

**2013 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**022493 GLEN OSBORNE BORO, ALLEGHENY COUNTY**

**To the Members of Borough Council  
Borough of Glen Osborne  
Allegheny County, Pennsylvania**

## **INDEPENDENT AUDITORS' REPORT**

### **Report on Financial Statements**

I have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) of the Borough of Glen Osborne, Allegheny County, Pennsylvania as of and for the year ended December 31, 2013.

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

Management is responsible for the preparation and fair presentation of this special purpose financial report in accordance with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Borough'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 Borough's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinions**

### ***Basis for Qualified Opinion***

The accompanying special purpose financial report was prepared in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting practices and procedures of the DCED permit the preparation of the special purpose financial report without financial statement note disclosures, Management's discussion and Analysis, government-wide statements, and budget to actual statements, as required by accounting principles generally accepted in the United States of America. The effects on the special purpose financial report, as a result of the differences between the DCED accounting practices and procedures and accounting principles generally accepted in the United States of America, are not reasonably determinable.

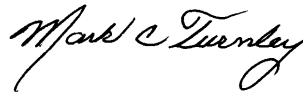
### ***Qualified Opinion***

In my opinion, because of the effects of the matters discussed in the 'Basis for Qualified Opinion' paragraph, the special purpose financial report referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township, or changes in financial position thereof for the year then ended.

### ***Unmodified Opinion***

In my opinion, the special purpose financial report referred to above presents fairly, in all material respects, the financial position of the Borough of Glen Osborne as of December 31, 2013, and the results of its operations for the year then ended in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED).

Sincerely,

A handwritten signature in cursive script that reads "Mark C. Turnley".

Mark C. Turnley, CPA

May 23, 2014  
Ambridge, Pennsylvania



## GLEN OSBORNE BORO, ALLEGHENY County

## BALANCE SHEET

December 31, 2013

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits									133,809	133,809
<b>Total Liabilities and Other Credits</b>										133,809	133,809

<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	337,707	6,518	22,638							366,863
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		337,707	6,518	22,638							366,863

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											500,672
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**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

**Taxes**

301.00	Real Estate Taxes	342,472						342,472
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	10,854						10,854
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	39,362						39,362
310.20	Earned Income Taxes / Wage Taxes	123,267						123,267
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	11,009						11,009
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
<b>Total Taxes</b>		526,964						526,964

**Licenses and Permits**

320-322	All Other Licenses and Permits	3,041						3,041
321.80	Cable Television Franchise Fees	7,299						7,299
<b>Total Licenses and Permits</b>		10,340						10,340

**Fines and Forfeits**

330-332	Fines and Forfeits	983						983
<b>Total Fines and Forfeits</b>		983						983

**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

<b>Interest, Rents and Royalties</b>								
341.00	Interest Earnings	908	2	13				923
342.00	Rents and Royalties							
<b>Total Interest, Rents and Royalties</b>		908	2	13				923

<b>Federal</b>								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>								

<b>State</b>								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	673						673
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		13,945					13,945
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid							
355.07	Foreign Fire Insurance Tax Distribution	5,676						5,676
355.08	Local Share Assessment/Gaming Proceeds							

GLEN OSBORNE BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

### REVENUES

State								
355.09	Marcellus Shale Impact Fee Distribution	33						33
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		6,382	13,945					20,327

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>								

Charges for Service								
361.00	General Government	1,318						1,318
362.00	Public Safety	1,995						1,995
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							



GLEN OSBORNE BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

### REVENUES

Charges for Service								
368.00	Airports							
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
<b>Total Charges for Service</b>		3,313						3,313

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
<b>Total Unclassified Operating Revenues</b>								

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	37,971						37,971
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	73,022						73,022
<b>Total Other Financing Sources</b>		110,993						110,993

<b>TOTAL REVENUES</b>	659,883	13,947	13					673,843
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	2,531						2,531
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	3,575						3,575
403.00	Tax Collection	12,701						12,701
404.00	Solicitor / Legal Services	38,072						38,072
405.00	Secretary / Clerk	44,321						44,321
406.00	Other General Government Administration	7,602						7,602
407.00	IT-Networking Services-Data Processing	779						779
408.00	Engineering Services							
409.00	General Government Buildings and Plant							
<b>Total General Government</b>		109,581						109,581

Public Safety								
410.00	Police	103,887						103,887
411.00	Fire	29,419						29,419
412.00	Ambulance / Rescue	4,376						4,376
413.00	UCC and Code Enforcement	6,315						6,315
414.00	Planning and Zoning	9,984						9,984
415.00	Emergency Management and Communications							

**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

**Public Safety**

416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
<b>Total Public Safety</b>		153,981						153,981

**Health and Human Services**

420.00-425.00	Health and Human Services							
<b>Total Health and Human Services</b>								

**Public Works - Sanitation**

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	34,160						34,160
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	86,307						86,307
<b>Total Public Works - Sanitation</b>		120,467						120,467

**Public Works - Highways and Streets**

430.00	General Services - Administration	55,464						55,464
431.00	Cleaning of Streets and Gutters	19,662						19,662
432.00	Winter Maintenance – Snow Removal	23,431						23,431
433.00	Traffic Control Devices	3,185	1,889					5,074
434.00	Street Lighting		11,805					11,805
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	8,077						8,077

**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	337,115						337,115
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		446,934	13,694					460,628

<b>Other Public Works Enterprises</b>								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>								

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	5,000						5,000
455.00	Shade Trees	10,964						10,964
456.00	Libraries							

**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Culture and Recreation</b>								
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		15,964						15,964

<b>Community Development</b>								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
<b>Total Community Development</b>								

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	38,319						38,319
472.00	Debt Interest (short-term and long-term)	5,246						5,246
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		43,565						43,565

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							
484.00	Worker Compensation Insurance							

GLEN OSBORNE BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

Employer Paid Benefits and Withholding Items									
487.00	Other Group Insurance Benefits								
<b>Total Employer Paid Benefits and Withholding Items</b>									

Insurance									
486.00	Insurance, Casualty, and Surety	5,918							5,918
<b>Total Insurance</b>		5,918							5,918

Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures								
<b>Total Unclassified Operating Expenditures</b>									

Other Financing Uses									
491.00	Refund of Prior Year Revenues	11,423							11,423
492.00	Interfund Operating Transfers		37,971						37,971
493.00	All Other Financing Uses								
<b>Total Other Financing Uses</b>		11,423	37,971						49,394

<b>TOTAL EXPENDITURES</b>	907,833	13,694	37,971						959,498
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	-247,950	253	-37,958						-285,655
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## GLEN OSBORNE BORO

December 31, 2013

## DEBT STATEMENT

## OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
General Obligation Note	Note	2012	2029	200,000	172,128		38,319		133,809		133,809
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	133,809
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	133,809

**GLEN OSBORNE BORO, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2013

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways		296,941	296,941
Water			
Other: _____			
Community Development			
<b>TOTAL CAPITAL EXPENDITURES</b>		296,941	296,941

**EMPLOYEE COMPENSATION**

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

10,405