

**BOROUGH OF AMBLER**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF AMBLER  
DIRECTORY**

**MAYOR**

Jeanne Sorg

(Term expires January 1, 2026)

**MEMBERS OF BOROUGH COUNCIL**

(Terms expire January 1, 2028)

Haley Welch  
Jennifer Henderson  
Amy Hughes  
Nancy Roecker-Coates

(Terms expire January 1, 2026)

Lou Orehek  
Karen Sheedy  
Elizabeth Iovine  
Glynnis Siskind  
Lisa Auerbach

**OFFICERS**

Glynnis Siskind  
Haley Welch  
Marita Bondi

President of Council  
Vice President  
Treasurer

**BOROUGH MANAGER**

Mary Aversa

**FINANCE MANAGER**

Albert Yaghooty

**TAX COLLECTOR**

Jennifer Stomsky

**SOLICITOR**

Joseph E. Bresnan

**ACCOUNTANTS**

ZELINKOFSKE AXELROD LLC

Certified Public Accountants

BOROUGH OF AMBLER  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	14
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	17
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	19
STATEMENT OF FUND NET POSITION – PROPRIETARY FUNDS	20
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	21
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	22
STATEMENT OF PLAN NET POSITION – FIDUCIARY FUNDS	24
STATEMENT OF CHANGES IN PLAN NET POSITION – FIDUCIARY FUNDS	25
NOTES TO FINANCIAL STATEMENTS	26
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
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	54-55

BOROUGH OF AMBLER  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

PENSION PLANS – SCHEDULES OF EMPLOYER CONTRIBUTIONS, INVESTMENT RETURNS AND EMPLOYER’S NET PENSION LIABILITY – LAST 10 FISCAL YEARS	56-57
SCHEDULE OF CHANGES IN PLAN’S NET OPEB LIABILITY – LAST 10 FISCAL YEARS	58
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	59
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – REFUSE FUND	60

OTHER SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	62
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	63
COMBINING STATEMENT OF PLAN NET POSITION - FIDUCIARY FUNDS	64
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION – FIDUCIARY FUNDS	65



# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

## **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, 2023, 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, each major fund, and the aggregate remaining fund information of the Borough of Ambler, as of December 31, 2023, 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 twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***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.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601



*Zelenkofske Axelrod LLC*  
**CERTIFIED PUBLIC ACCOUNTANTS**  
 EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Honorable Borough Council  
 Borough of Ambler  
 Ambler, Pennsylvania

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.

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.

***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 4-12 and 54-60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ambler's basic financial statements. The combining nonmajor fund financial statements and combining schedules of fiduciary funds on pages 62-65 are presented for purposes of additional analysis and are not a required part of the basic financial statements.



# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Honorable Borough Council  
Borough of Ambler  
Ambler, Pennsylvania

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.

### ***Other Information***

As described in Note 1 to the Financial Statements, the Borough adopted the provisions of GASB Statement No. 87, *Leases*, Statement No. 91, *Conduit Debt Obligations*, Statement No. 92, *Omnibus 2020*, and Statement No. 93, *Replacement of Interbank Offered Rates*.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania  
December 13, 2024

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

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, 2023.

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, 2023. 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 \$19,636,062 (net position).
  
- The Borough's total net position increased by \$1,178,733.

**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, 2023

**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, 2023

**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, 2023**

	2023			2022
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
<b>ASSETS</b>				
Current and Other Assets	\$ 7,185,393	\$ 2,510,387	\$ 9,695,780	\$ 10,466,633
Capital Assets	12,309,545	12,034,424	24,343,969	22,950,214
Total Assets	19,494,938	14,544,811	34,039,749	33,416,847
 DEFERRED OUTFLOWS OF RESOURCES	 2,568,962	 380,824	 2,949,786	 1,648,193
<b>LIABILITIES</b>				
Other Liabilities	522,506	260,552	783,058	633,179
Long-Term Debt Outstanding	9,876,625	5,139,401	15,016,026	13,944,148
Total Liabilities	10,399,131	5,399,953	15,799,084	14,577,327
 DEFERRED INFLOWS OF RESOURCES	 1,546,317	 8,072	 1,554,389	 2,030,384
<b>NET POSITION</b>				
Net Investment in Capital Assets	9,193,577	7,192,183	16,385,760	14,780,756
Restricted	3,736,316	371,917	4,108,233	3,111,221
Unrestricted (Deficit)	(2,811,441)	1,953,510	(857,931)	565,352
Total Net Position	<u>\$ 10,118,452</u>	<u>\$ 9,517,610</u>	<u>\$ 19,636,062</u>	<u>\$ 18,457,329</u>

Cash represents 30% of Ambler Borough's total governmental assets.

The largest portion of the Borough's governmental assets, 63%, 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 \$552,259 for Governmental Activities and total revenue exceeded total expenses by \$626,474 for Business-Type Activities.

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

**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 2023 was \$4,662,197. General revenues by source were as follows:

<u>General Revenues</u>	2023		2022	
	Amount	% of Total	Amount	% of Total
Property Taxes	\$ 2,545,123	54.59%	\$ 2,425,083	50.61%
Earned Income Tax	1,316,151	28.23%	1,244,483	25.97%
Business Privilege Tax	105,393	2.26%	147,367	3.08%
Local Services Tax	162,458	3.48%	147,934	3.09%
Deed Transfer Tax	200,529	4.30%	295,938	6.18%
Public Utility Realty Tax	3,729	0.08%	3,677	0.08%
Investment Earnings and Rent	146,604	1.51%	105,366	2.20%
Cable Franchise Fees	181,003	3.88%	27,682	0.58%
Miscellaneous	1,207	0.03%	394,259	8.23%
Total General Revenues and Other Items	<u>\$ 4,662,197</u>	<u>100.00%</u>	<u>\$ 4,791,789</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 2023 were \$4,109,938. Expenses (Net of Program Revenues) by source were as follows:

	2023	2022
General	\$ (671,333)	\$ 455,111
Police (Protection to Persons and Property)	2,868,187	4,182,306
Health and Sanitation	-	(184,950)
Highways	-	-
Public Works	1,153,692	699,238
Fire Protection	-	203,242
Recreation	-	118,549
Revitalization	225,908	28,265
Bond Issuance Costs	-	-
Loss on Sale of Assets	-	281
Depreciation	525,078	462,785
Interest	8,406	221,932
Total Governmental Activities	<u>\$ 4,109,938</u>	<u>\$ 6,186,759</u>
Change in Net Position (Governmental Activities)	<u>\$ 552,259</u>	<u>\$ (1,394,970)</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

**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>General Revenues</u>	<u>2023</u>	<u>2022</u>
Total General Revenues, Transfers and	<u>\$ 17,278</u>	<u>\$ 8,643</u>
 <u>Expenses Net of Program Revenues</u>		
Water	\$ 678,882	\$ 170,702
Sewer	<u>(69,686)</u>	<u>(22,179)</u>
Total Business-Type Activities	<u>\$ 609,196</u>	<u>\$ 148,523</u>
 Change in Net Position (Business-Type Activities)	 <u>\$ 626,474</u>	 <u>\$ 157,166</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

**Reporting the Borough as a Whole (Continued)**

***Government-Wide Activities:***

**CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023**

	2023			2022
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
Revenues				
Program Revenues:				
Charges for Services	\$ 1,697,571	\$ 4,324,534	\$ 6,022,105	\$ 5,258,358
Operating Grants and Contributions	690,971	-	690,971	339,841
Capital Grants and Contributions	-	-	-	-
General Revenues:				
Property Taxes	2,545,123	-	2,545,123	2,259,817
Other Taxes	1,969,263	-	1,969,263	2,004,665
Investment Income	146,604	17,278	163,882	114,009
Miscellaneous	1,207	-	1,207	421,941
Total Revenues	<u>7,050,739</u>	<u>4,341,812</u>	<u>11,392,551</u>	<u>10,398,631</u>
Expenses				
Operating	-	3,715,338	3,715,338	3,779,524
General	1,040,998	-	1,040,998	1,073,902
Police (Protection to Persons/Property)	2,978,227	-	2,978,227	4,433,327
Public Works	1,719,863	-	1,719,863	1,474,929
Recreation	205,584	-	205,584	161,490
Community Development	20,324	-	20,324	28,265
Loss on Sale of Assets	-	-	-	281
Unallocated Depreciation	525,078	-	525,078	462,785
Interest	8,406	-	8,406	221,932
Total Expenses	<u>6,498,480</u>	<u>3,715,338</u>	<u>10,738,896</u>	<u>11,636,435</u>
Changes in Net Position	552,259	626,474	1,178,733	(1,237,804)
Net Position - Beginning of Year	<u>9,566,193</u>	<u>8,891,136</u>	<u>18,457,329</u>	<u>19,695,133</u>
Net Position - End of Year	<u>\$ 10,118,452</u>	<u>\$ 9,517,610</u>	<u>\$ 19,636,062</u>	<u>\$ 18,457,329</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

**Financial Analysis**

***Governmental Funds:***

**General Fund** – The \$237,636 net change in fund balance was due to Local enabling taxes coming in higher than expected and Grant Funds received. .

