

**BOROUGH OF AMBLER**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2016**

**BOROUGH OF AMBLER  
DIRECTORY**

**MAYOR**

Jeanne Sorg

(Term expires December 31, 2017)

**MEMBERS OF BOROUGH COUNCIL**

(Terms expire December 31, 2019)

Salvatore Pasceri

Frank DeRuosi

Francine Tomlinson

Claudio Zaccone

(Terms expire December 31, 2017)

Sharon McCormick

Sara Hertz

Ed Curtis

Jonathan Sheward

Nancy Deininger

**OFFICERS**

Salvatore Pasceri

Ed Curtis

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**

ZELENKOF SKE AXELROD LLC

Certified Public Accountants

BOROUGH OF AMBLER  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	12
STATEMENT OF ACTIVITIES	13
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET – GOVERNMENTAL FUNDS	15
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	16
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	18
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	19
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	20
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	21
STATEMENT OF PLAN NET POSITION – FIDUCIARY FUNDS	23
STATEMENT OF CHANGES IN PLAN NET POSITION – FIDUCIARY FUNDS	24
NOTES TO FINANCIAL STATEMENTS	25
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
PENSION PLANS – SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS	50

BOROUGH OF AMBLER  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2016

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

PENSION PLANS – SCHEDULES OF EMPLOYER CONTRIBUTIONS, INVESTMENT RETURNS AND EMPLOYER’S NET PENSION LIABILITY	51
--------------------------------------------------------------------------------------------------------------	----

SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF EMPLOYER CONTRIBUTIONS OTHER POSTEMPLOYMENT BENEFITS PLAN	52
--------------------------------------------------------------------------------------------------------	----

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	53
---------------------------------------------------------------------------------------------------	----

OTHER SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	54
-------------------------------------------------------	----

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	55
-----------------------------------------------------------------------------------------------------------	----

COMBINING STATEMENT OF PLAN NET POSITION - FIDUCIARY FUNDS	56
------------------------------------------------------------	----

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION – FIDUCIARY FUNDS	57
-----------------------------------------------------------------------	----

# *Zelenkofske Axelrod LLC*

## INDEPENDENT AUDITOR'S REPORT

Honorable Borough Council  
Borough of Ambler  
Ambler, Pennsylvania

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ambler (Pennsylvania), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ambler, as of December 31, 2016, 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.

---

#### ***Harrisburg***

830 Sir Thomas Court, Suite 100  
Harrisburg, PA 17109  
717.561.9200 Fax 717.561.9202

#### ***Philadelphia***

2370 York Road, Suite A-5  
Jamison, Pa 18929  
215.918.2277 Fax 215.918.2302

#### ***Pittsburgh***

3800 McKnight E. Drive, Suite 3805  
Pittsburgh, PA 15237  
412.367.7102 Fax 412.367.7103

#### ***Greensburg***

210 Tollgate Hill Road  
Greensburg, PA 15601  
724.834.2151 Fax 724.834.5969

# *Zelenkofske Axelrod LLC*

Honorable Borough Council  
Borough of Ambler

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of pension and other postemployment benefit (OPEB) information, and budgetary comparison information on pages 3-11 and 50-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Borough of Ambler's basic financial statements. The combining nonmajor fund financial statements and combining schedules of fiduciary funds on pages 54-57 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*

ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania  
May 1, 2017

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

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, 2016.

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, 2016. 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 \$17,405,034 (net position).
- The Borough's total net position increased by \$2,177,921.

**Overview of the Financial Statements**

The Borough's annual financial report consists of several sections. Taken together, they provide a comprehensive financial look at the Borough. The components of the report include the independent auditor's report, management's discussion and analysis, government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains other required and not required supplementary information in addition to the basic financial statements.

The independent auditor's report briefly describes the audit engagement and also renders an opinion as to the material components of the Borough's financial position.

Management's discussion and analysis (MD&A), prepared by the Borough's management, provides a narrative introduction and overview that users of the financial statements need to interpret the basic financial statements. The MD&A also provides analysis of some key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

The basic financial statements include the statement of net position, statement of activities, fund financial statements and the notes to the basic financial statements. Statements of net position and activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Borough.

- The statement of net position focuses on resources available for future operations. This statement presents a snapshot view of the assets the Borough owns, the liabilities it owes and the net difference.
- The statement of activities focuses on gross and net costs of the Borough's programs and the extent to which such programs rely upon taxes and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other sources.

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**Overview of the Financial Statements (Continued)**

- Fund financial statements focus separately on major Governmental Funds, Proprietary Funds and Fiduciary Funds. Governmental Funds statements follow the more traditional presentation of financial statements. The Borough's major Governmental Funds are presented in their own columns, and the remaining funds are combined into a column titled "Other Governmental Funds." Statements for the Borough's Proprietary Funds follow the Governmental Funds and include net position, revenues, expenses and changes in 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 Nonmajor Governmental Funds, other budgetary information, and combining statements of Fiduciary Funds.

**Reporting the Borough as a Whole**

***Statement of Net Position and Statement of Activities:***

Our analysis of the Borough as a whole begins with the statement of net position. One of the most important questions asked about the Borough's finances is, "Is the Borough as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the Borough as a whole and about its activities in a way that helps answer this question. In these statements, we divide the Borough into two kinds of activities.

- **Governmental Activities** – Most of the Borough's basic services are reported here, including police, public works, refuse, safety and codes, parks and recreation and administration. Real Estate, Business and Earned Income Taxes, fees and charges and grants finance most of these activities.
- **Business-Type Activities** – The Borough charges a fee to customers to cover the cost of certain services it provides. The Borough's Sanitary Sewer and the Water Fund are reported here.



BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**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, 2016**

	2016			
	Governmental Activities	Business-Type Activities	Total Primary Governmental	2015
<b>ASSETS</b>				
Current and Other Assets	\$ 5,263,182	\$ 1,921,125	\$ 7,184,307	\$ 5,539,179
Capital Assets	<u>10,231,002</u>	<u>8,116,890</u>	<u>18,347,892</u>	<u>16,709,068</u>
Total Assets	15,494,184	10,038,015	25,532,199	22,248,247
 DEFERRED OUTFLOWS OF RESOURCES	 1,895,300	 277,413	 2,172,713	 2,235,759
<b>LIABILITIES</b>				
Other Liabilities	303,626	123,661	427,287	356,324
Long-Term Debt Outstanding	<u>6,595,980</u>	<u>3,000,098</u>	<u>9,596,078</u>	<u>8,860,896</u>
Total Liabilities	6,899,606	3,123,759	10,023,365	9,217,220
 DEFERRED INFLOWS OF RESOURCES	 165,352	 25,767	 191,119	 39,673
<b>NET POSITION</b>				
Net Investment in Capital Assets	6,518,680	5,051,770	11,570,450	10,373,353
Restricted	4,398,698	368,874	4,767,572	5,327,204
Unrestricted	<u>(592,852)</u>	<u>1,659,864</u>	<u>1,067,012</u>	<u>(473,444)</u>
Total Net Position	<u>\$ 10,324,526</u>	<u>\$ 7,080,508</u>	<u>\$ 17,405,034</u>	<u>\$ 15,227,113</u>

Cash represents 19% of Ambler Borough's total governmental assets.

The largest portion of the Borough's governmental assets, 72%, is reflected in its investment in capital assets (e.g. land, buildings and recreation equipment). The Borough uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

Assets in the business-type activities column reflect the Borough's investment in its Sanitary Sewer System and Water System. The Borough's Water System services parts of 4 municipalities in addition to the Borough.

Total revenues exceeded total expenses by \$1,452,605 for governmental activities by \$725,316 for business-type activities.

