

**AMBLER THEATER, INC.**  
**Financial Report**  
**December 31, 2024 and 2023**

**AMBLER THEATER, INC.  
December 31, 2024 and 2023**

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## **Independent Auditors' Report**

To the Board of Directors and Management  
Ambler Theater, Inc.  
Ambler, Pennsylvania

### **Opinion**

We have audited the financial statements of Ambler Theater, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ambler Theater, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of Ambler Theater, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ambler Theater, Inc.'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 Ambler Theater, Inc.'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.

*DunlapSLK, PC*

Chalfont, Pennsylvania  
June 30, 2025

**AMBLER THEATER, INC.**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash	\$ 1,216,967	\$ 617,411
Certificates of Deposit	-	518,883
Pledges Receivable, Net	27,450	51,583
Accounts and Grants Receivable (Note 1)	46,991	6,748
Inventory	1,502	1,922
Prepaid Expenses	16,248	23,654
Other Assets	35,000	35,000
Property and Equipment, Net	2,900,048	3,025,142
<b>Total Assets</b>	<b>\$ 4,244,206</b>	<b>\$ 4,280,343</b>
 <b>Liabilities and Net Assets</b>		
Liabilities		
Mortgages Payable, Net	\$ 702,064	\$ 764,470
Loans Payable	559,980	559,980
Accounts Payable and Accrued Expenses	50,808	29,653
Gift Certificate Liabilities	31,399	31,143
Total Liabilities	1,344,251	1,385,246
Net Assets		
Without Donor Restrictions	2,757,118	2,730,676
With Donor Restrictions	142,837	164,421
Total Net Assets	2,899,955	2,895,097
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,244,206</b>	<b>\$ 4,280,343</b>

See notes to financial statements.

**AMBLER THEATER, INC.**  
**Statements of Activities**  
**Years Ended December 31, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Support</b>						
Contributions and Grants	\$ 230,342	\$ -	\$ 230,342	\$ 404,187	\$ -	\$ 404,187
Membership Dues	321,542	-	321,542	274,719	-	274,719
Ticket Sales	782,232	-	782,232	740,184	-	740,184
Concessions	276,303	-	276,303	262,439	-	262,439
Rental Income	42,134	-	42,134	34,027	-	34,027
Special Events	42,699	-	42,699	30,584	-	30,584
Sponsorship	65,325	-	65,325	52,989	-	52,989
Interest Income	20,021	-	20,021	13,745	-	13,745
Net Assets Released from Restrictions	21,584	(21,584)	-	14,621	(14,621)	-
<b>Total Revenues and Support</b>	<b>1,802,182</b>	<b>(21,584)</b>	<b>1,780,598</b>	<b>1,827,495</b>	<b>(14,621)</b>	<b>1,812,874</b>
<b>Expenses</b>						
Program Services	1,538,442	-	1,538,442	1,434,605	-	1,434,605
Supporting Services						
General and Administrative	103,367	-	103,367	85,964	-	85,964
Fundraising	133,931	-	133,931	121,588	-	121,588
Total Expenses	1,775,740	-	1,775,740	1,642,157	-	1,642,157
<b>Change in Net Assets</b>	<b>26,442</b>	<b>(21,584)</b>	<b>4,858</b>	<b>185,338</b>	<b>(14,621)</b>	<b>170,717</b>
<b>Net Assets</b>						
Beginning of Year	2,730,676	164,421	2,895,097	2,545,338	179,042	2,724,380
<b>End of Year</b>	<b>\$ 2,757,118</b>	<b>\$ 142,837</b>	<b>\$ 2,899,955</b>	<b>\$ 2,730,676</b>	<b>\$ 164,421</b>	<b>\$ 2,895,097</b>

See notes to financial statements.