**Refuse Fund** – The \$219,329 net change in fund balance is due to collections coming in a little higher than expected and budget reserve addition for future increases in trash collection contract.

***Proprietary Funds:***

**Water Fund** – The \$695,375 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 \$(68,901) excess of expenditures over revenues were due to lower revenues and higher than anticipated administrative and collection system expenses.

**Revenue Budgetary Highlights** (as noted in General Fund budget and actual schedule on page 59)

Revenues were above what was projected and anticipated by the 2023 Budget due to higher than anticipated EIT, LST, Transfer Tax. revenues as well as higher than anticipated permit fees

**Expenditures Budgetary Highlights**

Expenditures were over budget due to capital expenses for the Tannery Run project.

**Capital Assets and Debt Administration**

***Capital Assets:***

Ambler Borough's capital assets for its governmental and business-type activities as of December 31, 2023 totals \$24,343,969 (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, 2023**

	Governmental Activities	Business-Type Activities	Total 2023	Total 2022
Land	\$ 2,179,081	\$ 2,328	\$ 2,181,409	\$ 2,181,409
Construction in Progress	-	-	-	125,910
Buildings and Improvements	4,914,863	223,452	5,138,315	5,284,553
Site Improvements	129,075	-	129,075	141,134
Machinery, Vehicles, Furniture & Equipment	699,706	464,128	1,163,834	1,124,768
Plant in Service	-	11,233,707	11,233,707	9,974,391
Infrastructure	4,386,820	110,809	4,497,629	4,118,049
	<u>\$ 12,309,545</u>	<u>\$ 12,034,424</u>	<u>\$ 24,343,969</u>	<u>\$ 22,950,214</u>
Total Capital Assets, Net of Depreciation				

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, 2023

**Debt**

At year end, the Borough had \$8,081,788 in outstanding debt, \$494,139 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>2023</u>	<u>2022</u>
General Obligation Bonds	\$ 2,960,000	\$ 3,065,000
Unamortized Premiums	123,579	132,406
Notes Payable	<u>155,968</u>	<u>39,055</u>
Total	<u>\$ 3,239,547</u>	<u>\$ 3,236,461</u>
<u>Business-Type Activities</u>		
General Obligation Bonds	\$ 4,445,000	\$ 4,705,000
Unamortized Premiums	284,534	298,729
Notes Payable	<u>112,707</u>	<u>61,674</u>
Total	<u>\$ 4,842,241</u>	<u>\$ 5,065,403</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, Precis, 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).

2023 Highlights:

The Borough received a PA Small Water and Sewer Program Grant from the Commonwealth Financing Authority in the amount of \$355,093. The grant requires a 15% local match (\$62,663) in order to install 827 feet of stormwater pipe from Hendricks Street to the bottom of Cove Lane. This project was completed in the fall of 2023.

The Borough approved a 92-unit 5 story apartment building proposed to be built at 9 N. Maple Avenue.

The Borough Council enacted an ordinance requiring a certificate of occupancy for the re-sale of residential properties in the Borough.

The Borough continued to purchase and upgrade park equipment including playgrounds, benches, picnic tables, etc..

**Business-Type Activities:**

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

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

In 2023 the Water Department worked on 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. In 2023 the Water Department replace all the pumps in the wells. We were able to successfully request and were granted approval for a rate increase from the PUC to take effect on January 1, 2023, ranging from 25% to 28%. The long-awaited rate increase was requested to offset the capital expenditures the Water Department has undertaken in order to ensure the continued compliance with higher water standards.

**Next Year's Budget:**

The 2024 Approved Budget for the Borough presents tax increases for the residents of the Borough in the General Fund, The General Fund tax rate increase was requested in preparation for anticipated capital expenditures to improve the vehicle fleet for various departments as well as anticipated increases in payroll and insurance coverage in the next 12-36 months.

**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, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 5,867,962	\$ 1,971,539	\$ 7,839,501
Taxes Receivable	321,732	-	321,732
Leases Receivable	293,055	-	293,055
Accounts Receivable - Net	36,734	328,679	365,413
Mortgage Receivable	376,149	-	376,149
Internal Balances	283,356	(283,356)	-
Prepaid Expenses	6,405	-	6,405
Inventories	-	210,169	210,169
Capital Assets - Not Being Depreciated			
Land	2,179,081	2,328	2,181,409
Capital Assets - Net of Depreciation:			
Buildings and Improvements	4,914,863	223,454	5,138,317
Site Improvements	129,075	-	129,075
Machinery, Vehicles, Furniture and Equipment	699,706	464,128	1,163,834
Plant in Service	-	11,233,705	11,233,705
Infrastructure	4,386,820	110,809	4,497,629
<b>Total Assets</b>	<b>19,494,938</b>	<b>14,261,455</b>	<b>33,756,393</b>
<u><b>Deferred Outflows of Resources</b></u>			
Related to Pensions	2,033,286	380,824	2,414,110
Related to OPEB	535,676	-	535,676
<b>Total Deferred Outflows of Resources</b>	<b>2,568,962</b>	<b>380,824</b>	<b>2,949,786</b>
<b>Liabilities</b>			
Accounts Payable	503,714	253,899	757,613
Accrued Expenses	18,792	6,653	25,445
Long Term Debt			
Due Within One Year	115,000	(275,000)	(160,000)
Due Beyond One Year	2,845,000	4,170,000	7,015,000
Unamortized Premium	123,579	284,534	408,113
Notes Payable			
Due Within One Year	67,064	37,075	104,139
Due Beyond One Year	88,904	75,632	164,536
Net Pension Liability	441,485	13,804	455,289
Other Postemployment Benefits			
Due Beyond One Year	5,488,635	-	5,488,635
Escrow Funds Payable	706,958	-	706,958
<b>Total Liabilities</b>	<b>10,399,131</b>	<b>4,566,597</b>	<b>14,965,728</b>
<u><b>Deferred Inflows of Resources</b></u>			
Related to Leases	293,055	-	293,055
Related to Pension	106,890	8,072	114,962
Related to OPEB	1,146,372	-	1,146,372
<b>Total Deferred Inflows of Resources</b>	<b>1,546,317</b>	<b>8,072</b>	<b>1,554,389</b>
<b>Net Position</b>			
Net Investment in Capital Assets	9,193,577	7,742,183	16,935,760
Restricted for:			
Net Pension	1,926,396	371,917	2,298,313
Refuse Collection	665,549	-	665,549
Highway Fund	290,653	-	290,653
Fire Fund	11,392	-	11,392
Debt Service	285,092	-	285,092
Revolving Loan Fund	355,167	-	355,167
Recreation	202,067	-	202,067
Unrestricted (Deficit)	(2,811,441)	1,953,510	(857,931)
<b>Total Net Position</b>	<b>\$ 10,118,452</b>	<b>\$ 10,067,610</b>	<b>\$ 20,186,062</b>

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

**BOROUGH OF AMBLER  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>						
<b>Governmental Activities</b>						
General	\$ 1,040,998	\$ 1,191,769	\$ 520,562	\$ 671,333	\$ -	\$ 671,333
Protection to Persons and Property	2,978,227	110,040	-	(2,868,187)	-	(2,868,187)
Public Works	1,719,863	395,762	170,409	(1,153,692)	-	(1,153,692)
Parks and Recreation	205,584	-	-	(205,584)	-	(205,584)
Community Development	20,324	-	-	(20,324)	-	(20,324)
Unallocated Depreciation	525,078	-	-	(525,078)	-	(525,078)
Interest on Long Term Debt	8,406	-	-	(8,406)	-	(8,406)
<b>Total Governmental Activities</b>	<b>6,498,480</b>	<b>1,697,571</b>	<b>690,971</b>	<b>(4,109,938)</b>	<b>-</b>	<b>(4,109,938)</b>
<b>Business-Type Activities:</b>						
Water	2,621,416	3,300,298	-	-	678,882	678,882
Sewer	1,093,922	1,024,236	-	-	(69,686)	(69,686)
<b>Total Business-Type Activities</b>	<b>3,715,338</b>	<b>4,324,534</b>	<b>-</b>	<b>-</b>	<b>609,196</b>	<b>609,196</b>
<b>Total Primary Government</b>	<b>\$ 10,213,818</b>	<b>\$ 6,022,105</b>	<b>\$ 690,971</b>	<b>(4,109,938)</b>	<b>609,196</b>	<b>(3,500,742)</b>
<b>General Revenues:</b>						
Property Taxes				2,545,123	-	2,545,123
Earned Income Tax				1,316,151	-	1,316,151
Local Service Tax				162,458	-	162,458
Business Privilege Tax				105,393	-	105,393
Deed Transfer Tax				200,529	-	200,529
Public Utility Realty Tax				3,729	-	3,729
Cable Franchise Fees				181,003	-	181,003
Investment Earnings and Rent				146,604	17,278	163,882
Miscellaneous				1,207	-	1,207
<b>Total General Revenues and Other Items</b>				<b>4,662,197</b>	<b>17,278</b>	<b>4,679,475</b>
Change in Net Position				552,259	626,474	1,178,733
Net Position - Beginning of Year				9,566,193	8,891,136	18,457,329
Net Position - End of Year				<b>\$ 10,118,452</b>	<b>\$ 9,517,610</b>	<b>\$ 19,636,062</b>

