

KENNEDY TOWNSHIP
Coraopolis, Pennsylvania

2013 Municipal Annual Audit and Financial Report

For the year ended December 31, 2013



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

Schneider Downs & Co., Inc.
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**2013 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

021774 KENNEDY TWP, ALLEGHENY COUNTY



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				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	
Liabilities and Other Credits										
260-269									7,277,533	7,277,533
240-259									730,684	730,684
Total Liabilities and Other Credits									8,008,217	8,008,217
Fund and Account Group Equity										
281-284										
290-00					2,067,779					2,067,779
270-289	4,269,259	36,377			3,412,974		3,896,652	2,213,538		13,828,800
291-299										
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

	Governmental Funds						Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
REVENUES								
Taxes								
301.00	Real Estate Taxes	984,299						984,299
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)			116,282				116,282
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	184,332						184,332
310.20	Earned Income Taxes / Wage Taxes	1,026,986						1,026,986
310.30	Business Gross Receipts Taxes	409,545						409,545
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	204,944						204,944
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	27,900						27,900
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
	Total Taxes	2,838,006		116,282				2,954,288

Licenses and Permits							
320-322	All Other Licenses and Permits	19,070					19,070
321.80	Cable Television Franchise Fees	104,549					104,549
	Total Licenses and Permits	123,619					123,619

Fines and Forfeits							
330-332	Fines and Forfeits	31,232					31,232
	Total Fines and Forfeits	31,232					31,232

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	8,910						8,910

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)	3,808						3,808
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		153,270					153,270
355.04	Alcoholic Beverage Licenses	1,450						1,450
355.05	General Municipal Pension System State Aid						116,531	116,531
355.07	Foreign Fire Insurance Tax Distribution	53,201						53,201
355.08	Local Share Assessment/Gaming Proceeds							

KENNEDY TWP, 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		

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			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			

REVENUES

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

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

	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	

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			1,933,685		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		General Fund	Total
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	67,600
Total Public Safety		1,155,148	1,155,148

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

Public Works - Sanitation		General Fund	Enterprise	Total
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			1,418,997	1,418,997

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

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
404,653	
80,838	
485,491	

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
	Total
60,144	
9,291	
327,850	
71,955	

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

	Governmental Funds						Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Proprietary Funds			
					Enterprise	Internal Service		
EXPENDITURES								
Employer Paid Benefits and Withholding Items								
487.00	Other Group Insurance Benefits	255,756			42,216			297,972
Total Employer Paid Benefits and Withholding Items		715,705			51,507			767,212
Insurance								
486.00	Insurance, Casualty, and Surety	38,206			7,994			46,200
Total Insurance		38,206			7,994			46,200
Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid					639,196		639,196
489.00	All Other Unclassified Expenditures	3,664				409		4,073
Total Unclassified Operating Expenditures		3,664				639,605		643,269
Other Financing Uses								
491.00	Refund of Prior Year Revenues	49,502						49,502
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		49,502						49,502
TOTAL EXPENDITURES		3,658,214	184,915		1,977,412	639,605		6,460,146
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-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											
Capitalized lease obligations											
Net debt											

(1) - excludes unamortized premium/discount

8,008,217

0

8,008,217

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

1,513,149

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

