

**2017 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, 2017.

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 Adverse Opinion on U.S. Generally Accepted Accounting Principles

The Schedules are prepared by the Borough of Glen Osborne on the basis of the financial reporting provisions prescribed or permitted by the DCED in the instructions to the Annual Audit and Financial Report to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. These requirements permit the Schedules to be prepared on the cash basis of accounting without the presentation of the management's discussion and analysis, the government-wide financial statements, budget and actual information and financial statements disclosures.

The effects on the Schedules of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Glen Osborne as of December 31, 2017, or changes in financial position or cash flows thereof for the year then ended.

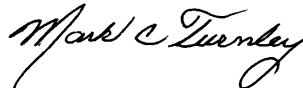
Opinion on Regulatory Basis of Accounting

In my opinion, the Schedules referred to above present fairly, in all material respects, the assets, liabilities and fund equity of the Borough of Glen Osborne as of December 31, 2017, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by the DCED described above.

Report on Other Legal and Regulatory Requirements

This report is intended solely for the information and use of the governing body and management of the Borough of Glen Osborne and for filing with the various local and state departments or offices and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Mark C. Turnley, CPA

March 31, 2018
New Brighton, Pennsylvania

GLEN OSBORNE BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2017

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									57,726	57,726
240-259	Current Portion of Long-Term Debt and Other Credits									39,614	39,614
Total Liabilities and Other Credits										97,340	97,340
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	456,754	4,566	20,754							482,074
291-299	Other Equity										
Total Fund and Account Group Equity		456,754	4,566	20,754							482,074
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											579,414

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	383,229						383,229
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)	11,166						11,166
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	37,195						37,195
310.20	Earned Income Taxes / Wage Taxes	176,652						176,652
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	8,194						8,194
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		616,436						616,436

Licenses and Permits

320-322	All Other Licenses and Permits	3,971						3,971
321.80	Cable Television Franchise Fees	8,102						8,102
Total Licenses and Permits		12,073						12,073

Fines and Forfeits

330-332	Fines and Forfeits	2,029						2,029
Total Fines and Forfeits		2,029						2,029

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

Interest, Rents and Royalties								
341.00	Interest Earnings	745	83	139				967
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		745	83	139				967

Federal								
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							
Total Federal								

State								
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)	560						560
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		20,372					20,372
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid							
355.07	Foreign Fire Insurance Tax Distribution	4,774						4,774
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	290						290

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		5,624	20,372					25,996

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							
Total Local Government Units								

Charges for Service

361.00	General Government	1,285						1,285
362.00	Public Safety	2,653						2,653
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							
368.00	Airports							

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

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							
Total Charges for Service		3,938						3,938

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							
Total Unclassified Operating Revenues								

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	20,755						20,755
393.00	Proceeds of General Long-Term Debt	120,000						120,000
394.00	Proceeds of Short Term-Debt							

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	25						25
Total Other Financing Sources		140,780						140,780
TOTAL REVENUES		781,625	20,455	139				802,219

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	2,761						2,761
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	3,850						3,850
403.00	Tax Collection	4,150						4,150
404.00	Solicitor / Legal Services	27,124						27,124
405.00	Secretary / Clerk	54,529						54,529
406.00	Other General Government Administration	10,538						10,538
407.00	IT-Networking Services-Data Processing	830						830
408.00	Engineering Services	14,458						14,458
409.00	General Government Buildings and Plant							
Total General Government		118,240						118,240

Public Safety								
410.00	Police	110,814						110,814
411.00	Fire	36,593						36,593
412.00	Ambulance / Rescue	3,829						3,829
413.00	UCC and Code Enforcement	5,615						5,615

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

414.00	Planning and Zoning	4,397						4,397
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		161,248						161,248

Health and Human Services

420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	42,705						42,705
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	39,001						39,001
Total Public Works - Sanitation		81,706						81,706

Public Works - Highways and Streets

430.00	General Services - Administration	6,408						6,408
431.00	Cleaning of Streets and Gutters	20,790						20,790
432.00	Winter Maintenance – Snow Removal	15,863						15,863
433.00	Traffic Control Devices	503	1,510					2,013
434.00	Street Lighting		10,330					10,330

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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 Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	9,391						9,391
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	30,601						30,601
439.00	Highway Construction and Rebuilding Projects	159,021						159,021
Total Public Works - Highways and Streets		242,577	11,840					254,417

Other Public Works Enterprises								
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							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	7,000						7,000

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

Culture and Recreation								
455.00	Shade Trees	9,782						9,782
456.00	Libraries							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	86						86
Total Culture and Recreation		16,868						16,868

Community Development								
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							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	33,387						33,387
472.00	Debt Interest (short-term and long-term)	1,607						1,607
475.00	Fiscal Agent Fees							
Total Debt Service		34,994						34,994

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	27						27
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		27						27

Insurance								
486.00	Insurance, Casualty, and Surety	5,013						5,013
Total Insurance		5,013						5,013

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures								

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers		20,000	755				20,755
493.00	All Other Financing Uses							
Total Other Financing Uses			20,000	755				20,755

TOTAL EXPENDITURES	660,673	31,840	755					693,268
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	120,952	-11,385	-616					108,951
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GLEN OSBORNE BORO

December 31, 2017

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
General Obligation Bonds and Notes											
General Obligation Note	Note	2012	2029	200,000	10,727		10,727		0		0
General Obligation Note	Note	2017	2020	120,000	0	120,000	22,660		97,340		97,340
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	97,340
Capitalized lease obligations	0
Net debt	97,340

GLEN OSBORNE BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways		159,021	159,021
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		159,021	159,021

EMPLOYEE COMPENSATION

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

355

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: MARK C TURNLEY CPA Appointed Auditor/CPA

December 31, 2017

NOTES / COMMENTS