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

BOROUGH OF AMBLER  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental	Business-Type	Total
	Activities	Activities	
General Revenues:			
Property Taxes	2,545,123	-	2,545,123
Earned Income Tax	1,316,151	-	1,316,151
Local Service Tax	162,458	-	162,458
Business Privledge Tax	105,393	-	105,393
Deed Transfer Tax	200,529	-	200,529
Public Utility Realty Tax	3,729	-	3,729
Cable Franchise Fees	181,003	-	181,003
Investment Earnings and Rent	146,604	17,278	163,882
Miscellaneous	1,207	-	1,207
	<u>4,662,197</u>	<u>17,278</u>	<u>4,679,475</u>
 Total General Revenues and Other Items			
	<u>4,662,197</u>	<u>17,278</u>	<u>4,679,475</u>
 Change in Net Position	552,259	626,474	1,178,733
 Net Position - Beginning of Year	<u>9,566,193</u>	<u>8,891,136</u>	<u>18,457,329</u>
Net Position - End of Year	<u>\$ 10,118,452</u>	<u>\$ 9,517,610</u>	<u>\$ 19,636,062</u>

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

BOROUGH OF AMBLER  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

	<u>Major Funds</u>		Nonmajor Governmental Funds	Total Governmental Funds
	General	Refuse		
<u>Assets</u>				
Cash and Cash Equivalents	\$ 4,435,049	\$ 599,516	\$ 833,397	\$ 5,867,962
Taxes Receivable	321,732	-	-	321,732
Accounts Receivable, Net	-	36,734	-	36,734
Miscellaneous Receivables	66,149	-	310,000	376,149
Due from Other Funds	258,766	35,519	-	294,285
Prepaid Expenses	-	-	6,405	6,405
<b>Total Assets</b>	<b><u>\$ 5,081,696</u></b>	<b><u>\$ 671,769</u></b>	<b><u>\$ 1,149,802</u></b>	<b><u>\$ 6,903,267</u></b>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts Payable	491,081	6,220	6,413	\$ 503,714
Accrued Expenses	18,792	-	-	18,792
Due to Other Funds	-	-	10,929	10,929
Escrow Funds Payable	706,958	-	-	706,958
<b>Total Liabilities</b>	<b><u>1,216,831</u></b>	<b><u>6,220</u></b>	<b><u>17,342</u></b>	<b><u>1,240,393</u></b>
Fund Balances				
Restricted	95,780	-	-	95,780
Unassigned	3,769,085	665,549	1,132,460	5,567,094
<b>Total Fund Balances</b>	<b><u>3,864,865</u></b>	<b><u>665,549</u></b>	<b><u>1,132,460</u></b>	<b><u>5,662,874</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 5,081,696</u></b>	<b><u>\$ 671,769</u></b>	<b><u>\$ 1,149,802</u></b>	<b><u>\$ 6,903,267</u></b>

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

BOROUGH OF AMBLER  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO  
 THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
 DECEMBER 31, 2023

Fund Balances - Total Governmental Funds	\$	5,662,874
Amounts reported for governmental activities in the statement of net position are different because:		
Net Pension Asset/Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds		1,484,911
Net OPEB Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds		(6,099,331)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		12,309,545
Long term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Notes Payable		(155,968)
Unamortized Premium		(123,579)
General Obligation Bonds		<u>(2,960,000)</u>
Net Position of Governmental Activities	\$	<u><u>10,118,452</u></u>

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

BOROUGH OF AMBLER  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023

	<u>Major Funds</u>		Nonmajor Governmental Funds	Total Governmental Funds
	General	Refuse		
Revenues				
Taxes	\$ 4,071,611	\$ -	\$ 381,997	\$ 4,453,608
Grants and Intergovernmental	589,838	-	170,409	760,247
Licenses and Permits	56,985	-	-	56,985
Fines, Forfeits and Costs	92,402	-	46,330	138,732
Interest	125,611	11,805	9,188	146,604
State Motor Vehicle Tax	-	-	60,778	60,778
Charges for Services	332,711	946,084	251	1,279,046
Miscellaneous	153,532	1,207	-	154,739
Total Revenues	<u>5,422,690</u>	<u>959,096</u>	<u>668,953</u>	<u>7,050,739</u>
Expenditures				
General	770,925	-	-	770,925
Protection to Persons and Property	3,114,993	-	230,894	3,345,887
Public Works	1,258,199	739,767	312,111	2,310,077
Culture and Recreation	15,293	-	190,291	205,584
Community Development	20,324	-	-	20,324
Debt Service				
Principal	196,815	-	-	196,815
Interest	8,406	-	-	8,406
Total Expenditures	<u>5,384,955</u>	<u>739,767</u>	<u>733,296</u>	<u>6,858,018</u>
Excess (Deficit) of Revenues Over Expenditures	<u>37,735</u>	<u>219,329</u>	<u>(64,343)</u>	<u>192,721</u>
Other Financing Sources (Uses)				
Proceeds from Notes	199,901	-	-	199,901
Total Other Financing Sources (Uses)	<u>199,901</u>	<u>-</u>	<u>-</u>	<u>199,901</u>
Net Change in Fund Balances	237,636	219,329	(64,343)	392,622
Fund Balances - Beginning of Year	<u>3,627,229</u>	<u>446,220</u>	<u>1,196,803</u>	<u>5,270,252</u>
Fund Balances - End of Year	<u>\$ 3,864,865</u>	<u>\$ 665,549</u>	<u>\$ 1,132,460</u>	<u>\$ 5,662,874</u>

The accompanying notes are an integral part of the 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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	392,622
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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</p>		
Expenditures less disposals for general capital assets, infrastructure, and other related capital assets adjustments		637,131
Current year depreciation		(525,078)
<p>The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.</p>		
		337,883
<p>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:</p>		
<p>Principal repayments:</p>		
General Obligation Bonds		113,827
Notes Payable		82,988
<p>Lease Proceeds:</p>		
		(199,901)
<p>Other postemployment benefits do not require the use of current financial resources, therefore, are not reported as expenditures in Governmental Funds as follows:</p>		
Change in postemployment benefits		<u>(287,213)</u>
Change in Net Position of Governmental Activities	\$	<u>552,259</u>

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

**BOROUGH OF AMBLER  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2023**

	Water Fund	Sewer Fund	Total
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 1,878,365	\$ 93,174	\$ 1,971,539
Accounts Receivable (Net of Allowance for Uncollectibles)	308,191	20,488	328,679
Due from Other Funds	-	29,118	29,118
Inventories	210,169	-	210,169
Total Current Assets	<u>2,396,725</u>	<u>142,780</u>	<u>2,539,505</u>
Non-Current Assets			
Capital Assets			
Land	2,328	-	2,328
Infrastructure	-	128,618	128,618
Building	858,786	6,909	865,695
Machinery, Vehicles, Furniture and Equipment	1,700,972	99,445	1,800,417
Plant in Service	19,294,678	-	19,294,678
Accumulated Depreciation	(9,974,945)	(82,367)	(10,057,312)
Total Capital Assets (Net of Accumulated Depreciation)	<u>11,881,819</u>	<u>152,605</u>	<u>12,034,424</u>
Total Non-Current Assets	<u>11,881,819</u>	<u>152,605</u>	<u>12,034,424</u>
Total Assets	<u>14,278,544</u>	<u>295,385</u>	<u>14,573,929</u>
<u>Deferred Outflows of Resources</u>			
Related to Pension	327,175	53,649	380,824
Total Deferred Outflows of Resources	<u>327,175</u>	<u>53,649</u>	<u>380,824</u>
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	240,569	13,330	253,899
Accrued Expenses	5,365	1,288	6,653
Due to Other Funds	312,474	-	312,474
Notes Payable - Due Within One Year	37,075	-	37,075
General Obligation Bonds Payable - Due Within One Year	275,000	-	275,000
Net Pension Liability	11,859	1,945	13,804
Total Current Liabilities	<u>882,342</u>	<u>16,563</u>	<u>898,905</u>
Non-Current Liabilities			
Notes Payable - Due in More than One Year	75,632	-	75,632
Unamortized Premium	284,534	-	284,534
General Obligation Bonds Payable - Due in More than One Year	4,170,000	-	4,170,000
Total Non-Current Liabilities	<u>4,530,166</u>	<u>-</u>	<u>4,530,166</u>
Total Liabilities	<u>5,412,508</u>	<u>16,563</u>	<u>5,429,071</u>
<u>Deferred Inflows of Resources</u>			
Related to Pension	6,935	1,137	8,072
Total Deferred Inflows of Resources	<u>6,935</u>	<u>1,137</u>	<u>8,072</u>
<u>Net Position</u>			
Net investment in Capital Assets	7,039,578	152,605	7,192,183
Restricted for Pension	308,381	63,536	371,917
Unrestricted	1,838,317	115,193	1,953,510
Total Net Position	<u>\$ 9,186,276</u>	<u>\$ 331,334</u>	<u>\$ 9,517,610</u>

