

BOROUGH OF AMBLER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021

**BOROUGH OF AMBLER
DIRECTORY**

MAYOR

Jeanne Sorg

(Term expires January 1, 2022)

MEMBERS OF BOROUGH COUNCIL

(Terms expire January 1, 2024)

Karen Sheedy

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ambler, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough of Ambler's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate each major fund, and the aggregate remaining fund information of the Borough of Ambler, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Ambler and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Borough of Ambler's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Ambler's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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



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 Borough of Ambler
 Ambler, Pennsylvania

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

Adoption of Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2021 the Borough of Ambler adopted the provisions of Governmental Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, applicable portions of Statement No. 93, *Replacement of Interbank Offered Rates*, 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, and Statement No. 98, *The Annual Comprehensive Financial Report*. Our opinion is not modified with respect to this matter.

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 52-58 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.

Supplementary 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 60-63 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
 March 23, 2022

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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, 2021.

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, 2021. 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 \$19,695,133 (net position).
- The Borough's total net position increased by \$2,343,746.

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, 2021

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, 2021

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, 2021**

	2021			2020
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
ASSETS				
Current and Other Assets	\$ 9,826,672	\$ 4,813,829	\$ 14,640,501	\$ 10,179,008
Capital Assets	11,813,326	9,761,599	21,574,925	20,148,423
Total Assets	21,639,998	14,575,428	36,215,426	30,327,431
 DEFERRED OUTFLOWS OF RESOURCES	859,994	35,686	895,680	697,567
 LIABILITIES				
Other Liabilities	667,268	303,566	970,834	457,137
Long-Term Debt Outstanding	9,140,675	5,202,969	14,343,644	11,312,061
Total Liabilities	9,807,943	5,506,535	15,314,478	11,769,198
 DEFERRED INFLOWS OF RESOURCES	1,730,886	370,609	2,101,495	1,904,413
 NET POSITION				
Net Investment in Capital Assets	8,584,447	4,558,630	13,143,077	14,343,007
Restricted	3,338,425	397,202	3,735,627	2,744,617
Unrestricted (Deficit)	(961,709)	3,778,138	2,816,429	263,763
Total Net Position	\$ 10,961,163	\$ 8,733,970	\$ 19,695,133	\$ 17,351,387

Cash represents 22% of Ambler Borough's total governmental assets.

The largest portion of the Borough's governmental assets, 55%, 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 \$1,609,361 for Governmental Activities and total revenue exceeded total expenses by \$734,385 for Business-Type Activities.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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 2021 was \$4,524,175. General revenues by source were as follows:

<u>General Revenues</u>	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Property Taxes	\$ 2,286,136	50.53%	\$ 2,261,158	55.38%
Earned Income Tax	1,219,771	26.96%	1,050,163	25.72%
Business Privilege Tax	146,864	3.25%	120,007	2.94%
Local Services Tax	142,440	3.15%	124,967	3.06%
State Motor Vehicle Fuel Tax	159,993	3.54%	172,319	4.22%
Deed Transfer Tax	281,630	6.23%	130,900	3.21%
Public Utility Realty Tax	3,239	0.07%	3,153	0.08%
Investment Earnings and Rent	70,642	1.56%	76,131	1.86%
Miscellaneous	213,460	4.72%	144,063	3.53%
Total General Revenues and Other Items	<u>\$ 4,524,175</u>	<u>100.00%</u>	<u>\$ 4,082,861</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 2021 were \$2,914,814. Expenses (Net of Program Revenues) by source were as follows:

	<u>2021</u>	<u>2020</u>
General	\$ 200,923	\$ 212,071
Police (Protection to Persons and Property)	1,829,552	2,363,486
Health and Sanitation	(191,873)	(81,868)
Highways	507,644	517,799
Street Lighting	37,503	26,717
Streets and Roads	120,579	56,849
Fire Protection	202,697	205,709
Recreation	101,350	96,283
Revitalization	9,435	(83,192)
Bond Issuance Costs	54,650	-
Interest	42,354	62,666
Total Governmental Activities	<u>\$ 2,914,814</u>	<u>\$ 3,376,520</u>
Change in Net Position		
(Governmental Activities)	<u>\$ 1,609,361</u>	<u>\$ 706,341</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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>2021</u>	<u>2020</u>
<u>General Revenues</u>		
Interest Earnings	\$ 2,433	\$ 7,105
Other Items	<u>\$ 2,433</u>	<u>\$ 7,105</u>
<u>Expenses Net of Program Revenues</u>		
Water	\$ 749,704	\$ 134,230
Sewer	<u>(17,752)</u>	<u>43,208</u>
Total Business-Type Activities	<u>\$ 731,952</u>	<u>\$ 177,438</u>
Change in Net Position (Business-Type Activities)	<u>\$ 734,385</u>	<u>\$ 184,543</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Reporting the Borough as a Whole (Continued)

Government-Wide Activities:

**CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	2021			2020
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
Revenues				
Program Revenues:				
Charges for Services	\$ 1,419,391	\$ 4,305,077	\$ 5,724,468	\$ 4,531,125
Operating Grants and Contributions	329,956	-	329,956	420,417
Capital Grants and Contributions	10,200	-	10,200	132,141
General Revenues:				
Property Taxes	2,286,136	-	2,286,136	2,261,158
Other Taxes	1,953,937	-	1,953,937	1,601,509
Investment Income	70,642	2,433	73,075	83,236
Miscellaneous	213,460	-	213,460	144,063
Total Revenues	<u>6,283,722</u>	<u>4,307,510</u>	<u>10,591,232</u>	<u>9,173,649</u>
Expenses				
Operating	-	3,573,125	3,573,125	3,353,898
General	935,875	-	935,875	945,438
Police (Protection to Persons/Property)	1,879,803	-	1,879,803	2,363,486
Health and Sanitation	766,921	-	766,921	602,098
Highways	512,994	-	512,994	520,396
Street Lighting	37,503	-	37,503	26,717
Streets and Roads	120,579	-	120,579	56,849
Fire Protection	202,697	-	202,697	205,709
Recreation	101,350	-	101,350	96,559
Revitalization	19,635	-	19,635	48,949
Bond Issuance Costs	54,650	-	-	-
Interest	42,354	-	42,354	62,666
Total Expenses	<u>4,674,361</u>	<u>3,573,125</u>	<u>8,192,836</u>	<u>8,282,765</u>
Changes in Net Position	1,609,361	734,385	2,343,746	890,884
Net Position - Beginning of Year	<u>9,351,802</u>	<u>7,999,585</u>	<u>17,351,387</u>	<u>16,460,503</u>
Net Position - End of Year	<u>\$ 10,961,163</u>	<u>\$ 8,733,970</u>	<u>\$ 19,695,133</u>	<u>\$ 17,351,387</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Financial Analysis

Governmental Funds:

General Fund – The \$647,778 net change in fund balance was due in part to increased enabling taxes as a result of the economic recovery from the effects of COVID including EIT, LST, Property Transfer Taxes as well as Parking Revenues. Additionally, hiring delays resulted in lower actual expenses from the Police Department.

Refuse Fund – The \$134,987 net change in fund balance was due to an increase in rates charged to Borough residents for refuse collection.

Proprietary Funds:

Water Fund – The \$751,910 change in Net Position was due to recognition of funds from the PFAS and MIRIA grants the expenses for which were capital in nature.

Sewer Fund – The \$(17,525) excess of expenditures over revenues were due to lower revenues due to the lingering effects of COVID-19.

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

Revenues were above what was projected and anticipated by the 2021 Budget due to ongoing economic recovery from the effects of COVID 19.

Expenditures Budgetary Highlights

Expenditures were under budget due to hiring delays in the Police Department as well as lower than anticipated labor expenses from the Public Works Department.

