

BOROUGH OF AMBLER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2015

**BOROUGH OF AMBLER
DIRECTORY**

MAYOR

Jeanne Sorg

(Term expires January 1, 2018)

MEMBERS OF BOROUGH COUNCIL

(Terms expire January 1, 2016)

Salvatore Pasceri
Frank DeRuosi
Peter Amento
Claudio Zaccone
Karen Polesir

(Terms expire January 1, 2018)

Sharon McCormick
Richard Palumbo
Ed Curtis
Jonathan Sheward
Nancy Deininger

OFFICERS

Salvatore Pasceri
Peter Amento
Marita Bondi

President of Council
Vice President
Treasurer

BOROUGH MANAGER

Mary Aversa

FINANCE MANAGER

Gail Gordon

TAX COLLECTOR

Bernadette Dougherty

SOLICITOR

Joseph E. Bresnan

ACCOUNTANTS

ZELINKOFSKE AXELROD LLP

Certified Public Accountants

BOROUGH OF AMBLER
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Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT

Honorable Borough Council
Borough of Ambler
Ambler, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ambler (Pennsylvania), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ambler as of December 31, 2015, 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.

Zelenkofske Axelrod LLC

Honorable Borough Council
Borough of Ambler

Adoption of Governmental Accounting Standards Board Principles

As discussed in Note 1 to the financial statements, in 2015, the Borough of Ambler adopted the provisions of GASB No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27 and GASB No. 71, "Pension Transition for Contributions made Subsequent to the Measurement Date." Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of pension and OPEB information, and budgetary comparison information on pages 3-11 and 51-59 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Borough of Ambler's basic financial statements. The combining nonmajor fund financial statements and combining schedules of fiduciary funds on pages 60-63 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and combining schedules 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 schedules of fiduciary funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC
ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
May 24, 2016

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

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, 2015.

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, 2015. Please read it in conjunction with the Borough's financial statements, which begin with the statement of net position.

Financial Highlights

- The assets of the Borough exceeded its liabilities by \$15,227,114 (net position).
- The Borough's total net position increased by \$3,860,400.

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 auditors' 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 auditors' 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 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. Statement of net position and activities focus on 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 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, 2015

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 and Fiduciary Funds follow the Governmental Funds and include net position, revenues, expenses and changes in net position and cash flows. The Proprietary Funds represent the Borough's Sanitary Sewer and Water Funds and can be found in more detail beginning with the statement of net position, Proprietary Fund. 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 Pension Funds. 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.

Other required supplementary information is additional information consisting of budgetary comparisons for the General Fund and Highway fund and pension plan funding progress.

Other supplementary information consists of the combining statements of Other Non-Major Governmental Funds, other budgetary information, combining statements of Fiduciary Funds and the schedule of liened property taxes receivable.

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, 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 Fund are reported here.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

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, 2015**

	2015			2014
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
ASSETS				
Current and Other Assets	\$ 4,297,099	\$ 1,242,080	\$ 5,539,179	\$ 4,758,292
Capital Assets	8,962,997	7,746,071	16,709,068	14,278,677
Total Assets	13,260,096	8,988,151	22,248,247	19,036,969
 DEFERRED OUTFLOWS OF RESOURCES	 1,958,329	 277,430	 2,235,759	 -
LIABILITIES				
Other Liabilities	245,402	110,921	356,323	3,263,239
Long-Term Debt Outstanding	6,073,297	2,787,599	8,860,896	4,407,016
Total Liabilities	6,318,699	2,898,520	9,217,219	7,670,255
 DEFERRED INFLOWS OF RESOURCES	 27,804	 11,869	 39,673	 -
NET POSITION				
Net Investment in Capital Assets	5,414,881	4,958,472	10,373,353	9,871,661
Restricted	4,940,997	386,207	5,327,204	1,565,137
Unrestricted	(1,483,956)	1,010,513	(473,443)	(70,084)
Total Net Position	<u>\$ 8,871,922</u>	<u>\$ 6,355,192</u>	<u>\$ 15,227,114</u>	<u>\$ 11,366,714</u>

Cash represents 24% of Ambler Borough's total governmental assets.

The largest portion of the Borough's governmental assets, 76%, is reflected in its investment in capital asset (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 4 municipalities in addition to the Borough.

Total expenses exceeded total revenues by \$297,554 for governmental activities and total revenues exceeded expenses by \$640,333 for business-type activities.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

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 2015 was \$3,587,527. General revenues by source were as follows:

<u>General Revenues</u>	2015		2014	
	Amount	% of Total	Amount	% of Total
Property Taxes	\$ 1,958,299	54.59%	\$ 1,940,117	50.80%
Earned Income Tax	966,154	26.93%	796,483	20.86%
Business Privilege Tax	88,580	2.47%	513,839	13.45%
Local Services Tax	103,859	2.90%	98,263	2.57%
State Motor Vehicle Fuel Tax	134,951	3.76%	122,496	3.21%
Deed Transfer Tax	153,994	4.29%	95,119	2.49%
Public Utility Realty Tax	3,264	0.09%	3,527	0.09%
Investment Earnings	51,904	1.45%	31,140	0.82%
Miscellaneous	126,252	3.52%	218,153	5.71%
Total General Revenues and Other Items	<u>\$ 3,587,257</u>	<u>100.00%</u>	<u>\$ 3,819,137</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), planning commission, health and sanitation, highways, street lighting, fire protection, recreation and administration. Total expenditures, net of program revenues, for fiscal 2015 were \$3,884,811. Expenditures (Net of Program Revenues) by source were as follows:

	2015	2014
General	\$ 208,787	\$ 86,339
Tax Collection	9,957	11,533
Borough Office	-	45,960
Police (Protection to Persons and Property)	2,023,359	2,217,491
Planning Commission	-	28,604
Health and Sanitation	(21,198)	(107,644)
Highways	1,205,312	551,901
Street Lighting	79,820	90,697
Fire Protection	204,244	110,026
Recreation	84,028	76,673
Miscellaneous	2,727	237,126
Revitalization	-	-
Interest	87,775	-
Total Governmental Activities	<u>\$ 3,884,811</u>	<u>\$ 3,348,706</u>
Change in Net Position (Governmental Activities)	<u>\$ (297,554)</u>	<u>\$ 470,431</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

Reporting the Borough as a Whole (Continued)

Business-Type Activities:

The Borough's proprietary funds (water fund and sewer fund) total revenue and expenditures, net of program revenues, were as follows:

	2015	2014
<u>General Revenues</u>		
Investment Earnings	\$ 7,805	\$ 11,108
Miscellaneous	-	148,093
Total General Revenues, Transfers and Other Items	\$ 7,805	\$ 159,201
<u>Expenses Net of Program Revenues</u>		
Water	\$ 505,446	\$ 14,126
Sewer	127,082	(94,269)
Total Business-Type Activities	\$ 632,528	\$ (80,143)
Change in Net Position (Business-Type Activities)	640,333	\$ 119,104

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

Reporting the Borough as a Whole (Continued)

Business-Type Activities (Continued):

**CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015**

	2015			2014
	Governmental Activities	Business-Type Activities	Total Primary Governmental	
Revenues				
Program Revenues:				
Charges for Services	\$ 1,100,333	\$ 3,671,630	\$ 4,771,963	\$ 4,093,270
Operating Grants and Contributions	336,026	-	336,026	214,315
General Revenues:			-	
Property Taxes	1,958,299	-	1,958,299	1,940,117
Other Taxes	1,450,802	-	1,450,802	1,629,727
Investment Income	51,904	7,805	59,709	42,248
Miscellaneous	126,252	-	126,252	366,246
Total Revenues	<u>5,023,616</u>	<u>3,679,435</u>	<u>8,703,051</u>	<u>8,285,923</u>
Expenses				
Operating	-	3,039,102	3,039,102	2,564,772
General	579,279	-	579,279	431,761
Tax Collection	9,957	-	9,957	11,533
Borough Office	-	-	-	45,960
Police (Protection to Persons/Property)	2,230,164	-	2,230,164	2,255,716
Planning Commission	-	-	-	145,322
Health and Sanitation	618,954	-	618,954	536,450
Highways	1,249,198	-	1,249,198	551,901
Street Lighting	79,820	-	79,820	90,697
Fire Protection	204,244	-	204,244	172,031
Recreation	84,028	-	84,028	76,673
Miscellaneous	2,727	-	2,727	579,308
Revitalization	175,024	-	175,024	-
Interest	87,775	-	87,775	114,024
Total Expenses	<u>5,321,170</u>	<u>3,039,102</u>	<u>8,360,272</u>	<u>7,576,148</u>
Changes in Net Position	(297,554)	640,333	342,779	709,775
Net Position - Beginning of Year	6,037,329	5,329,385	11,366,714	10,656,939
Restatement of Net Position for GASB 68	<u>3,132,147</u>	<u>385,474</u>	<u>3,517,621</u>	<u>-</u>
Net Position - End of Year	<u>\$ 8,871,922</u>	<u>\$ 6,355,192</u>	<u>\$ 15,227,114</u>	<u>\$ 11,366,714</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

Financial Analysis

Governmental Funds:

General Fund – The (\$397,085) net change in fund balance was due to the old Borough Hall not being sold until 2016 and renovations for the new building were paid for in 2015.

Proprietary Funds:

Water Fund – The \$509,484 excess of revenues over expenditures was primarily due to the fact that water rate increases began, budgeted reserves were replaced and the effect of the adoption of GASB 68.

Sewer Fund – The \$130,849 excess of revenues over expenditures was primarily due to reduced costs to the treatment plant.