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**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 2016 was \$4,394,642. General revenues by source were as follows:

<u>General Revenues</u>	2016		2015	
	Amount	% of Total	Amount	% of Total
Property Taxes	\$ 2,087,484	47.50%	\$ 1,958,299	54.59%
Earned Income Tax	937,109	21.32%	966,154	26.93%
Business Privilege Tax	77,570	1.77%	88,580	2.47%
Local Services Tax	116,280	2.65%	103,859	2.90%
State Motor Vehicle Fuel Tax	157,581	3.59%	134,951	3.76%
Deed Transfer Tax	176,723	4.02%	153,994	4.29%
Public Utility Realty Tax	3,513	0.08%	3,264	0.09%
Investment Earnings	76,108	1.73%	51,904	1.45%
Gain on Sale of Assets	664,464	15.12%	-	0.00%
Miscellaneous	97,810	2.22%	126,252	3.52%
Total General Revenues and Other Items	<u>\$ 4,394,642</u>	<u>100.00%</u>	<u>\$ 3,587,257</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 expenses, net of program revenues, for fiscal 2016 were \$2,942,037. Expenses (Net of Program Revenues) by source were as follows:

	2016	2015
General	\$ 181,026	\$ 208,787
Tax Collection	9,223	9,957
Police (Protection to Persons and Property)	2,361,289	2,023,359
Health and Sanitation	91,767	(21,198)
Highways	319,364	1,205,312
Street Lighting	76,563	79,820
Streets and Roads	230,771	-
Fire Protection	176,665	204,244
Recreation	42,063	84,028
Miscellaneous	-	2,727
Revitalization	(725,228)	-
Interest	178,534	87,775
Total Governmental Activities	<u>\$ 2,942,037</u>	<u>\$ 3,884,811</u>
Change in Net Position		
(Governmental Activities)	<u>\$ 1,452,605</u>	<u>\$ 470,431</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

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

***Business-Type Activities:***

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

	<u>2016</u>	<u>2015</u>
<u>General Revenues</u>		
Investment Earnings	\$ 9,909	\$ 7,805
Total General Revenues, Transfers and Other Items	<u>\$ 9,909</u>	<u>\$ 7,805</u>
 <u>Expenses Net of Program Revenues</u>		
Water	\$ 715,092	\$ 505,446
Sewer	315	127,082
Total Business-Type Activities	<u>\$ 715,407</u>	<u>\$ 632,528</u>
 Change in Net Position (Business-Type Activities)	 <u>\$ 725,316</u>	 <u>\$ 640,333</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

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

***Government-Wide Activities:***

**CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2016**

	2016			
	Governmental Activities	Business-Type Activities	Total Primary Governmental	2015
Revenues				
Program Revenues:				
Charges for Services	\$ 838,354	\$ 3,796,858	\$ 4,635,212	\$ 4,771,963
Operating Grants and Contributions	66,754	-	66,754	336,026
Capital Grants and Contributions	761,858	-	761,858	-
General Revenues:				
Property Taxes	2,087,484	-	2,087,484	1,958,299
Other Taxes	1,468,776	-	1,468,776	1,450,802
Investment Income	76,108	9,909	86,017	59,709
Gain on Sale of Assets	664,464	-	664,464	-
Miscellaneous	97,810	-	97,810	126,252
Total Revenues	<u>6,061,608</u>	<u>3,806,767</u>	<u>9,868,375</u>	<u>8,703,051</u>
Expenses				
Operating	-	3,081,451	3,081,451	3,039,102
General	408,901	-	408,901	579,279
Tax Collection	9,223	-	9,223	9,957
Police (Protection to Persons/Property)	2,616,219	-	2,616,219	2,230,164
Health and Sanitation	495,162	-	495,162	618,954
Highways	319,364	-	319,364	1,249,198
Street Lighting	76,563	-	76,563	79,820
Streets and Roads	230,771	-	230,771	-
Fire Protection	221,031	-	221,031	204,244
Recreation	42,063	-	42,063	84,028
Miscellaneous	-	-	-	2,727
Revitalization	11,172	-	11,172	175,024
Interest	178,534	-	178,534	87,775
Total Expenses	<u>4,609,003</u>	<u>3,081,451</u>	<u>7,690,454</u>	<u>8,360,272</u>
Changes in Net Position	1,452,605	725,316	2,177,921	342,779
Net Position - Beginning of Year	8,871,921	6,355,192	15,227,113	11,366,714
Restatement of Net Position for GASB 68	-	-	-	3,517,620
Net Position - End of Year	<u>\$ 10,324,526</u>	<u>\$ 7,080,508</u>	<u>\$ 17,405,034</u>	<u>\$ 15,227,113</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**Financial Analysis**

***Governmental Funds:***

**General Fund** – The (\$1,249,581) net change in fund balance was due to \$790,000 received for the Sale of the Old Borough Hall and Transfer Tax and EIT Tax coming in higher than budgeted.

***Proprietary Funds:***

**Water Fund** – The \$720,978 excess of revenues over expenditures was primarily due to the fact that water rate increases went in to full effect and expenses were less due to being short one employee and less major repairs were needed than was budgeted.

**Sewer Fund** – The fund operated at close to break even with only \$4,338 excess of revenues over expenses.

**Revenue Budgetary Highlights** (as noted in general fund budget and actual schedule on page 53)

Revenues were over budget due to the funds received from the sale of the old building, grant funds received but not budgeted and the EIT and Transfer Tax coming in over budget.

**Expenditure Budgetary Highlights**

Expenditures were over budget due to grant project completed that was not budgeted.

**Capital Assets and Debt Administration**

***Capital Assets:***

Ambler Borough's capital assets for its governmental and business-type activities as of December 31, 2016 totals \$18,347,892 (net of accumulated depreciation). Borough capital assets include land, plant, infrastructure, site improvements, buildings and machinery and equipment.

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**CAPITAL ASSETS AT YEAR END  
(NET OF DEPRECIATION)  
DECEMBER 31, 2016**

	Governmental Activities	Business-Type Activities	Total 2016	Total 2015
Land	\$ 1,572,067	\$ 2,326	\$ 1,574,393	\$ 1,287,174
Construction in Progress	497,687	43,697	541,384	3,288,920
Buildings and Improvements	5,339,115	336,125	5,675,240	2,973,438
Site Improvements	166,988	-	166,988	148,794
Machinery, Vehicles, Furniture & Equipment	269,956	264,083	534,039	322,862
Plant in Service	-	7,464,589	7,464,589	6,948,124
Infrastructure	2,385,189	6,069	2,391,258	1,739,756
Total Capital Assets, Net of Depreciation	<u>\$ 10,231,002</u>	<u>\$ 8,116,889</u>	<u>\$ 18,347,891</u>	<u>\$ 16,709,068</u>

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

**Debt**

At year end, the Borough had \$6,777,442 in outstanding debt, \$870,220 of which is due within one year. The Borough's business-type activities (Water & Sewer Funds) debt represents 45% of the total debt.

<u>Governmental Activities</u>	<u>2016</u>	<u>2015</u>
General Obligation Bonds/Notes	\$ 3,675,131	\$ 3,523,778
Capital Lease Payable	<u>37,191</u>	<u>24,338</u>
Total	<u>\$ 3,712,322</u>	<u>\$ 3,548,116</u>
 <u>Business-Type Activities</u>		
General Obligation Bonds	\$ 3,000,098	\$ 2,787,599
Capital Lease Payable	<u>65,022</u>	<u>-</u>
Total	<u>\$ 3,065,120</u>	<u>\$ 2,787,599</u>

BOROUGH OF AMBLER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

**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. With the sale of the old Borough Hall finally completed in 2016, Council has agreed to move forward with the Phase Two improvements to the New Borough Building creating a handicapped assessable community center. The Borough with the help of the EAC and many residents purchased property on Edgewood Drive to preserve for Passive Open Space. Robert and Edward Kelly donated a corner lot in front of Ambler CVS. The Borough is seeking Grant funds through PA DCNR to remove the existing asphalt and created a beautiful green pocket park to help with storm water issues and add use and beautification to this downtown area.

**Business-Type Activities:**

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

In 2016, Ambler Borough Water Department replaced 650 feet of water main on Marion Avenue, replaced valves at East Butler and Lindenwold Avenues, Cavendish Drive and East Butler, and North Maple and West Butler and at Arlene Road at the cul-de-sac. We also purchased five new fire hydrants and purchased and installed an automatic electric operative valve at Loch Alsh Reservoir. We installed a chlorine contact tank (with the support of grant money) at Well #8. A new pump and motor were installed at Well #14. We completed the upgrade of the SCADA system. We purchased and installed approximately 100 new water meters. We purchased three new pick-up trucks.

The Borough's Sewer Department services all Borough residents and businesses. This year the Borough with the help of CDBG Grant funds started a major rehabilitation project of approximately 1,000 linear feet on Butler, Fairview, North Main and Rosemont Avenues.

**Next Year's Budget:**

The Borough Council adopted the 2017 Budget with no tax or fee increase. Steady increases in Earned Income Tax, LST Tax and Realty Transfer Tax are sufficient to cover the Borough's normal increases in expenses.