**AMBLER THEATER, INC.**  
**Statements of Functional Expenses**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>				<u>2023</u>			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Costs	\$ 637,323	\$ 56,082	\$ 92,247	\$ 785,652	\$ 522,233	\$ 41,933	\$ 82,865	\$ 647,031
Film Expenses	345,220	-	-	345,220	339,916	-	-	339,916
Depreciation	151,819	-	-	151,819	154,530	-	-	154,530
Concessions	51,640	-	-	51,640	55,118	-	-	55,118
Bank Fees and Miscellaneous	49,404	1,692	-	51,096	39,708	848	-	40,556
Building Repair and Maintenance	46,306	-	-	46,306	66,824	-	-	66,824
Utilities	46,264	-	-	46,264	38,283	-	-	38,283
Real Estate Taxes	45,524	-	-	45,524	44,477	-	-	44,477
Interest Expense	41,635	-	-	41,635	47,586	-	-	47,586
Insurance	35,322	1,210	672	37,204	44,558	2,156	1,198	47,912
Theater Supplies	27,983	-	-	27,983	24,140	-	-	24,140
Professional Services	-	27,892	-	27,892	-	25,540	-	25,540
Special Events	-	-	21,439	21,439	-	-	20,276	20,276
Equipment Repair and Maintenance	15,917	-	-	15,917	20,231	-	-	20,231
Office Expenses	4,434	6,190	5,200	15,824	3,588	5,390	3,353	12,331
Printing and Publications	8,709	-	5,478	14,187	8,834	-	5,106	13,940
Telephone	5,968	3,581	2,387	11,936	5,629	3,377	2,251	11,257
Booking Fees	10,200	-	-	10,200	10,200	-	-	10,200
Rent	-	6,720	2,880	9,600	-	6,720	2,880	9,600
Security System	8,833	-	-	8,833	4,927	-	-	4,927
Educational Expense	5,941	-	-	5,941	3,823	-	-	3,823
Advertising	-	-	3,628	3,628	-	-	3,659	3,659
<b>Total Expenses</b>	<b><u>\$ 1,538,442</u></b>	<b><u>\$ 103,367</u></b>	<b><u>\$ 133,931</u></b>	<b><u>\$ 1,775,740</u></b>	<b><u>\$ 1,434,605</u></b>	<b><u>\$ 85,964</u></b>	<b><u>\$ 121,588</u></b>	<b><u>\$ 1,642,157</u></b>

See notes to financial statements.

**AMBLER THEATER, INC.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 4,858	\$ 170,717
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation	151,819	154,530
Amortization of Mortgage Costs	2,736	2,736
Change in Assets and Liabilities		
(Increase) Decrease in		
Pledges Receivable	24,133	23,536
Accounts and Grants Receivable	(40,243)	(4,074)
Inventory	420	531
Prepaid Expenses	7,406	7,251
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	21,155	(59,205)
Gift Certificate Liabilities	256	(749)
<b>Net Cash Provided by Operating Activities</b>	<b>172,540</b>	<b>295,273</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from (Purchase of) Certificates of Deposit	518,883	(14,310)
Purchases of Property and Equipment	(26,725)	(69,648)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>492,158</b>	<b>(83,958)</b>
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Note	(65,142)	(541,502)
<b>Net Increase (Decrease) in Cash</b>	<b>599,556</b>	<b>(330,187)</b>
<b>Cash</b>		
Beginning of Year	617,411	947,598
<b>End of Year</b>	<b>\$ 1,216,967</b>	<b>\$ 617,411</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash Payments for Interest	\$ 39,143	\$ 47,981

See notes to financial statements.

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Ambler Theater, Inc. (the Theater), located in Ambler, Pennsylvania, was created with the mission to save, restore and operate the Ambler Theater, which is a classic 1928 theater of historical and architectural significance. It is a member supported, not-for-profit community theater incorporated under the laws of the State of Pennsylvania in 2001. It brings independent, foreign, and classic films, generally not shown in commercial movie houses to Ambler, Pennsylvania and the surrounding area, enabling residents to enjoy films locally. The Theater is supported primarily by ticket sales, memberships, concession sales and contributions.

**Basis of Accounting**

The financial statements of the Theater have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Basis of Presentation**

Accounting standards prescribe display standards for general-purpose financial statements for all not-for-profit organizations. The Theater's financial statements have been prepared in accordance with US GAAP, which require the Theater to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Theater. These net assets may be used at the discretion of the Theater's management and the Board of Directors.

**Net Assets With Donor Restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Theater or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Contributions**

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the nature or existence of any donor restrictions. Contributions are considered to be available for unrestricted use unless they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from purpose or time restrictions. If a restricted contribution is recognized and used in the same period, it is recognized as an increase in net assets without restrictions.

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Contributed Services**

Many individuals volunteer their time and perform ticket taking and office tasks that assist the Theater in carrying out its programs. Because no objective basis is available to measure the value of these services, the value of these services was not recorded during the years ended December 31, 2024 and 2023.

**Cash and Cash Equivalents**

The Theater maintains its cash accounts in one commercial bank. The amount on deposit may exceed the federally insured limit. The Theater has not experienced any losses in such accounts. The Theater believes it is not exposed to any significant credit risk on cash. For purposes of the statement of cash flows, the Theater considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Certificate of Deposit**

The Theater had two \$250,000 certificates of deposit (CD), with a local bank. Both CD's matured in 2024. CD's were carried at fair value (Level 2) inputs based on quoted prices in active markets.