Revenue Budgetary Highlights (as noted in general fund budget and actual schedules on pages 53-57)

Revenues were under budget due to a delay in a project funded by grant proceeds.

Expense Budgetary Highlights

Expenditures were under budget due to grant project delayed.

Capital Assets and Debt Administration

Capital Assets:

Ambler Borough's capital assets for its governmental and business-type activities as of December 31, 2015 totals \$16,709,068 (net of accumulated depreciation). Borough capital assets include land, infrastructure, site improvements, buildings and machinery and equipment.

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

**CAPITAL ASSETS AT YEAR END
(NET OF DEPRECIATION)
DECEMBER 31, 2015**

	Governmental Activities	Business-Type Activities	Total 2015	Total 2014
Land	\$ 1,284,846	\$ 2,328	\$ 1,287,174	\$ 1,287,174
Construction in Progress	2,950,704	338,216	3,288,920	527,430
Buildings and Improvements	2,614,451	358,987	2,973,438	3,063,957
Site Improvements	148,794	-	148,794	120,703
Machinery, Vehicles, Furniture & Equipment	230,644	92,218	322,862	349,031
Plant in Service	-	6,948,124	6,948,124	7,255,937
Infrastructure	1,733,558	6,198	1,739,756	1,674,445
	<u>\$ 8,962,997</u>	<u>\$ 7,746,071</u>	<u>\$ 16,709,068</u>	<u>\$ 14,278,677</u>
Total Capital Assets, Net of Depreciation				

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

Debt

At year end, the Borough had \$6,335,715 in outstanding debt, \$178,935 of which is due within one year. The Borough's business-type activities (Water & Sewer Funds) debt represents 44% of the total debt.

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>
General Obligation Note	\$ 3,523,778	\$ 1,890,000
Capital Lease Payable	24,338	42,730
Total	<u>\$ 3,548,116</u>	<u>\$ 1,932,730</u>
 <u>Business-Type Activities</u>		
General Obligation Bonds	\$ 2,787,599	\$ 2,710,000
Capital Lease Payable	-	-
Total	<u>\$ 2,787,599</u>	<u>\$ 2,710,000</u>

BOROUGH OF AMBLER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

Economic Factors and Next Year's Budget and Rates

Governmental Activities:

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

The Borough has undergone many changes over the last few years. The Downtown area continues to flourish including the completion of the New Ambler Saving Bank building. At the end of 2013 the Borough purchased the Mattison Avenue School which it renovated to become the new Borough Hall providing much needed space for the Police Department and other Borough Activities including space for the Summer Camp Program and gym space for local Recreation Programs. Part of the renovations also included restoration of the upper parking lot providing parking during the day to bring a new business into the Borough and providing additional parking for events in the evening for our flourishing downtown businesses. With the addition of the parking lot the playground was relocated to the corner of Rosemary Avenue and is being enjoyed by many residents. With the sale of the old Borough Hall finally completed, Council will be considering use of some of those funds to complete the Final Phase of improvements to the New Borough building creating a handicapped assessable community center.

Business-Type Activities:

The Borough Water Department services approximately 5700 customer in a six square mile radius. In addition to Amber Borough resident, it also services portions of Upper Dublin, Lower Gwynedd, Whitpain and Whitemarsh Townships.

After a two year lengthy process, the Water Department was finally awarded their requested rate increase by the Public Utilities Commission. The much need rate increase allowed the Water Department to pay back its outstanding debt to the General Fund incurred during the two year process and helped bring the reserves out of the negative.

Next Year's Budget:

The Borough's elected and appointed officials considered many factors when setting the 2016 Proposed Budget which was adopted with a \$150 decrease in Refuse billing and a \$48.98 increase in Real Estate Tax for an average resident (property with assessed value of \$116,612) resulting in a savings of \$101.02. We expect the Refuse billing decrease to last at least two years. This change was made to better allocate actual expenditures.

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 Director of Finance at 131 Rosemary Avenue, Ambler, PA 19002.

**BOROUGH OF AMBLER
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 2,314,038	\$ 707,154	\$ 3,021,192
Restricted Cash	50,797	-	50,797
Taxes Receivable	217,642	-	217,642
Accounts Receivable - Net	379,275	330,462	709,737
Internal Balances	84,369	(84,369)	-
Prepaid Expenses	25,806	-	25,806
Other Asset	-	6,599	6,599
Inventories	-	161,588	161,588
Due from Other Governments	98,967	-	98,967
Net Pension Asset	1,126,205	120,646	1,246,851
Capital Assets - Not Being Depreciated			
Land	1,284,846	2,328	1,287,174
Construction in Progress	2,950,704	338,216	3,288,920
Capital Assets - Net of Depreciation:			-
Buildings and Improvements	2,614,451	358,987	2,973,438
Site Improvements	148,794	-	148,794
Machinery, Vehicles, Furniture and Equipment	230,644	92,218	322,862
Plant in Service	-	6,948,124	6,948,124
Infrastructure	1,733,558	6,198	1,739,756
Total Assets	<u>\$ 13,260,096</u>	<u>\$ 8,988,151</u>	<u>\$ 22,248,247</u>
<u>Deferred Outflows of Resources</u>			
Pension - Difference between Projected and Actual Investment Earnings	\$ 1,252,659	\$ 173,624	1,426,283
Differences in Assumptions	<u>705,670</u>	<u>103,806</u>	<u>809,476</u>
Total Deferred Outflows of Resources	<u>\$ 1,958,329</u>	<u>\$ 277,430</u>	<u>2,235,759</u>
Liabilities			
Accounts Payable	66,000	83,440	149,440
Accrued Expenses	128,605	27,481	156,086
Long Term Debt			
Due Within One Year	35,105	132,000	167,105
Due Beyond One Year	3,488,673	2,655,599	6,144,272
Capital Leases Payable			
Due Within One Year	11,830	-	11,830
Due Beyond One Year	12,508	-	12,508
Other Post-Employment Benefits			
Due Beyond One Year	2,525,181	-	2,525,181
Escrow Funds Payable	<u>50,797</u>	<u>-</u>	<u>50,797</u>
Total Liabilities	<u>6,318,699</u>	<u>2,898,520</u>	<u>9,217,219</u>
<u>Deferred Inflows of Resources</u>			
Pension - Difference in Experience	<u>27,804</u>	<u>11,869</u>	<u>39,673</u>
Total Deferred Inflows of Resources	<u>\$ 27,804</u>	<u>\$ 11,869</u>	<u>39,673</u>
Net Position			
Net Investment in Capital Assets	5,414,881	4,958,472	10,373,353
Restricted for:			
Net Pension Asset	3,056,730	386,207	3,442,937
Trash Collection	580,724	-	580,724
Highway Fund	407,126	-	407,126
Fire Fund	6	-	6
Debt Service	272,666	-	272,666
Revolving Loan Fund	335,421	-	335,421
Recreation	106,619	-	106,619
Street Lighting	181,705	-	181,705
Unrestricted	<u>(1,483,956)</u>	<u>1,010,513</u>	<u>(473,443)</u>
Total Net Position	<u>\$ 8,871,922</u>	<u>\$ 6,355,192</u>	<u>\$ 15,227,114</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

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
Primary Government:						
Governmental Activities						
General	579,279	254,137	116,355	(208,787)		(208,787)
Tax Collection	9,957	-	-	(9,957)		(9,957)
Borough Office	-	-	-	-		-
Protection to Persons and Property	2,230,164	162,158	44,647	(2,023,359)		(2,023,359)
Planning Commission	-	-	-	-		-
Health and Sanitation	618,954	640,152	-	21,198		21,198
Highways	1,249,198	43,886	-	(1,205,312)		(1,205,312)
Street Lighting	79,820	-	-	(79,820)		(79,820)
Fire Protection	204,244	-	-	(204,244)		(204,244)
Recreation	84,028	-	-	(84,028)		(84,028)
Miscellaneous	2,727	-	-	(2,727)		(2,727)
Revitalization	175,024	-	175,024	-		-
Interest on Long Term Debt	87,775	-	-	(87,775)		(87,775)
Total Governmental Activities	5,321,170	1,100,333	336,026	(3,884,811)		(3,884,811)
Business-Type Activities:						
Water	2,166,426	2,671,872	-		505,446	505,446
Sewer	872,676	999,758	-		127,082	127,082
Total Business-Type Activities	3,039,102	3,671,630	-		632,528	632,528
Total Primary Government	\$ 8,360,272	\$ 4,771,963	\$ 336,026	\$ (3,884,811)	\$ 632,528	\$ (3,252,283)