**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, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,314,829	\$ 1,280,450	\$ 4,595,279
Restricted Cash	240,462	-	240,462
Taxes Receivable	233,522	-	233,522
Accounts Receivable - Net	370,239	329,944	700,183
Grants Receivable	-	116,386	116,386
Internal Balances	22,474	(22,474)	-
Inventories	-	79,219	79,219
Due from Other Governments	40,866	-	40,866
Net Pension Asset	1,040,790	137,600	1,178,390
Capital Assets - Not Being Depreciated			
Land	1,572,067	2,326	1,574,393
Construction in Progress	497,687	43,698	541,385
Capital Assets - Net of Depreciation:			
Buildings and Improvements	5,339,115	336,125	5,675,240
Site Improvements	166,988	-	166,988
Machinery, Vehicles, Furniture and Equipment	269,956	264,083	534,039
Plant in Service	-	7,464,589	7,464,589
Infrastructure	<u>2,385,189</u>	<u>6,069</u>	<u>2,391,258</u>
Total Assets	<u>15,494,184</u>	<u>10,038,015</u>	<u>25,532,199</u>
<u>Deferred Outflows of Resources</u>			
Pension - Difference between Projected and Actual Investment Earnings	1,189,624	173,613	1,363,237
Differences in Assumptions	<u>705,676</u>	<u>103,800</u>	<u>809,476</u>
Total Deferred Outflows of Resources	<u>1,895,300</u>	<u>277,413</u>	<u>2,172,713</u>
<b>Liabilities</b>			
Accounts Payable	46,935	94,329	141,264
Accrued Expenses	16,229	29,332	45,561
Long Term Debt			
Due Within One Year	85,000	740,000	825,000
Due Beyond One Year	3,590,131	2,260,098	5,850,229
Capital Leases Payable			
Due Within One Year	11,830	33,390	45,220
Due Beyond One Year	25,361	31,632	56,993
Other Post-Employment Benefits			
Due Beyond One Year	2,883,658	-	2,883,658
Escrow Funds Payable	<u>240,462</u>	<u>-</u>	<u>240,462</u>
Total Liabilities	<u>6,899,606</u>	<u>3,188,781</u>	<u>10,088,387</u>
<u>Deferred Inflows of Resources</u>			
Pension - Investment Earnings	96,144	20,372	116,516
Pension - Difference in Experience	<u>69,208</u>	<u>25,767</u>	<u>94,975</u>
Total Deferred Inflows of Resources	<u>165,352</u>	<u>46,139</u>	<u>211,491</u>
<b>Net Position</b>			
Net Investment in Capital Assets	6,518,680	5,051,770	11,570,450
Restricted for:			
Net Pension Asset	2,770,738	368,874	3,139,612
Trash Collection	466,305	-	466,305
Highway Fund	300,565	-	300,565
Debt Service	274,935	-	274,935
Revolving Loan Fund	337,844	-	337,844
Recreation	86,490	-	86,490
Street Lighting	161,821	-	161,821
Unrestricted (Deficit)	<u>(592,852)</u>	<u>1,659,864</u>	<u>1,067,012</u>
Total Net Position	<u>\$ 10,324,526</u>	<u>\$ 7,080,508</u>	<u>\$ 17,405,034</u>

See accompanying Notes to Financial Statements.



BOROUGH OF AMBLER  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position Business-Type Activities
Primary Government:					
Governmental Activities					
General	\$ 408,901	\$ 205,487	\$ 22,388	\$ -	\$ (181,026)
Tax Collection	9,223	-	-	-	(9,223)
Protection to Persons and Property	2,616,219	231,167	-	23,763	(2,361,289)
Health and Sanitation	495,162	401,700	-	1,695	(91,767)
Highways	319,364	-	-	-	(319,364)
Street Lighting	76,563	-	-	-	(76,563)
Streets and Roads	230,771	-	-	-	(230,771)
Fire Protection	221,031	-	44,366	-	(176,665)
Recreation	42,063	-	-	-	(42,063)
Revitalization	11,172	-	-	736,400	725,228
Interest on Long Term Debt	178,534	-	-	-	(178,534)
Total Governmental Activities	4,609,003	838,354	66,754	761,858	(2,942,037)
Business-Type Activities:					
Water	2,094,851	2,809,943	-	-	715,092
Sewer	986,600	986,915	-	-	315
Total Business-Type Activities	3,081,451	3,796,858	-	-	715,407
Total Primary Government	\$ 7,690,454	\$ 4,635,212	\$ 66,754	\$ 761,858	(2,942,037)
					715,407

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2016

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	2,087,484	-	2,087,484
Earned Income Tax	937,109	-	937,109
Business Privilege Tax	77,570	-	77,570
Local Services Tax	116,280	-	116,280
State Motor Vehicle Fuel Tax	157,581	-	157,581
Deed Transfer Tax	176,723	-	176,723
Public Utility Realty Tax	3,513	-	3,513
Investment Earnings	76,108	9,909	86,017
Gain on Sale of Assets	664,464	-	664,464
Miscellaneous	97,810	-	97,810
Total General Revenues and Other Items	4,394,642	9,909	4,404,551
Change in Net Position	1,452,605	725,316	2,177,921
Net Position - Beginning of Year	8,871,921	6,355,192	15,227,113
Net Position - End of Year	\$ 10,324,526	\$ 7,080,508	\$ 17,405,034

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	<u>Major Fund</u>		
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 2,046,149	\$ 1,268,680	\$ 3,314,829
Restricted Cash	240,462	-	240,462
Taxes Receivable	232,632	890	233,522
Accounts Receivable	5,545	364,694	370,239
Due from Other Funds	11,946	13,236	25,182
Due from Other Governments	40,866	-	40,866
Total Assets	<u>\$ 2,577,600</u>	<u>\$ 1,647,500</u>	<u>\$ 4,225,100</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	\$ 30,017	\$ 16,918	\$ 46,935
Accrued Expenses	13,691	-	13,691
Due to Other Funds	86	2,622	2,708
Escrow Funds Payable	240,462	-	240,462
Total Liabilities	<u>284,256</u>	<u>19,540</u>	<u>303,796</u>
<u>Fund Balances</u>			
Restricted	-	1,627,960	1,627,960
Assigned	95,779	-	95,779
Unassigned, Reported in:			
General Fund	2,197,565	-	2,197,565
Total Fund Balances	<u>2,293,344</u>	<u>1,627,960</u>	<u>3,921,304</u>
Total Liabilities and Fund Balances	<u>\$ 2,577,600</u>	<u>\$ 1,647,500</u>	<u>\$ 4,225,100</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, 2016

Fund Balances - Total Governmental Funds	\$	3,921,304
------------------------------------------	----	-----------

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		2,770,738
------------------------------------------------------------------------------------------------------------------------	--	-----------

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		10,231,002
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------

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		(37,191)
General Obligation Bonds and Note Payable		(3,675,131)
Other Post-Employment Benefits		<u>(2,883,658)</u>

Net Position of Governmental Activities	\$	<u>10,324,526</u>
-----------------------------------------	----	-------------------

BOROUGH OF AMBLER  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2016

	<u>Major Funds</u>		<u>Total</u>
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
Revenues			
Taxes	\$ 2,892,255	\$ 326,187	\$ 3,218,442
Foreign Fire Relief	-	44,366	44,366
State Motor Vehicle Fuel Tax	-	157,581	157,581
Licenses and Permits	205,487	-	205,487
Fines, Forfeits and Costs	47,406	-	47,406
Interest on Investments	54,922	21,186	76,108
Grants and Revenue Sharing	561,753	-	561,753
Deed Transfer Tax	176,723	-	176,723
Charges for Services	183,761	401,700	585,461
Contributions	215,398	7,095	222,493
Public Utility Realty Tax	3,513	-	3,513
Miscellaneous	97,810	-	97,810
Sale of Assets	793,353	-	793,353
Total Revenues	<u>5,232,381</u>	<u>958,115</u>	<u>6,190,496</u>
Expenditures			
General	408,901	-	408,901
Tax Collection	9,223	-	9,223
Protection to Persons and Property	2,135,780	-	2,135,780
Health and Sanitation	-	495,162	495,162
Highways	305,685	13,679	319,364
Streets and Roads	230,771	-	230,771
Street Lighting	-	76,563	76,563
Fire Protection	9,146	211,885	221,031
Recreation	-	42,063	42,063
Revitalization	11,172	-	11,172
Debt Service	3,728,416	-	3,728,416
Capital Outlays	848,837	345,070	1,193,907
Total Expenditures	<u>7,687,931</u>	<u>1,184,422</u>	<u>8,872,353</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(2,455,550)</u>	<u>(226,307)</u>	<u>(2,681,857)</u>
Other Financing Sources (Uses)			
Proceeds from Debt Issuance	3,645,000	-	3,645,000
Net Original Issue Premium	30,131	-	30,131
Transferred In (Out)	30,000	(30,000)	-
Total Other Financing Sources (Uses)	<u>3,705,131</u>	<u>(30,000)</u>	<u>3,675,131</u>
Net Change in Fund Balances	1,249,581	(256,307)	993,274
Fund Balances - Beginning of Year	<u>1,043,763</u>	<u>1,884,267</u>	<u>2,928,030</u>
Fund Balances - End of Year	<u>\$ 2,293,344</u>	<u>\$ 1,627,960</u>	<u>\$ 3,921,304</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 993,274
--------------------------------------------------------	------------

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlay as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense

Expenditures less disposals for general capital assets, infrastructure, and other related capital assets adjustments	1,584,032
Current year depreciation	(316,027)

The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.	(285,992)
----------------------------------------------------------------------------------------------------------------------------------------------	-----------

The issuance of long term debt provides current financial resources to governmental  
funds, while the repayment of the principal of long term debt consumes the current  
financial resources of governmental funds.