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



BOROUGH OF AMBLER  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2023

	Water Fund	Sewer Fund	Total
Operating Revenues			
Metered Water Sales	\$ 2,836,659	\$ -	\$ 2,836,659
PFAS Grant	1,101	-	1,101
Sewer Rents	-	939,586	939,586
Water Tower Rental	252,901	-	252,901
Water Line Protection	5,027	-	5,027
Miscellaneous	204,610	84,650	289,260
Total Operating Revenue	<u>3,300,298</u>	<u>1,024,236</u>	<u>4,324,534</u>
Operating Expenses			
Source of Supply	95,885	-	95,885
Debt Service Interest	110,337	-	110,337
Purification	100,378	-	100,378
Pumping	288,545	-	288,545
Distribution	324,553	-	324,553
Meter Installation	17,155	-	17,155
Collection System	-	634,853	634,853
Administrative	1,684,563	459,069	2,143,632
Total Operating Expenses	<u>2,621,416</u>	<u>1,093,922</u>	<u>3,715,338</u>
Operating Income (Loss)	<u>678,882</u>	<u>(69,686)</u>	<u>609,196</u>
Nonoperating Revenue (Expense)			
Interest Income	16,493	785	17,278
Total Nonoperating Revenue (Expense)	<u>16,493</u>	<u>785</u>	<u>17,278</u>
Change in Net Position	695,375	(68,901)	626,474
Net Position - Beginning of Year	<u>8,490,901</u>	<u>400,235</u>	<u>8,891,136</u>
Net Position - End of Year	<u>\$ 9,186,276</u>	<u>\$ 331,334</u>	<u>\$ 9,517,610</u>

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

BOROUGH OF AMBLER  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2023

	Water Fund	Sewer Fund	Total
<b>Cash Flows Operating Activities</b>			
Receipts from Customers and Users	\$ 2,782,889	\$ 970,110	\$ 3,752,999
Receipts from Others	463,639	84,650	548,289
Payments to Suppliers and Vendors	(1,427,108)	(861,698)	(2,288,806)
Payments to Employees	(700,122)	(235,075)	(935,197)
Net Cash Provided by (Used in) Operating Activities	<u>1,119,298</u>	<u>(42,013)</u>	<u>1,077,285</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Operating Interfund Advances, Net	<u>308,257</u>	<u>(11,102)</u>	<u>297,155</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>308,257</u>	<u>(11,102)</u>	<u>297,155</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and Construction of Capital Assets	(1,793,188)	-	(1,793,188)
Repayment of Notes Payable	(40,211)	-	(40,211)
Proceeds from Notes Payable	91,244	-	91,244
Unamortized Premium on Issuance	(14,195)	-	(14,195)
Principal Paid on General Obligation Bonds	<u>(260,000)</u>	<u>-</u>	<u>(260,000)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(2,016,350)</u>	<u>-</u>	<u>(2,016,350)</u>
<b>Cash Flows from Investing Activities</b>			
Reinvested Interest on Investment	<u>16,493</u>	<u>785</u>	<u>17,278</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(572,302)	(52,330)	(624,632)
Cash and Cash Equivalents - Beginning of Year	<u>2,450,667</u>	<u>145,504</u>	<u>2,596,171</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,878,365</u>	<u>\$ 93,174</u>	<u>\$ 1,971,539</u>

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

BOROUGH OF AMBLER  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 PROPRIETARY FUNDS  
 YEAR ENDED DECEMBER 31, 2023

	Water Fund	Sewer Fund	Total
Reconciliation of Operating Income To			
Net Cash Provided By (Used in) Operating Activities			
Operating Income (Loss)	\$ 678,882	\$ (69,686)	\$ 609,196
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	503,827	7,657	511,484
Change in Assets and Liabilities:			
Change in Accounts Receivable	(53,770)	30,524	(23,246)
Change in Grants Receivable	-	-	-
Change in Inventory	(26,147)	-	(26,147)
Change in Accounts Payable	83,159	(23,730)	59,429
Change in Accrued Expense	90	252	342
Change in Pension Asset and Deferrals	(996)	5,904	4,908
Total Adjustments	506,163	20,607	526,770
Net Cash Provided by (Used in) Operating Activities	\$ 1,185,045	\$ (49,079)	\$ 1,135,966

Noncash Transactions:

The Borough's Water Fund had proceeds from capital leases in 2023 totaling \$91,244.

BOROUGH OF AMBLER  
STATEMENT OF PLAN NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2023

	Component Unit
	Trust Funds
Assets	
Cash and Cash Equivalents	\$ 152,286
Accrued Income	83,654
Investments	
Corporate Debt and Equity, at Fair Value	7,405,830
Mutal Funds - Equity	4,333,920
Mutual Funds - Fixed Income	6,124,545
Total Assets	\$ 18,100,235
Net Position Restricted for Pensions	\$ 18,100,235

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

BOROUGH OF AMBLER  
 SCHEDULE OF CHANGES IN PLAN NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2023

	<u>Component Unit</u> <u>Trust Funds</u>
Additions	
Contributions:	
Plan Members	\$ 103,333
Employer	<u>193,619</u>
Total Contributions	<u>296,952</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	1,909,102
Interest and Dividends	<u>471,039</u>
Total Investment Earnings	2,380,141
Less Investment Expense	<u>(130,308)</u>
Net Investment Earnings	<u>2,249,833</u>
Total Additions	<u>2,546,785</u>
Deductions	
Benefits	<u>827,806</u>
Total Deductions	<u>827,806</u>
Change in Net Position	1,718,979
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning of Year	<u>16,381,256</u>
Net Position - End of Year	<u>\$ 18,100,235</u>

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

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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, 2023. 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, 2023

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 a debt service fund 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, 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, 2023

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.



BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2023

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. 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, 2023

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, 2023, 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, 2023

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	8,750,398
Total	\$ 9,000,398

Reconciliation to the Financial Statements

Uninsured Amount Above	\$ 8,750,398
Plus: Insured Amount	250,000
Less: Outstanding Checks	(1,024,975)
Plus: Deposits in Transit	15,064
Carrying Amount - Book Balances	7,990,487
Plus: Petty Cash	1,300
Total Cash per Financial Statements	\$ 7,991,787

The Borough's cash balance includes \$706,958 of restricted escrow deposits. These monies are held by the Borough in a custodial capacity for developers.

Investments

The Borough categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

As of December 31, 2023, the Borough had the following recurring fair value measurements using quoted market prices for Level 1 inputs and using current sale prices or sale prices of comparable securities for Level 2 inputs for investments and cash equivalents:

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value
Police Pension Plan:		
Money Market Funds (1)	N/A	\$ 78,143
Domestic Equities - Stocks	Level 1	4,917,032
Mutual Funds - Equity	Level 1	2,877,809
Mutal Funds - Fixed Income	Level 1	<u>4,031,022</u>
Total Police Pension Plan		<u>11,904,006</u>
Non-Uniform Pension Plan :		
Money Market Funds (1)	N/A	\$ 74,143
Domestic Equities - Stocks	Level 1	2,488,798
Mutual Funds - Equity	Level 1	1,456,111
Mutual Funds - Fixed Income	Level 1	<u>2,093,523</u>
Total Non-Uniform Pension Plan		<u>6,112,575</u>
Combined Total		<u>\$ 18,016,581</u>

(1) Money Market Funds are categorized as cash and cash equivalents

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Borough may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Borough has purchased from brokers negotiable certificates of deposit, in which the Borough receives pass-through depository insurance up to \$250,000 at each financial institution. The remaining negotiable certificates of deposit are exposed to custodial credit risk.