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	\$ 1,958,299	\$ -	\$ 1,958,299
Earned Income Tax	966,154	-	966,154
Business Privilege Tax	88,580	-	88,580
Local Services Tax	103,859	-	103,859
State Motor Vehicle Fuel Tax	134,951	-	134,951
Deed Transfer Tax	153,994	-	153,994
Public Utility Realty Tax	3,264	-	3,264
Investment Earnings	51,904	7,805	59,709
Miscellaneous	126,252	-	126,252
	<u>3,587,257</u>	<u>7,805</u>	<u>3,595,062</u>
Total General Revenues and Other Items			
Change in Net Position	(297,554)	640,333	342,779
Net Position - Beginning of Year	6,037,329	5,329,385	11,366,714
Restatement of Net Position for GASB 68	3,132,147	385,474	3,517,621
Net Position - End of Year	<u>\$ 8,871,922</u>	<u>\$ 6,355,192</u>	<u>\$ 15,227,114</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<u>Major Funds</u>		Other Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Highway</u>		
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,307,287	\$ 407,126	\$ 599,625	\$ 2,314,038
Restricted Cash	50,797	-	-	50,797
Taxes Receivable	215,590	-	2,052	217,642
Accounts Receivable	69,275	-	310,000	379,275
Due from Other Funds	91,469	-	679	92,148
Prepaid Expenses	25,806	-	-	25,806
Due from Other Governments	98,967	-	-	98,967
Total Assets	<u>\$ 1,859,191</u>	<u>\$ 407,126</u>	<u>\$ 912,356</u>	<u>\$ 3,178,673</u>
<u>Liabilities and Fund Balance</u>				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 57,161	\$ -	\$ 8,839	\$ 66,000
Accrued Expenses	126,067	-	-	126,067
Due to Other Funds	679	-	7,100	7,779
Escrow Funds Payable	50,797	-	-	50,797
Total Liabilities	234,704	-	15,939	250,643
Fund Balances				
Non-Spendable	25,806	-	-	25,806
Restricted	580,724	407,126	896,417	1,884,267
Committed	-	-	-	-
Assigned	95,780	-	-	95,780
Unassigned, Reported in:				
General Fund	922,177	-	-	922,177
Total Fund Balances	<u>1,624,487</u>	<u>407,126</u>	<u>896,417</u>	<u>2,928,030</u>
Total Liabilities and Fund Balances	<u>\$ 1,859,191</u>	<u>\$ 407,126</u>	<u>\$ 912,356</u>	<u>\$ 3,178,673</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2015

Fund Balances - Total Governmental Funds	\$	2,928,030
Amounts reported for governmental activities in the statement of net position are different because:		
Net Pension Asssts and Deferrals are not financial resources and therefore, are not reported in the governmental funds		3,056,730
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		8,962,997
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest		(2,538)
Capital Lease		(24,338)
General Obligation Bonds and Note Payable		(3,523,778)
Other Post-Employment Benefits		<u>(2,525,181)</u>
Net Position of Governmental Activities	\$	<u>8,871,922</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Highway		
Revenues				
Taxes	\$ 2,804,248	\$ -	\$ 312,644	\$ 3,116,892
Foreign Fire Relief	-	-	44,647	44,647
State Motor Vehicle Fuel Tax	-	134,951	-	134,951
Licenses and Permits	275,132	-	-	275,132
Fines, Forfeits and Costs	42,061	-	-	42,061
Interest on Investments	61,984	8,795	9,162	79,941
Grants and Revenue Sharing	330,540	-	-	330,540
Deed Transfer Tax	153,994	-	-	153,994
Refuse Collection	640,152	-	-	640,152
Contribution from Lower Gwynedd	-	-	11,419	11,419
Public Utility Realty Tax	3,264	-	-	3,264
Miscellaneous	190,623	-	-	190,623
Total Revenues	4,501,998	143,746	377,872	5,023,616
Expenditures				
General	427,158	-	-	427,158
Tax Collection	9,957	-	-	9,957
Borough Office	-	-	-	-
Protection to Persons and Property	2,176,054	-	-	2,176,054
Planning Commission	-	-	-	-
Health and Sanitation	618,954	-	-	618,954
Highways	594,760	499,529	-	1,094,289
Street Lighting	-	-	78,356	78,356
Fire Protection	5,747	-	198,497	204,244
Recreation	-	-	65,174	65,174
Miscellaneous	2,727	-	-	2,727
Revitalization	33,282	-	-	33,282
Debt Service	60,817	-	-	60,817
Capital Outlays	2,707,403	-	-	2,707,403
Total Expenditures	6,636,859	499,529	342,027	7,478,415
Excess (Deficit) of Revenues Over Expenditures	(2,134,861)	(355,783)	35,845	(2,454,799)
Other Financing Sources (Uses)				
Proceeds from Debt Issuance	1,700,000	-	-	1,700,000
Proceeds from Capital Lease	37,776	-	-	37,776
Transferred In (Out)	-	29,593	5,747	35,340
Total Other Financing Sources (Uses)	1,737,776	29,593	5,747	1,773,116
Net Change in Fund Balances	(397,085)	(326,190)	41,592	(681,683)
Fund Balances - Beginning of Year	2,021,572	733,316	854,825	3,609,713
Fund Balances - End of Year	\$ 1,624,487	\$ 407,126	\$ 896,417	\$ 2,928,030

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (681,683)
<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 for general capital assets, infrastructure, and other related capital assets adjustments	2,707,403
Current year depreciation	(259,677)
The change in Net Pension Assets and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.	(75,417)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.</p>	
This amount is the proceeds of the issuance of Long Term Debt	(1,700,000)
This amount is the proceeds of the issuance of Capital Leases.	(37,776)
<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 Note	33,797
Capital Leases	58,217
<p>Other post-employment benefits do not require the use of current financial resources, therefore, are not reported as expenditures in Governmental Funds as follows:</p>	
Change in post-employment benefits	<u>(342,418)</u>
Change in Net Position of Governmental Activities	<u>\$ (297,554)</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Water Fund	Sewer Fund	Total
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 314,962	\$ 392,192	\$ 707,154
Accounts Receivable (Net of Allowance for Uncollectibles)	269,152	61,310	330,462
Due from Other Funds	-	29,450	29,450
Other Asset	6,599	-	6,599
Inventories	161,588	-	161,588
Total Current Assets	752,301	482,952	1,235,253
Non-Current Assets			
Net Pension Asset	96,711	23,935	120,646
Capital Assets			
Land	2,328	-	2,328
Construction-In-Progress	338,216	-	338,216
Infrastructure (Net)	-	6,198	6,198
Building (Net)	356,615	2,372	358,987
Machinery, Vehicles, Furniture and Equipment (Net)	63,880	28,338	92,218
Plant in Service (Net)	6,948,124	-	6,948,124
Total Capital Assets (Net of Accumulated Depreciation)	7,709,163	36,908	7,746,071
Total Non-Current Assets	7,805,874	60,843	7,866,717
Total Assets	\$ 8,558,175	\$ 543,795	\$ 9,101,970
<u>Deferred Outflows of Resources</u>			
Pension-Difference between Projected and Actual Investment Earnings	\$ 139,178	\$ 34,446	173,624
Pension-Differences in Assumptions	83,212	20,594	103,806
Total Deferred Outflows of Resources	\$ 222,390	\$ 55,040	277,430
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	\$ 77,976	\$ 5,464	\$ 83,440
Accrued Expenses	27,008	473	27,481
Due to Other Funds	113,819	-	113,819
General Obligation Bonds Payable - Due Within One Year	132,000	-	132,000
Capital Leases Payable - Due Within One Year	-	-	-
Escrow Funds Payable	-	-	-
Total Current Liabilities	350,803	5,937	356,740
Non-Current Liabilities			
General Obligation Bonds Payable - Due in More than One Year	2,655,599	-	2,655,599
Total Non-Current Liabilities	2,655,599	-	2,655,599
Total Liabilities	3,006,402	5,937	3,012,339
<u>Deferred Inflows of Resources</u>			
Pension-Difference in Experience	9,514	2,355	11,869
Total Deferred Inflows of Resources	\$ 9,514	\$ 2,355	11,869
Net Position			
Net Investment in Capital Assets	4,921,564	36,908	4,958,472
Restricted for Net Pension Asset	309,587	76,620	386,207
Unrestricted	533,498	477,015	1,010,513
Total Net Position	\$ 5,764,649	\$ 590,543	\$ 6,355,192

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015

	Water Fund	Sewer Fund	Total
Operating Revenues			
Metered Water Sales	\$ 2,309,011	\$ -	\$ 2,309,011
Sewer Rents	-	933,359	933,359
Water Tower Rental	297,498	-	297,498
Water Line Protection	5,193	-	5,193
Miscellaneous	60,170	66,399	126,569
Total Operating Revenue	2,671,872	999,758	3,671,630
Operating Expenses			
Source of Supply	44,818	-	44,818
Purification	115,637	-	115,637
Pumping	264,732	-	264,732
Distribution	378,896	-	378,896
Meter Installation	11,984	-	11,984
Customer Accounting and Collecting	29,199	-	29,199
Collection System	-	542,890	542,890
Administrative	1,179,491	329,786	1,509,277
Total Operating Expenses	2,024,757	872,676	2,897,433
Operating Income	647,115	127,082	774,197
Nonoperating Revenue (Expense)			
Interest Income	4,038	3,767	7,805
Debt Service Expense	(141,669)	-	(141,669)
Total Nonoperating Revenue (Expense)	(137,631)	3,767	(133,864)
Change in Net Position	509,484	130,849	640,333
Net Position - Beginning of Year	4,946,166	383,219	5,329,385
Restatement of Net Position for GASB 68	308,999	76,475	385,474
Net Position - End of Year	\$ 5,764,649	\$ 590,543	\$ 6,355,192