This amount is the proceeds of the issuance of Long Term Debt	(3,675,131)
This amount is the proceeds of the issuance of Capital Leases.	(38,957)

The governmental funds report debt proceeds as financing sources, while repayment  
of debt principal is reported as an expenditure. In the statement of net position,  
however, issuing debt increases long term liabilities and does not affect the  
statement of activities and repayment of principal reduces the liability. The net  
effect of these differences in the treatment of long-term debt is as follows:

Principal repayments:	
General Obligation Note	3,523,780
Capital Leases	26,103

Other post-employment benefits do not require the use of current financial resources,  
therefore, are not reported as expenditures in Governmental Funds as follows:

Change in post-employment benefits	(358,477)
------------------------------------	-----------

Change in Net Position of Governmental Activities	\$ <u>1,452,605</u>
---------------------------------------------------	---------------------

**BOROUGH OF AMBLER  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2016**

	Water Fund	Sewer Fund	Total
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents	\$ 862,056	\$ 418,394	\$ 1,280,450
Accounts Receivable (Net of Allowance for Uncollectibles)	280,796	49,148	329,944
Grants Receivable	116,386	-	116,386
Due from Other Funds	71	53,391	53,462
Inventories	79,219	-	79,219
Total Current Assets	<u>1,338,528</u>	<u>520,933</u>	<u>1,859,461</u>
Non-Current Assets			
Net Pension Asset	<u>110,297</u>	<u>27,303</u>	<u>137,600</u>
Capital Assets			
Land	2,326	-	2,326
Construction-In-Progress	29,277	14,421	43,698
Infrastructure (Net)	-	6,069	6,069
Building (Net)	334,049	2,076	336,125
Machinery, Vehicles, Furniture and Equipment (Net)	240,228	23,855	264,083
Plant in Service (Net)	<u>7,464,589</u>	<u>-</u>	<u>7,464,589</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>8,070,469</u>	<u>46,421</u>	<u>8,116,890</u>
Total Non-Current Assets	<u>8,180,766</u>	<u>73,724</u>	<u>8,254,490</u>
Total Assets	<u>\$ 9,519,294</u>	<u>\$ 594,657</u>	<u>\$ 10,113,951</u>
<u>Deferred Outflows of Resources</u>			
Pension-Difference Between Projected and Actual Investment Earnings	\$ 139,164	\$ 34,449	173,613
Pension-Differences in Assumptions	<u>83,203</u>	<u>20,597</u>	<u>103,800</u>
Total Deferred Outflows of Resources	<u>\$ 222,367</u>	<u>\$ 55,046</u>	<u>277,413</u>
<u>Liabilities</u>			
Current Liabilities			
Accounts Payable	\$ 58,976	\$ 35,353	\$ 94,329
Accrued Expenses	28,342	990	29,332
Due to Other Funds	66,612	9,324	75,936
General Obligation Bonds Payable - Due Within One Year	740,000	-	740,000
Capital Leases Payable - Due Within One Year	<u>33,390</u>	<u>-</u>	<u>33,390</u>
Total Current Liabilities	<u>927,320</u>	<u>45,667</u>	<u>972,987</u>
Non-Current Liabilities			
Capital Lease Payable - Due in More Than One Year	31,632	-	31,632
General Obligation Bonds Payable - Due in More Than One Year	<u>2,260,098</u>	<u>-</u>	<u>2,260,098</u>
Total Non-Current Liabilities	<u>2,291,730</u>	<u>-</u>	<u>2,291,730</u>
Total Liabilities	<u>\$ 3,219,050</u>	<u>\$ 45,667</u>	<u>\$ 3,264,717</u>
<u>Deferred Inflows of Resources</u>			
Pension-Investment Earnings	\$ 16,330	\$ 4,042	\$ 20,372
Pension-Difference in Experience	<u>20,654</u>	<u>5,113</u>	<u>25,767</u>
Total Deferred Inflows of Resources	<u>\$ 36,984</u>	<u>\$ 9,155</u>	<u>\$ 46,139</u>
<u>Net Position</u>			
Net Investment in Capital Assets	\$ 5,005,349	\$ 46,421	\$ 5,051,770
Restricted for Net Pension Asset	295,680	73,194	368,874
Unrestricted	<u>1,184,598</u>	<u>475,266</u>	<u>1,659,864</u>
Total Net Position	<u>\$ 6,485,627</u>	<u>\$ 594,881</u>	<u>\$ 7,080,508</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2016

	Water Fund	Sewer Fund	Total
Operating Revenues			
Metered Water Sales	\$ 2,337,970	\$ -	\$ 2,337,970
Sewer Rents	-	904,964	904,964
Water Tower Rental	278,009	-	278,009
Water Line Protection	77,578	-	77,578
Grant Revenue	116,386	-	116,386
Miscellaneous	-	81,951	81,951
Total Operating Revenue	<u>2,809,943</u>	<u>986,915</u>	<u>3,796,858</u>
Operating Expenses			
Source of Supply	60,559	-	60,559
Purification	84,321	-	84,321
Pumping	264,536	-	264,536
Distribution	525,176	-	525,176
Meter Installation	8,274	-	8,274
Customer Accounting and Collecting	21,430	-	21,430
Collection System	-	631,372	631,372
Administrative	1,070,037	355,228	1,425,265
Total Operating Expenses	<u>2,034,333</u>	<u>986,600</u>	<u>3,020,933</u>
Operating Income	775,610	315	775,925
Nonoperating Revenue (Expense)			
Interest Income	5,886	4,023	9,909
Debt Service Expense	(60,518)	-	(60,518)
Total Nonoperating Revenue (Expense)	<u>(54,632)</u>	<u>4,023</u>	<u>(50,609)</u>
Change in Net Position	720,978	4,338	725,316
Net Position - Beginning of Year	<u>5,764,649</u>	<u>590,543</u>	<u>6,355,192</u>
Net Position - End of Year	<u>\$ 6,485,627</u>	<u>\$ 594,881</u>	<u>\$ 7,080,508</u>

See accompanying Notes to Financial Statements.



BOROUGH OF AMBLER  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2016

	Water Fund	Sewer Fund	Total
Cash Flows Operating Activities			
Receipts from Customers and Users	\$ 2,320,450	\$ 894,822	\$ 3,215,272
Receipts from Others	367,990	104,256	472,246
Payments to Suppliers and Vendors	(833,379)	(595,566)	(1,428,945)
Payments to Employees	(843,188)	(351,140)	(1,194,328)
Net Cash Provided by Operating Activities	<u>1,011,873</u>	<u>52,372</u>	<u>1,064,245</u>
Cash Flows from Non-Capital Financing Activities			
Operating Interfund Advances, Net	<u>(71)</u>	<u>(14,617)</u>	<u>(14,688)</u>
Net Cash Used in Non-Capital Financing Activities	<u>(71)</u>	<u>(14,617)</u>	<u>(14,688)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(573,648)	(15,576)	(589,224)
Repayment of Capital Lease	(53,592)	-	(53,592)
Principal Paid on General Obligation Bonds	(132,000)	-	(132,000)
Debt Issuance	350,000	-	350,000
Interest Paid on General Obligation Bonds	(61,354)	-	(61,354)
Net Cash Used by Capital and Related Financing Activities	<u>(470,594)</u>	<u>(15,576)</u>	<u>(486,170)</u>
Cash Flows from Investing Activities			
Reinvested Interest on Investment	<u>5,886</u>	<u>4,023</u>	<u>9,909</u>
Net Increase in Cash and Cash Equivalents	547,094	26,202	573,296
Cash and Cash Equivalents - Beginning of Year	<u>314,962</u>	<u>392,192</u>	<u>707,154</u>
Cash and Cash Equivalents - End of Year	<u>\$ 862,056</u>	<u>\$ 418,394</u>	<u>\$ 1,280,450</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2016

	Water Fund	Sewer Fund	Total
Reconciliation of Operating Income To			
Net Cash Provided By Operating Activities			
Operating Income	\$ 775,610	\$ 315	\$ 775,925
Adjustments to Reconcile Operating Income			
to Net Cash Provided by Operating Activities:			
Depreciation Expense	212,942	6,062	219,004
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(128,102)	12,160	(115,942)
Decrease in Inventory	82,369	-	82,369
Increase in Accounts Payable	48,548	33,835	82,383
Increase in Accrued Expense	13,907	-	13,907
Decrease in Other Assets	6,599	-	6,599
Total Adjustments	236,263	52,057	288,320
Net Cash Provided by Operating Activities	\$ 1,011,873	\$ 52,372	\$ 1,064,245

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
STATEMENT OF PLAN NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2016

<b>Assets</b>	
Cash and Cash Equivalents	\$ 312,979
Accrued Income	8,660
Investments	
Stocks, at Fair Value	6,932,599
Mutual Funds, at Fair Value	<u>6,900,958</u>
 Total Assets	 \$ <u>14,155,196</u>
 Net Position Restricted for Pensions	 \$ <u>14,155,196</u>

*See accompanying Notes to Financial Statements.*

BOROUGH OF AMBLER  
SCHEDULE OF CHANGES IN PLAN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2016

Additions	
Contributions:	
Plan Members	\$ 58,661
Employer	<u>17,213</u>
Total Contributions	<u>75,874</u>
Investment Earnings:	
Net Depreciation in Fair Value of Investments	642,920
Interest and Dividends	<u>391,400</u>
Total Investment Earnings	1,034,320
Less Investment Expense	<u>(63,059)</u>
Net Investment Earnings	<u>971,261</u>
Total Additions	<u>1,047,135</u>
Deductions	
Benefits	569,687
Administration and Other	<u>26,668</u>
Total Deductions	<u>596,355</u>
Change in Net Position	450,780
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning of Year	<u>13,704,416</u>
Net Position - End of Year	<u>\$ 14,155,196</u>

See accompanying Notes to Financial Statements.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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, 2016. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations) and Implementation Guide.