Capital Assets and Debt Administration

Capital Assets:

Ambler Borough's capital assets for its governmental and business-type activities as of December 31, 2021 totals \$21,574,925 (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, 2021**

	Governmental Activities	Business-Type Activities	Total 2021	Total 2020
Land	\$ 2,179,081	\$ 2,328	\$ 2,181,409	\$ 2,181,409
Construction in Progress	125,910	1,173,794	1,299,704	1,280,739
Buildings and Improvements	5,228,943	224,764	5,453,707	5,628,729
Site Improvements	153,192	-	153,192	127,529
Machinery, Vehicles, Furniture & Equipment	626,841	442,909	1,069,750	1,014,177
Plant in Service	-	7,801,851	7,801,851	7,300,230
Infrastructure	3,499,359	115,953	3,615,312	2,615,610
Total Capital Assets, Net of Depreciation	<u>\$ 11,813,326</u>	<u>\$ 9,761,599</u>	<u>\$ 21,574,925</u>	<u>\$ 20,148,423</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, 2021

Debt

At year end, the Borough had \$8,573,081 in outstanding debt, \$282,703 of which is due within one year. The Borough's business-type activities (Water & Sewer Funds) debt represents 61% of the total debt.

<u>Governmental Activities</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds/Notes	\$ 3,150,000	\$ 3,315,131
Unamortized Premiums	141,233	-
Capital Lease Payable	<u>78,879</u>	<u>82,825</u>
Total	<u>\$ 3,370,112</u>	<u>\$ 3,397,956</u>
<u>Business-Type Activities</u>		
General Obligation Bonds	\$ 4,850,000	\$ 2,347,000
Unamortized Premiums	312,924	-
Capital Lease Payable	<u>40,045</u>	<u>60,460</u>
Total	<u>\$ 5,202,969</u>	<u>\$ 2,407,460</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 6,807 residents. 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 \$110,041 compared to the national average of \$67,521 (economic statistics from the 2020 U.S. Census Bureau).

In 2021, Ambler Borough completed the beautiful green pocket park project called Ambler Square located on Butler Pike, partially funded by the 2019 DCNR grant. Borough Council and all dedicated members of the community have been working hard to transform this vacant asphalt lot into a gathering place for people of all ages. This 10,000 sq ft lot which was previously a sea of asphalt and an unofficial "used car lot" was donated to the Borough in 2016. After months of planning and public input the Borough secured a \$102,000 dollar grant from the Pennsylvania Department of Conservation and Natural Resources to create the urban oasis you see today. Ambler Square has the potential to become a lively community space that highlights the use of sustainable materials and practices, like the use of pervious pavers, and native landscaping. This project also helped the Borough with stormwater management requirements at a minimal cost to taxpayers.

The Borough was also able to complete a steep slope restoration project along Edgewood Drive using funds provided by PA DEP. This project will assist with erosion along this slope.

In 2021, we saw and felt the effects of Storm Ida, particularly around the culverts that run along Butler Pike, we have been working diligently with FEMA in accessing federal funding that may be able to be used to repair and replace some or all of the damaged infrastructure for stormwater management.

The Borough, with partial funding from the State and help from the Community Garden Committee also broke ground on what will become a Community Garden at Knights Park.

The Borough was able to resume our vibrant downtown events starting Summer of 2021 including our Annual Auto Show, Music Festival, Oktoberfest, and Holiday Parade.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

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 2021 the Water Department completed projects associated with infrastructure improvements as a result of scope of work presented and approved to be funded by a PFAS and a MIRIA grant. While the infrastructure of the Water Department saw the effects of the Storm Ida and experienced losses to roofs, generators and well houses, we have been working with both the Borough's insurance company as well as FEMA to find sources of funding for the damages. In 2021 the Water Department completed the Butler Water Main Project and commenced work on the Knights Road project and the Loch Alsh project.

Next Year's Budget:

The 2022 Approved Budget for the Borough presents no tax or otherwise fee increases for the residents of the Borough. The General Fund balance includes the costs associated with increasing the Police Department staff to fourteen (14) officers as voted on by the Council in 2019. The Budget also includes the funds to purchase a truck for the Public Works Department which would replace a 21-year-old truck with over 118K miles.

While the Parks Budget includes a full time Parks employee with an additional \$32K allocated for Capital Projects, it is being balanced using reserve funds. Moving forward with the full-time employee may require an increase to the Parks millage in future years pending review of the Parks Plan. The Borough Planning Commission is currently working on completing the Park System Plan incorporating and prioritizing all of the recommendations / suggestions from the workshops via zoom and the survey late last year. These were great sources of input from the public and the Borough was beyond impressed with the interest from Borough residents in the Borough Parks. The Planning Commission hopes to have the Parks System Plan completed this summer.

The Borough is also working on a much-awaited PUC rate increase for the Water Department and in the meantime balancing the Water Budget using available reserves. Capital Projects for the Water Department are being funded by the \$3M Bond issued in 2021.

The Borough will also be working on a \$400K road project utilizing funds made available by the Liquid Fuels Budget.

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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 4,725,060	\$ 3,414,689	\$ 8,139,749
Restricted Cash	382,842	-	382,842
Taxes Receivable	381,557	-	381,557
Accounts Receivable - Net	59,497	328,347	387,844
Mortgage Receivable	310,000	-	310,000
Internal Balances	23,032	(23,032)	-
Prepaid Expenses	6,405	-	6,405
Grants Receivable	57,072	277,580	334,652
Inventories	-	84,120	84,120
Due from Other Governments	50,251	-	50,251
Net Pension Asset	3,830,956	732,125	4,563,081
Capital Assets - Not Being Depreciated			
Land	2,179,081	2,328	2,181,409
Construction in Progress	125,910	1,173,794	1,299,704
Capital Assets - Net of Depreciation:			
Buildings and Improvements	5,228,943	224,764	5,453,707
Site Improvements	153,192	-	153,192
Machinery, Vehicles, Furniture and Equipment	626,841	442,909	1,069,750
Plant in Service	-	7,801,851	7,801,851
Infrastructure	3,499,359	115,953	3,615,312
Total Assets	21,639,998	14,575,428	36,215,426
<u>Deferred Outflows of Resources</u>			
Pension - Differences in Assumptions	302,246	35,686	337,932
OPEB - Differences in Experience	557,748	-	557,748
Total Deferred Outflows of Resources	859,994	35,686	895,680
Liabilities			
Accounts Payable	142,116	295,954	438,070
Accrued Expenses	17,486	7,612	25,098
Long Term Debt			
Due Within One Year	85,000	145,000	230,000
Due Beyond One Year	3,065,000	4,705,000	7,770,000
Unamortized Premium	141,233	312,924	454,157
Capital Leases Payable			
Due Within One Year	39,824	12,879	52,703
Due Beyond One Year	39,055	27,166	66,221
Other Postemployment Benefits			
Due Beyond One Year	5,895,387	-	5,895,387
Escrow Funds Payable	382,842	-	382,842
Total Liabilities	9,807,943	5,506,535	15,314,478
<u>Deferred Inflows of Resources</u>			
Related to Pension	1,535,767	370,609	1,906,376
Related to OPEB	195,119	-	195,119
Total Deferred Inflows of Resources	1,730,886	370,609	2,101,495
Net Position			
Net Investment in Capital Assets	8,584,447	4,558,630	13,143,077
Restricted for:			
Net Pension Asset	1,992,943	397,202	2,390,145
Refuse Collection	266,666	-	266,666
Highway Fund	294,731	-	294,731
Debt Service	281,913	-	281,913
Revolving Loan Fund	350,018	-	350,018
Recreation	173,167	-	173,167
Street Lighting	(21,013)	-	(21,013)
Unrestricted (Deficit)	(961,709)	3,778,138	2,816,429
Total Net Position	\$ 10,961,163	\$ 8,733,970	\$ 19,695,133