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015

	Water Fund	Sewer Fund	Total
Cash Flows Operating Activities			
Receipts from Customers and Users	\$ 2,560,700	\$ 925,276	\$ 3,485,976
Receipts from Others	60,170	66,399	126,569
Payments to Suppliers and Vendors	(1,711,439)	(777,360)	(2,488,799)
Payments to Employees	(265,228)	(163,408)	(428,636)
Net Cash Provided by Operating Activities	644,203	50,907	695,110
Cash Flows from Non-Capital Financing Activities			
Operating Interfund Advances, Net	(304,131)	16,443	(287,688)
Net Cash Used in Non-Capital Financing Activities	(304,131)	16,443	(287,688)
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(431,389)	(26,347)	(457,736)
Repayment of Capital Lease	(15,751)	(2,593)	(18,344)
Principal Paid on General Obligation Bonds	(2,520,000)	-	(2,520,000)
Debt Issuance	2,787,599	-	2,787,599
Interest Paid on General Obligation Bonds	(157,744)	-	(157,744)
Net Cash Used by Capital and Related Financing Activities	(337,285)	(28,940)	(366,225)
Cash Flows from Investing Activities			
Reinvested Interest on Investment	4,038	3,767	7,805
Net Increase (Decrease) in Cash and Cash Equivalents	6,825	42,177	49,002
Cash and Cash Equivalents - Beginning of Year	308,137	350,015	658,152
Cash and Cash Equivalents - End of Year	\$ 314,962	\$ 392,192	\$ 707,154

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015

	Water Fund	Sewer Fund	Total
Reconciliation of Operating Income To			
Net Cash Provided By Operating Activities			
Operating Income	\$ 647,115	\$ 127,082	\$ 774,197
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	471,018	4,744	475,762
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(51,002)	(8,083)	(59,085)
Increase in Inventory	(38,304)	-	(38,304)
Decrease in Prepaid Expense	-	-	-
Increase (Decrease) in Accounts Payable	237	(62,775)	(62,538)
Increase (Decrease) in Accrued Expense	13,746	(2,123)	11,623
Decrease in Other Post-Employment Benefits	(43,398)	(7,938)	(51,336)
Decrease in Due to Others Funds	(355,209)	-	(355,209)
Total Adjustments	(2,912)	(76,175)	(79,087)
Net Cash Provided by Operating Activities	\$ 644,203	\$ 50,907	\$ 695,110

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
STATEMENT OF PLAN NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015

Assets	
Cash and Cash Equivalents	\$ 140,347
Accrued Income	8,775
Investments	
Stocks, at Fair Value	6,536,453
Mutual Funds, at Fair Value	<u>7,018,841</u>
Total Assets	<u>\$ 13,704,416</u>
Net Position Restricted for Pensions	<u>\$ 13,704,416</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
 SCHEDULE OF CHANGES IN PLAN NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2015

Additions	
Contributions:	
Plan Members	\$ 46,764
Employer	82,198
Other Contributions	<u>-</u>
Total Contributions	128,962
Investment Earnings:	
Net Appreciation in Fair Value of Investments	(991,023)
Interest and Dividends	<u>387,313</u>
Total Investment Earnings	(603,710)
Less Investment Expense	<u>(63,991)</u>
Net Investment Earnings	<u>(667,701)</u>
Total Additions	(538,739)
Deductions	
Benefits	434,149
Administration and Other	<u>35,711</u>
Total Deductions	<u>469,860</u>
Change in Net Position	(1,008,599)
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning of Year	<u>14,713,015</u>
Net Position - End of Year	<u><u>\$ 13,704,416</u></u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Borough's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2015. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

A. Financial Reporting Entity

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

B. Basic Financial Statements

1. Government-Wide Statements

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

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

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

2. Fund Financial Statements

The fund financial statements provide information about the Borough's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major 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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or incidental activities.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

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, earned income taxes and refuse collection fees.

The Highway Aid Fund as required by state law, accounts for receipts from State Motor License Fund (gasoline tax distribution, etc.) to be used for highway related expenses and improvements.

Additionally, the Borough reports the following fund types: (Special revenue funds, capital project funds and debt service funds which are included as non-major 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, 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.

Proprietary Funds consist of the Water and Sewer Funds. Such funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of Borough management is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and where management has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds are used to account for assets held by the Borough in a trustee capacity. The pension trust funds account for the assets of the government's police and municipal (non-uniform) employees.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

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.

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

D. Budgets and Budgetary Accounting

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

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 and the 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 / advance from other funds.

Taxes receivable reflect amounts receivable for earned income, local services and transfer taxes collected by the tax collector for 2015 and remitted to the Borough after year end.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. *Inventories*

The Borough does not maintain accounting records relating to the minor cost of materials and supplies inventories, other than those in the Water Fund. Accordingly, such items are not included in the financial statements. Water Fund inventories are recorded at the lower of cost, on a first-in/first-out basis, or market. 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 market value at the date of donation.

The costs or normal maintenance and repairs that do not add to the value of the asset or materially extend asset's 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/expenditure) 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, 2015

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 investment in capital assets excludes unspent debt proceeds. The Borough applies restricted resources when an expense is incurred for purposes for which both restricted net position are 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 places upon a government's fund balance more transparent. Fund balances of the government funds are classified as follows:

Non-Spendable – 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, 2015

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 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 combined balance sheet. 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, 2015, \$3,415,497 of the Borough's cash balance per the financial statements of \$3,071,989 was exposed to custodial credit risk as:

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Uninsured and Uncollateralized	\$ -
Collateralized	-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the Government's Name	<u>3,415,497</u>
Total	<u>\$ 3,415,497</u>

Reconciliation to the Financial Statements

Uninsured Amount Above	\$ 3,415,497
Plus: Insured Amount	250,000
Less: Outstanding Checks	(598,919)
Plus: Deposits in Transit	3,617
ther Reconciling Items	249
Carrying Amount - Bank Balances	3,070,444
Plus: Petty Cash	<u>1,545</u>
Total Cash per Financial Statements	<u>\$ 3,071,989</u>

The Borough's cash balance includes \$50,797 of restricted escrow deposits. These monies are held by the Borough in a custodial capacity for developers.

NOTE 3 ACCOUNTS RECEIVABLE

Following is a summary of receivables at December 31, 2015:

	Governmental Funds			Proprietary Funds		
	General Fund	Other Governmental Funds	Total	Water Fund	Sewer Fund	Total
Refuse Fees	\$ 71,275	\$ -	\$ 71,275	\$ -	\$ -	\$ -
Utility User Fees	-	-	-	285,425	44,005	329,430
Mortgage Receivable	-	310,000	310,000	-	-	-
Less: Allowance for Doubtful Accounts	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>(22,149)</u>	<u>(5,000)</u>	<u>(27,149)</u>
Total	<u>69,275</u>	<u>310,000</u>	<u>379,275</u>	<u>263,276</u>	<u>39,005</u>	<u>302,281</u>
Other Billings and Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,876</u>	<u>22,305</u>	<u>28,181</u>
Net Accounts Receivable	<u>\$ 69,275</u>	<u>\$ 310,000</u>	<u>\$ 379,275</u>	<u>\$ 269,152</u>	<u>\$ 61,310</u>	<u>\$ 330,462</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 4 PROPERTY AND EQUIPMENT

Governmental Activities capital assets consist of the following at December 31, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,284,846	\$ -	\$ -	\$ 1,284,846
Construction in Progress	<u>527,430</u>	<u>2,423,274</u>	<u>-</u>	<u>2,950,704</u>
Total Capital Assets, Not Being Depreciated	1,812,276	2,423,274	-	4,235,550
Capital Assets, Depreciated:				
Buildings and other Improvements	3,518,362	3,435	-	3,521,797
Site Improvements	207,257	43,759	-	251,016
Machinery, Vehicles, Furniture and Equipment	749,473	73,104	-	822,577
Infrastructure	<u>2,076,140</u>	<u>163,831</u>	<u>-</u>	<u>2,239,971</u>
Total Capital Assets, Being Depreciated	6,551,232	284,129	-	6,835,361
Accumulated Depreciation for:				
Buildings and Other Improvements	829,205	78,141	-	907,346
Site Improvements	86,555	15,667	-	102,222
Machinery, Vehicles, Furniture and Equipment	527,931	64,002	-	591,933
Infrastructure	<u>404,546</u>	<u>101,867</u>	<u>-</u>	<u>506,413</u>
Total Accumulated Depreciation	<u>1,848,237</u>	<u>259,677</u>	<u>-</u>	<u>2,107,914</u>
Total Capital Assets, Being Depreciated, Net	<u>4,702,995</u>	<u>24,452</u>	<u>-</u>	<u>4,727,447</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,515,271</u>	<u>\$ 2,447,726</u>	<u>\$ -</u>	<u>\$ 8,962,997</u>

Business-Type Activities capital assets consist of the following at December 31, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,328	\$ -	\$ -	\$ 2,328
Construction in Progress	<u>-</u>	<u>338,216</u>	<u>-</u>	<u>338,216</u>
Total Capital Assets, Not Being Depreciated	2,328	338,216	-	340,544
Capital Assets, Being Depreciated				
Infrastructure	3,060	3,389	-	6,449
Buildings and Other Improvements	815,869	6,880	-	822,749
Machinery, Vehicles, Furniture and Equipment	1,182,583	92,777	-	1,275,360
Plant in Service	<u>12,490,797</u>	<u>17,165</u>	<u>-</u>	<u>12,507,962</u>
Total Capital Assets, Being Depreciated	14,492,309	120,211	-	14,612,520
Accumulated Depreciation for:				
Infrastructure	61	190	-	251
Buildings and Other Improvements	441,069	22,693	-	463,762
Machinery, Vehicles, Furniture and Equipment	1,055,241	127,901	-	1,183,142
Plant in Service	<u>5,234,860</u>	<u>324,978</u>	<u>-</u>	<u>5,559,838</u>
Total Accumulated Depreciation	<u>6,731,231</u>	<u>475,762</u>	<u>-</u>	<u>7,206,993</u>
Total Capital Assets, Being Depreciated, Net	<u>7,761,078</u>	<u>(355,551)</u>	<u>-</u>	<u>7,405,527</u>
Business-Type Capital Assets, Net	<u>\$ 7,763,406</u>	<u>\$ (17,335)</u>	<u>\$ -</u>	<u>\$ 7,746,071</u>

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 5 CAPITAL LEASE OBLIGATIONS

The Borough acquired several pieces of equipment under the provisions of long term leases. For financial reporting purposes, minimum lease payments relating to the leases have been capitalized. The Borough has only one lease outstanding at December 31, 2015 and it matures in 2017.