A. Financial Reporting Entity

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

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government and its component units. Based on the criteria set forth by GASB, the Borough has determined that there are no organizations or agencies which qualify as component units which should be included in these financial statements. These statements include the financial activities of the overall Borough government, 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 nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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.

Additionally, the Borough reports the following fund types: (special revenue funds, capital project funds and debt service funds which are included as nonmajor funds in Other Governmental Funds).

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Street Lighting Fund, Recreation Fund, Fire Fund, Liquid Fuels, Trash 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 pension plans.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The Borough of Ambler considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Acquisition of capital assets is recorded as expenditures.

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

D. Budgets and Budgetary Accounting

Budgets are prepared on the same basis of accounting as the financial statements. Each fall, the Borough Council adopts an annual budget for the following year for the General, 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 Fund Balance

1. *Cash and Cash Equivalents*

Bank accounts, certificates of deposits and investment in the Pennsylvania Local Government Investment Trust are all highly liquid investments and are considered to be cash and cash equivalents as presented on the statement of net position, balance sheet and statement of cash flows.

2. *Receivables and Payables*

During the course of operations numerous transactions occur between funds for goods or services, which require reimbursement. Amounts unpaid at the end of the year are reflected as due to / due from other funds. Long term interfund loans expected to be paid back within a defined time period are reflected as advances to / advance from other funds.

Taxes receivable reflect amounts receivable for real estate, earned income, local services and transfer taxes collected by the tax collector for 2016 and remitted to the Borough after year end.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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 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 of 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) 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, 2016

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 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 placed 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, 2016

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 balance sheet and statement of net position. The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Borough.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. As of December 31, 2016, the Borough's cash balances were exposed to custodial credit risk as follows:

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Insured by FDIC	\$ 250,000
Collateralized	-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the Government's Name	<u>4,733,612</u>
Total	<u>\$ 4,983,612</u>

Reconciliation to the Financial Statements

Uninsured Amount Above	\$ 4,733,612
Plus: Insured Amount	250,000
Less: Outstanding Checks	(431,572)
Plus: Deposits in Transit	280,584
Other Reconciling Items	<u>1,572</u>
Carrying Amount - Bank Balances	4,834,196
Plus: Petty Cash	<u>1,545</u>
Total Cash per Financial Statements	<u>\$ 4,835,741</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, 2016:

	Governmental Funds			Proprietary Funds		
	General Fund	Other Governmental Funds	Total	Water Fund	Sewer Fund	Total
Refuse Fees	\$ -	\$ 56,694	\$ 56,694	\$ -	\$ -	\$ -
Utility User Fees	-	-	-	302,945	54,148	357,093
Mortgage Receivable	-	310,000	-	-	-	-
Less: Allowance for Doubtful Accounts	-	(2,000)	(2,000)	(22,149)	(5,000)	(27,149)
Total	-	364,694	364,694	280,796	49,148	329,944
Other Billings and Receivables	<u>5,545</u>	-	<u>5,545</u>	-	-	-
Net Accounts Receivable	<u>\$ 5,545</u>	<u>\$ 364,694</u>	<u>\$ 370,239</u>	<u>\$ 280,796</u>	<u>\$ 49,148</u>	<u>\$ 329,944</u>

**BOROUGH OF AMBLER**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2016**

**NOTE 4    PROPERTY AND EQUIPMENT**

Governmental Activities capital assets consist of the following at December 31, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,284,846	\$ 289,721	\$ 2,500	\$ 1,572,067
Construction in Progress	2,950,704	1,061,755	3,514,772	497,687
Total Capital Assets, Not Being Depreciated	<u>4,235,550</u>	<u>1,351,476</u>	<u>3,517,272</u>	<u>2,069,754</u>
Capital Assets, Depreciated:				
Buildings and Other Improvements	3,521,797	2,958,204	290,000	6,190,001
Site Improvements	251,016	35,382	-	286,398
Machinery, Vehicles, Furniture and Equipment	822,577	112,897	-	935,474
Infrastructure	2,239,971	772,234	-	3,012,205
Total Capital Assets, Being Depreciated	<u>6,835,361</u>	<u>3,878,717</u>	<u>290,000</u>	<u>10,424,078</u>
Accumulated Depreciation for:				
Buildings and Other Improvements	907,346	104,651	161,111	850,886
Site Improvements	102,222	17,188	-	119,410
Machinery, Vehicles, Furniture and Equipment	591,933	73,585	-	665,518
Infrastructure	506,413	120,603	-	627,016
Total Accumulated Depreciation	<u>2,107,914</u>	<u>316,027</u>	<u>161,111</u>	<u>2,262,830</u>
Total Capital Assets, Being Depreciated, Net	<u>4,727,447</u>	<u>3,562,690</u>	<u>128,889</u>	<u>8,161,248</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,962,997</u>	<u>\$ 4,914,166</u>	<u>\$ 3,646,161</u>	<u>\$ 10,231,002</u>

Business-Type Activities capital assets consist of the following at December 31, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,326	\$ -	\$ -	\$ 2,326
Construction in Progress	338,216	299,528	594,046	43,698
Total Capital Assets, Not Being Depreciated	<u>340,542</u>	<u>299,528</u>	<u>594,046</u>	<u>46,024</u>
Capital Assets, Being Depreciated				
Infrastructure	6,449	-	-	6,449
Buildings and Other Improvements	822,748	-	-	822,748
Machinery, Vehicles, Furniture and Equipment	1,400,361	122,078	-	1,522,439
Plant in Service	12,383,562	761,664	-	13,145,226
Total Capital Assets, Being Depreciated	<u>14,613,120</u>	<u>883,742</u>	<u>-</u>	<u>15,496,862</u>
Accumulated Depreciation for:				
Infrastructure	251	129	-	380
Buildings and Other Improvements	463,761	22,862	-	486,623
Machinery, Vehicles, Furniture and Equipment	1,183,141	75,215	-	1,258,356
Plant in Service	5,559,839	120,798	-	5,680,637
Total Accumulated Depreciation	<u>7,206,992</u>	<u>219,004</u>	<u>-</u>	<u>7,425,996</u>
Total Capital Assets, Being Depreciated, Net	<u>7,406,128</u>	<u>664,738</u>	<u>-</u>	<u>8,070,866</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,746,670</u>	<u>\$ 964,266</u>	<u>\$ 594,046</u>	<u>\$ 8,116,890</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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, 2016 and it matures in 2017.

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

	<u>Amount</u>
Cost	\$ 179,541
Accumulated Depreciation	<u>42,789</u>
Total	<u>\$ 136,752</u>

The future minimum lease payments under the capital lease and the net present value of future minimum capital lease payments at December 31, 2016 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 61,671
2018	<u>47,233</u>
Total Minimum Lease Payments	108,904
Less: Amount of Representing Interest	<u>6,691</u>
Present Value of Minimum Lease Payments	<u>\$ 102,213</u>

NOTE 6 LONG-TERM DEBT

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

The Series of 2009 Bonds were currently refunded by the issuance of the General Obligation Note Series of 2015. The Series of 2015 Note also provides funds for capital projects related to the Borough's water system. The Note was issued in the amount of \$3,505,000 and is being utilized on a draw down basis. During 2016, \$350,000 of the Note was drawn down for capital projects. The amount remaining to be drawn down is \$367,401. 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. In 2016, the Borough paid off the 2013 and the 2015 Line of Credit with the issuance of the Series 2016 Bonds in the amount of \$3,645,000.

The General Obligation Term Notes and Bonds are direct obligations of the Borough.