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		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
Functions/Programs	Expenses						
Primary Government:							
Governmental Activities							
General	\$ 935,875	\$ 471,974	\$ 262,978	\$ -	\$ (200,923)	\$ -	\$ (200,923)
Protection to Persons and Property	1,879,803	-	50,251	-	(1,829,552)	-	(1,829,552)
Health and Sanitation	766,921	947,417	11,377	-	191,873	-	191,873
Highways	512,994	-	5,350	-	(507,644)	-	(507,644)
Street Lighting	37,503	-	-	-	(37,503)	-	(37,503)
Streets and Roads	120,579	-	-	-	(120,579)	-	(120,579)
Fire Protection	202,697	-	-	-	(202,697)	-	(202,697)
Recreation	101,350	-	-	-	(101,350)	-	(101,350)
Revitalization	19,635	-	-	10,200	(9,435)	-	(9,435)
Bond Issuance Costs	54,650	-	-	-	(54,650)	-	(54,650)
Interest on Long Term Debt	42,354	-	-	-	(42,354)	-	(42,354)
Total Governmental Activities	4,674,361	1,419,391	329,956	10,200	(2,914,814)	-	(2,914,814)
Business-Type Activities:							
Water	2,564,324	3,314,028	-	-	-	749,704	749,704
Sewer	1,008,801	991,049	-	-	-	(17,752)	(17,752)
Total Business-Type Activities	3,573,125	4,305,077	-	-	-	731,952	731,952
Total Primary Government	\$ 8,247,486	\$ 5,724,468	\$ 329,956	\$ 10,200	(2,914,814)	731,952	(2,182,862)

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	2,286,136	-	2,286,136
Earned Income Tax	1,219,771	-	1,219,771
Business Privilege Tax	146,864	-	146,864
Local Services Tax	142,440	-	142,440
State Motor Vehicle Fuel Tax	159,993	-	159,993
Deed Transfer Tax	281,630	-	281,630
Public Utility Realty Tax	3,239	-	3,239
Investment Earnings and Rent	70,642	2,433	73,075
Miscellaneous	213,460	-	213,460
Total General Revenues and Other Items	4,524,175	2,433	4,526,608
Change in Net Position	1,609,361	734,385	2,343,746
Net Position - Beginning of Year	9,351,802	7,999,585	17,351,387
Net Position - End of Year	<u>\$ 10,961,163</u>	<u>\$ 8,733,970</u>	<u>\$ 19,695,133</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>Major Funds</u>		Nonmajor	Total
	General	Refuse	Governmental Funds	Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 3,616,959	\$ 230,931	\$ 877,170	\$ 4,725,060
Restricted Cash	382,842	-	-	382,842
Taxes Receivable	376,074	-	5,483	381,557
Accounts Receivable, Net	180	48,733	10,584	59,497
Miscellaneous Receivables	-	-	310,000	310,000
Due from Other Funds	129,025	22,999	-	152,024
Prepaid Expenses	-	-	6,405	6,405
Grants Receivable	57,072	-	-	57,072
Due from Other Governments	50,251	-	-	50,251
Total Assets	<u>\$ 4,612,403</u>	<u>\$ 302,663</u>	<u>\$ 1,209,642</u>	<u>\$ 6,124,708</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts Payable	\$ 104,285	\$ 5,997	\$ 31,834	\$ 142,116
Accrued Expenses	17,486	-	-	17,486
Due to Other Funds	-	30,000	98,992	128,992
Escrow Funds Payable	382,842	-	-	382,842
Total Liabilities	<u>504,613</u>	<u>35,997</u>	<u>130,826</u>	<u>671,436</u>
Fund Balances				
Restricted	-	266,666	1,078,816	1,345,482
Assigned	95,780	-	-	95,780
Unassigned	4,012,010	-	-	4,012,010
Total Fund Balances	<u>4,107,790</u>	<u>266,666</u>	<u>1,078,816</u>	<u>5,453,272</u>
Total Liabilities and Fund Balances	<u>\$ 4,612,403</u>	<u>\$ 302,663</u>	<u>\$ 1,209,642</u>	<u>\$ 6,124,708</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, 2021

Fund Balances - Total Governmental Funds	\$	5,453,272
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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		2,597,435
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Net OPEB Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds		(5,532,758)
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Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		11,813,326
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Long term liabilities are not due and payable in the current period and
therefore, are not reported in the governmental funds.

Capital Lease		(78,879)
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Unamortized Premium		(141,233)
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General Obligation Bonds and Note Payable		(3,150,000)
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Net Position of Governmental Activities	\$	<u>10,961,163</u>
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BOROUGH OF AMBLER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>Major Funds</u>		Nonmajor	Total
	General	Refuse	Governmental	Governmental
			Funds	Funds
Revenues				
Taxes	\$ 3,748,582	\$ -	\$ 328,259	\$ 4,076,841
Foreign Fire Relief	-	-	36,582	36,582
State Motor Vehicle Fuel Tax	-	-	159,993	159,993
Licenses and Permits	158,203	-	-	158,203
Fines, Forfeits and Costs	81,973	-	-	81,973
Interest on Investments	62,173	5,211	3,258	70,642
Grants and Revenue Sharing	340,156	-	-	340,156
Charges for Services	313,771	947,417	-	1,261,188
Public Utility Realty Tax	3,239	-	-	3,239
Miscellaneous	80,466	530	-	80,996
Sale of Assets	<u>2,800</u>	<u>-</u>	<u>-</u>	<u>2,800</u>
Total Revenues	<u>4,791,363</u>	<u>953,158</u>	<u>528,092</u>	<u>6,272,613</u>
Expenditures				
General	665,007	-	-	665,007
Protection to Persons and Property	2,415,493	-	-	2,415,493
Health and Sanitation	-	766,921	-	766,921
Highways	483,282	-	29,712	512,994
Streets and Roads	120,579	-	-	120,579
Street Lighting	-	-	37,503	37,503
Fire Protection	-	-	202,697	202,697
Recreation	26,800	-	74,550	101,350
Revitalization	19,635	-	-	19,635
Debt Service	160,543	-	-	160,543
Capital Outlays	<u>317,941</u>	<u>21,250</u>	<u>51,720</u>	<u>390,911</u>
Total Expenditures	<u>4,209,280</u>	<u>788,171</u>	<u>396,182</u>	<u>5,393,633</u>
Excess (Deficit) of Revenues Over Expenditures	<u>582,083</u>	<u>164,987</u>	<u>131,910</u>	<u>878,980</u>
Other Financing Sources (Uses)				
Proceeds from Bond Issuance	3,291,233	-	-	3,291,233
Principal Retirement	(3,236,583)	-	-	(3,236,583)
Bond Issuance Costs	(54,650)	-	-	(54,650)
Proceeds from Capital Lease	35,695	-	-	35,695
Transfers In (Out)	<u>30,000</u>	<u>(30,000)</u>	<u>11,110</u>	<u>11,110</u>
Total Other Financing Sources (Uses)	<u>65,695</u>	<u>(30,000)</u>	<u>11,110</u>	<u>46,805</u>
Net Change in Fund Balances	647,778	134,987	143,020	925,785
Fund Balances - Beginning of Year	<u>3,460,012</u>	<u>131,679</u>	<u>935,796</u>	<u>4,527,487</u>
Fund Balances - End of Year	<u>\$ 4,107,790</u>	<u>\$ 266,666</u>	<u>\$ 1,078,816</u>	<u>\$ 5,453,272</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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	925,785
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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		390,911
Current year depreciation		(468,106)

The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.		1,178,286
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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.		(35,695)
This amount is the proceeds of the issuance of General Obligation Bonds.		(3,291,233)

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		3,315,131
Capital Leases		39,641