Interest Rate Risk – Investments

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Borough limits its interest rate risk by maintaining certain balances in liquid investments, which include money funds. The average maturities of the Borough's Fixed Income investments are as follows:

	Average Maturities (in Years)					Total
	Less Than 1	1-5	6-10	11-20	More than 20	
Mutual Funds -						
Fixed Income	\$ -	\$ 4,931,937	\$ 325,955	\$ -	\$ 866,653	\$ 6,124,545
	<u>\$ -</u>	<u>\$ 4,931,937</u>	<u>\$ 325,955</u>	<u>\$ -</u>	<u>\$ 866,653</u>	<u>\$ 6,124,545</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Township does not have a formal investment policy for credit risk. The Township's investments were not rated as of December 31, 2023.

Concentration of Credit Risk

The Borough does not have a formal investment policy for concentration of credit risk. See Note 13 for investments exceeding 5% of the Township's total investments of the Police and Non-Uniformed Pension funds.

NOTE 3 ACCOUNTS RECEIVABLE

Following is a summary of receivables at December 31, 2023:

	Governmental Funds				Proprietary Funds		
	General Fund	Refuse Fund	Other Governmental Funds	Total	Water Fund	Sewer Fund	Total
Taxes Receivable	\$ 321,732	\$ -	\$ -	\$ 321,732	\$ -	\$ -	\$ -
Refuse Fees	-	38,734	-	38,734	-	-	-
Utility User Fees	66,149	-	-	66,149	308,191	25,488	333,679
Mortgage Receivable	-	-	310,000	310,000	-	-	-
Less: Allowance for Doubtful Accounts	-	(2,000)	-	(2,000)	\$ -	(5,000)	(5,000)
Net Accounts Receivable	<u>\$ 387,881</u>	<u>\$ 36,734</u>	<u>\$ 310,000</u>	<u>\$ 734,615</u>	<u>\$ 308,191</u>	<u>\$ 20,488</u>	<u>\$ 328,679</u>

NOTE 4 PROPERTY AND EQUIPMENT

Governmental Activities capital assets consist of the following at December 31, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,179,081	\$ -	\$ -	\$ 2,179,081
Construction in Progress	125,910	-	125,910	-
Total Capital Assets, Not Being Depreciated	<u>2,304,991</u>	<u>-</u>	<u>-</u>	<u>2,179,081</u>
Capital Assets, Depreciated:				
Buildings and Other Improvements	6,699,503	-	-	6,699,503
Site Improvements	356,708	-	-	356,708
Machinery, Vehicles, Furniture and Equipment	1,589,152	109,643	-	1,698,795
Infrastructure	5,695,748	653,398	-	6,349,146
Total Capital Assets, Being Depreciated	<u>14,341,111</u>	<u>763,041</u>	<u>-</u>	<u>15,104,152</u>
Accumulated Depreciation for:				
Buildings and Other Improvements	1,627,450	157,190	-	1,784,640
Site Improvements	215,574	12,059	-	227,633
Machinery, Vehicles, Furniture and Equipment	914,505	84,584	-	999,089
Infrastructure	1,691,081	271,245	-	1,962,326
Total Accumulated Depreciation	<u>4,448,610</u>	<u>525,078</u>	<u>-</u>	<u>4,973,688</u>
Total Capital Assets, Being Depreciated, Net	<u>9,892,501</u>	<u>237,963</u>	<u>-</u>	<u>10,130,464</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,197,492</u>	<u>\$ 237,963</u>	<u>\$ -</u>	<u>\$ 12,309,545</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 4 PROPERTY AND EQUIPMENT

Business-Type Activities capital assets consist of the following at December 31, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,328	\$ -	\$ -	\$ 2,328
Construction in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	<u>2,328</u>	<u>-</u>	<u>-</u>	<u>2,328</u>
Capital Assets, Being Depreciated				
Infrastructure	128,618	-	-	128,618
Buildings and Other Improvements	834,013	31,682	-	865,695
Machinery, Vehicles, Furniture and Equipment	1,724,031	76,386	-	1,800,417
Plant in Service	<u>17,609,557</u>	<u>1,685,121</u>	<u>-</u>	<u>19,294,678</u>
Total Capital Assets, Being Depreciated	<u>20,296,219</u>	<u>1,793,189</u>	<u>-</u>	<u>22,089,408</u>
Accumulated Depreciation for:				
Infrastructure	15,236	2,573	-	17,809
Buildings and Other Improvements	621,513	20,728	-	642,241
Machinery, Vehicles, Furniture and Equipment	1,273,910	62,379	-	1,336,289
Plant in Service	<u>7,635,166</u>	<u>425,807</u>	<u>-</u>	<u>8,060,973</u>
Total Accumulated Depreciation	<u>9,545,825</u>	<u>511,487</u>	<u>-</u>	<u>10,057,312</u>
Total Capital Assets, Being Depreciated, Net	<u>10,750,394</u>	<u>41,060</u>	<u>-</u>	<u>12,032,096</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,752,722</u>	<u>\$ 41,060</u>	<u>\$ -</u>	<u>\$ 12,034,424</u>

NOTE 5 ADOPTION of GASB 87, LEASES

The Borough recorded the effects of applying the provisions of GASB Statement No. 87, Leases, in 2022. The Borough's Cell Tower Leases were recorded as receivables and deferred inflows of resources.

Deferred Inflows of Resources will be amortized over the remaining terms of the leases and recognized in subsequent years as follows:

2024	\$ 115,722
2025	68,111
2026	54,612
2027	<u>54,610</u>
<u>\$</u>	<u>293,055</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

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.

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 Bonds:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 115,000	\$ 67,153	\$ 182,153
2025	115,000	61,403	176,403
2026	125,000	55,403	180,403
2027	130,000	50,978	180,978
2028	135,000	48,328	183,328
2029-2033	705,000	200,438	905,438
2034-2038	775,000	126,038	901,038
2039-2043	<u>860,000</u>	<u>44,411</u>	<u>904,411</u>
Total	<u>\$ 2,960,000</u>	<u>\$ 654,149</u>	<u>\$ 3,614,149</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
2024	\$ 275,000	\$ 107,825	\$ 382,825
2025	290,000	93,700	383,700
2026	295,000	79,075	374,075
2027	315,000	68,550	383,550
2028	320,000	62,200	382,200
2029-2033	1,695,000	211,450	1,906,450
2034-2038	<u>1,255,000</u>	<u>44,450</u>	<u>1,299,450</u>
Total	<u>\$ 4,445,000</u>	<u>\$ 667,250</u>	<u>\$ 5,112,250</u>

Notes Payable

The Borough has financed the purchase of equipment. Principal payments due are \$104,139 in 2024 and \$164,536 thereafter.



BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 6 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt:

Long-term debt activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2021 (General)	\$ 3,065,000	\$ -	\$ (105,000)	\$ 2,960,000	\$ 115,000
Unamortized Premium	132,406	-	(8,827)	123,579	-
Notes Payable	<u>39,055</u>	<u>199,901</u>	<u>(82,988)</u>	<u>155,968</u>	<u>67,064</u>
Governmental Activity					
Long-Term Debt	<u>\$ 3,236,461</u>	<u>\$ 199,901</u>	<u>\$ (196,815)</u>	<u>\$ 3,239,547</u>	<u>\$ 182,064</u>
Business-Type Activities:					
Series 2021 Bonds	\$ 4,705,000	\$ -	\$ (260,000)	4,445,000	\$ 275,000
Unamortized Premiums	298,729	-	(14,195)	284,534	-
Notes Payable	<u>61,674</u>	<u>91,244</u>	<u>(40,211)</u>	<u>112,707</u>	<u>37,075</u>
Business -Type Activity					
Long-Term Debt	<u>\$ 5,065,403</u>	<u>\$ 91,244</u>	<u>\$ (314,406)</u>	<u>\$ 4,842,241</u>	<u>\$ 312,075</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 \$497,487 in 2023.

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 \$581,500 in 2023.

The Treatment Plant reimburses the Borough of Ambler for administrative costs related to plant operations. An administrative fee of \$232,395 was recognized as revenue for the year ended December 31, 2023.

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

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8 INTERFUND PAYABLE AND RECEIVABLE

The composition of interfund balances for the fund financial statements as of December 31, 2023, is as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 258,766	\$ -
Street Light	-	10,929
Refuse Fund	35,519	-
Water Fund	-	312,474
Sewer Fund	29,118	-
Total	<u>\$ 323,403</u>	<u>\$ 323,403</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 2023. 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, 2023 amounted to \$1,316,151.