Interest is payable semiannually commencing June 15, 2015. The interest rates on the bonds vary from 3% to 4%.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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
2017	\$ 248,000	\$ 71,637	\$ 319,637
2018	253,000	71,064	324,064
2019	260,000	64,895	324,895
2020	265,000	58,764	323,764
2021	273,000	52,389	325,389
2022-2026	1,451,000	175,240	1,626,240
2027-2028	<u>255,599</u>	<u>26,796</u>	<u>282,395</u>
Total	<u>\$ 3,005,599</u>	<u>\$ 520,785</u>	<u>\$ 3,526,384</u>

The following is a schedule of aggregate principal and interest payments for each of the next five years and each five-year period thereafter for the 2016 General Obligation Bonds:

Year Ending December 31,	Principal	Interest	Total
2017	\$ 85,000	\$ 118,177	\$ 203,177
2018	90,000	116,365	206,365
2019	90,000	112,765	202,765
2020	95,000	109,065	204,065
2021	100,000	105,165	205,165
2022-2026	540,000	476,375	1,016,375
2027-2031	635,000	388,166	1,023,166
2032-2036	750,000	280,648	1,030,648
2037-2041	865,000	146,678	1,011,678
2042-2043	<u>395,000</u>	<u>13,913</u>	<u>408,913</u>
Total	<u>\$ 3,645,000</u>	<u>\$ 1,867,317</u>	<u>\$ 5,512,317</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 6 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt:

Long-term debt activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes Payable:					
Series 2013 GO Note	\$ 1,823,778	\$ -	\$ 1,823,778	\$ -	\$ -
Series 2015 GO Note (LOC)	1,700,000	-	1,700,000	-	-
Series 2016 Bonds	-	3,675,131	-	3,675,131	85,000
Capital Leases	24,338	38,957	26,104	\$ 37,191	11,830
Governmental Activity Long-Term Debt	<u>\$ 3,548,116</u>	<u>\$ 3,714,088</u>	<u>\$ 3,549,882</u>	<u>\$ 3,712,322</u>	<u>\$ 96,830</u>
Business-Type Activities:					
Bonds Payable:					
Series 2015 Note	2,782,098	350,000	132,000	3,000,098	740,000
Capital Leases	18,344	100,270	53,592	65,022	33,390
Business -Type Activity Long-Term Debt	<u>\$ 2,800,442</u>	<u>\$ 450,270</u>	<u>\$ 185,592</u>	<u>\$ 3,065,120</u>	<u>\$ 773,390</u>

NOTE 7 JOINT VENTURE

The Borough is one of five participating municipalities in the Ambler Waste Water Treatment Plant, which provides sewage treatment services to its members. The Borough of Ambler is the plant administrator.

The cost of operating and maintaining the Treatment Plant including the costs of administrative expenses and record keeping are shared by each municipality in proportion to the resident population equivalents of the units connected to the representative collection system. The annual operating fee varies each year based on the budget and usage. The Borough's operating fee paid to the Treatment Plant by the Sewer Fund amounted to \$486,522 in 2016.

The participant's share of capital improvements and additions is based on each municipality's purchased capacity as per a 1959 agreement and its subsequent amendments. The current rates in effect were fixed as of 1978. The Borough's capital contribution paid by the Sewer Fund to the Treatment Plant amounted to \$112,515 in 2016.

The Treatment Plant reimburses the Borough of Ambler for administrative costs related to plant operations. An administrative fee of \$226,659 was recognized as revenue for the year ended December 31, 2016.

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

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 8 INTERFUND PAYABLE AND RECEIVABLE

The composition of interfund balances for the fund financial statements as of December 31, 2016, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 11,946	\$ 86
Street Lights	15	-
Fire Fund	-	498
Trash Fund	13,221	-
Parks and Recreation	-	2,124
Water Fund	71	66,612
Sewer Fund	<u>53,391</u>	<u>9,324</u>
Total	<u>\$ 78,644</u>	<u>\$ 78,644</u>

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

NOTE 9 EARNED INCOME TAX

Earned income tax was levied at a rate of one percent of gross wages for all individuals living or working in the Borough of Ambler in 2016. 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, 2016 amounted to \$937,109.

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 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, 2016

NOTE 12 CONTINGENT LIABILITIES

The Borough is involved in certain legal matters through the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters. Management believes that any liability that may result from the resolution of these matters will not have a material adverse 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 31<sup>st</sup> on or next preceding his or her 65<sup>th</sup> birthday, reduced by 1/15 for each full year of service by which the employee's service at retirement is less than fifteen years, and is 40% of the average monthly salary paid to such employee during the three calendar years of highest earnings ending with the December 31<sup>st</sup> on or next preceding his or her 65<sup>th</sup> birthday, reduced by 1/25 for each full year of service by which the employee's service at retirement is less than twenty five years. A member is eligible for normal retirement on the last day of the month in which the member's 65<sup>th</sup> birthday occurs. There are 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, 2016

NOTE 13 PENSION PLANS (CONTINUED)

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

Valuation of Investments

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

Risks and Uncertainties

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

C. Funding Policy and Contributions

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

Employees are required to contribute 3% of compensation to the plan. Employee contributions amounted to \$43,835 for the year ended December 31, 2016.

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, 2016, 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, 2016, the Borough had the following pension plan investments:

	Fair Value
Money Market Fund	\$ 59,330
Accrued Income	3,333
Domestic Equities	2,657,399
Sanford C. Bernstein Emerging Markets	87,159
Sanford C. Bernstein International Portfolio	469,326
Bernstein Sanford C Fund II Inc. - Fixed Income	1,939,540
Total Investments	<u>\$ 5,216,087</u>

As of December 31, 2016, none of the Borough's pension plan investments are rated.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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, 2016 amounted to \$5,216,087. Five percent of total plan assets amounted to \$260,804 as of December 31, 2016. 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	\$ 469,326	9.00%
Bernstein Sanford C Fund II Inc. - Fixed Income	1,939,540	37.20%

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, 2016

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 the employee receives their retirement benefit.

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

Covered employees are full-time police officers.

Number of covered active employees	12
Number of persons receiving benefits	10
Terminated employees vested, but not receiving benefits	1

B. Summary of Significant Accounting Policies:

Basis of Accounting

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

Use of Estimates

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

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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 fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the plan at year end.

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

Administrative Expenses

The plan pays the administrative expenses.

Risks and Uncertainties

The plan provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility 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, 2016.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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, 2016, the Borough's pension plan cash and cash equivalents were not exposed to custodial credit risk since the balance is covered by FDIC insurance.

**E. Investments**

As of December 31, 2016, the plan had the following investments:

	Fair Market Value
Money Market Fund	\$ 253,649
Accrued Income	5,327
Domestic Equities	4,275,200
Sanford C. Bernstein Emerging Markets	168,870
Sanford C. Bernstein International Portfolio	838,842
Bernstein Sanford C Fund II Inc. - Fixed Income	3,397,221
Total Investments	<u>\$ 8,939,109</u>

**F. Investment Concentration**

Total plan net position as of December 31, 2016 amounted to \$8,687,869. Five percent of total plan assets amounted to \$434,393.

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

Investments	Amount	Percent of Total
Sanford C. Bernstein International Portfolio	\$ 838,842	9.40%
Bernstein Sanford C. Fund II Inc. - Fixed Income	3,397,221	38.00%

**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, 2016

NOTE 13 PENSION PLANS (CONTINUED)

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

The Borough has adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* in 2014 and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* in 2015. These Statements enhance the Borough's accounting and footnote disclosures and expand the Required Supplemental Information (RSI) data with new schedules. The Statements were issued to improve financial reporting by state and local government pension plans. The following provides information required to be disclosed under Statements No. 67 and 68 for both plans.

Plan Administration

Management of the Police Pension and Non-Uniform Plans is overseen by a Pension Committee under Ordinance 851. Per the Plan Document, the Pension Committee is comprised of nine members of Borough Council and a full time member of the Ambler Borough Police department. The duly appointed Borough Manager is designated as the chief administrative officer who has the discretion and authority to interpret the plan and to determine the eligibility and benefits of Participants and beneficiaries pursuant to the provisions of the plans. The Committee meets annually with the investment advisor to review the plan earning and investment policies. Management of the plan is overseen by Ambler Borough Council; however, Borough Council may delegate the following responsibilities:

- A) Council may appoint a subcommittee to review the performance of the investment manager and to review the Funds' compliance with ACT 205.
- B) Council may assign the daily administrative operations of the Fund to the Borough Manager.
- C) Council may appoint a corporate trustee.
- D) Council may delegate other responsibilities as it deems appropriate.

