

KENNEDY TOWNSHIP
Coraopolis, Pennsylvania

2015 Municipal Annual Audit and Financial Report
For the year ended December 31, 2015

and Independent Auditors' Report Thereon



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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Kennedy Township
Coraopolis, Pennsylvania

We have audited the accompanying 2015 Municipal Annual Audit and Financial Report (Report) for Kennedy Township (Township) for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 the 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 fraud or error.

Auditor's 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 entity'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 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 Report.

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

Opinions

In our opinion, the Report referred to above present fairly, in all material respects, the modified cash basis financial position of such funds of Kennedy Township as of December 31, 2015, 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 28, 2016

**2015 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, 2015

	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	4,750,132	97,082			3,139,398		3,909,686						11,896,298
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					2,127,589			3,230,968					5,358,557
180-189 Other Debits									7,430,151				7,430,151
Total Assets and Other Debits	4,750,132	97,082			5,266,987		3,909,686	3,230,968	7,430,151				24,685,006

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, 2015

	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	
Liabilities and Other Credits											
260-269 Long-Term-Liabilities										6,568,891	6,568,891
240-259 Current Portion of Long-Term Debt and Other Credits										861,260	861,260
Total Liabilities and Other Credits										7,430,151	7,430,151
Fund and Account Group Equity											
281-284 Contributed Capital											
290.00 Investment in General Fixed Assets					2,127,589						2,127,589
270-289 Fund Balance / Retained Earnings on 12/31	4,750,132	97,082			3,139,398		3,909,686		3,230,968		15,127,266
291-299 Other Equity											
Total Fund and Account Group Equity	4,750,132	97,082			5,266,987		3,909,686		3,230,968		17,254,855

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	24,685,006
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KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

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

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	6,536	230			6,605	34,168	47,539
342.00	Rents and Royalties	7,985						7,985
	Total Interest, Rents and Royalties	14,521	230			6,605	34,168	55,524

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants	6,016						6,016
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
	Total Federal	6,016						6,016

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)	4,492						4,492
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		183,364					183,364
355.04	Alcoholic Beverage Licenses	1,450						1,450
355.05	General Municipal Pension System State Aid	105,863						105,863
355.07	Foreign Fire Insurance Tax Distribution	51,793						51,793
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	895						895

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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								
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					1,916,293		
	Total Charges for Service	208,636						2,124,929

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					412,797		412,797
389.00	All Other Unclassified Operating Revenues	3,175						3,175
	Total Unclassified Operating Revenues	3,175				412,797		415,972

Other Financing Sources

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

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures					9,498		44,105
	Total Other Financing Sources	34,607				9,498		44,105

TOTAL REVENUES

		3,753,593	183,594			2,053,159	446,965	6,437,311
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	13,227						13,227
401.00	Executive (Manager or Mayor)	35,405						35,405
402.00	Auditing Services / Financial Administration	19,252						19,252
403.00	Tax Collection	68,752						68,752
404.00	Solicitor / Legal Services	23,720						23,720
405.00	Secretary / Clerk	89,922						89,922
406.00	Other General Government Administration	120,226						120,226
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	65,410						65,410
409.00	General Government Buildings and Plant	44,596						44,596
	Total General Government	480,510						480,510

Public Safety

410.00	Police	795,217						795,217
411.00	Fire	155,299						155,299
412.00	Ambulance / Rescue	29,884						29,884
413.00	UCC and Code Enforcement	73,386						73,386

KENNEDY TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

	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		
	14,330								14,330
	21,455								21,455
	6,766								6,766
Total Public Works - Highways and Streets	550,229	162,763			91,206				804,198

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	

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
Total Culture and Recreation	

KENNEDY TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

	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		
	9,204								9,204
	77,326								77,326

EXPENDITURES

Culture and Recreation	
455.00	Shade Trees
456.00	Libraries
457.00	Civil and Military Celebrations
458.00	Senior Citizens' Centers
459.00	All Other Culture and Recreation
	Total Culture and Recreation
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

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

KENNEDY TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2015

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		73,666						73,666
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits	260,206			28,465			288,671
Total Employer Paid Benefits and Withholding Items		775,791			36,924			812,715

Insurance		34,157			8,000			42,157
486.00	Insurance, Casualty, and Surety							
Total Insurance		34,157			8,000			42,157

Unclassified Operating Expenditures						447,187		447,187
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	50				230		280
Total Unclassified Operating Expenditures		50				447,417		447,467

Other Financing Uses		26,581						26,581
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		26,581						26,581

TOTAL EXPENDITURES		3,708,742	162,763		2,501,577		447,417	6,820,499
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		44,851	20,831		-448,418		-452	-383,188
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KENNEDY TWP
December 31, 2015

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	50,000		50,000		0		0
2012 G.O. BONDS	Bond	2012	2024	3,925,000	2,760,000		385,000		2,375,000		2,375,000
SALT SHED AND EQUIPMENT LOAN	Note	2013	2017	53,784	38,640		13,335		25,305		25,305
2014 FORD EXPLORER POLICE VEHICLE	Note	2013	2016	25,952	15,390		8,711		6,679		6,679
2013 FORD POLICE INTERCEPTOR	Note	2013	2016	23,528	8,659		7,987		672		672
2014 G.O. Bonds	Bond	2014	2024	5,355,000	5,355,000		420,000		4,935,000		4,935,000
Revenue Bonds and Notes											
Lease Rental Debt											
2012 POLICE INTERCEPTOR	Capital Leases	2012	2015	26,064	4,844		4,568		276		276
2006 & 2009 Dump Trucks	Capital Leases	2014	2019	48,000	37,915		9,105		28,810		28,810
2015 Caterpillar	Capital Leases	2015	2020	48,000	0	48,000	9,438		38,562		38,562
2015 Ford Explorer police vehicle	Capital Leases	2015	2019	26,591	0	26,591	6,744		19,847		19,847
Other											
Total bonds and notes outstanding											
Capitalized lease obligations											
Net debt											

(1) - excludes unamortized premium/discount

7,430,151

0

7,430,151

KENNEDY TWP, ALLEGHENY COUNTY
STATEMENT OF CAPITAL EXPENDITURES
 December 31, 2015

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	84,474		84,474
Health			
Housing			
Libraries			
Mass Transit			
Parks	8,455		8,455
Police	43,201		43,201
Recreation			
Sewer		306,314	306,314
Solid Waste			
Streets / Highways		434,920	434,920
Water			
Other			
TOTAL CAPITAL EXPENDITURES	136,130	741,234	877,364

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials) 1,416,477