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

	Amount
Cost	\$ 40,314
Accumulated Depreciation	1,894
Total	\$ 38,420

The future minimum lease payments under the capital leases and the net present value of future minimum capital lease payments at December 31, 2015 are as follows:

	Amount
<u>Year Ending December 31,</u>	
2016	\$ 13,438
2017	13,438
Total Minimum Lease Payments	26,876
Less: Amount of Representing Interest	2,538
Present Value of Minimum Lease Payments	\$ 24,338

NOTE 6 LONG-TERM DEBT

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

The Series of 2009 Bonds were currently refunded by the issuance of the General Obligation Note Series of 2015. The Series of 2015 Note also provides funds for capital projects relate to the Borough's water system. The Note was issued in the amount of \$3,505,000 and is being utilized on a draw down basis. During 2015, \$2,397,599 of the Note was drawn down to currently refund the Series of 2009 Bonds and \$390,000 was drawn down for capital projects. The total drawn down in 2015 was \$2,787,599 and the amount remaining to be drawn down is \$717,401. The Note carries a variable interest rate, the initial rate is 2.37% and may not exceed 4.50%, and payments in amounts ranging from \$132,000 to \$319,000 are due annually through 2028.

On December 20, 2013, the Borough issued a \$1,890,000 General Obligation Term Note. The proceeds of the note were used for the purchase of a building. In addition, a \$1,700,000 General Obligation Line of Credit Loan Note was issued for the renovations of the building in 2015.

The General Obligation Term Notes are a direct obligation of the Borough. The Notes are payable from, and secured by the business privilege tax.

Interest is payable monthly commencing January 1, 2014. The interest rate on remaining debt is 4.15%.

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 6 LONG-TERM DEBT (CONTINUED)

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

Year Ending December 31,	Principal	Interest	Total
2016	132,000	65,676	197,676
2017	248,000	73,300	321,300
2018	253,000	71,064	324,064
2019	260,000	64,895	324,895
2020	265,000	58,764	323,764
2021-2025	1,433,000	194,968	1,627,968
2026-2028	<u>196,599</u>	<u>59,458</u>	<u>256,057</u>
Total	<u>\$ 2,787,599</u>	<u>\$ 588,125</u>	<u>\$ 3,375,724</u>

The following is a schedule of aggregate principal and interest payments for each of the next five years and each five-year period thereafter for the 2013 General Obligation Note:

Year Ending December 31,	Principal	Interest	Total
2016	35,105	75,143	110,248
2017	36,590	73,658	110,248
2018	38,138	72,110	110,248
2019	39,751	70,497	110,248
2020	41,432	68,816	110,248
2021-2025	235,981	315,261	551,242
2026-2030	289,063	262,179	551,242
2031-2035	355,593	195,649	551,242
2036-2040	437,435	113,806	551,241
2041-2044	<u>314,690</u>	<u>21,365</u>	<u>336,055</u>
Total	<u>\$ 1,823,778</u>	<u>\$ 1,268,484</u>	<u>\$ 3,092,262</u>

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

Year Ending December 31,	Principal	Interest	Total
2016	-	70,550	70,550
2017	34,899	35,651	70,550
2018	36,375	34,175	70,550
2019	37,914	32,636	70,550
2020	39,517	31,033	70,550
2021-2025	224,119	265,591	489,710
2026-2030	275,701	248,248	523,949
2031-2035	339,156	184,793	523,949
2036-2040	417,215	106,734	523,949
2041-2044	<u>295,104</u>	<u>19,265</u>	<u>314,369</u>
Total	<u>\$ 1,700,000</u>	<u>\$ 1,028,676</u>	<u>\$ 2,728,676</u>

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 6 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt:

Long-term debt activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Notes Payable:					
Series 2013 GO Note	\$ 1,857,575	\$ -	\$ 33,797	\$ 1,823,778	\$ 35,105
Series 2015 GO Note	-	1,700,000	-	1,700,000	-
Capital Leases	44,779	37,776	58,217	\$ 24,338	11,830
Governmental Activity Long-Term Debt	<u>\$ 1,902,354</u>	<u>\$ 1,737,776</u>	<u>\$ 92,014</u>	<u>\$ 3,548,116</u>	<u>\$ 46,935</u>
Business-Type Activities:					
Bonds Payable:					
Series 2009 GO Bonds	\$ 2,520,000	\$ -	\$ 2,520,000	\$ -	\$ -
Series 2015 Note	-	2,787,599	-	2,787,599	132,000
Capital Leases	18,344	-	18,344	-	-
Less Deferred Amounts:					
Bond Discounts	(33,682)	-	(33,682)	-	-
Business -Type Activity Long-Term Debt	<u>\$ 2,504,662</u>	<u>\$ 2,787,599</u>	<u>\$ 2,504,662</u>	<u>\$ 2,787,599</u>	<u>\$ 132,000</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 \$448,403 in 2015.

The participant's share of capital improvements and additions are 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 \$73,399 in 2015.

The Treatment Plant reimburses the Borough of Ambler for administrative costs related to plant operations. An administrative fee of \$173,313 was recognized as revenue for the year ended December 31, 2015.

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

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 8 INTERFUND PAYABLE AND RECEIVABLE

The composition of interfund balances for the fund financial statements as of December 31, 2015, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 91,469	\$ 679
Street Lights	302	-
Fire Fund	-	7,100
Parks and Recreation	377	-
Water Fund	-	113,819
Sewer Fund	29,450	-
Total	\$ 121,598	\$ 121,598

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "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 2015. 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, 2015 amounted to \$966,154.

NOTE 10 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Accordingly the Borough has entered into a participation agreement with certain surrounding municipalities in Montgomery and Bucks Counties, Pennsylvania to form the Delaware Valley Insurance Trust (Trust). The Trust has created a self insurance pool to offer coverage to eligible municipalities. The Borough is participating in the Trust insurance coverage.

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

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

NOTE 11 COMMITMENTS

In December 2010, the Borough entered into a contract for trash, dumpster, and yard waste services, respectively, over a five-year period. The contract was extended until September 30, 2020, at a cost of approximately \$23,352 per month.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 12 CONTINGENT LIABILITIES

The Borough is also 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 affect on the accompanying financial statements and, accordingly, no provision has been recorded.

NOTE 13 PENSION PLANS

The most recent biannual actuarial valuations were prepared as of January 1, 2015.

MUNICIPAL EMPLOYEES (NON-UNIFORMED) DEFINED BENEFIT PENSION PLAN

A. Plan Description:

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

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

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

B. Summary of Significant Accounting Policies:

Basis of Accounting

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

Use of Estimates

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

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

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

Valuation of Investments

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

Risks and Uncertainties

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

C. Funding Policy and Contributions

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

Employees are required to contribute 3% of compensation to the plan. Employee contributions amounted to \$46,764 for the year ended December 31, 2015.

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, 2015, the Borough's pension cash and cash equivalents were not exposed to custodial credit risk since the balance is covered by FDIC insurance.

E. Investments

As of December 31, 2015, the Borough had the following pension plan investments:

	Fair Market Value
Money Market Fund	\$ 69,131
Domestic Equities	2,442,144
Sanford C. Bernstein Emerging Markets	68,804
Sanford C. Bernstein International Portfolio	479,414
Bernstein Sanford C Fund II Inc. - Fixed Income	1,957,055
Total Investments	\$ 5,016,548

As of December 31, 2015, none of the Borough's pension plan investments are rated.

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

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

F. Investment Concentration

Total plan net position as of December 31, 2015 amounted to \$5,016,547. Five percent of total plan assets amounted to \$250,827 as of December 31, 2015. The following funds represent 5% or more of the total net plan assets at December 31:

Investments	Amount	Percent of Total
Sanford C. Bernstein International Portfolio	\$ 479,414	9.6%
Bernstein Sanford C Fund II Inc. - Fixed Income	\$ 1,957,055	37.7%

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, 2015
Actuarial cost method	Normal entry age actuarial cost method (a)
Asset Valuation method	Market Value
Actuarial assumptions	
Investment rate of return	6.75% per annum, compounded annually
Projected salary increases	3.75% per annum, compounded annually

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

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN

A. Plan Description

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

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

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

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

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 he receives his retirement benefit.

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

Covered employees are full-time police officers.

Number of covered active employees	13
Number of persons receiving benefits	11
Terminated employees vested, but not receiving benefits	0

B. Summary of Significant Accounting Policies:

Basis of Accounting

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

Use of Estimates

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

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN (CONTINUED)

Valuation of Investments

Investments, which consist primarily of common stock and mutual funds, are reported at market value. Quoted market prices are used to value investments. Share 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 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 from contributions by all full time police officers, funds paid by the Commonwealth of Pennsylvania and by Borough contributions, if required.

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

There were no employee contributions for the year ended December 31, 2015.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

MUNICIPAL POLICE DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2015, the Borough's pension cash and cash equivalents were not exposed to custodial credit risk since the balance is covered by FDIC insurance.