**Promises to Give**

Unconditional promises to give (pledges) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

**Inventory**

Inventory of food and supplies for the concession sales and merchandise is carried at the lower of cost, using the first-in, first-out method, or net realizable value.

**Property and Equipment**

Property and equipment are stated at cost. Major replacements and betterments are capitalized while maintenance and repairs are expensed as incurred. It is the policy of the Theater to capitalize any property and equipment over \$1,000. Lesser amounts are expensed. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

<u>Classifications</u>	<u>Years</u>
Buildings	39
Auditorium Renovation and Improvements	10 - 39
Cinema and Concession	10 - 20
Equipment and Fixtures	5 - 22.5

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Advertising**

Advertising costs for movie listings are charged to expense as incurred or the first time the advertising takes place.

**Income Tax Status**

The Theater qualifies as a not-for-profit organization that is exempt from income taxes under paragraph 501(c)(3) of the Internal Revenue Code. Accordingly, its income related to its tax exempt purpose is not subject to federal or state income taxes. The Theater did not have any unrelated business income during the years ended December 31, 2024 and 2023, that would be subject to federal or state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Theater accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold for the years ended December 31, 2024 and 2023.

The Theater's federal Forms 990 – *Return of Organization Exempt from Income Tax* - for the last three years' filing remain subject to examination by the Internal Revenue Service.

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are stated at the amount the Theater expects to collect. The Theater maintains allowances for credit losses for estimated losses resulting from the inability of its sponsors to make required payments. Management considers the following factors when determining the collectability of specific sponsor accounts: sponsor credit-worthiness, past transaction history with the sponsor, current economic industry trends, and changes in sponsor payment terms. Past due balances over 90 days and other high risk amounts are reviewed individually for collectability. Based on management's assessment, the Theater provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Theater has used reasonable collection efforts are written off through a charge to a valuation allowance and a credit to accounts receivable. Based on the criteria outlined above, and historical experience, no allowance for credit losses at December 31, 2024, was considered necessary. There was no credit loss expense during the years ended December 31, 2024 and 2023. Accounts receivable amounted to \$2,674 as of January 1, 2023.

For the years ended December 31, 2024 and 2023, the allowance for credit losses was as follows:

	<u>2024</u>	<u>2023</u>
Balance at Beginning of Year	\$ 10,761	\$ 10,761
Reduction in Allowance for Credit Losses	<u>(10,761)</u>	<u>-</u>
Balance at End of Year	<u>\$ -</u>	<u>\$ 10,761</u>

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. Personnel costs are allocated based on the individual's role. The Theater allocated other functional expenses based on time and effort or by square footage.

**Gift Cards and Gift Certificates**

Outstanding gift cards and certificates liabilities were \$31,399 and \$31,143 at December 31, 2024 and 2023, respectively. The Theater recognizes breakage based on the percentage of unused gift certificates in a particular year, using historical experience.

**Revenue Recognition and Deferred Revenue**

The Theater derives its revenue from contributions, grants, ticket/box office sales, memberships, rental income, concession and merchandise sales, and gift card sales. Revenue from certain grants, memberships and theater operations are recognized as described below.

Grants

The Theater receives grant funding from various sources. The grant agreements contain conditions relating to performance requirements or the incurrence of allowable expenditures. Revenue is recognized over time as each requirement is met or as the allowable expenditure is incurred. Any funds received prior to the Theater's right to recognize revenue is reported as deferred revenue in the statement of financial position. The Theater recognized grants, totaling \$49,529 and \$211,682 for the years ended December 31, 2024 and 2023, respectively. Deferred grant revenue was \$0 for each year ended December 31, 2024 and 2023.

Ticket/Box Office Sales

The Theater charges ticket prices to view movies or other events put on by the Theater. The ticket price gives the customer access to the specific event ticketed for the specified time period. Payment is made prior to entering the theater and is nonrefundable. The Theater defers 100% of the revenue associated with the sales of gift cards until such time as the item is redeemed. The Theater recognizes the unredeemed gift cards based on an estimated percentage determined annually based on the prior year, and ranges from 20% to 25%.

Concession Sales

All of the Theater's sales are single performance obligation arrangements for retail sale transactions for which the transaction price is equivalent to the stated price of the product, net of any stated discounts applicable at a point in time. Revenue from retail sales is recognized at the point of sale, net of sales tax.

