

**2013 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

021774 KENNEDY TWP, ALLEGHENY COUNTY



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Kennedy Township
Coraopolis, Pennsylvania

We have audited the accompanying 2013 Municipal Annual Audit and Financial Report (Report) for Kennedy Township (Township) for the year ended December 31, 2013.

Management's Responsibility for the Report

Management is responsible for the preparation and fair presentation of this Report in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of this report in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Report that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on this Report 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 Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the Report 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 Township'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 Report.

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

Opinion

In our opinion, the Report referred to above, presents fairly, in all material respects, the financial position such funds of Kennedy Township as of December 31, 2013 and the changes in financial position of such funds, thereof for the year then ended, in accordance with the modified cash basis of accounting.

Basis of Accounting

This Township's policy is to prepare its Report on the modified cash basis; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying Report is not intended to present the financial position and changes in financial position of the Township in conformity with accounting principles generally accepted in the United States of America.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
March 26, 2014

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BALANCE SHEET

DCED-CLGS-30 (09-09)

KENNEDY TWP, 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	
Assets and Other Debits											
100-120 Cash and Investments	4,269,259	36,377			3,412,974		3,896,652				11,615,262
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					2,067,779			2,213,538			4,281,317
180-189 Other Debits									8,008,217		8,008,217
Total Assets and Other Debits	4,269,259	36,377			5,480,753		3,896,652	2,213,538	8,008,217		23,904,796

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	

KENNEDY TWP, ALLEGHENY COUNTY
BALANCE SHEET
 December 31, 2013

	Governmental Funds							Fid. Fund			Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Proprietary Funds		Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only			
					Enterprise	Internal Service							
Liabilities and Other Credits													
260-269 Long-Term-Liabilities										7,277,533		7,277,533	
240-259 Current Portion of Long-Term Debt and Other Credits										730,684		730,684	
Total Liabilities and Other Credits										8,008,217		8,008,217	
Fund and Account Group Equity													
281-284 Contributed Capital													
290.00 Investment in General Fixed Assets						2,067,779						2,067,779	
270-289 Fund Balance / Retained Earnings on 12/31	4,269,259	36,377			3,412,974		3,896,652		2,213,538			13,828,800	
281-299 Other Equity													
Total Fund and Account Group Equity	4,269,259	36,377			5,480,753		3,896,652		2,213,538			15,896,579	

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	23,904,796
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KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

REVENUES

Interest, Rents and Royalties	
341.00	Interest Earnings
342.00	Rents and Royalties
	8,910
	8,910
Total Interest, Rents and Royalties	

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)
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback
355.04	Alcoholic Beverage Licenses
355.05	General Municipal Pension System State Aid
355.07	Foreign Fire Insurance Tax Distribution
355.08	Local Share Assessment/Gaming Proceeds

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

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	58,459 153,270 116,531 328,260

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	24,882	24,882
362.00	Public Safety	133,721	133,721
363.20	Parking		
363.00	All Other Charges for Highway & Streets Services	13,794	13,794
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)		1,866,625
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	8,505	8,505

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

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					1,866,625		2,047,527
Total Charges for Service		180,902						

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	31,351						31,351
Total Unclassified Operating Revenues		31,351						31,351

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt	103,264						103,264
394.00	Proceeds of Short Term-Debt							

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	19,193				10,778		29,971
	Total Other Financing Sources	122,457				10,778		133,235

TOTAL REVENUES

3,394,936	153,270			1,993,685		116,531		5,658,422
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	13,798						13,798
401.00	Executive (Manager or Mayor)	31,352						31,352
402.00	Auditing Services / Financial Administration	19,160						19,160
403.00	Tax Collection	55,010						55,010
404.00	Solicitor / Legal Services	34,866						34,866
405.00	Secretary / Clerk	101,269						101,269
406.00	Other General Government Administration	143,600						143,600
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	36,870						36,870
409.00	General Government Buildings and Plant	106,578						106,578
	Total General Government	542,503						542,503

Public Safety

410.00	Police	853,088						853,088
411.00	Fire	140,155						140,155
412.00	Ambulance / Rescue	18,200						18,200
413.00	UCC and Code Enforcement	74,469						74,469
414.00	Planning and Zoning	1,636						1,636
415.00	Emergency Management and Communications							

KENNEDY TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

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
67,600	
1,155,148	
Total Public Safety	

Health and Human Services	
420.00-425.00	Health and Human Services
2,035	
2,035	
Total Health and Human Services	

Public Works - Sanitation	
426.00	Recycling Collection and Disposal
427.00	Solid Waste Collection and Disposal (garbage)
428.00	Weed Control
429.00	Wastewater / Sewage Treatment and Collection
1,418,997	
1,418,997	
Total Public Works - Sanitation	

