

KENNEDY TOWNSHIP
Coraopolis, Pennsylvania

**2014 Municipal Annual Audit and Financial Report
For the year ended December 31, 2014**

and Independent Auditors' Report Thereon



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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Kennedy Township
Coraopolis, Pennsylvania

We have audited the accompanying 2014 Municipal Annual Audit and Financial Report (Report) for Kennedy Township (Township) for the year ended December 31, 2014.

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 modified cash basis financial position such funds of Kennedy Township as of December 31, 2014 and the changes in modified cash basis 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 19, 2015

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**2014 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, 2014

	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	
Assets and Other Debits										
100-120 Cash and Investments	4,892,015	76,251			3,716,865		3,910,138			12,595,269
140-144 Tax Receivable										
121-129, 145-148 Accounts Receivable (excluding taxes)										
130-00 Due From Other Funds										
131-139, 150-159 Other Current Assets										
160-169 Fixed Assets					1,998,540			2,969,643		4,968,183
180-189 Other Debits									8,270,448	8,270,448
Total Assets and Other Debits	4,892,015	76,251			5,715,405		3,910,138	2,969,643	8,270,448	25,833,900

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, 2014

	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 Long-Term-Liabilities									7,370,464	7,370,464
240-259 Current Portion of Long-Term Debt and Other Credits									899,984	899,984
Total Liabilities and Other Credits									8,270,448	8,270,448

Fund and Account Group Equity		Total Fund and Account Group Equity	
281-284 Contributed Capital			1,998,540
290.00 Investment in General Fixed Assets			
270-289 Fund Balance / Retained Earnings on 12/31	4,892,015	76,251	3,910,138
291-299 Other Equity			
Total Fund and Account Group Equity	4,892,015	76,251	5,715,405
			3,910,138
			2,969,643
			1,998,540
			15,564,912
			17,563,452

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	25,833,900
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KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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		215				128,913	129,128
342.00	Rents and Royalties	8,310						8,310
	Total Interest, Rents and Royalties	8,310	215				128,913	137,438

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	131,936						131,936
355.01	Public Utility Realty Tax (PURTA)	3,588						3,588
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Tumbuck		165,173					165,173
355.04	Alcoholic Beverage Licenses	1,450						1,450
355.05	General Municipal Pension System State Aid	112,308						112,308
355.07	Foreign Fire Insurance Tax Distribution	50,254						50,254
355.08	Local Share Assessment/Gaming Proceeds							

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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

State								
355.09	Marcellus Shale Impact Fee Distribution	470						470
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
	Total State	300,006	165,173					465,179

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	27,883						27,883
362.00	Public Safety	114,193						114,193
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	11,945						11,945
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)					1,674,795		1,674,795
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	10,050						10,050

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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								
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	164,071				1,674,795		1,838,866
Total Charges for Service								

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					353,742		353,742
389.00	All Other Unclassified Operating Revenues	48,201	20			46,221		46,221
Total Unclassified Operating Revenues		48,201	20			353,742		401,963

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt	2,725,500				2,677,500		5,403,000
394.00	Proceeds of Short Term-Debt							

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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		
	26,810				7,856			34,666
Total Other Financing Sources	2,752,310				2,685,356			5,437,666

REVENUES

Other Financing Sources	
395.00	Refunds of Prior Year Expenditures
	Total Other Financing Sources

TOTAL REVENUES	6,540,174	165,408			4,484,066		482,655	11,672,303
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EXPENDITURES

General Government	
400.00	Legislative (Governing) Body
401.00	Executive (Manager or Mayor)
402.00	Auditing Services / Financial Administration
403.00	Tax Collection
404.00	Solicitor / Legal Services
405.00	Secretary / Clerk
406.00	Other General Government Administration
407.00	IT-Networking Services-Data Processing
408.00	Engineering Services
409.00	General Government Buildings and Plant
	Total General Government

Public Safety	
410.00	Police
411.00	Fire
412.00	Ambulance / Rescue
413.00	UCC and Code Enforcement
414.00	Planning and Zoning
415.00	Emergency Management and Communications

