

KENNEDY TOWNSHIP
Coraopolis, Pennsylvania

2016 Municipal Annual Audit and Financial Report
For the year ended December 31, 2016

and Independent Auditors' Report Thereon



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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Kennedy Township
Coraopolis, Pennsylvania

We have audited the accompanying 2016 Municipal Annual Audit and Financial Report (report) of Kennedy Township (Township), Pennsylvania, which comprise the balance sheet as of December 31, 2016, and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures for the year then ended.

Management's Responsibility for the Report

Management is responsible for the preparation and fair presentation of this report in accordance with the financial reporting provisions as described in the instructions provided by the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED) to meet filing requirements in Pennsylvania. 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.

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 auditors' 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 opinion.

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Opinion

In our opinion, the report referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Township, as of December 31, 2016, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania DCED.

Basis of Accounting

The report is prepared on the basis of the financial reporting provisions of the Commonwealth of Pennsylvania DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Municipal Annual Audit and Financial Report. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of management, Township Council, others within the Township and the Commonwealth of Pennsylvania DCED and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
March 3, 2017

**2016 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, 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	
Assets and Other Debits											
100-120 Cash and Investments	5,246,191	149,342			3,000,490		4,302,756				12,698,779
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					2,118,100			3,066,213			5,184,313
180-189 Other Debits									6,637,496		6,637,496
Total Assets and Other Debits	5,246,191	149,342			5,118,590		4,302,756	3,066,213	6,637,496		24,520,588

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, 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										5,747,819			5,747,819
240-269 Current Portion of Long-Term Debt and Other Credits										889,677			889,677
Total Liabilities and Other Credits										6,637,496			6,637,496
Fund and Account Group Equity													
281-284 Contributed Capital													
290.00 Investment in General Fixed Assets					2,118,100								2,118,100
270-289 Fund Balance / Retained Earnings on 12/31	5,246,191	149,342			3,000,490		4,302,756	3,066,213					15,764,992
291-299 Other Equity													
Total Fund and Account Group Equity	5,246,191	149,342			5,118,590		4,302,756	3,066,213					17,883,092

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	24,520,588
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KENNEDY TWP, ALLEGHENY 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		

EXPENDITURES

Public Safety									
414.00	Planning and Zoning	3,848							3,848
415.00	Emergency Management and Communications								
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	104,224							104,224
Total Public Safety		1,092,783							1,092,783

Health and Human Services									
420.00-425.00	Health and Human Services	3,025							3,025
Total Health and Human Services		3,025							3,025

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					1,701,550			1,701,550
Total Public Works - Sanitation						1,701,550			1,701,550

Public Works - Highways and Streets									
430.00	General Services - Administration	462,081						99,488	561,569
431.00	Cleaning of Streets and Gutters	38,860							38,860
432.00	Winter Maintenance - Snow Removal								
433.00	Traffic Control Devices	2,005							2,005
434.00	Street Lighting								
								164,388	164,388

KENNEDY TWP, ALLEGHENY 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		
	11,452								11,452	
	19,338								19,338	
	4,267								4,267	
Total Public Works - Highways and Streets	538,003	164,388			99,488				801,879	

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, 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	72,675								72,675
487.00	Other Group Insurance Benefits	231,471			29,012					260,483
Total Employer Paid Benefits and Withholding items		723,057			38,177					761,234

Insurance										
486.00	Insurance, Casualty, and Surety	24,173			6,000					30,173
Total Insurance		24,173			6,000					30,173

Unclassified Operating Expenditures										
488.00	Fiduciary Fund Benefits and Refunds Paid						160,000			160,000
489.00	All Other Unclassified Expenditures	3,929					230			4,159
Total Unclassified Operating Expenditures		3,929					160,230			164,159

Other Financing Uses										
491.00	Refund of Prior Year Revenues	12,737								12,737
492.00	Interfund Operating Transfers									
493.00	All Other Financing Uses									
Total Other Financing Uses		12,737								12,737

TOTAL EXPENDITURES		3,689,707	164,388		2,183,337		160,230			6,197,662
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		252,172	52,260		-148,660		393,070			548,842
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KENNEDY TWP

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											
2012 G.O. BONDS	Bond	2012	2024	3,925,000	2,375,000		245,000		2,130,000		2,130,000
SALT SHED AND EQUIPMENT LOAN	Note	2013	2017	53,784	25,305		13,671		11,634		11,634
2014 FORD EXPLORER POLICE VEHICLE	Note	2013	2016	25,952	6,679		6,679		0		0
2013 FORD POLICE INTERCEPTOR	Note	2013	2016	23,528	672		672		0		0
2014 G.O. Bonds	Bond	2014	2024	5,355,000	4,935,000		570,000		4,365,000		4,365,000

Revenue Bonds and Notes

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Lease Rental Debt

2012 POLICE INTERCEPTOR	Capital Leases	2012	2015	26,064	276		276		0		0
2006 & 2009 Dump Trucks	Capital Leases	2014	2019	48,000	28,810		9,192		19,618		19,618
2015 Caterpillar	Capital Leases	2015	2020	48,000	38,562		8,327		30,235		30,235
2015 Ford Explorer police vehicle	Capital Leases	2015	2019	26,591	19,847		6,420		13,427		13,427
2007 Komatsu WA200-PT	Capital Leases	2016	2021	55,000	0	55,000	7,753		47,247		47,247
2016 Ford Interceptor	Capital Leases	2016	2020	27,055	0	27,055	6,720		20,335		20,335

Other

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(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

6,637,496

Capitalized lease obligations

0

Net debt

6,637,496

KENNEDY TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2016

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	55,000		55,000
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	27,055		27,055
Recreation			
Sewer		71,810	71,810
Solid Waste			
Streets / Highways		17,927	17,927
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	82,055	89,737	171,792

EMPLOYEE COMPENSATION

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

1,451,683