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, 2023

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 31<sup>st</sup> on or next preceding his or her 65<sup>th</sup> 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 31<sup>st</sup> on or next preceding his or her 65<sup>th</sup> 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 65<sup>th</sup> 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.

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.

BOROUGH OF AMBLER  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

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

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, 2023.

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, 2023, 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

See Note 2 to the financial statements for investment balances by Plan.

As of December 31, 2023, none of the Borough’s pension plan investments are rated.

F. Investment Concentration

Total plan net position as of December 31, 2023 amounted to \$6,114,074. Five percent of total plan assets amounted to \$305,629 as of December 31, 2023. The following funds represent 5% or more of the total net plan assets at December 31:

Investments	Amount	Percent of Total
AB Internal Strats Eqs Advisor	\$ 842,132	13.78%
Sanford C. Bernstein Inter Duration Intstl	\$ 2,093,523	34.25%

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

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, 2023 projected to December 31, 2023
Actuarial cost method	Level dollar, closed (a)
Asset Valuation method	Market Value
Remaining amortization period	Zero
Actuarial assumptions	
Investment rate of return	6.25%
Projected salary increases	3.75% average, including inflation
Mortality	2020 General Employees Mortality Table with Scale MP-2018

(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.

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.

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.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

*MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN (CONTINUED)*

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

A. 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.

B. 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.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

*MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN (CONTINUED)*

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, 2023. Amount contributed was \$83,776.

C. 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, 2023, the Borough's pension plan cash and cash equivalents were not exposed to custodial credit risk since the balance is covered by FDIC insurance.

D. Investments

See Note 2 to the financial statements See Note 2 to the financial statements for investment balances by Plan.

As of December 31, 2023, none of the Borough's pension plan investments are rated.

E. Investment Concentration

Total plan net position as of December 31, 2023 amounted to \$11,956,161. Five percent of total plan assets amounted to \$597,808.

The following funds represent 5% or more of the total plan assets at December 31, 2023:

Investments	Amount	Percent of Total
AB Internal Strats Eqs Advisor	\$ 1,672,391	14.05%
Sanford C. Bernstein Inter Duration Intstl	\$ 4,031,022	33.86%

F. 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, 2023 projected to December 31, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	Zero
Asset valuation method	Market Value

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

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

Actuarial assumptions	
Investment rate of return	6.25%
Projected salary increases	4.25% average, including inflation
Inflation	3%
Retirement age	Normal retirement age
Mortality	RP-2000 Public Safety Mortality Table with MP-2020

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.

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, 2023:



BOROUGH OF AMBLER  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

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

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

Net Pension (Asset) Liability

The net pension (asset) liability of the plans for measurement date December 31, 2023, were as follows:

	Non-Uniform Pension Plan	Police Pension Plan
Total Pension Liability	\$ 6,175,737	\$ 12,379,787
Plan Fiduciary Net Position	(6,144,074)	(11,956,161)
Net Pension Liability (Asset)	\$ 31,663	\$ 423,626

NON-UNIFORM PENSION PLAN

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 12/31/22	\$ 5,257,294	\$ 5,659,726	\$ (402,432)
Changes for the Year			
Service Cost	62,484	-	62,484
Interest on Total Pension Liability	334,509	-	334,509
Changes in benefits	-	-	-
Difference between expected and actual experience	453,396	-	453,396
Changes in assumptions	415,026	-	415,026
Employer Contributions	-	100,918	(100,918)
Employee Contributions	-	19,557	(19,557)
Net investment income	-	751,888	(751,888)
Benefit payments, including employee refunds	(346,972)	(346,972)	-
Administrative expense	-	(41,043)	41,043
Other changes	-	-	-
Net Changes	918,443	484,348	434,095
Balances at 12/31/23	\$ 6,175,737	\$ 6,144,074	\$ 31,663

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

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

<u>POLICE PENSION PLAN</u> <u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension</u> <u>Liability</u>	<u>Plan Fiduciary</u> <u>Net Position</u>	<u>Net Pension</u> <u>Liability</u>
Balances at 12/31/22	\$ 10,686,840	\$ 10,721,530	\$ (34,690)
Changes for the Year			
Service Cost	285,907	-	285,907
Interest on Total Pension Liability	697,601	-	697,601
Changes in benefits	-	-	-
Difference between expected and actual experience	668,632	-	668,632
Changes in assumptions	521,641	-	521,641
Employer Contributions	-	92,701	(92,701)
Employee Contributions	-	83,776	(83,776)
Net investment income	-	1,624,580	(1,624,580)
Benefit payments, including employee refunds	(480,834)	(480,834)	-
Administrative expense	-	(85,592)	85,592
Other changes	-	-	-
Net Changes	<u>1,692,947</u>	<u>1,234,631</u>	<u>458,316</u>
Balances at 12/31/23	<u>\$ 12,379,787</u>	<u>\$ 11,956,161</u>	<u>\$ 423,626</u>

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, 2023.

The plans have not had an experience study completed.

<u>Asset Class</u>	<u>Estimated Long-Term</u> <u>Rates of Return</u>
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.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 13 PENSION PLANS (CONTINUED)

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

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 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net Pension Liability (Asset) - Non-Uniform Pension Plan	\$ 659,459	\$ 31,663	\$ (504,353)
Net Pension Liability (Asset) - Police Pension Plan	\$ 2,176,272	\$ 423,626	\$ (1,007,278)

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 2023 was 12.04% for the Non-Uniform Pension Plan and 13.57% for the Police Pension Plan . The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

Deferred Outflows and Inflows of Resources

At December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 789,011	\$ -
Differences in assumptions	783,959	-
Differences in experience	841,140	(114,962)
	<u>\$ 2,414,110</u>	<u>\$ (114,962)</u>

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

2024	\$ 722,380
2025	680,893
2026	789,335
2027	(62,915)
2028	169,455
Thereafter	-
	<u>\$ 2,299,148</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

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 \$56,782 in 2023. Plan contributions totaled \$89,330 from the Borough in 2023. 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.

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, 2023, 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 12/31/22	\$ 4,948,582	\$ -	\$ 4,948,582
Changes for the Year			
Service Cost	204,921	-	204,921
Interest on Total Pension Liability	190,792	-	190,792
Changes in benefits	-	-	-
Difference between expected and actual experience	193,687	-	193,687
Changes in assumptions	-	-	-
Employer Contributions	-	49,347	(49,347)
Net investment income	-	-	-
Benefit payments, including employee refunds	(49,347)	(49,347)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	<u>540,053</u>	<u>-</u>	<u>540,053</u>
Balances at 12/31/23	<u>\$ 5,488,635</u>	<u>\$ -</u>	<u>\$ 5,488,635</u>

BOROUGH OF AMBLER  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Employer Contributions

The Borough’s contractually required contribution rate for fiscal year ended December 31, 2023 was 3.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the Borough were \$49,347 for the year ended December 31, 2023.

The Borough’s OPEB Plan is unfunded with no assets accumulated in a trust.

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

At December 31, 2023, the Borough reported a net OPEB liability of \$5,488,635. The net OPEB liability was measured as of January 1, 2023, 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, 2023 to December 31, 2023.

For the year ended December 31, 2023, the Borough recognized OPEB expense of \$336,563. At December 31, 2023, 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	\$ 535,676	\$ (1,146,372)

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

2024	\$	(59,150)
2025		(59,150)
2026		(47,815)
2027		(92,447)
2028		(92,447)
Thereafter		(259,687)
	\$	(610,696)

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

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

- Investment Return – The assumed rates used to discount obligations are as follows: 3.26% as of December 31, 2023 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.

Covered employees at January 1, 2023:

Active		12
Retirees		2
		14
		14

Discount Rate

The following presents the net OPEB liability of the Borough, calculated using the discount rate of 3.26%, 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 (2.26 percent) or 1-percent-point higher (4.26 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Net OPEB Liability	\$ 6,105,877	\$ 5,488,635	\$ 4,945,027

BOROUGH OF AMBLER  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

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

	<u>1% Decrease</u>	<u>Current Medical Inflation Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 4,764,518	\$ 5,488,635	\$ 6,345,728

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Township adopted the provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The adoption of this statement has no effect on previously reported amounts.

The Township adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of this statement has no effect on previously reported amounts.

The Township adopted the provisions of GASB Statement No. 99, *Omnibus*. The adoption of this statement has no effect on previously reported amounts.

Pending GASB Pronouncements

The Governmental Accounting Standards Board has issued GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This Statement is required to be adopted by the Borough for the year ending December 31, 2024.