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

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
	1,083,605
	64,425
	64,425
	1,083,605

Health and Human Services	
420.00-425.00	Health and Human Services
	Total Health and Human Services
	3,165
	3,165

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
	Total Public Works - Sanitation
	1,084,347
	1,084,347

Public Works - Highways and Streets	
430.00	General Services - Administration
431.00	Cleaning of Streets and Gutters
432.00	Winter Maintenance - Snow Removal
433.00	Traffic Control Devices
434.00	Street Lighting
435.00	Sidewalks and Crosswalks
436.00	Storm Sewers and Drains
	Total Public Works - Highways and Streets
	85,235
	472,090
	127,967
	431
	125,534
	125,534
	5,348
	5,348

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

	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		

EXPENDITURES

Employer Paid Benefits and Withholding Items										
487.00	Other Group Insurance Benefits									
		269,775						33,792		303,567
	Total Employer Paid Benefits and Withholding Items	723,211						43,355		766,566

Insurance										
486.00	Insurance, Casualty, and Surety									
		34,821						8,000		42,821
	Total Insurance	34,821						8,000		42,821

Unclassified Operating Expenditures										
488.00	Fiduciary Fund Benefits and Refunds Paid									
								468,974		468,974
489.00	All Other Unclassified Expenditures									
		3,664						195		3,859
	Total Unclassified Operating Expenditures	3,664						469,169		472,833

Other Financing Uses										
491.00	Refund of Prior Year Revenues									
		18,271								18,271
492.00	Interfund Operating Transfers									
493.00	All Other Financing Uses									
	Total Other Financing Uses	18,271								18,271

10.	TOTAL EXPENDITURES									
		5,779,748	125,534			3,800,937		469,169		10,175,388

11.	EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES									
		760,426	39,874			683,129		13,486		1,496,915

KENNEDY TWP
December 31, 2014

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	100,000	0	50,000	0	50,000	0	50,000
2012 G.O. BONDS	Bond	2012	2024	3,925,000	3,345,000	0	585,000	0	2,760,000	0	2,760,000
2009 G.O. BONDS	Bond	2009	2029	4,650,000	4,445,000	0	4,445,000	0	0	0	0
2009 EQUIPMENT LOAN	Note	2008	2014	75,000	1,328	0	1,328	0	0	0	0
SALT SHED AND EQUIPMENT LOAN	Note	2013	2017	53,784	51,647	0	13,007	0	38,640	0	38,640
2014 FORD EXPLORER POLICE VEHICLE	Note	2013	2016	25,952	23,884	0	8,494	0	15,390	0	15,390
2013 FORD POLICE INTERCEPTOR	Note	2013	2016	23,528	16,488	0	7,829	0	8,659	0	8,659
2014 G.O. Bonds	Bond	2014	2024	5,355,000	0	5,355,000	0	0	5,355,000	0	5,355,000
Revenue Bonds and Notes											
Lease Rental Debt											
2012 POLICE INTERCEPTOR	Capital Leases	2012	2015	26,064	13,500	0	8,656	0	4,844	0	4,844
2009 VEHICLE LOAN	Note	2009	2014	36,835	7,451	0	7,451	0	0	0	0
2009 VEHICLE LOAN	Note	2010	2014	25,418	3,919	0	3,919	0	0	0	0
2008 & 2009 Dump Trucks	Capital Leases	2014	2019	48,000	0	48,000	10,085	0	37,915	0	37,915
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding **8,270,448**

Capitalized lease obligations

Net debt **8,270,448**

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF CAPITAL EXPENDITURES
 December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire	882,376		882,376
Gas System			
General Government	133,251		133,251
Health			
Housing			
Libraries			
Mass Transit			
Parks	4,268		4,268
Police	8,620		8,620
Recreation			
Sewer		61,385	61,385
Solid Waste			
Streets / Highways		34,791	34,791
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	1,028,515	96,176	1,124,691

EMPLOYEE COMPENSATION

1,423,102

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