

Borough of South Greensburg
2016 Municipal Annual Audit &
Financial Report

**2016 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

651533 SOUTH GREENSBURG BORO, WESTMORELAND COUNTY

INDEPENDENT AUDITOR'S REPORT

To the Borough Council
South Greensburg Borough

We have audited the Cash Basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement and Statement of Capital Expenditures and Employee Compensation – Regulatory Basis (financial statements) included in the 2016 Annual Audit and Financial Report of South Greensburg Borough (Borough).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED). Management is also responsible for 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 an opinion 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 opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the financial statements are prepared by the Borough on the basis of the instructions provided by DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the financial statements to be prepared on the cash basis of accounting, without financial statement disclosures, without cash flows, without government-wide financial statements, without management's discussion and analysis, without budgetary comparisons and historical pension information and require all funds to be aggregated by fund type on the financial statements.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles “Continued”

The effects on the financial statements 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 our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough, as of December 31, 2016, and the results of its operations for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough, as of December 31, 2016, and the regulatory results of its operations for the year then ended, in accordance with the financial reporting provisions of the DCED.

Singer Accounting, PC

Ligonier, Pennsylvania

October 9, 2017



BALANCE SHEET

DCED-CLGS-30 (09-09)

SOUTH GREENSBURG BORO, WESTMORELAND County
BALANCE SHEET
 December 31, 2016

		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	120,612	21,069	105		55,275		321,933			518,994
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds		10,357	20,147		3,000					33,504
131-139, 150-159	Other Current Assets	258									258
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		120,870	31,426	20,252		58,275		321,933			552,756

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	19									19
200-209, 231-239	All Other Current Liabilities										
230.00	Due To Other Funds	4,053	9,423	4,023		16,005					33,504

SOUTH GREENSBURG BORO, WESTMORELAND County

BALANCE SHEET

December 31, 2016

		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										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		4,072	9,423	4,023		16,005					33,523
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	116,798	22,003	16,229		42,270		321,933			519,233
291-299	Other Equity										
Total Fund and Account Group Equity		116,798	22,003	16,229		42,270		321,933			519,233
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											552,756

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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	428,463	1	30,968				459,432
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)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	29,491						29,491
310.20	Earned Income Taxes / Wage Taxes	230,182						230,182
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	88,467						88,467
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	1,800						1,800
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		778,403	1	30,968				809,372

Licenses and Permits

320-322	All Other Licenses and Permits	3,115			50			3,165
321.80	Cable Television Franchise Fees	49,692						49,692
Total Licenses and Permits		52,807			50			52,857

Fines and Forfeits

330-332	Fines and Forfeits	15,586						15,586
Total Fines and Forfeits		15,586						15,586

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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	231	29	1		61		22,662	22,984
342.00	Rents and Royalties	4,110							4,110
Total Interest, Rents and Royalties		4,341	29	1		61		22,662	27,094

Federal									
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants	6,072							6,072
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal		6,072							6,072

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)	761							761
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		63,827						63,827
355.04	Alcoholic Beverage Licenses	1,500							1,500
355.05	General Municipal Pension System State Aid	13,788							13,788
355.07	Foreign Fire Insurance Tax Distribution	12,168							12,168
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution		3,064						3,064

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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		28,217	66,891					95,108

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	2,056						2,056
362.00	Public Safety	23,261						23,261
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	4,473						4,473
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)				291,062			291,062
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services				859			859
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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		29,790			291,921			321,711

Unclassified Operating Revenues

383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	9,203						9,203
388.00	Fiduciary Fund Pension Contributions					13,789		13,789
389.00	All Other Unclassified Operating Revenues	4,238						4,238
Total Unclassified Operating Revenues		13,441				13,789		27,230

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		956					956
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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	12,614						12,614
Total Other Financing Sources		12,614		956				13,570

TOTAL REVENUES

941,271	66,921	31,925		292,032		36,451	1,368,600
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	106,595		115				106,710
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	20,418						20,418
403.00	Tax Collection	13,590						13,590
404.00	Solicitor / Legal Services	11,290						11,290
405.00	Secretary / Clerk							
406.00	Other General Government Administration	16,641	19	22	206			16,888
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services							
409.00	General Government Buildings and Plant	62,219	18,171					80,390
Total General Government		230,753	18,190	137	206			249,286

Public Safety

410.00	Police	261,712						261,712
411.00	Fire	35,122						35,122
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	20,261						20,261

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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	2,285						2,285
415.00	Emergency Management and Communications	600						600
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		319,980						319,980

Health and Human Services

420.00-425.00	Health and Human Services	1,365						1,365
Total Health and Human Services		1,365						1,365

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)				182,375			182,375
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation					182,375			182,375

Public Works - Highways and Streets

430.00	General Services - Administration	122,024				8,696		130,720
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	68	28,956					29,024
433.00	Traffic Control Devices	4,208						4,208
434.00	Street Lighting	16,689						16,689

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges							
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		142,989	28,956		8,696			180,641

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	25,805						25,805
453.00	Spectator Recreation							
454.00	Parks	409						409

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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							
456.00	Libraries							
457.00	Civil and Military Celebrations	2,000						2,000
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		28,214						28,214

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)		3,569	10,017		34,668		48,254
472.00	Debt Interest (short-term and long-term)		1,798	2,531		8,922		13,251
475.00	Fiscal Agent Fees							
Total Debt Service			5,367	12,548		43,590		61,505

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	6,111						6,111
482.00	Judgments and Losses	1,567						1,567
483.00	Pension / Retirement Fund Contributions	13,788						13,788

SOUTH GREENSBURG BORO, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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	25,706						25,706
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		47,172						47,172

Insurance								
486.00	Insurance, Casualty, and Surety	26,355						26,355
Total Insurance		26,355						26,355

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						88,400	88,400
489.00	All Other Unclassified Expenditures						2,176	2,176
Total Unclassified Operating Expenditures							90,576	90,576

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers		956					956
493.00	All Other Financing Uses							
Total Other Financing Uses			956					956

TOTAL EXPENDITURES	796,828	52,513	13,641		234,867		90,576	1,188,425
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	144,443	14,408	18,284		57,165		-54,125	180,175
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SOUTH GREENSBURG BORO

December 31, 2016

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											
First Commonwealth Bank - Sanitation Truck	Note	2009	2019	125,000	69,789	0	25,182	0	44,607	0	44,607
Commonwealth of PA - Fire Truck	Note	2012	2027	150,000	121,230	0	10,017	0	111,213	0	111,213
First National Bank - 2013 Dump Truck	Note	2013	2016	60,804	7,137	0	7,137	0	0	0	0
Laurel Capital Corporation - Sanitation Truck	Note	2010	2016	123,800	5,918	0	5,918	0	0	0	0
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 155,820

Capitalized lease obligations 0

Net debt 155,820

SOUTH GREENSBURG BORO, WESTMORELAND County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2016

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)

437,103