Investment Policy

The Pension Fund Board is responsible for administering the investment policies of the plans and providing oversight for the management of the plans' assets. The investment strategy of the plans is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy requires that all plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the plan, with minimal impact on market price. The following was the plans' adopted asset allocation policy as of December 31, 2016:

<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, 2016

NOTE 13 PENSION PLANS (CONTINUED)

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

Net Pension (Asset) Liability

The net pension (asset) liability of the plans for measurement date December 31, 2016, were as follows:

	Non-Uniform Pension Plan	Police Pension Plan
Total Pension Liability	\$ 4,854,931	\$ 8,325,492
Plan Fiduciary Net Position	(5,216,087)	(9,142,726)
Net Pension Liability (Asset)	<u>\$ (361,156)</u>	<u>\$ (817,234)</u>

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

Police:

Valuation Date	January 1, 2015, projected to December 31, 2016
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, 2016
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, 2016.

The plans have not had an experience study completed.



BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 13 PENSION PLANS (CONTINUED)

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

Asset Class	Percent of Fund at December 31, 2016	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 payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability 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	\$ 159,455	\$ (381,156)	\$ (807,771)
Net Pension Liability (Asset) - Police Pension Plan	\$ 283,419	\$ (817,234)	\$ (1,726,121)

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 2016 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, 2016, 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	\$1,363,237	\$116,516
Differences in assumptions	809,476	-
Differences in experience	-	94,975
Total	<u>\$2,172,713</u>	<u>\$211,491</u>

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 13 PENSION PLANS (CONTINUED)

GASB STATEMENTS NO. 67 and NO. 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>	
2017	\$387,221
2018	387,221
2019	387,221
2020	387,221
2021	387,221
Thereafter	25,117

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 \$13,681 in 2016. Plan contributions totaled \$24,875 from the Borough in 2016. These amounts are classified as payroll taxes and benefits within the functional expenses on the financial statements.

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, is 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 postemployment healthcare benefits, in accordance with Borough policies and collective bargaining agreements, for Police and Non-Uniform employees. The plan is a single-employer defined benefit plan. Separate financial statements are not issued for the plan.

For police, the Borough will provide medical coverage to retired officers and their spouses at age fifty and ending at sixty-five years of age for all full time police officers employed by the Borough as of December 31, 2008. For retired officers hired on or after January 1, 2009, the Borough shall provide only single coverage from age fifty to sixty-five years of age. Subsequent to January 1, 2009, if an officer remarries after divorce or the spouse's death, the new spouse shall not be provided with post retirement medical benefits.

All full-time non-uniformed employees, who retire under the terms of the Non-Uniform Pension Plan, may not continue in the Borough's group health plan; therefore the Borough has no postemployment healthcare liability for these individuals.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

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 2016 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, 2016 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
2016	\$ 386,452	7.24%	\$ 2,883,658

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	101,007
Adjustment to Annual Required Contribution	(146,032)
Annual OPEB Cost (Expense)	386,452
Contributions toward the OPEB Cost	(27,975)
Increase in Net OPEB Obligation	358,477
Net OPEB Obligation, Beginning of Year	2,525,181
Net OPEB Obligation, End of Year	\$ 2,883,658

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, and 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, 2016

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, 2016, used the entry age normal actuarial cost method to estimate both the unfunded liability as of December 31, 2016 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 2016 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, 2016 is 30 years.

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Authority adopted the provisions of GASB's Statement No. 72, "Fair Value Measurement and Application." The adoption of this statement had no effect on previously reported amounts.

The Authority adopted the provisions of GASB's 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 adoption of this statement had no effect on previously reported amounts.

The Authority adopted the provisions of GASB's Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The adoption of this statement had no effect on previously reported amounts.

The Authority adopted the provisions of GASB's Statement No. 77, "Tax Abatement Disclosures." The adoption of this statement had no effect on previously reported amounts.

The Authority adopted the provisions of GASB's Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." The adoption of this statement had no effect on previously reported amounts.

The Authority adopted the provisions of GASB's Statement No. 79, "Certain External Investment Pools and Pool Participants." The adoption of this statement had no effect on previously reported amounts.

BOROUGH OF AMBLER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2016

NOTE 16 NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Adoption of Governmental Accounting Standards Board (GASB) Statements (Continued)

The Government Accounting Standards Board has issued GASB's Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement is required to be adopted by the Borough for the year ending December 31, 2017. The Borough has not determined the effect of GASB's Statement No. 74 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement is required to be adopted by the Borough for the year ending December 31, 2018. The Borough has not determined the effect of GASB's Statement No. 75 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14." This statement is required to be adopted by the Borough for the year ending December 31, 2017. The Borough has not determined the effect of GASB's Statement No. 80 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 81, "Irrevocable Split-Interest Agreements." This statement is required to be adopted by the Borough for the year ending December 31, 2017. The Borough has not determined the effect of GASB's Statement No. 81 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 82, "Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73." This statement is required to be adopted by the Borough for the year ending December 31, 2017. The Borough has not determined the effect of GASB's Statement No. 82 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 83, "Certain Asset Retirement Obligations." This statement is required to be adopted by the Borough for the year ending December 31, 2019. The Borough has not determined the effect of GASB's Statement No. 83 on the financial statements.

The Government Accounting Standards Board has issued GASB's Statement No. 84, "Fiduciary Activities." This statement is required to be adopted by the Borough for the year ending December 31, 2019. The Borough has not determined the effect of GASB's Statement No. 84 on the financial statements.

The Governmental Accounting Standards Board has issued GASB's Statement No. 85, "Omnibus 2017." This statement is required to be adopted by the Borough for year ending December 31, 2019. The Borough has not determined the effect of GASB's Statement No. 85 on the financial statements.

NOTE 17 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events for disclosure or recording through May 1, 2017, the date the audit was ready for release.

BOROUGH OF AMBLER  
REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION PLANS – SCHEDULES OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS CALCULATED IN ACCORDANCE  
WITH GASB 68  
DECEMBER 31, 2016  
(UNAUDITED)

	Non-Uniform Pension Plan 2016	Police Pension Plan 2016	Non-Uniform Pension Plan 2015	Police Pension Plan 2015
Total Pension Liability				
Service Cost	\$ 96,856	\$ 193,189	\$ 141,552	\$ 189,639
Interest	316,301	541,021	280,003	476,105
Benefit Payments	(221,658)	(348,029)	(80,689)	(238,114)
Difference Between Actual and Expected, if any	(36,479)	(18,823)	(31,150)	(8,523)
Assumption Changes	-	-	272,441	537,035
Net Change in Total Pension Liability	155,020	367,358	582,157	956,142
Total Pension Liability - Beginning	4,699,911	7,754,517	4,117,754	6,798,375
Total Pension Liability - Ending (a)	<u>\$ 4,854,931</u>	<u>\$ 8,121,875</u>	<u>\$ 4,699,911</u>	<u>\$ 7,754,517</u>
Plan Fiduciary Net Position				
Contribution - Employer and State Aid	\$ 17,213	\$ -	\$ 50,699	\$ 31,499
Contribution - Member	43,835	-	46,764	-
Net Investment Income	385,800	648,519	(109,802)	(609,254)
Benefit Payments	(221,658)	(348,029)	(80,689)	(238,114)
Administrative Expense	(25,651)	(64,075)	(27,492)	(72,210)
Other	-	14,826	7,634	(7,634)
Net Change in Plan Fiduciary Net Position	199,539	251,241	(112,886)	(895,713)
Plan Fiduciary Net Position - Beginning	5,016,548	8,687,868	5,129,434	9,583,581
Plan Fiduciary Net Position - End (b)	<u>\$ 5,216,087</u>	<u>\$ 8,939,109</u>	<u>\$ 5,016,548</u>	<u>\$ 8,687,868</u>
Net Pension Liability (Asset) (a-b)	<u>\$ (361,156)</u>	<u>\$ (817,234)</u>	<u>\$ (316,637)</u>	<u>\$ (933,351)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.44%	110.06%	106.74%	112.04%
Covered Employee Payroll	\$ 1,432,148	\$ 1,040,716	\$ 1,793,834	\$ 968,450
Net Pension Liability as a Percentage of Covered Employee Payroll	-25.22%	-78.53%	-17.65%	-96.38%

**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 68  
DECEMBER 31, 2016  
(UNAUDITED)**

Schedule of Employer Contributions*						
	Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
Non-Uniform Pension Plan	2014	\$ 89,819	\$ 106,693	\$ (16,874)	\$ 1,845,636	5.78%
Non-Uniform Pension Plan	2015	50,699	50,699	-	1,695,313	2.99%
Non-Uniform Pension Plan	2016	17,213	17,213	-	1,432,148	1.20%
Police Pension Plan	2014	-	28,315	(28,315)	1,030,020	2.75%
Police Pension Plan	2015	31,094	31,094	-	1,010,427	3.08%
Police Pension Plan	2016	-	-	-	1,040,716	0.00%

Schedule of Investment Returns\*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actual Money Weighted Rate of Return, Net of Investment Expense	7.69%	(6.27%)	6.20%