E. Investments

As of December 31, 2015, the Plan had the following pension plan investments:

	Fair Market Value
Money Market Fund	\$ 74,348
Accrued Income	5,644
Domestic Equities	4,094,309
Sanford C. Bernstein Emerging Markets	173,067
Sanford C. Bernstein International Portfolio	880,113
Bernstein Sanford C Fund II Inc. - Fixed Income	3,460,388
Total Investments	\$ 8,687,869

F. Investment Concentration

Total plan net position as of December 31, 2015 amounted to \$8,687,869. Five percent of total plan assets amounted to \$434,393.

The following fund represents 5% or more of the total plan assets at December 31:

Investments	Amount	Percent of Total
Sanford C. Bernstein International Portfolio	\$ 880,113	10.13%
Bernstein Sanford C. Fund II Inc. - Fixed Income	3,460,388	39.83%

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, 2015
Actuarial cost method	Normal entry age actuarial cost method (a)
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return	6.75% per annum, compounded annually
Projected salary increases	4.25% per annum, compounded annually

(a) Under the normal entry age actuarial cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the compensation of the individual between entry age and assumed exit age.

(b) There are no significant factors that would distort the evaluation of trends for amounts presented in the two required supplementary schedules.

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

GASB 67 and 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 adopted GASB Statement No. 68, Accounting and Financial Reporting for Pension – an amendment of GASB 27 in 2015. These Statements enhance the Borough’s accounting, footnote disclosures and expands 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 Statement No. 67 and 68 for both plans.

Plan Administration

Management of the Police Pension and Non-Uniform Plans are overseen by a Pension Committee under ordinance 851. Per the Plan Document, the Pension Committee is comprised of nine members of Borough Council and on 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, defines 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, 2015:

<u>Asset Class</u>	<u>Target</u>
Domestic Equities	48.00%
Emerging Markets	2.80%
International Equities	9.20%
Fixed Income	40.00%
Cash Equivalents	<u>0.00%</u>
	<u>100.00%</u>

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

GASB 67 and 68 – FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Net Pension Liability

The net pension liability of the plans for measurement date December 31, 2015, were as follows:

	Non-Uniform Pension Plan	Police Pension Plan
Total Pension Liability	\$ 4,699,911	\$ 8,033,782
Plan Fiduciary Net Position	(5,016,547)	(8,963,997)
Net Pension Liability (Asset)	\$ (316,636)	\$ (930,215)

Method and assumptions used to determine Net Pension Liability of the Plans were as follows:

Police:

Valuation Date	January 1, 2015, projected to December 31, 2015
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, closed
Remaining Amortization	Zero
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.75%
Projected Salary Increases	4.25%, average, including inflation
Retirement age	Normal retirement age
General Inflation	3.00% per year
Mortality Rate	RP-2000 Mortality Table (Blue Collar) with Scale AA

Non-Uniformed:

Valuation Date	January 1, 2015, projected to December 31, 2015
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, closed
Remaining Amortization	Zero
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.75% per year compounded annually, net of investment expenses
Projected Salary Increases	3.75%, average, including inflation
Retirement age	Age 65 and 5 years of service, age 62 and 25 years of service, or attained age plus one year, if later.
General Inflation	3.00% per year
Mortality Rate	RP-2000 Mortality Table (Blue Collar) with Scale AA

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, 2015.

The Plans have not had an experience study completed.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

GASB 67 and 68 – FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Asset Class	Percent of Fund at December 31, 2015	Estimated Long-Term Rates of Return
Cash and Cash Equivalents	0.3%	2.0%
Domestic Equities	48.2%	7.2%
Emerging Markets	1.9%	6.0%
International Equities	9.9%	7.9%
Fixed Income	39.6%	4.1%

Discount Rate

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

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease -5.75%	Current Discount Rate -6.75%	1% Increase -7.75%
Net Pension Liability (Asset) - Non-Uniform Pension Plan	\$ 195,190	\$ (316,636)	\$ (755,474)
Net Pension Liability (Asset) - Police Pension Plan	\$ 129,876	\$ (930,215)	\$ (1,804,717)

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 2015 was -6.27%. 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, 2015, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$1,426,283	\$ -
Differences in assumptions	809,476	-
Differences in experience	-	39,673
Total	\$2,235,759	39,673

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 13 PENSION PLANS (CONTINUED)

GASB 67 and 68 – FINANCIAL REPORTING FOR PENSION PLANS (CONTINUED)

Deferred Outflows and Inflows of Resources (Continued)

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

<u>Year ended December 31,</u>	
2106	\$415,325
2017	415,325
2018	415,325
2019	415,325
2020	415,325
Thereafter	119,461

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 \$6,043 in 2015. Plan contributions totaled \$9,103 from the Borough in 2015. These amounts are classified as payroll taxes and benefits expense on the Statement of Activities.

NOTE 15 POSTEMPLOYMENT BENEFITS

The Borough follows Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for postemployment health care benefits provided by the Borough. The accrued liability for benefits of \$4,215,944 at January 1, 2015, amortized over thirty years as a level percent of pay based on the inflation portion of the salary scale only.

Plan Description

The Borough provides post employment 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, may not continue in the Borough's group health plan therefore the Borough has no post employment healthcare liability for these individuals..

BOROUGH OF AMBLER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2015

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

The Borough has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. For the 2015 year, there were two retired participants. The Borough's cost, including implicit rate subsidy of \$17,738 has been applied toward the annual OPEB cost.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of December 31, 2015 was as follows:

Years Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 381,878	4.38%	\$ 1,906,831
2014	\$ 383,465	4.90%	\$ 2,271,518
2015	\$ 271,401	6.54%	\$ 2,525,181

The following table shows the Borough's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation:

Normal Cost (Service Cost for One Year)	\$ 431,477
Change in Plan Assumptions	-
Annual Required Contribution (ARC)	431,477
Interest on Net OPEB Obligation	85,991
Adjustment to Annual Required Contribution	(246,067)
Annual OPEB Cost (Expense)	271,401
Contributions toward the OPEB Cost	(17,738)
Increase in Net OPEB Obligation	253,663
Net OPEB Obligation, Beginning of Year	2,271,518
Net OPEB Obligation, End of Year	2,525,181

The Borough's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Funded Status and Funding Progress

As of January 1, 2015, the actuarial accrued liability for benefits was \$4,215,944, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$4,215,944. The covered payroll (annual payroll of active participating employees) was \$2,724,243, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 155 percent.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 15 POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Borough's OPEB actuarial valuation as of January 1, 2015, used the entry age normal actuarial cost method to estimate both the unfunded liability as of December 31, 2015 and to estimate the Borough's annual required contribution. This method was selected because it produced the best estimate of the OPEB liability and annual cost.

Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4 percent rate of return on invested assets. The actuarial assumptions include an annual health care cost trend rate of 8% initially for the 2015 year, reduced by 1% per year to an ultimate rate of 5%. The unfunded actuarial liability is being amortized over 30 years as a level percent of pay based on the inflation portion of the salary scale only. The remaining amortization period at December 31, 2015 is 30 years.

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following statements that were implemented by the Borough during the year ended December 31, 2015.

GASB Statement No. 68, *Accounting for Pension by State and Local Governmental Employers*, will be effective for the Borough for the year ending December 31, 2015. This statement revised and replaces Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as Statement No. 50, *Pension Disclosures* as they relate to governmental pension plans that are administered as trusts or equivalent arrangements that meet certain criteria. The objective of this Statement is to establish standards for governmental employer recognition, measurement and presentation of information about their liability for governmental defined benefit pension plans. This Statement will have a significant impact by requiring acceleration of the recognition of the pension liability and added disclosures. Liabilities would be recorded based on actuarial liabilities, net of actuarial assets, instead of the current requirement to only record a liability based on the deficiency of annual required contributions.

In January 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, which resolves transition issues in GASB Statement No. 68, "Accounting and Financial Reporting for Pensions."* This statement eliminates a potential source of understatement of restated net position and expense in a government's first year of implementing Statement No. 68. To correct this potential understatement, Statement No. 71 requires that when a government is transitioning to the new pension standards, it recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

resources related to pensions. Statement No. 71 is effective concurrent with Statement No. 68 for the year ending December 31, 2015.

The adoption of these standards resulted in the Borough being required to record a Net Pension Asset at the beginning and end of 2015 and also Deferred Inflows and Outflows related to Pensions at the end of 2015. The restatement of prior period amounts caused by the adoption of these standards is shown as a separate line on the Statement of Activities.

The Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the Borough:

In February 2015, GASB issued Statement No. 72, "*Fair Value Measurement and Application.*" The Borough is required to adopt this statement for its calendar year 2016 financial statements.

In June 2015, the GASB issued Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*" The Borough is required to adopt Statement No. 73 for its fiscal year 2016 financial statements.

In June 2015, the GASB issued Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*" The Borough is required to adopt Statement No. 74 for its fiscal year 2017 financial statements.

In June 2015, the GASB issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*" The Borough is required to adopt statement No. 75 for its fiscal year 2018 financial statements.

In June 2015, the GASB issued Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*" The Borough is required to adopt statement No. 76 for its fiscal 2016 financial statements.

In August 2015, the GASB issued Statement No. 77, "*Tax Abatement Disclosures.*" The Borough is required to adopt statement No. 77 for its fiscal year 2016 financial statements.

In December 2015, the GASB issued Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*" The Borough is required to adopt statement No. 78 for its fiscal year 2016 financial statements.

In January 2016, the GASB issued Statement No. 79, "*Certain External Investment Pools and Pool Participants.*" The Borough is required to adopt statement No. 79 for its fiscal year 2016 financial statements.

