BOROUGH OF GLEN OSBORNE

MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

2012

DCED-CLGS-30 (9-09)
Received by DCED: 05/04/2013

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
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2012 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

022493 GLEN OSBORNE BORO, ALLEGHENY COUNTY

Mark C. Turnley

Certified Public Accountant

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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, 2012.

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, 2012, 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,

Mark C. Turnley

Mark C. Turnley, CPA

May 2, 2013
Ambridge, Pennsylvania

DCED-CLGS-30 (9-09)

BALANCE SHEET

DCED-CLGS-30 (09-09)

GLEN OSBORNE BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2012

		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
Assets and Other Debits											
100-120	Cash and Investments	585,657	6,265	60,596							652,518
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds										
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									172,128	172,128
Total Assets and Other Debits		585,657	6,265	60,596						172,128	824,646

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities										
230.00	Due To Other Funds										

GLEN OSBORNE BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2012

		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									172,128	172,128
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits										172,128	172,128
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	585,657	6,265	60,596							652,518
291-299	Other Equity										
Total Fund and Account Group Equity		585,657	6,265	60,596							652,518
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											824,646

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

REVENUES

		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
Taxes									
301.00	Real Estate Taxes	352,725							352,725
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)	10,278							10,278
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	26,548							26,548
310.20	Earned Income Taxes / Wage Taxes	139,313							139,313
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	10,946							10,946
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other: _____								
Total Taxes		539,810							539,810
Licenses and Permits									
320-322	All Other Licenses and Permits	14,438							14,438
321.80	Cable Television Franchise Fees	7,247							7,247
Total Licenses and Permits		21,685							21,685
Fines and Forfeits									
330-332	Fines and Forfeits	2,334							2,334
Total Fines and Forfeits		2,334							2,334

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

	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	1,483	3	21					1,507
342.00 Rents and Royalties								
Total Interest, Rents and Royalties	1,483	3	21					1,507
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)	982							982
355.02-355.03 Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		14,177						14,177
355.04 Alcoholic Beverage Licenses								
355.05 General Municipal Pension System State Aid								
355.07 Foreign Fire Insurance Tax Distribution	4,840							4,840
355.08 Local Share Assessment/Gaming Proceeds								

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

		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								
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		5,822	14,177						19,999
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	1,171							1,171
362.00	Public Safety								
363.20	Parking								
363.00	All Other Charges for Highway & Streets 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, 2012

REVENUES

		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
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								
Total Charges for Service		1,171							1,171
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								
393.00	Proceeds of General Long-Term Debt	200,000							200,000
394.00	Proceeds of Short Term-Debt								

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

		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								
Total Other Financing Sources		200,000							200,000
TOTAL REVENUES		772,305	14,180	21					786,506
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	1,768							1,768
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	3,225							3,225
403.00	Tax Collection	13,771							13,771
404.00	Solicitor / Legal Services	106,172							106,172
405.00	Secretary / Clerk	40,445							40,445
406.00	Other General Government Administration	8,415							8,415
407.00	IT-Networking Services-Data Processing	529							529
408.00	Engineering Services								
409.00	General Government Buildings and Plant								
Total General Government		174,325							174,325
Public Safety									
410.00	Police	97,882							97,882
411.00	Fire	28,583							28,583
412.00	Ambulance / Rescue	4,376							4,376
413.00	UCC and Code Enforcement	3,914							3,914
414.00	Planning and Zoning	11,114							11,114
415.00	Emergency Management and Communications								

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

EXPENDITURES

		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
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								
Total Public Safety		145,869							145,869
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)	33,433							33,433
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection	52,407							52,407
Total Public Works - Sanitation		85,840							85,840
Public Works - Highways and Streets									
430.00	General Services - Administration	24,367							24,367
431.00	Cleaning of Streets and Gutters	17,923							17,923
432.00	Winter Maintenance – Snow Removal	10,332							10,332
433.00	Traffic Control Devices	12,154	1,880						14,034
434.00	Street Lighting		12,006						12,006
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains	8,666							8,666

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

EXPENDITURES

		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
Public Works - Highways and Streets									
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges	41,201							41,201
439.00	Highway Construction and Rebuilding Projects								
Total Public Works - Highways and Streets		114,643	13,886						128,529
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	5,000							5,000
455.00	Shade Trees	8,118							8,118
456.00	Libraries								

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2012

EXPENDITURES

		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
Culture and Recreation									
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
Total Culture and Recreation		13,118							13,118
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)	27,872							27,872
472.00	Debt Interest (short-term and long-term)	4,801							4,801
475.00	Fiscal Agent Fees								
Total Debt Service		32,673							32,673
Employer Paid Benefits and Withholding Items									
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, 2012

		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								
Total Employer Paid Benefits and Withholding Items									
Insurance									
486.00	Insurance, Casualty, and Surety	5,400							5,400
Total Insurance		5,400							5,400
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	63							63
492.00	Interfund Operating Transfers								
493.00	All Other Financing Uses								
Total Other Financing Uses		63							63
TOTAL EXPENDITURES		571,931	13,886						585,817
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		200,374	294	21					200,689

GLEN OSBORNE BORO

December 31, 2012

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	0	200,000	27,872		172,128		172,128
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	172,128
Capitalized lease obligations	0
Net debt	172,128

GLEN OSBORNE BORO, ALLEGHENY County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2012

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			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES			

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	10,330

Independent Public Accountant/Certified Public Accountant Submission Page

See attached opinion page.

SIGNATURE AND VERIFICATION

Signed: Mark Turnley, CPA Appointed Auditor/CPA