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		(445,359)
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Change in Net Position of Governmental Activities	\$	<u>1,609,361</u>
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BOROUGH OF AMBLER
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Water Fund	Sewer Fund	Total
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 3,216,345	\$ 198,344	\$ 3,414,689
Accounts Receivable (Net of Allowance for Uncollectibles)	284,940	43,407	328,347
Due from Other Funds	-	19,523	19,523
Grants Receivable	277,580	-	277,580
Other Assets	-	-	-
Inventories	84,120	-	84,120
Total Current Assets	3,862,985	261,274	4,124,259
Non-Current Assets			
Net Pension Asset	585,725	146,400	732,125
Capital Assets			
Land	2,328	-	2,328
Construction-In-Progress	1,173,794	-	1,173,794
Infrastructure (Net)	-	128,618	128,618
Building (Net)	818,304	6,909	825,213
Machinery, Vehicles, Furniture and Equipment (Net)	1,567,401	99,445	1,666,846
Accumulated Depreciation	(9,052,726)	(66,836)	(9,119,562)
Plant in Service (Net)	15,084,362	-	15,084,362
Total Capital Assets (Net of Accumulated Depreciation)	9,593,463	168,136	9,761,599
Total Non-Current Assets	10,179,188	314,536	10,493,724
Total Assets	14,042,173	575,810	14,617,983
<u>Deferred Outflows of Resources</u>			
Pension-Differences in Assumptions	28,995	6,691	35,686
Total Deferred Outflows of Resources	28,995	6,691	35,686
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	210,440	85,514	295,954
Accrued Expenses	6,580	1,032	7,612
Due to Other Funds	42,555	-	42,555
Capital Leases Payable - Due Within One Year	12,879	-	12,879
General Obligation Bonds Payable - Due Within One Year	145,000	-	145,000
Total Current Liabilities	417,454	86,546	504,000
Non-Current Liabilities			
Capital Leases Payable - Due in More than One Year	27,166	-	27,166
Unamortized Premium	312,924	-	312,924
General Obligation Bonds Payable - Due in More than One Year	4,705,000	-	4,705,000
Total Non-Current Liabilities	5,045,090	-	5,045,090
Total Liabilities	5,462,544	86,546	5,549,090
<u>Deferred Inflows of Resources</u>			
Related to Pension	296,698	73,911	370,609
Total Deferred Inflows of Resources	296,698	73,911	370,609
<u>Net Position</u>			
Net Investment in Capital Assets	4,390,494	168,136	4,558,630
Restricted for Pension	318,022	79,180	397,202
Unrestricted	3,603,410	174,728	3,778,138
Total Net Position	\$ 8,311,926	\$ 422,044	\$ 8,733,970

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, 2021

	Water Fund	Sewer Fund	Total
Operating Revenues			
Metered Water Sales	\$ 2,211,776	\$ -	\$ 2,211,776
PFAS Grant	747,822	-	747,822
Sewer Rents	-	918,628	918,628
Water Tower Rental	248,040	-	248,040
Water Line Protection	5,768	-	5,768
Miscellaneous	<u>100,622</u>	<u>72,421</u>	<u>173,043</u>
Total Operating Revenue	<u>3,314,028</u>	<u>991,049</u>	<u>4,305,077</u>
Operating Expenses			
Source of Supply	96,692	-	96,692
Purification	118,993	-	118,993
Pumping	267,430	-	267,430
Distribution	654,375	-	654,375
Meter Installation	7,588	-	7,588
Collection System	-	687,480	687,480
Administrative	<u>1,325,998</u>	<u>321,321</u>	<u>1,647,319</u>
Total Operating Expenses	<u>2,471,076</u>	<u>1,008,801</u>	<u>3,479,877</u>
Operating Income (Loss)	<u>842,952</u>	<u>(17,752)</u>	<u>825,200</u>
Nonoperating Revenue (Expense)			
Interest Income	2,206	227	2,433
Transfers to General Fund	-	-	-
Debt Service Expense	<u>(93,248)</u>	<u>-</u>	<u>(93,248)</u>
Total Nonoperating Revenue (Expense)	<u>(91,042)</u>	<u>227</u>	<u>(90,815)</u>
Change in Net Position	751,910	(17,525)	734,385
Net Position - Beginning of Year	<u>7,560,016</u>	<u>439,569</u>	<u>7,999,585</u>
Net Position - End of Year	<u>\$ 8,311,926</u>	<u>\$ 422,044</u>	<u>\$ 8,733,970</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Total
Cash Flows Operating Activities			
Receipts from Customers and Users	\$ 2,280,248	\$ 949,959	\$ 3,230,207
Receipts from Others	824,672	72,421	897,093
Payments to Suppliers and Vendors	(1,089,367)	(798,295)	(1,887,662)
Payments to Employees	<u>(1,010,355)</u>	<u>(203,872)</u>	<u>(1,214,227)</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,005,198</u>	<u>20,213</u>	<u>1,025,411</u>
Cash Flows from Non-Capital Financing Activities			
Operating Interfund Advances, Net	<u>(17,603)</u>	<u>14,071</u>	<u>(3,532)</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(17,603)</u>	<u>14,071</u>	<u>(3,532)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(1,825,915)	(42,714)	(1,868,629)
Repayment of Capital Lease	(20,415)	-	(20,415)
Proceeds from Bond Issuance	4,850,000	-	4,850,000
Unamortized Premium on Issuance	312,924	-	312,924
Principal Paid on General Obligation Bonds	(2,347,000)	-	(2,347,000)
Debt Issuance Expense	<u>(93,248)</u>	<u>-</u>	<u>(93,248)</u>
Net Cash Used in Capital and Related Financing Activities	<u>876,346</u>	<u>(42,714)</u>	<u>833,632</u>
Cash Flows from Investing Activities			
Reinvested Interest on Investment	<u>2,206</u>	<u>227</u>	<u>2,433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,866,147	(8,203)	1,857,944
Cash and Cash Equivalents - Beginning of Year	<u>1,350,198</u>	<u>206,547</u>	<u>1,556,745</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,216,345</u>	<u>\$ 198,344</u>	<u>\$ 3,414,689</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Total
Reconciliation of Operating Income To			
Net Cash Provided By (Used in) Operating Activities			
Operating Income (Loss)	\$ 842,952	\$ (17,752)	\$ 825,200
Adjustments to Reconcile Operating Income			
to Net Cash Provided by Operating Activities:			
Depreciation Expense	358,431	6,502	364,933
Change in Assets and Liabilities:			
Change in Accounts Receivable	68,472	31,331	99,803
Change in Grants Receivable	(277,580)	-	(277,580)
Change in Inventory	4,961	-	4,961
Change in Accounts Payable	131,916	27,541	159,457
Change in Accrued Expense	(16,087)	434	(15,653)
Change in Other Assets	3,500	-	3,500
Change in Pension Asset and Deferrals	(111,367)	(27,843)	(139,210)
Total Adjustments	162,246	37,965	200,211
Net Cash Provided by (Used in) Operating Activities	\$ 1,005,198	\$ 20,213	\$ 1,025,411

Noncash Transactions:

The Borough's Water Fund had proceeds from bond issuance in 2021 totaling \$4,850,000.

BOROUGH OF AMBLER
STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Component Unit
Assets	
Cash and Cash Equivalents	\$ 150,856
Accrued Income	107,270
Investments	
Stocks, at Fair Value	8,346,485
Mutual Funds, at Fair Value	<u>11,382,834</u>
Total Assets	<u>\$ 19,987,445</u>
Net Position Restricted for Pensions	<u>\$ 19,987,445</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
SCHEDULE OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Component Unit
Additions	
Contributions:	
Plan Members	\$ 101,844
Employer	<u>284,410</u>
Total Contributions	<u>386,254</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	2,127,643
Interest and Dividends	<u>363,109</u>
Total Investment Earnings	2,490,752
Less Investment Expense	<u>(159,749)</u>
Net Investment Earnings	<u>2,331,003</u>
Total Additions	<u>2,717,257</u>
Deductions	
Benefits	<u>755,301</u>
Total Deductions	<u>755,301</u>
Change in Net Position	1,961,956
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning of Year	<u>18,025,489</u>
Net Position - End of Year	<u>\$ 19,987,445</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021. 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021, 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, 2021

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>8,918,573</u>
Total	<u><u>\$ 9,168,573</u></u>

Reconciliation to the Financial Statements

Uninsured Amount Above	\$ 8,918,573
Plus: Insured Amount	250,000
Less: Outstanding Checks	(653,001)
Plus: Deposits in Transit	5,715
Other Reconciling Items	<u>1,304</u>
Carrying Amount - Bank Balances	8,522,591
Plus: Petty Cash	<u>-</u>
Total Cash per Financial Statements	<u><u>\$ 8,522,591</u></u>

The Borough's cash balance includes \$382,842 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, 2021:

	Governmental Funds				Proprietary Funds		
	General Fund	Refuse Fund	Other Governmental Funds	Total	Water Fund	Sewer Fund	Total
Refuse Fees	\$ -	\$ 50,733	\$ -	\$ 50,733	\$ -	\$ -	\$ -
Utility User Fees	180	-	-	180	307,090	48,407	355,497
Mortgage Receivable	-	-	310,000	310,000	-	-	-
Other Receivables	-	-	10,584	10,584	-	-	-
Less: Allowance for Doubtful Accounts	-	(2,000)	-	(2,000)	(22,150)	(5,000)	(27,150)
Net Accounts Receivable	<u>\$ 180</u>	<u>\$ 48,733</u>	<u>\$ 320,584</u>	<u>\$ 369,497</u>	<u>\$ 284,940</u>	<u>\$ 43,407</u>	<u>\$ 328,347</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 4 PROPERTY AND EQUIPMENT

Governmental Activities capital assets consist of the following at December 31, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,179,081	\$ -	\$ -	\$ 2,179,081
Construction in Progress	1,042,956	236,816	1,153,862	125,910
Total Capital Assets, Not Being Depreciated	3,222,037	236,816	1,153,862	2,304,991
Capital Assets, Depreciated:				
Buildings and Other Improvements	6,697,039	2,464	-	6,699,503
Site Improvements	315,059	41,649	-	356,708
Machinery, Vehicles, Furniture and Equipment	1,413,957	73,954	2,593	1,485,318
Infrastructure	3,761,834	1,190,797	-	4,952,631
Total Capital Assets, Being Depreciated	12,187,889	1,308,864	2,593	13,494,160
Accumulated Depreciation for:				
Buildings and Other Improvements	1,313,132	157,428	-	1,470,560
Site Improvements	187,531	15,985	-	203,516
Machinery, Vehicles, Furniture and Equipment	753,864	106,299	1,686	858,477
Infrastructure	1,264,878	188,394	-	1,453,272
Total Accumulated Depreciation	3,519,405	468,106	1,686	3,985,825
Total Capital Assets, Being Depreciated, Net	8,668,484	840,758	907	9,508,335
Governmental Activities Capital Assets, Net	\$ 11,890,521	\$ 1,077,574	\$ 1,154,769	\$ 11,813,326

Business-Type Activities capital assets consist of the following at December 31, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,328	\$ -	\$ -	\$ 2,328
Construction in Progress	237,783	1,519,061	583,050	1,173,794
Total Capital Assets, Not Being Depreciated	240,111	1,519,061	583,050	1,176,122
Capital Assets, Being Depreciated				
Infrastructure	128,618	-	-	128,618
Buildings and Other Improvements	822,749	2,464	-	825,213
Machinery, Vehicles, Furniture and Equipment	1,533,418	133,428	-	1,666,846
Plant in Service	14,287,636	796,726	-	15,084,362
Total Capital Assets, Being Depreciated	16,772,421	932,618	-	17,705,039
Accumulated Depreciation for:				
Infrastructure	9,963	2,701	-	12,664
Buildings and Other Improvements	577,926	22,523	-	600,449
Machinery, Vehicles, Furniture and Equipment	1,179,333	44,604	-	1,223,937
Plant in Service	6,987,408	295,104	-	7,282,512
Total Accumulated Depreciation	8,754,630	364,932	-	9,119,562
Total Capital Assets, Being Depreciated, Net	8,017,791	567,686	-	8,585,477
Business-Type Activities Capital Assets, Net	\$ 8,257,902	\$ 2,086,747	\$ 583,050	\$ 9,761,599

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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:

	Amount
Cost	\$ 242,632
Accumulated Depreciation	<u>(19,202)</u>
Total	<u>\$ 223,430</u>

The future minimum lease payments under the capital lease and the net present value of future minimum capital lease payments at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	Amount
2022	\$ 57,576
2023	41,137
2024	<u>28,642</u>
Total Minimum Lease Payments	127,354
Less: Amount of Representing Interest	<u>8,430</u>
	<u>\$ 118,924</u>
Present Value of Future Lease Payments	
Current Portion	\$ 52,703
Long-Term Portion	<u>66,221</u>
	<u>\$ 118,924</u>

NOTE 6 LONG-TERM DEBT

On August 19, 2021, the Borough issued \$8,000,000 of General Obligation Bonds, Series of 2021. Proceeds of the Bond will be used to: (1) currently refund the Borough's General Obligation note, Series of 2015, currently outstanding in the principal amount of \$2,704,000, (2) currently refund the Borough's General Obligation Bonds, Series of 2016, currently outstanding in the principal amount of \$3,185,000; (3) fund various capital improvements of the Borough, and (4) pay the costs of issuing the bonds.

The General Obligation Bonds are direct obligations of the Borough.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 6 LONG-TERM DEBT (CONTINUED)

The following is a schedule of aggregate principal and interest payments of the Borough's Governmental Activities for each of the next five years and each five-year period thereafter for the 2021 General Obligation Bond:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 85,000	\$ 95,517	\$ 180,517
2023	105,000	72,653	177,653
2024	115,000	67,153	182,153
2025	115,000	61,403	176,403
2026	125,000	55,403	180,403
2027-2031	675,000	228,038	903,038
2032-2036	755,000	156,638	911,638
2037-2041	820,000	78,188	898,188
2042-2043	355,000	7,329	362,329
Total	<u>\$ 3,150,000</u>	<u>\$ 822,322</u>	<u>\$ 3,972,322</u>

The following is a schedule of aggregate principal and interest payments of the Borough's Business-Type Activities for each of the next five years and each five-year period thereafter for the 2021 General Obligation Bonds:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 145,000	\$ 162,064	\$ 307,064
2023	260,000	121,200	381,200
2024	275,000	107,825	382,825
2025	290,000	93,700	383,700
2026	295,000	79,075	374,075
2027-2031	1,635,000	278,050	1,913,050
2032-2036	1,790,000	107,000	1,897,000
2037	160,000	1,600	161,600
Total	<u>\$ 4,850,000</u>	<u>\$ 950,514</u>	<u>\$ 5,800,514</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 6 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt:

Long-term debt activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2016 Bonds	\$ 3,315,131	\$ -	\$ 3,315,131	\$ -	\$ -
Series 2021 Bonds	-	3,150,000	-	3,150,000	85,000
Unamortized Premiums	-	141,233	-	141,233	-
Capital Leases	82,825	35,695	55,639	78,879	39,824
Governmental Activity Long-Term Debt	<u>\$ 3,397,956</u>	<u>\$ 3,326,928</u>	<u>\$ 3,370,770</u>	<u>\$ 3,370,112</u>	<u>\$ 124,824</u>
Business-Type Activities:					
Series 2015 Note	\$ 2,347,000	\$ -	\$ 2,347,000	\$ -	\$ -
Series 2021 Bonds	-	4,850,000	-	4,850,000	145,000
Unamortized Premiums	-	312,924	-	312,924	-
Capital Leases	60,460	-	20,415	40,045	12,879
Business -Type Activity Long-Term Debt	<u>\$ 2,407,460</u>	<u>\$ 5,162,924</u>	<u>\$ 2,367,415</u>	<u>\$ 5,202,969</u>	<u>\$ 157,879</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 \$498,805 in 2021.

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 \$158,402 in 2021.

The Treatment Plant reimburses the Borough of Ambler for administrative costs related to plant operations. An administrative fee of \$209,693 was recognized as revenue for the year ended December 31, 2021.

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

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 8 INTERFUND PAYABLE AND RECEIVABLE

The composition of interfund balances for the fund financial statements as of December 31, 2021, is as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 129,025	\$ -
Street Light	-	(80,000)
Fire Fund	-	(18,992)
Refuse Fund	22,999	(30,000)
Water Fund	-	(42,555)
Sewer Fund	<u>19,523</u>	<u>-</u>
Total	<u>\$ 171,547</u>	<u>\$ (171,547)</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 2021. 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, 2021 amounted to \$1,219,771.

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, 2021

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 17 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, 2021

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 \$31,964 for the year ended December 31, 2021.

