</u>
Deductions			
Benefits	<u>396,180</u>	<u>341,345</u>	<u>737,525</u>
Total Deductions	<u>396,180</u>	<u>341,345</u>	<u>737,525</u>
Changes in Net Position	1,182,727	407,712	1,590,439
Net Position - Beginning of Year	<u>10,479,518</u>	<u>5,955,532</u>	<u>16,435,050</u>
Net Position - End of Year	<u>\$ 11,662,245</u>	<u>\$ 6,363,244</u>	<u>\$ 18,025,489</u>