The Governmental Accounting Standards Board has issued GASB Statement No. 101, *Compensated Absences*. This Statement is required to be adopted by the Borough for the year ending December 31, 2024.

The Governmental Accounting Standards Board has issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement is required to be adopted by the Borough for the year ending December 31, 2025.

The Governmental Accounting Standards Board has issued GASB Statement No. 103, *Financial Reporting Model Improvements*. This Statement is required to be adopted by the Borough for the year ending December 31, 2026.

The Governmental Accounting Standards Board has issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement is required to be adopted by the Borough for the year ending December 31, 2026

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

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 17 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events for disclosure or recording through December 13, 2024, 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, 2023  
(UNAUDITED)

	Non-Uniform Pension Plan 2023	Police Pension Plan 2023	Non-Uniform Pension Plan 2022	Police Pension Plan 2022	Non-Uniform Pension Plan 2021	Police Pension Plan 2021	Non-Uniform Pension Plan 2020	Police Pension Plan 2020
Total Pension Liability								
Service Cost	\$ 62,484	\$ 285,907	\$ 91,619	\$ 262,743	\$ 89,609	\$ 284,619	\$ 86,489	\$ 240,828
Interest	334,509	697,601	329,408	617,857	337,406	656,115	329,567	622,275
Benefit Payments	(346,972)	(480,834)	(362,710)	(463,873)	(306,493)	(448,808)	(341,345)	(396,181)
Difference Between Actual and Expected Assumption Changes	453,396	668,632	41,421	3,305	(141,946)	(184,772)	20,881	16,933
	<u>415,026</u>	<u>521,641</u>	<u>-</u>	<u>-</u>	<u>116,734</u>	<u>299,645</u>	<u>-</u>	<u>-</u>
Net Change in Total Pension Liability	918,443	1,692,947	99,738	420,032	95,310	606,799	95,592	483,855
Total Pension Liability - Beginning	<u>5,257,294</u>	<u>10,686,840</u>	<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>
Total Pension Liability - Ending (a)	<u>\$ 6,175,737</u>	<u>\$ 12,379,787</u>	<u>\$ 5,257,294</u>	<u>\$ 10,686,840</u>	<u>\$ 5,157,556</u>	<u>\$ 10,266,808</u>	<u>\$ 5,062,246</u>	<u>\$ 9,660,009</u>
Plan Fiduciary Net Position								
Contribution - Employer and State Aid	\$ 100,918	\$ 92,701	\$ 120,750	\$ 100,000	\$ 69,210	\$ 215,200	\$ 32,205	\$ 288,290
Contribution - Member	19,557	83,776	28,082	78,174	31,964	69,880	60,880	70,168
Net Investment Income (Loss)	751,888	1,624,580	(1,034,296)	(1,943,097)	856,387	1,634,365	704,577	1,293,419
Benefit Payments	(346,972)	(480,834)	(362,710)	(463,873)	(306,493)	(448,808)	(341,345)	(396,181)
Administrative Expense	(41,043)	(85,592)	(44,586)	(84,633)	(61,826)	(97,923)	(48,605)	(72,969)
Net Change in Plan Fiduciary Net Position	484,348	1,234,631	(1,292,760)	(2,313,429)	589,242	1,372,714	407,712	1,182,727
Plan Fiduciary Net Position - Beginning	<u>5,659,726</u>	<u>10,721,530</u>	<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>
Plan Fiduciary Net Position - End (b)	<u>\$ 6,144,074</u>	<u>\$ 11,956,161</u>	<u>\$ 5,659,726</u>	<u>\$ 10,721,530</u>	<u>\$ 6,952,486</u>	<u>\$ 13,034,959</u>	<u>\$ 6,363,244</u>	<u>\$ 11,662,245</u>
Net Pension Liability (Asset) (a-b)	<u>\$ (31,663)</u>	<u>\$ (423,626)</u>	<u>\$ (402,432)</u>	<u>\$ (34,690)</u>	<u>\$ (1,794,930)</u>	<u>\$ (2,768,151)</u>	<u>\$ (1,300,998)</u>	<u>\$ (2,002,236)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.49%	96.58%	107.65%	100.32%	134.80%	126.96%	125.70%	120.73%
Covered Payroll	\$ 565,423	\$ 1,691,861	\$ 913,082	\$ 1,560,760	\$ 1,059,790	\$ 1,431,614	\$ 1,107,801	\$ 1,426,446
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-5.60%	-25.04%	-44.07%	-2.22%	-169.37%	-193.36%	-117.44%	-140.37%

(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, 2023  
 (UNAUDITED)

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

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

BOROUGH OF AMBLER  
 REQUIRED SUPPLEMENTARY INFORMATION –  
 PENSION PLANS – SCHEDULES OF EMPLOYER CONTRIBUTIONS, INVESTMENT  
 RETURNS AND EMPLOYER’S NET PENSION LIABILITY  
 LAST 10 FISCAL YEARS  
 DECEMBER 31, 2023  
 (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%
Non-Uniform Pension Plan	2022	-	120,750	-	913,082	13.22%
Non-Uniform Pension Plan	2023	-	100,918	-	565,423	17.85%
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%
Police Pension Plan	2022	-	100,000	-	1,560,760	6.41%
Police Pension Plan	2023	-	92,701	(92,701)	1,691,861	5.48%

Schedule of Investment Returns

Actual Money Weighted Rate of Return, Net of Investment Expense	<u>2023</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	12.81%	14.20%	10.89%	18.20%	-6.10%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
	11.70%	7.69%	-6.27%	6.20%	

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, 2023  
 (UNAUDITED)

Schedule of the Employer's Net Pension Liability*							
	Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset (Liability)	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%
Non-Uniform Pension Plan	2022	5,257,294	5,659,726	(402,432)	107.65%	913,082	-44.07%
Non-Uniform Pension Plan	2023	6,175,737	6,144,074	31,663	99.49%	565,423	5.60%
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%
Police Pension Plan	2022	10,686,840	10,721,530	(34,690)	100.32%	1,560,760	-2.22%
Police Pension Plan	2023	12,379,787	11,956,161	423,626	96.58%	1,691,861	25.04%

BOROUGH OF AMBLER  
 REQUIRED SUPPLEMENTARY INFORMATION –  
 OPEB – SCHEDULE OF CHANGES IN PLAN'S NET OPEB LIABILITY  
 LAST 10 FISCAL YEARS\*  
 DECEMBER 31, 2023  
 (UNAUDITED)

	2023	2022	2021	2020	2019
Service Cost	\$ 204,921	\$ 286,049	\$ 306,098	\$ 262,202	\$ 217,726
Interest	190,792	126,797	122,817	141,108	143,959
Differences (Expected vs Actual)	193,687	(1,307,151)	(1,157)	230,409	595,945
Benefit Payments	(49,347)	(52,500)	(39,016)	(29,564)	(44,546)
Net Change in Total OPEB Liability	540,053	(946,805)	388,742	604,155	913,084
Net OPEB Obligation, Beginning of Year	<u>\$ 4,948,582</u>	<u>5,895,387</u>	<u>5,506,645</u>	<u>4,902,490</u>	<u>3,989,406</u>
Net OPEB Obligation, End of Year	<u>\$ 5,488,635</u>	<u>\$ 4,948,582</u>	<u>\$ 5,895,387</u>	<u>\$ 5,506,645</u>	<u>\$ 4,902,490</u>
Covered Payroll	\$ 1,455,265	\$ 1,446,143	\$ 1,431,614	\$ 1,519,742	\$ 1,438,308
Net OPEB Liability as a Percentage of Covered Payroll	377.16%	342.19%	411.80%	362.34%	340.85%

*Notes to Schedule: The discount rate changed from 2.06% in 2022 to 3.26% in 2023.*

BOROUGH OF AMBLER  
 REQUIRED SUPPLEMENTARY INFORMATION –  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Pos (Neg)</u>
Revenues				
Taxes	\$ 3,618,852	\$ 3,618,852	\$ 4,071,611	\$ 452,759
Licenses and Permits	177,603	177,603	56,985	(120,618)
Fines, Forfeits and Costs	78,137	78,137	92,402	14,265
Interest on Investments and Rent	94,000	94,000	125,611	31,611
Grants and Intergovernmental	336,547	336,547	589,838	253,291
Charges for Services	266,200	266,200	332,711	66,511
Miscellaneous	4,350	4,350	153,532	149,182
Total Revenues	<u>4,575,689</u>	<u>4,575,689</u>	<u>5,422,690</u>	<u>847,001</u>
Expenditures				
General	694,840	694,840	770,925	(76,085)
Protection to Persons and Property	2,696,970	2,696,970	3,114,993	(418,023)
Public Works - Highways, Streets & Parking	1,275,900	1,275,900	1,258,199	17,701
Recreation	35,444	35,444	15,293	20,151
Revitalization	-	-	20,324	(20,324)
Debt Service	-	-	205,221	(205,221)
Total Expenditures	<u>4,703,154</u>	<u>4,703,154</u>	<u>5,384,955</u>	<u>(681,801)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(127,465)</u>	<u>(127,465)</u>	<u>37,735</u>	<u>165,200</u>
Other Financing Sources (Uses)				
Proceeds from Notes	-	-	199,901	199,901
Sale of Assets	20,000	20,000	-	(20,000)
Transfers In (Out)	107,465	107,465	-	(107,465)
Total Other Financing Sources (Uses)	<u>127,465</u>	<u>127,465</u>	<u>199,901</u>	<u>72,436</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	237,636	<u>\$ 237,636</u>
Fund Balance - Beginning of Year			<u>3,627,229</u>	
Fund Balance - End of Year			<u>\$ 3,864,865</u>	

Notes to Budgetary Comparison Schedule:

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

General	(76,085)
Protection to Persons and Property	(418,023)
Revitalization	(20,324)
Debt Service	(205,221)

The excess General, Protection to persons and Property, Revitalization and Debt Service expenditures were funded by the Borough's available fund balance.