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, 2021, 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, 2021, the Borough had the following pension plan investments:

	Fair Value
Money Market Fund	\$ 59,165
Accrued Income	37,001
Corporate Debt and Equities	2,899,220
Other Investments	3,957,100
	<hr/>
Total Investments	\$ 6,952,486

As of December 31, 2021, none of the Borough's pension plan investments are rated.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021 amounted to \$6,952,486. Five percent of total plan assets amounted to \$347,624 as of December 31, 2021. 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	\$ 1,740,253	27.39%

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, 2021 projected to December 31, 2021
Actuarial cost method	Normal entry age actuarial cost method (a)
Asset Valuation method	Market Value
Actuarial assumptions	
Investment rate of return	6.50% 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, 2021

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	14
Number of persons receiving benefits	10
Terminated employees vested, but not receiving benefits	1

B. Summary of Significant Accounting Policies:

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments

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

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

Administrative Expenses

The plan pays the administrative expenses.

Risks and Uncertainties

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

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021. Amount contributed was \$69,880.

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, 2021, 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, 2021, the plan had the following investments:

	Fair Value
Money Market Fund	\$ 91,691
Accrued Income	70,269
Domestic Equities	5,447,265
Mutual Funds	<u>7,425,734</u>
Total Investments	<u>\$ 13,034,959</u>

F. Investment Concentration

Total plan net position as of December 31, 2021 amounted to \$13,034,959. Five percent of total plan assets amounted to \$651,748.

The following funds represent 5% or more of the total plan assets at December 31, 2021:

Investments	Amount	Percent of Total
Univest Special Money Market Fund	\$ 2,999,648	25.79%

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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, 2021 projected to December 31, 2021
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	6.50% 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, 2021

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, 2021:

<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, 2021, were as follows:

	<u>Non-Uniform Pension Plan</u>	<u>Police Pension Plan</u>
Total Pension Liability	\$ 5,157,556	\$ 10,266,808
Plan Fiduciary Net Position	<u>(6,952,486)</u>	<u>(13,034,959)</u>
Net Pension Liability (Asset)	<u>\$ (1,794,930)</u>	<u>\$ (2,768,151)</u>

NON-UNIFORM PENSION PLAN

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/20	\$ 5,062,246	\$ 6,363,244	\$ (1,300,998)
Changes for the Year			
Service Cost	89,609	-	89,609
Interest on Total Pension Liability	337,406	-	337,406
Changes in benefits	-	-	-
Difference between expected and actual experience	(141,946)	-	(141,946)
Changes in assumptions	116,734	-	116,734
Employer Contributions	-	69,210	(69,210)
Employee Contributions	-	31,964	(31,964)
Net investment income	-	856,387	(856,387)
Benefit payments, including employee refunds	(306,493)	(306,493)	-
Administrative expense	-	(61,826)	61,826
Other changes	-	-	-
Net Changes	<u>95,310</u>	<u>589,242</u>	<u>(493,932)</u>
Balances at 12/31/21	<u>\$ 5,157,556</u>	<u>\$ 6,952,486</u>	<u>\$ (1,794,930)</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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 12/31/20	\$ 9,660,009	\$ 11,662,245	\$ (2,002,236)
Changes for the Year			
Service Cost	284,619	-	284,619
Interest on Total Pension Liability	656,115	-	656,115
Changes in benefits	-	-	-
Difference between expected and actual experience	(184,772)	-	(184,772)
Changes in assumptions	299,645	-	299,645
Employer Contributions	-	215,200	(215,200)
Employee Contributions	-	69,880	(69,880)
Net investment income	-	1,634,365	(1,634,365)
Benefit payments, including employee refunds	(448,808)	(448,808)	-
Administrative expense	-	(97,923)	97,923
Other changes	-	-	-
Net Changes	606,799	1,372,714	(765,915)
Balances at 12/31/21	\$ 10,266,808	\$ 13,034,959	\$ (2,768,151)

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

Police:

Valuation Date	January 1, 2021, projected to December 31, 2021
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	6.50%
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, 2021, projected to December 31, 2021
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	6.50% 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, 2021

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, 2021.

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 6.50%. 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 6.50%, 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 (5.50%), or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset) - Non-Uniform Pension Plan	\$ (1,243,187)	\$ (1,794,930)	\$ (2,209,393)
Net Pension Liability (Asset) - Police Pension Plan	\$ (1,345,169)	\$ (2,768,151)	\$ (3,935,129)

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 2021 was 14.20%. 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, 2021

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, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ (1,498,817)
Differences in assumptions	337,932	-
Differences in experience	-	(407,559)
	<u>\$ 337,932</u>	<u>\$ (1,906,376)</u>

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

2022	\$ (418,623)
2023	(681,213)
2024	(250,642)
2025	(238,525)
2026	18,863
Thereafter	1,696
	<u>\$ (1,568,444)</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 \$47,332 in 2021. Plan contributions totaled \$72,226 from the Borough in 2021. 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, 2021

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, 2021, 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 12/31/20	\$ 5,506,645	\$ -	\$ 5,506,645
Changes for the Year			
Service Cost	306,098	-	306,098
Interest on Total Pension Liability	122,817	-	122,817
Changes in benefits	-	-	-
Difference between expected and actual experience	(1,157)	-	(1,157)
Changes in assumptions	-	-	-
Employer Contributions	-	39,016	(39,016)
Net investment income	-	-	-
Benefit payments, including employee refunds	(39,016)	(39,016)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	388,742	-	388,742
Balances at 12/31/21	\$ 5,895,387	\$ -	\$ 5,895,387

Employer Contributions

The Borough's contractually required contribution rate for fiscal year ended December 31, 2021 was 2.73% 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 \$39,016 for the year ended December 31, 2021.

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

At December 31, 2021, the Borough reported a net OPEB liability of \$5,893,387. The net OPEB liability was measured as of January 1, 2021, 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, 2021.

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$484,375. At December 31, 2021, 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	\$ 557,748	\$ 195,119

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

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:

2022	\$	55,460
2023		55,460
2024		55,460
2025		55,460
2026		66,793
Thereafter		73,996
	\$	<u>362,629</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: 2.12% as of December 31, 2020 and 2.06% as of 12/31/2021. 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.
- Medical Inflation – 8% in the first year gradually decreasing by 1% per year, to an ultimate rate of 5%.

Actuarial Methods

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

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The following presents the net OPEB liability of the Borough, calculated using the discount rate of 2.06%, 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 (1.06 percent) or 1-percent-point higher (3.06 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(1.06%)</u>	<u>2.06%</u>	<u>(3.06%)</u>
Net OPEB Liability	\$ 6,570,148	\$ 5,895,387	\$ 5,301,869

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%	Current	1%
	Decrease	Medical	Increase
	<u></u>	<u>Inflation Rate</u>	<u></u>
Net OPEB Liability	\$ 5,094,055	\$ 5,895,387	\$ 6,851,280

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

Adoption of Governmental Accounting Standards Board (GASB) Statements

In May 2020, 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*. The adoption of this statement requires Borough Pension Plans to be classified as component units.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The Township has implemented the effects of this Statement for the reporting period ended December 31, 2021. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local government.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Pending Changes in Accounting Principles

In June 2017, the GASB issued Statement No. 87, *Leases*. The Borough is required to adopt Statement No. 87 for its fiscal year 2022 financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The Borough is required to adopt Statement No. 89 for its fiscal 2021 financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The Borough is required to adopt Statement No. 91 for its fiscal 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The Borough is required to adopt Statement No. 92 for its fiscal 2022 financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The Borough is required to adopt Statement No. 93 for its fiscal 2021 and 2022 financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The Borough is required to adopt Statement No. 94 for its fiscal 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Borough is required to adopt Statement No. 96 for its fiscal 2023 financial statements.

Borough management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the Township's financial reporting process.

The effect of implementation of these Statements has not yet been determined.