Schedule of the Employer's Net Pension Liability*							
	Year Ended <u>December 31,</u>	Total Pension <u>Liability</u>	Plan Fiduciary Net Position	Net Pension Asset	Plan Net Position as a % of Total <u>Pension Liability</u>	Covered Payroll	Net Pension Liability as a % of <u>Covered Payroll</u>
Non-Uniform Pension Plan	2014	\$ 4,117,764	\$ 5,129,434	\$ (1,011,670)	124.57%	\$ 1,845,636	-54.81%
Non-Uniform Pension Plan	2015	4,699,911	5,016,547	(316,636)	106.74%	1,695,313	-18.68%
Non-Uniform Pension Plan	2016	4,854,930	5,216,087	(361,157)	107.44%	1,432,148	-25.22%
Police Pension Plan	2014	7,077,640	9,583,581	(2,505,941)	135.41%	1,030,020	-243.29%
Police Pension Plan	2015	8,033,782	8,963,997	(930,215)	111.58%	1,010,427	-92.06%
Police Pension Plan	2016	8,325,492	9,142,726	(817,234)	109.82%	1,040,716	-78.53%

\* 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, 2016  
(UNAUDITED)

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
<b>Revenues</b>				
Taxes	\$ 2,755,066	\$ 2,755,066	\$ 2,892,255	\$ 137,189
Licenses and Permits	203,400	203,400	205,487	2,087
Fines, Forfeits and Costs	43,000	43,000	47,406	4,406
Interest on Investments	41,000	41,000	54,922	13,922
Grants and Revenue Sharing	155,330	155,330	561,753	406,423
Deed Transfer Tax	90,000	90,000	176,723	86,723
Refuse Collection	139,500	139,500	183,761	44,261
Contributions	-	-	215,398	215,398
Public Utility Realty Tax	3,500	3,500	3,513	13
Miscellaneous	110,797	110,797	97,810	(12,987)
Sale of Assets	-	-	793,353	793,353
<b>Total Revenues</b>	<b>3,541,593</b>	<b>3,541,593</b>	<b>5,232,381</b>	<b>1,690,788</b>
<b>Expenditures</b>				
General	431,784	431,784	408,901	(22,883)
Tax Collection	9,580	9,580	9,223	(357)
Protection to Persons and Property	2,261,276	2,261,276	2,135,780	(125,496)
Highways	393,436	393,436	305,685	(87,751)
Street Lighting	179,540	179,540	230,771	51,231
Fire Protection	14,604	14,604	9,146	(5,458)
Recreation	11,510	11,510	11,076	(434)
Revitalization	142,675	142,675	96	(142,579)
Debt Service	61,966	61,966	3,728,416	3,666,450
Capital Outlays	10,288	10,288	848,837	838,549
<b>Total Expenditures</b>	<b>3,516,659</b>	<b>3,516,659</b>	<b>7,687,931</b>	<b>4,171,272</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>24,934</b>	<b>24,934</b>	<b>(2,455,550)</b>	<b>(2,480,484)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Debt Issuance	-	-	3,645,000	3,645,000
Net Original Issue Premium	-	-	30,131	30,131
Transferred In (Out)	-	-	30,000	30,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>3,705,131</b>	<b>3,675,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 24,934</b>	<b>\$ 24,934</b>	<b>1,249,581</b>	<b>\$ 1,194,516</b>
<b>Fund Balances - Beginning of Year</b>			<b>1,043,763</b>	
<b>Fund Balances - End of Year</b>			<b>\$ 2,293,344</b>	

(SEE INDEPENDENT AUDITORS' REPORT)

### Total Liabilities and Fund Balances

**BOROUGH OF AMBLER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON MAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Nonmajor Special Revenue Funds										Total
	Street Light Fund	Fire Fund	Recreation Fund	Revolving Loan Fund	Trash Fund	Highway	Sub-Total Non Major Special Revenue	Debt Service			Total Non Major Funds
<b>Revenues</b>											
Taxes	\$ 62,556	\$ 160,106	\$ 103,525	\$ -	\$ -	\$ -	\$ 326,187	\$ -		\$	\$ 326,187
Foreign Fire Relief	-	44,366	-	-	-	-	44,366	-			44,366
Interest on Investments	1,723	312	1,233	2,423	9,043	4,183	18,917	2,269			21,186
Charges for Service	-	-	-	-	401,700	-	401,700	-			401,700
State Motor Vehicle Fuel Tax	-	-	-	-	-	157,581	157,581	-			157,581
Contribution from Lower Gwynedd	-	7,095	-	-	-	-	7,095	-			7,095
<b>Total Revenues</b>	<b>64,279</b>	<b>211,879</b>	<b>104,758</b>	<b>2,423</b>	<b>410,743</b>	<b>161,764</b>	<b>955,846</b>	<b>2,269</b>			<b>958,115</b>
<b>Expenditures</b>											
Street Lighting	76,563	-	-	-	-	-	76,563	-			76,563
Fire	-	211,885	-	-	-	-	211,885	-			211,885
Recreation	-	-	42,063	-	-	-	42,063	-			42,063
Trash	-	-	-	-	495,162	-	495,162	-			495,162
Highways and Streets	-	-	-	-	-	13,679	13,679	-			13,679
Capital Outlay	7,600	-	82,824	-	-	254,646	345,070	-			345,070
Administration Expense	-	-	-	-	-	-	-	-			-
<b>Total Expenditures</b>	<b>84,163</b>	<b>211,885</b>	<b>124,887</b>	<b>-</b>	<b>495,162</b>	<b>268,325</b>	<b>1,184,422</b>	<b>-</b>			<b>1,184,422</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(19,884)</b>	<b>(6)</b>	<b>(20,129)</b>	<b>2,423</b>	<b>(84,419)</b>	<b>(106,561)</b>	<b>(228,576)</b>	<b>2,269</b>			<b>(226,307)</b>
<b>Other Financing Sources (Uses)</b>											
Transfers In (Out)	-	-	-	-	(30,000)	-	(30,000)	-			(30,000)
<b>Total Other Financing Sources (Uses)</b>											
	-	-	-	-	(30,000)	-	(30,000)	-			(30,000)
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(19,884)</b>	<b>(6)</b>	<b>(20,129)</b>	<b>2,423</b>	<b>(114,419)</b>	<b>(106,561)</b>	<b>(258,576)</b>	<b>2,269</b>			<b>(256,307)</b>
<b>Fund Balances - Beginning of Year</b>	<b>181,705</b>	<b>6</b>	<b>106,619</b>	<b>335,421</b>	<b>580,724</b>	<b>407,126</b>	<b>1,611,601</b>	<b>272,666</b>			<b>1,884,267</b>
<b>Fund Balances - End of Year</b>	<b>\$ 161,821</b>	<b>\$ -</b>	<b>\$ 86,490</b>	<b>\$ 337,844</b>	<b>\$ 466,305</b>	<b>\$ 300,565</b>	<b>\$ 1,353,025</b>	<b>\$ 274,935</b>			<b>\$ 1,627,960</b>

BOROUGH OF AMBLER  
 COMBINING STATEMENT OF PLAN NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2016  
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Assets			
Cash and Cash Equivalents	\$ 253,649	\$ 59,330	\$ 312,979
Accrued Income	5,327	3,333	8,660
Investments:			
Stocks, at Fair Value	4,275,200	2,657,399	6,932,599
Mutual Funds, at Fair Value	<u>4,404,933</u>	<u>2,496,025</u>	<u>6,900,958</u>
Total Assets	<u>\$ 8,939,109</u>	<u>\$ 5,216,087</u>	<u>\$ 14,155,196</u>
Net Position Restricted for Pensions	<u>\$ 8,939,109</u>	<u>\$ 5,216,087</u>	<u>\$ 14,155,196</u>

BOROUGH OF AMBLER  
 COMBINING STATE OF CHANGES IN PLAN NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2016  
 (SEE INDEPENDENT AUDITOR'S REPORT)

	Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Plan Members	\$ 14,826	\$ 43,835	\$ 58,661
Employer	-	17,213	17,213
Other Contributions	-	-	-
Total Contributions	14,826	61,048	75,874
Investment Earnings			
Net Appreciation in Fair Value of Investments	401,336	241,584	642,920
Interest and Dividends	247,183	144,217	391,400
Total Investment Earnings	648,519	385,801	1,034,320
Less Investment Expense	(49,405)	(13,654)	(63,059)
Net Investment Earnings	599,114	372,147	971,261
Total Additions	613,940	433,195	1,047,135
Deductions			
Benefits	348,029	221,658	569,687
Administration and Other	14,670	11,998	26,668
Total Deductions	362,699	233,656	596,355
Changes in Net Position	251,241	199,539	450,780
Net Position - Beginning of Year	8,687,868	5,016,548	13,704,416
Net Position - End of Year	\$ 8,939,109	\$ 5,216,087	\$ 14,155,196