BOROUGH OF AMBLER  
 REQUIRED SUPPLEMENTARY INFORMATION –  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 REFUSE FUND  
 YEAR ENDED DECEMBER 31, 2023  
 (UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Interest on Investments	\$ 120	\$ 120	\$ 11,805	\$ 11,685
Charges for Services	941,459	941,459	946,084	4,625
Miscellaneous	800	800	1,207	407
Total Revenues	942,379	942,379	959,096	16,717
Expenditures				
Public Works	793,912	793,912	739,767	54,145
Total Expenditures	793,912	793,912	739,767	54,145
Excess (Deficit) of Revenues Over Expenditures	148,467	148,467	219,329	70,862
Other Financing Sources (Uses)				
Transferred In (Out)	(148,467)	(148,467)	-	148,467
Total Other Financing Sources (Uses)	(148,467)	(148,467)	-	148,467
Net Change in Fund Balances	\$ -	\$ -	219,329	\$ 219,329
Fund Balance - Beginning of Year			446,220	
Fund Balance - End of Year			\$ 665,549	



## **OTHER SUPPLEMENTARY INFORMATION**

BOROUGH OF AMBLER  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2023  
 (SEE INDEPENDENT AUDITOR'S REPORT)

		Nonmajor Special Revenue Funds						Total Nonmajor Funds	
		Street Lighting Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Highway	Total	Debt Service	
<u>Assets</u>									
Cash and Cash Equivalents		\$ 3,362	\$ 6,116	\$ 203,006	\$ 45,167	\$ 290,654	\$ 548,305	\$ 285,092	\$ 833,397
Prepaid Expenses		-	6,405	-	-	-	6,405	-	6,405
Mortgage Receivable		-	-	-	310,000	-	310,000	-	310,000
Total Assets		<u>3,362</u>	<u>12,521</u>	<u>203,006</u>	<u>355,167</u>	<u>290,654</u>	<u>864,710</u>	<u>285,092</u>	<u>1,149,802</u>
<u>Liabilities and Fund Balance</u>									
Liabilities									
Accounts Payable		4,344	1,130	939	-	-	6,413	-	6,413
Due to Other Funds		10,929	-	-	-	-	10,929	-	10,929
Total Liabilities		<u>15,273</u>	<u>1,130</u>	<u>939</u>	<u>-</u>	<u>-</u>	<u>17,342</u>	<u>-</u>	<u>17,342</u>
Fund Balances									
Unassigned (Deficit)		(11,911)	11,392	202,067	355,167	290,653	847,368	285,092	1,132,460
Total Fund Balances		<u>(11,911)</u>	<u>11,392</u>	<u>202,067</u>	<u>355,167</u>	<u>290,653</u>	<u>847,368</u>	<u>285,092</u>	<u>1,132,460</u>
Total Liabilities and Fund Balances		<u>\$ 3,362</u>	<u>\$ 12,521</u>	<u>\$ 203,006</u>	<u>\$ 355,167</u>	<u>290,654</u>	<u>\$ 864,710</u>	<u>\$ 285,092</u>	<u>\$ 1,149,802</u>

BOROUGH OF AMBLER  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2023  
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Nonmajor Special Revenue Funds						Debt Service	Total Nonmajor Funds
	Street Lighting Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Highway Fund	Total		
Revenues								
Taxes	\$ -	\$ 187,040	\$ 194,957	\$ -	\$ -	\$ 381,997	\$ -	\$ 381,997
Foreign Fire Relief	-	46,330	-	-	-	46,330	-	46,330
Interest Income	127	569	1,923	2,674	1,626	6,919	2,269	9,188
Charges for Service	-	-	251	-	-	251	-	251
State Motor Vehicle Fuel Tax	60,778	-	-	-	-	60,778	-	60,778
Grant Revenue	-	-	-	-	170,409	170,409	-	170,409
<b>Total Revenues</b>	<b>60,905</b>	<b>233,939</b>	<b>197,131</b>	<b>2,674</b>	<b>172,035</b>	<b>666,684</b>	<b>2,269</b>	<b>668,953</b>
Expenditures								
Street Lighting	56,820	-	-	-	-	56,820	-	56,820
Fire	-	230,894	-	-	-	230,894	-	230,894
Recreation	-	-	190,291	-	-	190,291	-	190,291
Highways and Streets	-	-	-	-	255,291	255,291	-	255,291
<b>Total Expenditures</b>	<b>56,820</b>	<b>230,894</b>	<b>190,291</b>	<b>-</b>	<b>255,291</b>	<b>733,296</b>	<b>-</b>	<b>733,296</b>
Excess (Deficit) of Revenues Over Expenditures	4,085	3,045	6,840	2,674	(83,256)	(66,612)	2,269	(64,343)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,085	3,045	6,840	2,674	(83,256)	(66,612)	2,269	(64,343)
Fund Balances (Deficit) - Beginning of Year	(15,996)	8,347	195,227	352,493	373,909	913,980	282,823	1,196,803
Fund Balances - End of Year	<u>\$ (11,911)</u>	<u>\$ 11,392</u>	<u>\$ 202,067</u>	<u>\$ 355,167</u>	<u>\$ 290,653</u>	<u>\$ 847,368</u>	<u>\$ 285,092</u>	<u>\$ 1,132,460</u>

BOROUGH OF AMBLER  
 COMBINING STATEMENT OF PLAN NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2023  
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		
	Non-Uniformed		Total
	Police	Employees	
<b>Assets</b>			
Cash and Cash Equivalents	\$ 78,143	\$ 74,143	\$ 152,286
Accrued Income	52,155	31,499	83,654
Investments:			
Corporate Debt and Equity, at Fair Value	4,917,032	2,488,798	7,405,830
Mutal Funds - Equity	2,877,809	1,456,111	4,333,920
Mutual Funds - Fixed Income	4,031,022	2,093,523	6,124,545
 Total Assets	 <u>\$ 11,956,161</u>	 <u>\$ 6,144,074</u>	 <u>\$ 18,100,235</u>
 Net Position Restricted for Pensions	 <u>\$ 11,956,161</u>	 <u>\$ 6,144,074</u>	 <u>\$ 18,100,235</u>

BOROUGH OF AMBLER  
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2023  
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Plan Members	\$ 83,776	\$ 19,557	\$ 103,333
Employer	92,701	100,918	193,619
Total Contributions	<u>176,477</u>	<u>120,475</u>	<u>296,952</u>
Investment Earnings			
Net Depreciation in Fair Value of Investments	1,331,256	577,846	1,909,102
Interest and Dividends	<u>295,572</u>	<u>175,467</u>	<u>471,039</u>
Total Investment Earnings	1,626,828	753,313	2,380,141
Less Investment Expense	<u>(87,840)</u>	<u>(42,468)</u>	<u>(130,308)</u>
Net Investment Earnings	<u>1,538,988</u>	<u>710,845</u>	<u>2,249,833</u>
Total Additions	<u>1,715,465</u>	<u>831,320</u>	<u>2,546,785</u>
Deductions			
Benefits	<u>480,834</u>	<u>346,972</u>	<u>827,806</u>
Total Deductions	<u>480,834</u>	<u>346,972</u>	<u>827,806</u>
Changes in Net Position	1,234,631	484,348	1,718,979
Net Position - Beginning of Year	<u>10,721,530</u>	<u>5,659,726</u>	<u>16,381,256</u>
Net Position - End of Year	<u>\$ 11,956,161</u>	<u>\$ 6,144,074</u>	<u>\$ 18,100,235</u>