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 March 23, 2022 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, 2021
(UNAUDITED)

	Non-Uniform Pension Plan 2021	Police Pension Plan 2021	Non-Uniform Pension Plan 2020	Police Pension Plan 2020	Non-Uniform Pension Plan 2019	Police Pension Plan 2019
Total Pension Liability						
Service Cost	\$ 89,609	\$ 284,619	\$ 86,489	\$ 240,828	\$ 96,462	\$ 263,891
Interest	337,406	656,115	329,567	622,275	341,409	592,457
Benefit Payments	(306,493)	(448,808)	(341,345)	(396,181)	(251,533)	(322,904)
Difference Between Actual and Expected Assumption Changes	(141,946)	(184,772)	20,881	16,933	(306,896)	(31,990)
	116,734	299,645	-	-	-	-
Net Change in Total Pension Liability	95,310	606,799	95,592	483,855	(120,558)	501,454
Total Pension Liability - Beginning	5,062,246	9,660,009	4,966,654	9,176,154	5,087,212	8,674,700
Total Pension Liability - Ending (a)	<u>\$ 5,157,556</u>	<u>\$ 10,266,808</u>	<u>\$ 5,062,246</u>	<u>\$ 9,660,009</u>	<u>\$ 4,966,654</u>	<u>\$ 9,176,154</u>
Plan Fiduciary Net Position						
Contribution - Employer and State Aid	\$ 69,210	\$ 215,200	\$ 32,205	\$ 288,290	\$ 34,297	\$ 116,622
Contribution - Member	31,964	69,880	60,880	70,168	32,155	71,851
Net Investment Income	856,387	1,634,365	704,577	1,293,419	1,010,941	1,757,347
Benefit Payments	(306,493)	(448,808)	(341,345)	(396,181)	(251,533)	(322,904)
Administrative Expense	(61,826)	(97,923)	(48,605)	(72,969)	-	-
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	589,242	1,372,714	407,712	1,182,727	825,860	1,622,916
Plan Fiduciary Net Position - Beginning	6,363,244	11,662,245	5,955,532	10,479,518	5,129,672	8,856,602
Plan Fiduciary Net Position - End (b)	<u>\$ 6,952,486</u>	<u>\$ 13,034,959</u>	<u>\$ 6,363,244</u>	<u>\$ 11,662,245</u>	<u>\$ 5,955,532</u>	<u>\$ 10,479,518</u>
Net Pension Liability (Asset) (a-b)	<u>\$ (1,794,930)</u>	<u>\$ (2,768,151)</u>	<u>\$ (1,300,998)</u>	<u>\$ (2,002,236)</u>	<u>\$ (988,878)</u>	<u>\$ (1,303,364)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	134.80%	126.96%	125.70%	120.73%	119.91%	114.20%
Covered Payroll	\$ 1,059,790	\$ 1,431,614	\$ 1,107,801	\$ 1,426,446	\$ 1,022,504	\$ 1,438,308
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-169.37%	-193.36%	-117.44%	-140.37%	-96.71%	-90.62%

(Continued)

*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 CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS CALCULATED IN ACCORDANCE
WITH GASB 68
LAST 10 FISCAL YEARS*
DECEMBER 31, 2021
(UNAUDITED)

	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						
Interest	\$ 112,308	\$ 215,986	\$ 96,856	\$ 193,189	\$ 141,552	\$ 189,639
Benefit Payments	327,801	567,664	316,301	541,021	280,003	476,105
Difference Between Actual and Expected	(221,842)	(263,271)	(221,658)	(348,029)	(80,689)	(238,114)
Assumption Changes	(60,890)	(329,953)	(36,479)	(18,823)	(31,150)	(8,523)
Net Change in Total Pension Liability	-	-	-	203,617	272,441	537,035
Total Pension Liability - Beginning	157,377	190,426	155,020	570,975	582,157	956,142
Total Pension Liability - Ending (a)	4,854,931	8,325,492	4,699,911	7,754,517	4,117,754	6,798,375
	<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						
Contribution - Member	\$ -	\$ -	\$ 17,213	\$ -	\$ 50,699	\$ 31,499
Other Income	37,765	-	43,835	-	46,764	-
Net Investment Income	-	-	-	-	-	-
Benefit Payments	615,455	1,263,839	385,800	648,519	(109,802)	(609,254)
Administrative Expense	(221,842)	(263,271)	(221,658)	(348,029)	(80,689)	(238,114)
Other	(41,038)	(87,900)	(25,651)	(64,075)	(27,492)	(72,210)
Net Change in Plan Fiduciary Net Position	-	-	-	14,826	7,634	(7,634)
Plan Fiduciary Net Position - Beginning	390,340	912,668	199,539	251,241	(112,886)	(895,713)
Plan Fiduciary Net Position - End (b)	5,216,087	8,939,109	5,016,548	8,687,868	5,129,434	9,583,581
	<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>\$ (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						
	111.85%	115.69%	107.44%	107.37%	106.74%	112.04%
Covered Payroll						
	\$ 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						
	-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, 2021
(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%	
Non-Uniform Pension Plan	2021	-	69,210	-	1,059,790	6.53%	
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%	
Police Pension Plan	2021	-	448,808	-	1,431,614	31.35%	

Schedule of Investment Returns*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actual Money Weighted Rate of Return, Net of Investment Expense	14.20%	10.89%	18.20%	-6.10%	11.70%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
	7.69%	-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	Covered Payroll	Net Pension Liability as a % of Covered Payroll
Non-Uniform Pension Plan	2014	\$ 4,117,764	\$ 5,129,434	\$ (1,011,670)	124.57%	\$ 1,845,636	-54.81%
Non-Uniform Pension Plan	2015	4,699,911	5,016,547	(316,636)	106.74%	1,695,313	-18.68%
Non-Uniform Pension Plan	2016	4,854,930	5,216,087	(361,157)	107.44%	1,432,148	-25.22%
Non-Uniform Pension Plan	2017	5,012,308	5,606,427	(594,119)	111.85%	1,448,998	-41.00%
Non-Uniform Pension Plan	2018	5,087,212	5,129,672	(42,460)	100.83%	1,172,396	-3.62%
Non-Uniform Pension Plan	2019	4,966,654	5,955,532	(988,878)	119.91%	1,022,504	-96.71%
Non-Uniform Pension Plan	2020	5,062,246	6,363,244	(1,300,998)	125.70%	1,107,801	-117.44%
Non-Uniform Pension Plan	2021	5,157,556	6,952,486	(1,794,930)	134.80%	1,059,790	-169.37%
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%
Police Pension Plan	2021	10,266,808	13,034,959	(2,768,151)	126.96%	1,431,614	-193.36%

* 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, 2021
(UNAUDITED)

	2021	2020	2019	2018
Service Cost	\$ 306,098	\$ 262,202	\$ 217,726	\$ 212,897
Interest	122,817	141,108	143,959	145,418
Differences (Expected vs Actual)	(1,157)	230,409	595,945	(359,611)
Benefit Payments	(39,016)	(29,564)	(44,546)	(47,308)
Net Change in Total OPEB Liability	388,742	604,155	913,084	(48,604)
Net OPEB Obligation, Beginning of Year	5,506,645	4,902,490	3,989,406	4,038,010
Net OPEB Obligation, End of Year	\$ 5,895,387	\$ 5,506,645	\$ 4,902,490	\$ 3,989,406

Notes to Schedule:

Valuation Date: January 1, 2020 projected to December 31, 2021.

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) 2.06% (12/31/2021 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, 2021
(UNAUDITED)

	2021	2020	2019	2018
Contractually required contribution	\$ 506,874	\$ 506,874	\$ 438,125	\$ 438,125
Contributions in relation to the contractually required contribution	39,016	29,564	44,546	47,308
Contribution deficiency (excess)	<u>\$ 467,858</u>	<u>\$ 477,310</u>	<u>\$ 393,579</u>	<u>\$ 390,817</u>
Borough's covered payroll	\$ 1,431,614	\$ 1,519,742	\$ 1,438,308	\$ 1,305,028
Contributions as a percentage of covered payroll	2.73%	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, 2021
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Taxes	\$ 3,310,800	\$ 3,310,800	\$ 3,748,582	\$ 437,782
Licenses and Permits	181,300	181,300	158,203	(23,097)
Fines, Forfeits and Costs	46,000	46,000	81,973	35,973
Interest on Investments and Rent	91,500	91,500	62,173	(29,327)
Grants and Revenue Sharing	317,623	317,623	340,156	22,533
Charges for Services	197,481	197,481	313,771	116,290
Public Utility Realty Tax	2,500	2,500	3,239	739
Miscellaneous	69,973	69,973	80,466	10,493
Sale of Assets	50	50	2,800	2,750
Total Revenues	4,217,227	4,217,227	4,791,363	574,136
Expenditures				
General	748,040	748,040	665,007	83,033
Protection to Persons and Property	2,533,907	2,533,907	2,415,493	118,414
Public Works - Highways, Streets & Parking	733,532	733,532	603,861	129,671
Recreation	28,733	28,733	26,800	1,933
Revitalization	20,100	20,100	19,635	465
Debt Service	99,588	99,588	160,543	(60,955)
Capital Outlays	52,931	52,931	317,941	(265,010)
Total Expenditures	4,216,831	4,216,831	4,209,280	7,551
Excess (Deficit) of Revenues Over Expenditures	396	396	582,083	581,687
Other Financing Sources (Uses)				
Proceeds from Debt Issuance	-	-	3,291,233	3,291,233
Principal Retirement	-	-	(3,236,583)	(3,236,583)
Proceeds from Capital Lease	-	-	35,695	35,695
Bond Issuance Cost	-	-	(54,650)	(54,650)
Transfers In (Out)	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	65,695	35,695
Net Change in Fund Balances	\$ 30,396	\$ 30,396	647,778	\$ 617,382
Fund Balances - Beginning of Year			3,460,012	
Fund Balances - End of Year			\$ 4,107,790	