Rental Income

The Theater provides room for various programs that organizations or individuals can rent out for private use. The Theater recognizes the rental revenue for these programs over the period of time the program takes place. The performance obligation of providing these programs is simultaneously received and consumed by the participants over the program period. All fees must be received before the program begins and are nonrefundable. Program fees are recorded as deferred revenue and recognized over the period of the program. There were no program fees received in advance as of December 31, 2024 and 2023.

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Revenue Recognition and Deferred Revenue (continued)**

Membership

The Theater offers corporate and non-corporate memberships to patrons of the theater. These memberships can be purchased at any point in the year and are non-refundable. For non-corporate memberships, the main benefit is free or reduced cost admission to the theater. The membership fees are allocated between membership fees and ticket sales, based on the value of the benefits received at each level of membership. A member can select from several different levels that each provide pre-determined benefits. The Theater recognizes the revenue for memberships received evenly throughout the membership year as the benefits are being provided and consumed by the member simultaneously.

Memberships received during the years ended December 31, 2024 and 2023, are reflected in the statements of activities as follows:

	2024	2023
Memberships	\$ 321,542	\$ 274,719
Admissions	36,720	43,948
 Total Memberships Received	 \$ 358,262	 \$ 318,667

The following is a summary of exchange revenue recognized over time and at a point in time, during the years ended December 31, 2024 and 2023.

	2024	2023
Over Time	\$ 371,071	\$ 486,401
Point in Time	1,143,368	1,067,234
	\$ 1,514,439	\$ 1,553,635

**Adoption of New Accounting Standards**

Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (Topic 326), requires the Theater to present financial assets measured at amortized cost. Estimated credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. The Theater adopted ASU No. 2016-13 on January 1, 2023 and concluded that there is no material impact to the financial statements.

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**2. AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditures, that is, without donor restrictions or board designations limiting their use within one year of December 31, 2024, comprise the following:

Financial Assets at Period End	
Cash	\$ 1,216,967
Pledges Receivable	27,450
Accounts and Grants Receivable	46,991
Other Assets	35,000
Total Financial Assets	1,326,408
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	142,837
Less Net Assets with Purpose Restrictions to Be Met in Less Than One Year	(22,000)
	120,837
Financial Assets Available to Meet General Expenditures Over the Next Year	\$ 1,205,571

The Theater's goal is to have 90 days reserve in case of unanticipated/unplanned events that require a cash infusion to keep business moving forward.

**3. PROMISES TO GIVE**

The Theater has received pledges for the years ended December 31, 2024 and 2023. The remaining pledges as of December 31, 2024 and 2023, are as follows:

	2024	2023
Due in Less Than One Year	\$ 27,450	\$ 27,000
Due in One to Five Years	-	27,000
	27,450	54,000
Less Discount to Net Present Value	-	(2,417)
Long-Term Portion	\$ 27,450	\$ 51,583

No reserve for uncollectible pledges has been deemed necessary at this time.

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**4. PROPERTY AND EQUIPMENT**

At December 31, 2024 and 2023, the detail of property and equipment is as follows:

	2024	2023
Land	\$ 325,000	\$ 325,000
Buildings	647,417	647,417
Auditorium Renovation and Improvements	4,268,113	4,257,933
Equipment and Fixtures	1,336,882	1,320,337
	6,577,412	6,550,687
Less Accumulated Depreciation	(3,677,364)	(3,525,545)
Property and Equipment, Net	\$ 2,900,048	\$ 3,025,142

Depreciation expense totaled \$151,819 and \$154,530 for the years ended December 31, 2024 and 2023, respectively.

**5. MORTGAGES AND LOANS PAYABLE**

Mortgages Payable

In October 2008, the Theater received a mortgage in the amount of \$1,450,000. The loan is split equally, in two separate \$725,000 notes, between Ambler Savings Bank and Community Lenders Community Development Corporation (CLCDC). The two financial organizations are joint holders of the mortgage. The note bore an interest rate of 6.25% per annum through November 2013, when it was reduced to 4.5% for the remaining term. The mortgages are secured by the Theater's real estate, including improvements. Payments are due monthly to Ambler Savings Bank and CLCDC in the amount of \$4,148 and \$4,138, respectively, through November 1, 2033.

Loans Payable

The Theater received two loans in 2003 from Ambler Borough for \$230,000 and \$80,000. The loans are administered by Ambler Savings Bank. The two loans are interest only until balloon payments are due on December 1, 2025. The annual interest rate on both loans is .76%.

The Theater received a loan for \$250,000 from Ambler Main Street, a non-profit organization, in March 2006. The funds were provided to Ambler Main Street by the Commonwealth of Pennsylvania, Department of Community & Economic Development. The loan was to be repaid in one lump sum at the end of the five-year loan period. The annual interest rate on the loan was 2% and \$25,000 was prepaid in 2006. Since the loan proceeds were used for the theater auditorium renovation project, the interest was capitalized as part of the renovations.