In January 2016, the GASB issued Statement No. 80, "*Blending Requirements for Certain Component Units – an Amendment of GASB No. 14.*" The Borough is required to adopt statement No. 80 for its fiscal year 2017 financial statements.

In March 2016, the GASB issue Statement No. 81, "*Irrevocable Split-Interest Agreements.*" The Borough is required to adopt Statement No.81 for its fiscal year 2017 financial statements.

In April 2016, the GAST issued Statement No. 82 "*Pension Issues.*" The Borough is required to adopt Statement No. 82 for its fiscal year 2017 financial statements.

The Authority has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

BOROUGH OF AMBLER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015

NOTE 17 SUBSEQUENT EVENTS

The Borough sold the former Borough Hall in March 2016 for \$801,000. The proceeds are going to be used to replace reserved that were utilized to renovate the new Borough Hall.

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 67
 DECEMBER 31, 2015
 (UNAUDITED)

	Non-Uniform Pension Plan 2015	Police Pension Plan 2015	Non-Uniform Pension Plan 2014	Police Pension Plan 2014
Total Pension Liability				
Service Cost	\$ 141,552	\$ 189,639	\$ 108,733	\$ 185,346
Interest	280,003	476,105	287,860	485,671
Benefit Payments	(80,689)	(238,114)	(86,889)	(196,708)
Difference Between Actual and Expected, if any	(31,150)	(8,523)	(77,140)	21,162
Assumption Changes	272,441	537,035	-	-
Net Change in Total Pension Liability	582,157	956,142	232,564	495,471
Total Pension Liability - Beginning	4,117,754	7,077,640	3,885,200	6,582,169
Total Pension Liability - Ending (a)	<u>\$ 4,699,911</u>	<u>\$ 8,033,782</u>	<u>\$ 4,117,764</u>	<u>\$ 7,077,640</u>
Plan Fiduciary Net Position				
Contribution - Employer and State Aid	\$ 50,699	\$ 31,499	\$ 106,693	\$ 28,315
Contribution - Member	46,764	-	52,701	-
Other Income	-	-	2,073	495
Net Investment Income	(109,802)	(333,125)	361,171	877,758
Benefit Payments	(80,689)	(238,114)	(86,889)	(196,708)
Administrative Expense	(27,492)	(72,210)	(24,596)	(42,156)
Other	7,634	(7,634)	-	-
Net Change in Plan Fiduciary Net Position	(112,886)	(619,584)	411,153	667,704
Plan Fiduciary Net Position - Beginning	5,129,434	9,583,581	4,718,281	8,915,877
Plan Fiduciary Net Position - End (b)	<u>5,016,548</u>	<u>\$ 8,963,997</u>	<u>5,129,434</u>	<u>\$ 9,583,581</u>
Net Pension Liability (Asset) (a-b)	<u>\$ (316,637)</u>	<u>\$ (930,215.00)</u>	<u>\$ (1,011,670)</u>	<u>\$ (2,505,941)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.74%	111.58%	124.57%	135.41%
Covered Employee Payroll	1,793,834	968,450	1,845,636	1,030,020
Net Pension Liability as a Percentage of Covered Employee Payroll	-17.65%	-96.05%	-54.81%	-243.29%

BOROUGH OF AMBLER
 REQUIRED SUPPLEMENTARY INFORMATION –
 PENSION PLANS – SCHEDULES OF EMPLOYER CONTRIBUTIONS,
 INVESTMENT RETURNS AND EMPLOYER'S NET PENSION LIABILITY
 CALCULATED IN ACCORDANCE WITH GASB 67
 DECEMBER 31, 2015
 (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%
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%

Schedule of Investment Returns*		
	2015	2014
Actual Money Weighted Rate of Return, Net of Investment Expense	(6.27%)	6.20%

Schedule of the Employer's Net Pension Liability*							
Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll	
Non-Uniform Pension Plan	2014	\$ 4,117,764	\$ 5,129,434	\$ (1,011,670)	124.57%	\$ 1,845,636	-54.81%
Non-Uniform Pension Plan	2015	\$ 4,699,911	\$ 5,016,547	\$ (316,636)	106.74%	\$ 1,793,834	-17.65%
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%	\$ 968,450	-96.05%

* Schedules are intended to show information for ten years. Additional years will be disclosed as they become available.

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
DECEMBER 31, 2015
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue Receipts				
Taxes from Current Levy				
Real Estate	\$ 1,640,261	\$ 1,640,261	\$ 1,623,994	\$ (16,267)
Earned Income Tax	800,000	800,000	966,154	166,154
Business Privilege Tax	155,000	155,000	88,580	(66,420)
Emergency Municipal Service Tax	<u>100,000</u>	<u>100,000</u>	<u>103,858</u>	<u>3,858</u>
Total	2,695,261	2,695,261	2,782,586	87,325
Delinquent and Overdue Taxes	25,000	25,000	21,662	(3,338)
Licenses and Permits				
Beverage	1,600	1,600	1,400	(200)
Building	50,000	50,000	44,581	(5,419)
Street Pole	2,500	2,500	4,425	1,925
Apartment Permits	45,000	45,000	59,950	14,950
Cable Television Franchise	130,000	130,000	138,333	8,333
Other	<u>19,550</u>	<u>19,550</u>	<u>26,443</u>	<u>6,893</u>
Total Licenses and Permits	248,650	248,650	275,132	26,482
Fines, Forfeits and Costs				
Motor Vehicle Code Violations	45,000	45,000	36,807	(8,193)
Violations and Ordinances	7,000	7,000	5,254	(1,746)
Interest on Investments	26,000	26,000	61,984	35,984
Foreign Casualty and Pension	50,699	50,699	80,728	30,029
TEA Grants	912,000	912,000	14,304	(897,696)
Other Grants	-	-	2,336	2,336
Annual Recycling Grant	13,000	13,000	18,987	5,987
Revitalization Grant	-	-	175,024	175,024
Deed Transfer Tax	90,000	90,000	153,994	63,994
Refuse Collection	635,000	635,000	640,152	5,152
Public Utility Realty Tax	<u>3,500</u>	<u>3,500</u>	<u>3,264</u>	<u>(236)</u>
Total Fines, Forfeits and Costs	1,782,199	1,782,199	1,192,834	(589,365)

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
DECEMBER 31, 2015
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue Receipts				
Other Receipts				
Parking Meters, Lot Rental	\$ 65,000	\$ 65,000	67,655	\$ 2,655
Water Line Protection	23,000	23,000	29,483	6,483
Miscellaneous, Other	34,600	34,600	35,714	1,114
Refunds, Crossing Guards	45,000	45,000	39,161	(5,839)
Waste Water Reimbursement	63,000	63,000	57,771	(5,229)
Total Other Receipts	<u>230,600</u>	<u>230,600</u>	<u>229,784</u>	<u>(816)</u>
Total Revenues	<u>\$ 4,981,710</u>	<u>\$ 4,981,710</u>	<u>\$ 4,501,998</u>	<u>\$ (479,712)</u>
Governmental Expenditures				
General Government Administration				
Wages	98,599	98,599	91,460	7,139
Payroll Taxes	55,073	55,073	63,817	(8,744)
Benefits	51,083	51,083	51,451	(368)
Pension	50,669	50,669	62,034	(11,365)
Auditing, Accounting and Consulting	10,000	10,000	11,175	(1,175)
Solicitor's Fees	20,000	20,000	16,341	3,659
Engineer's Fees	15,000	15,000	32,068	(17,068)
Postage, Printing and Advertising	4,200	4,200	5,749	(1,549)
Office Supplies and Equipment Rental	6,000	6,000	8,868	(2,868)
Other	35,791	35,791	46,242	(10,451)
Newsletter Expense	2,500	2,500	1,591	909
Utilities	14,300	14,300	19,570	(5,270)
Insurance	19,887	19,887	1,454	18,433
Association Dues and Convention Expense	3,000	3,000	4,351	(1,351)
Computer Expense	14,000	14,000	10,987	3,013
Total General Government Administration	<u>400,102</u>	<u>400,102</u>	<u>427,158</u>	<u>(27,056)</u>
Tax Collection				
Salary of Tax Collector	7,780	7,780	7,780	-
Other Expense	3,700	3,700	2,177	1,523
Total Tax Collection	<u>11,480</u>	<u>11,480</u>	<u>9,957</u>	<u>1,523</u>

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
DECEMBER 31, 2015
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Governmental Expenditures				
Protection to Person and Property				
Police Protection				
Salaries	\$ 1,406,880	\$ 1,406,880	\$ 1,431,982	\$ (25,102)
Benefits, Taxes	413,326	413,326	410,407	2,919
Office Supplies	3,000	3,000	4,198	(1,198)
Advertising and Printing	1,600	1,600	-	1,600
Uniforms	7,000	7,000	7,780	(780)
Car Maintenance and Repair	38,798	38,798	38,298	500
Gas and Oil	35,000	35,000	22,302	12,698
Communications	10,000	10,000	6,286	3,714
Minor Equipment	6,000	6,000	4,438	1,562
Materials and Supplies	1,000	1,000	3,526	(2,526)
Other, Conventions and Seminars	5,000	5,000	4,893	107
Other	3,600	3,600	9,364	(5,764)
Insurance	48,814	48,814	8,561	40,253
Workmen's Compensation	40,305	40,305	27,091	13,214
Legal	14,000	14,000	15,197	(1,197)
Computer Expense	10,000	10,000	10,406	(406)
Capital Outlay	-	-	37,776	(37,776)
Total Police Protection	2,044,323	2,044,323	2,042,505	1,818
Fire Protection				
Salaries	14,494	14,494	13,286	1,208
Total Fire Protection	14,494	14,494	13,286	1,208
Planning Commission				
Zoning, Building and Plumbing Inspection Services	113,030	113,030	108,219	4,811
General Expense	7,200	7,200	3,647	3,553
Montgomery Counting Planning Commission	10,890	10,890	11,394	(504)
Contracted Services	24,500	24,500	32,626	(8,126)
Legal Services	10,000	10,000	7,691	2,309
Shade Tree Expense	-	-	-	-
Total Planning Commission	\$ 165,620	\$ 165,620	\$ 163,577	\$ 2,043