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REFUSE FUND
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Interest on Investments	\$ 300	\$ 300	\$ 5,211	\$ 4,911
Charges for Services	929,200	929,200	947,417	18,217
Miscellaneous	900	900	530	(370)
Total Revenues	<u>930,400</u>	<u>930,400</u>	<u>953,158</u>	<u>22,758</u>
Expenditures				
Health and Sanitation	769,340	769,340	766,921	2,419
Capital Outlays	-	-	21,250	(21,250)
Total Expenditures	<u>769,340</u>	<u>769,340</u>	<u>788,171</u>	<u>(18,831)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>161,060</u>	<u>161,060</u>	<u>164,987</u>	<u>3,927</u>
Other Financing Sources (Uses)				
Transferred In (Out)	<u>(161,060)</u>	<u>(161,060)</u>	<u>(30,000)</u>	<u>131,060</u>
Total Other Financing Sources (Uses)	<u>(161,060)</u>	<u>(161,060)</u>	<u>(30,000)</u>	<u>131,060</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	134,987	<u>\$ 134,987</u>
Fund Balances - Beginning of Year			<u>131,679</u>	
Fund Balances - End of Year			<u>\$ 266,666</u>	

Other Supplementary Information

BOROUGH OF AMBLER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(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	\$	50,769	\$ 36,944	\$ 172,795	\$ 40,018	\$ 294,731	\$ 595,257	\$ 877,170
Miscellaneous Receivables		10,584	-	-	-	-	-	10,584
Taxes Receivable		1,066	2,438	1,979	-	-	5,483	5,483
Prepaid Expenses		-	6,405	-	-	-	6,405	6,405
Mortgage Receivable		-	-	-	310,000	-	310,000	310,000
Total Assets	\$	<u>62,419</u>	<u>45,787</u>	<u>174,774</u>	<u>350,018</u>	<u>294,731</u>	<u>927,729</u>	<u>1,209,642</u>
<u>Liabilities and Fund Balance</u>								
Liabilities								
Accounts Payable	\$	3,432	\$ 26,795	\$ 1,607	\$ -	\$ -	\$ 31,834	\$ 31,834
Due to Other Funds		<u>80,000</u>	<u>18,992</u>	-	-	-	<u>98,992</u>	<u>98,992</u>
Total Liabilities		<u>83,432</u>	<u>45,787</u>	<u>1,607</u>	-	-	<u>130,826</u>	<u>130,826</u>
Fund Balances								
Restricted		<u>(21,013)</u>	-	<u>173,167</u>	<u>350,018</u>	<u>294,731</u>	<u>796,903</u>	<u>1,078,816</u>
Total Fund Balances		<u>(21,013)</u>	-	<u>173,167</u>	<u>350,018</u>	<u>294,731</u>	<u>796,903</u>	<u>1,078,816</u>
Total Liabilities and Fund Balances	\$	<u>62,419</u>	<u>45,787</u>	<u>174,774</u>	<u>350,018</u>	<u>294,731</u>	<u>927,729</u>	<u>1,209,642</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2021
 (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	\$ 60,639	\$ 154,973	\$ 112,647	\$ -	\$ -	\$ 328,259	\$ -	\$ 328,259
Foreign Fire Relief	-	36,582	-	-	-	36,582	-	36,582
Interest Income	57	32	200	2,404	283	2,976	282	3,258
State Motor Vehicle Fuel Tax	-	-	-	-	159,993	159,993	-	159,993
Total Revenues	<u>60,696</u>	<u>191,587</u>	<u>112,847</u>	<u>2,404</u>	<u>160,276</u>	<u>527,810</u>	<u>282</u>	<u>528,092</u>
Expenditures								
Street Lighting	37,503	-	-	-	-	37,503	-	37,503
Fire	-	202,697	-	-	-	202,697	-	202,697
Recreation	-	-	74,550	-	-	74,550	-	74,550
Highways and Streets	-	-	-	-	29,712	29,712	-	29,712
Capital Outlay	10,074	-	41,646	-	-	51,720	-	51,720
Total Expenditures	<u>47,577</u>	<u>202,697</u>	<u>116,196</u>	<u>-</u>	<u>29,712</u>	<u>396,182</u>	<u>-</u>	<u>396,182</u>
Excess (Deficit) of Revenues Over Expenditures	13,119	(11,110)	(3,349)	2,404	130,564	131,628	282	131,910
Other Financing Sources (Uses)								
Transfers In (Out)	-	11,110	-	-	-	11,110	-	11,110
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,110</u>	<u>-</u>	<u>11,110</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	13,119	-	(3,349)	2,404	130,564	142,738	282	143,020
Fund Balances - Beginning 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>
Fund Balances - End of Year	<u>\$ (21,013)</u>	<u>\$ -</u>	<u>\$ 173,167</u>	<u>\$ 350,018</u>	<u>\$ 294,731</u>	<u>\$ 796,903</u>	<u>\$ 281,913</u>	<u>\$ 1,078,816</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF PLAN NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2021
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Assets			
Cash and Cash Equivalents	\$ 91,691	\$ 59,165	\$ 150,856
Accrued Income	70,269	37,001	107,270
Investments:			
Corporate Debt and Equity, at Fair Value	5,447,265	2,899,220	8,346,485
Other Investments, at Fair Value	<u>7,425,734</u>	<u>3,957,100</u>	<u>11,382,834</u>
Total Assets	<u>\$ 13,034,959</u>	<u>\$ 6,952,486</u>	<u>\$ 19,987,445</u>
Net Position Restricted for Pensions	<u>\$ 13,034,959</u>	<u>\$ 6,952,486</u>	<u>\$ 19,987,445</u>

BOROUGH OF AMBLER
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2021
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Plan Members	\$ 69,880	\$ 31,964	\$ 101,844
Employer	<u>215,200</u>	<u>69,210</u>	<u>284,410</u>
Total Contributions	<u>285,080</u>	<u>101,174</u>	<u>386,254</u>
Investment Earnings			
Net Appreciation in Fair Value of Investments	1,399,097	728,546	2,127,643
Interest and Dividends	<u>235,268</u>	<u>127,841</u>	<u>363,109</u>
Total Investment Earnings	1,634,365	856,387	2,490,752
Less Investment Expense	<u>(97,923)</u>	<u>(61,826)</u>	<u>(159,749)</u>
Net Investment Earnings	<u>1,536,442</u>	<u>794,561</u>	<u>2,331,003</u>
Total Additions	<u>1,821,522</u>	<u>895,735</u>	<u>2,717,257</u>
Deductions			
Benefits	<u>448,808</u>	<u>306,493</u>	<u>755,301</u>
Total Deductions	<u>448,808</u>	<u>306,493</u>	<u>755,301</u>
Changes in Net Position	1,372,714	589,242	1,961,956
Net Position - Beginning of Year	<u>11,662,245</u>	<u>6,363,244</u>	<u>18,025,489</u>
Net Position - End of Year	<u>\$ 13,034,959</u>	<u>\$ 6,952,486</u>	<u>\$ 19,987,445</u>