**AMBLER THEATER, INC.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**5. MORTGAGES AND LOANS PAYABLE (CONTINUED)**

Loans Payable (continued)

A modification agreement extended the maturity date to December 1, 2025. The entire principal balance of \$250,000 shall be repaid at that time. Interest payments during the new loan period started January 15, 2011, to be paid in the amounts of \$2,500 per annum.

Aggregate maturities on the consolidated notes are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 628,116
2026	71,265
2027	74,539
2028	77,964
2029	81,545
Thereafter	<u>352,951</u>
	<u>\$ 1,286,380</u>

At December 31, 2024 and 2023, the components of mortgages and loans payable consisted of the following:

	<u>2024</u>	<u>2023</u>
Mortgage Payable:		
Mortgage, Ambler Savings Bank	\$ 362,277	\$ 394,951
Mortgage, CLCDC	364,123	396,591
Less Debt Financing Costs	<u>(24,336)</u>	<u>(27,072)</u>
Total Mortgages Payable	<u>702,064</u>	<u>764,470</u>
Loans Payable:		
Ambler Borough	229,985	229,985
Ambler Borough	79,995	79,995
Ambler Main Street	<u>250,000</u>	<u>250,000</u>
	<u>559,980</u>	<u>559,980</u>
Total Mortgages and Loans Payable	<u>\$ 1,262,044</u>	<u>\$ 1,324,450</u>

Debt financing costs are being amortized over the term of the related debt. The amortization of these costs is included in interest expense. Interest expense for the years ended December 31, 2024 and 2023, was \$41,635 and \$47,586, respectively. The effective interest rates on the loans was 3.16% and 2.99% during the years ended December 31, 2024 and 2023, respectively.

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**6. LINE OF CREDIT**

The Theater has a \$100,000 line of credit facility with Ambler Saving Bank. The line was not used during 2024 or 2023 and the balance was \$0 at December 31, 2024 and 2023. The interest rate is 6.5%. Security for the note is the Theater's property.

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions held at December 31, 2024 and 2023, are available for the following purposes:

	<u>2024</u>	<u>2023</u>
With Purpose Restriction:		
Deep Focus Education Program	\$ 80,000	\$ 80,000
35MM Film Festival	18,416	40,000
Expansion Project	30,950	30,950
Film Now	<u>13,471</u>	<u>13,471</u>
	<u>\$ 142,837</u>	<u>\$ 164,421</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time as follows:

	<u>2024</u>	<u>2023</u>
35MM Film Festival	\$ 21,584	\$ 11,192
Film Now	<u>-</u>	<u>3,429</u>
Total Net Assets Released from Restrictions	<u>\$ 21,584</u>	<u>\$ 14,621</u>

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**8. RELATED PARTY TRANSACTIONS**

The Ambler Theater, Inc. is a Pennsylvania nonprofit corporation, recognized by the Internal Revenue Service as tax exempt. It is a separate corporate entity with its own board of directors. The Theater has a contractual relationship with Renew Theaters, Inc. (Renew), a separate 501(c)(3) nonprofit corporation.

Four theaters in total, Ambler Theater, Inc., County Theater, Inc., Hiway Theatre, Inc., and Princeton Garden Theater, Inc., have entered into this affiliation relationship with Renew. Renew provides comprehensive management and personnel services to each theater. Renew does not charge a fee for its services, but simply is reimbursed for its expenditures by each theater. Personnel can contribute their own money to a 403(b) plan, as there is no match. The Board of Directors of Renew is appointed by its four affiliate theaters. Ambler Theater currently appoints two of its own board members to also serve on Renew's Board.

The Theater has a commitment to Renew under a service agreement in which Renew is to provide management and theater staffing services. Total payments under this agreement for the years ended December 31, 2024 and 2023, were \$953,139 and \$779,872, respectively.

The Theater has made ongoing continuous cash advances to Renew for expenses in amount of \$35,000. These advances were in effect for the years ending December 31, 2024 and 2023.

Additionally, the Theater rents administrative space at 91 East Court Street, Doylestown, Pennsylvania. The lease is month to month. Rent expense for the years ended December 31, 2024 and 2023, was \$9,600 for each year. The Theater intends to vacate the administrative space at 91 East Court Street sometime during 2025.

**9. SUBSEQUENT EVENTS**

Management has evaluated events and transactions that occurred after December 31, 2024, through June 30, 2025, the date the financial statements were available to be issued.