Public Works - Highways and Streets	
430.00	General Services - Administration
405,370	
431.00	Cleaning of Streets and Gutters
97,104	
432.00	Winter Maintenance - Snow Removal
433.00	Traffic Control Devices
690	
434.00	Street Lighting
184,915	
435.00	Sidewalks and Crosswalks
436.00	Storm Sewers and Drains
13,418	
81,614	
486,984	
97,104	
690	
184,915	
13,418	

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

EXPENDITURES

Public Works - Highways and Streets							
437.00	Repairs of Tools and Machinery	33,131					33,131
438.00	Maintenance and Repairs of Roads and Bridges						
439.00	Highway Construction and Rebuilding Projects	3,983					3,983
	Total Public Works - Highways and Streets	553,696	184,915		81,614		820,225

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	16,927					16,927
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks	85,674					85,674
455.00	Shade Trees						
456.00	Libraries	9,663					9,663

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

EXPENDITURES

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
	112,264

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)
472.00	Debt Interest (short-term and long-term)
475.00	Fiscal Agent Fees
	Total Debt Service
	744,653
	158,138
	902,791

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
	69,435
	327,850
	71,955

KENNEDY TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

EXPENDITURES

Employer Paid Benefits and Withholding Items		Other Group Insurance Benefits		Total Employer Paid Benefits and Withholding Items		Total	
487.00		255,756		42,216			297,972
		715,705		51,507			767,212

Insurance		Total Insurance		Total		
486.00	Insurance, Casualty, and Surety	38,206	7,994			46,200
		38,206	7,994			46,200

Unclassified Operating Expenditures		Total Unclassified Operating Expenditures		Total		
488.00	Fiduciary Fund Benefits and Refunds Paid			639,196		639,196
489.00	All Other Unclassified Expenditures	3,664		409		4,073
		3,664		639,605		643,269

Other Financing Uses		Total Other Financing Uses		Total		
491.00	Refund of Prior Year Revenues	49,502				49,502
492.00	Interfund Operating Transfers					
493.00	All Other Financing Uses					
		49,502				49,502

TOTAL EXPENDITURES	3,658,214	184,915	1,977,412	639,605	6,460,146
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		Total			
	-263,278	-31,645	16,273	-523,074	-801,724

KENNEDY TWP

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
General Obligation Bonds and Notes											
AIM 2009-08 PINE HOLLOW LOAN	Note	2012	2015	250,000	150,000		50,000		100,000		100,000
2012 G.O. BONDS	Bond	2012	2024	3,925,000	3,925,000		580,000		3,345,000		3,345,000
2009 G.O. BONDS	Bond	2009	2029	4,650,000	4,495,000		50,000		4,445,000		4,445,000
2009 EQUIPMENT LOAN	Note	2008	2014	75,000	17,481		16,153		1,328		1,328
SALT SHED AND EQUIPMENT LOAN	Note	2013	2017	53,784	0	53,784	2,137		51,647		51,647
2014 FORD EXPLORER POLICE VEHICLE	Note	2013	2016	25,952	0	25,952	2,068		23,884		23,884
2013 FORD POLICE INTERCEPTOR	Note	2013	2016	23,528	0	23,528	7,040		16,488		16,488
Revenue Bonds and Notes											
Lease Rental Debt											
2012 POLICE INTERCEPTOR	Capital Leases	2012	2015	26,064	21,931		8,431		13,500		13,500
2009 VEHICLE LOAN	Note	2009	2014	36,835	15,181		7,730		7,451		7,451
2009 VEHICLE LOAN	Note	2010	2013	42,115	14,479		14,479		0		0
2009 VEHICLE LOAN	Note	2010	2014	25,418	10,534		6,615		3,919		3,919
Other											

Total bonds and notes outstanding 8,008,217

Capitalized lease obligations 0

Net debt 8,008,217

(1) - excludes unamortized premium/discount

KENNEDY TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2013

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	81,077		81,077
Health			
Housing			
Libraries			
Mass Transit			
Parks	30,795		30,795
Police	9,752		9,752
Recreation			
Sewer		196,419	196,419
Solid Waste			
Streets / Highways		36,986	36,986
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	121,624	233,405	355,029

EMPLOYEE COMPENSATION

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

1,513,149

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED SUBMISSION PAGE

To the: Governing Body of the Municipality
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the KENNEDY TWP have audited, adjusted and settled the various funds and account groups of the KENNEDY TWP for the year ended December 31, 2013. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of KENNEDY TWP for the year ended December 31, 2013, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed:

Ted Pettko