BOROUGH OF AMBLER
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
DECEMBER 31, 2015
(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Governmental Expenditures				
Health and Sanitation				
Board of Health				
Salaries and Wages	\$ 74,465	\$ 74,465	\$ 79,230	\$ (4,765)
Benefits, Taxes	-	-	-	-
General Expense	100	100	794	(694)
Garbage and Trash Collection	<u>456,000</u>	<u>456,000</u>	<u>538,930</u>	<u>(82,930)</u>
Total Health and Sanitation	530,565	530,565	618,954	(88,389)
Highways				
Streets and Bridges				
Street Signs and Markers	58,540	58,540	34,522	24,018
Snow Removal	46,488	46,488	47,542	(1,054)
Cleaning Streets and Gutters	39,988	39,988	30,171	9,817
Storm Water Drains and Roads	49,488	49,488	55,160	(5,672)
Parking Lot Paving	-	-	-	-
Road and Highway Maintenance	408,997	408,997	427,365	(18,368)
Capital Outlay	<u>-</u>	<u>-</u>	<u>2,664,430</u>	<u>(2,664,430)</u>
Total Highways Expenditures	603,501	603,501	3,259,190	(2,655,689)
Miscellaneous Expenditures				
Insurance				
Fire Fund Contribution	13,375	13,375	5,747	7,628
Civic Contributions	11,250	11,250	2,386	8,864
Debt Contribution	155,000	155,000	60,817	94,183
Main Street Manager Expense	-	-	-	-
Revitalization and Redevelopment	<u>1,032,000</u>	<u>1,032,000</u>	<u>33,282</u>	<u>998,718</u>
Total Miscellaneous Expenditures	\$ 1,211,625	\$ 1,211,625	\$ 102,232	\$ 1,109,393

BOROUGH OF AMBLER
 REQUIRED SUPPLEMENTARY INFORMATION –
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (CONTINUED)
 GENERAL FUND
 DECEMBER 31, 2015
 (UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Expenditures	\$ 4,981,710	\$ 4,981,710	\$ 6,636,859	\$ (1,655,149)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(2,134,861)	(2,134,861)
Other Financing Sources				
Proceeds from Debt Issuance	-	-	1,700,000	1,700,000
Proceeds from Capital Lease	-	-	37,776	37,776
Total Other Financing Sources	-	-	1,737,776	1,737,776
Net Change in Fund Balance	-	-	(397,085)	(397,085)
Fund Balance - Beginning of Year	-	-	2,021,572	2,021,572
Fund Balance - End of Year	\$ -	\$ -	1,624,487	1,624,487

BOROUGH OF AMBLER
 REQUIRED SUPPLEMENTARY INFORMATION –
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – HIGHWAY FUND
 YEAR ENDED DECEMBER 31, 2015
 (UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State Motor Vehicle Fuel Tax	130,605	130,605	134,951	4,346
Interest on Investments	5,000	5,000	8,795	3,795
Total Revenues	<u>135,605</u>	<u>135,605</u>	<u>143,746</u>	<u>8,141</u>
Expenditures				
Street Cleaning	3,500	3,500	1,437	2,063
Snow Removal	16,500	16,500	17,701	(1,201)
Capital Outlay	774,800	774,800	418,414	356,386
Engineering	52,800	52,800	58,393	(5,593)
Miscellaneous	3,000	3,000	3,584	(584)
Total Expenditures	<u>850,600</u>	<u>850,600</u>	<u>499,529</u>	<u>351,071</u>
Excess (Deficit) of Revenues over Expenditures	(714,995)	(714,995)	(355,783)	359,212
Operating Transfer In	-	-	29,593	29,593
Net Changes in Fund Balance	(714,995)	(714,995)	(326,190)	388,805
Fund Balance - Beginning of Year	<u>714,995</u>	<u>714,995</u>	<u>733,316</u>	<u>18,321</u>
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>407,126</u>	<u>407,126</u>

BOROUGH OF AMBLER
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2015
 (SEE INDEPENDENT AUDITORS' REPORT)

	Non-Major Special Revenue Funds						Total Non-Major Funds
	Street Lighting Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Total	Debt Service	
<u>Assets</u>							
Cash and Cash Equivalents	\$ 186,720	\$ 8,611	\$ 106,207	\$ 25,421	\$ 326,959	\$ 272,666	\$ 599,625
Taxes Receivable	513	898	641	-	2,052	-	2,052
Due From Other Funds	302	-	377	-	679	-	679
Accounts Receivable	-	-	-	310,000	310,000	-	310,000
Total Assets	\$ 187,535	9,509	107,225	335,421	639,690	272,666	912,356
<u>Liabilities and Fund Balance</u>							
Liabilities							
Accounts Payable	5,830	2,403	606	-	8,839	-	8,839
Due to Other Funds	-	7,100	-	-	7,100	-	7,100
Total Liabilities	5,830	9,503	606	-	15,939	-	15,939
Fund Balances							
Restricted	181,705	6	106,619	335,421	623,751	272,666	896,417
Assigned	-	-	-	-	-	-	-
Total Fund Balances	181,705	6	106,619	335,421	623,751	272,666	896,417
Total Liabilities and Fund Balances	\$ 187,535	\$ 9,509	\$ 107,225	\$ 335,421	\$ 639,690	\$ 272,666	\$ 912,356

BOROUGH OF AMBLER
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2015
 (SEE INDEPENDENT AUDITORS' REPORT)

	Non-Major Special Revenue Funds						Total Non-Major Funds
	Street Light Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Sub-Total Non-Major Special Revenue	Debt Service	
Revenues							
Taxes	\$ 78,502	\$ 136,509	\$ 97,601	\$ -	\$ 312,612	\$ 32	\$ 312,644
Foreign Fire Relief	-	44,647	-	-	44,647	-	44,647
Interest on Investments	2,188	175	1,266	2,417	6,046	3,116	9,162
Contribution from Lower Gwynedd	-	11,419	-	-	11,419	-	11,419
Total Revenues	80,690	192,750	98,867	2,417	374,724	3,148	377,872
Expenditures							
Street Lighting	78,356	-	-	-	78,356	-	78,356
Fire	-	198,497	-	-	198,497	-	198,497
Recreation	-	-	65,174	-	65,174	-	65,174
Administration Expense	-	-	-	-	-	-	-
Total Expenditures	78,356	198,497	65,174	-	342,027	-	342,027
Net Changes in Fund Balances							
Other Financing Sources (Uses)	-	-	-	-	-	-	-
Transfers In (Out)	-	5,747	-	-	5,747	-	5,747
Total Other Financing Sources (Uses)	-	5,747	-	-	5,747	-	5,747
Excess of Revenues and Other Sources							
Over (Under) Expenditures and Other Uses	2,334	-	33,693	2,417	38,444	3,148	41,592
Fund Balances - Beginning of Year	179,371	6	72,926	333,004	585,307	269,518	854,825
Fund Balances - End of Year	\$ 181,705	\$ 6	\$ 106,619	\$ 335,421	\$ 623,751	\$ 272,666	\$ 896,417

BOROUGH OF AMBLER
 COMBINING STATEMENT OF PLAN NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2015

	Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Assets			
Cash and Cash Equivalents	\$ 74,347	\$ 66,000	\$ 140,347
Accrued Income	5,644	3,131	8,775
Investments:			
Stocks, at Fair Value	4,094,309	2,442,144	6,536,453
Mutual Funds, at Fair Value	<u>4,513,568</u>	<u>2,505,273</u>	<u>7,018,841</u>
Total Assets	<u>\$ 8,687,868</u>	<u>\$ 5,016,548</u>	<u>\$ 13,704,416</u>
Net Position Restricted for Pensions	<u>\$ 8,687,868</u>	<u>\$ 5,016,548</u>	<u>\$ 13,704,416</u>

BOROUGH OF AMBLER
 COMBINING STATE OF CHANGES IN PLAN NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2015
 (SEE INDEPENDENT AUDITORS' REPORT)

	Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Plan Members	\$ -	\$ 46,764	\$ 46,764
Employer	31,499	50,699	82,198
Other Contributions	-	-	-
Total Contributions	31,499	97,463	128,962
Investment Earnings			
Net Appreciation in Fair Value of Investments	(687,878)	(303,145)	(991,023)
Interest and Dividends	193,970	193,343	387,313
Total Investment Earnings	(493,908)	(109,802)	(603,710)
Less Investment Expense	(51,018)	(12,973)	(63,991)
Net Investment Earnings	(544,926)	(122,775)	(667,701)
Total Additions	(513,427)	(25,312)	(538,739)
Deductions			
Benefits	361,094	73,055	434,149
Administration and Other	21,192	14,519	35,711
Total Deductions	382,286	87,574	469,860
Changes in Net Position	(895,713)	(112,886)	(1,008,599)
Net Position - Beginning of Year	9,583,581	5,129,434	14,713,015
Net Position - End of Year	<u>\$ 8,687,868</u>	<u>\$ 5,016,548</u>	<u>\$ 13,704,416</u>