

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.

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

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Governor's Center for Local Government Services
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Harrisburg, PA 17120-0225
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**2016 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

021774 KENNEDY TWP, ALLEGHENY COUNTY

KENNEDY TWP, ALLEGHENY County

BALANCE SHEET

December 31, 2016

TOTAL LIBRARY FEES AND EXPENSES AND ACCOUNTING GRADING EQUALITY

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 Funds)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	
REVENUES								

Taxes

301.00 Real Estate Taxes					1,315,938			
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)						120,932		120,932
310.00 Per Capita Taxes								
310.10 Real Estate Transfer Taxes				245,165				245,165
310.20 Earned Income Taxes / Wage Taxes				1,283,396				1,283,396
310.30 Business Gross Receipts Taxes				354,342				354,342
310.40 Occupation Taxes (levied under Act 511)								
310.50 Local Services Tax **				176,586				176,586
310.60 Amusement / Admission Taxes								
310.70 Mechanical Device Taxes				17,575				17,575
310.90 Other Local Tax Enabling Act / Act 511 / Taxes								
Other: _____								
Total Taxes				3,393,002		120,932		3,513,934

Licenses and Permits

320-322 All Other Licenses and Permits		13,745						
321.80 Cable Television Franchise Fees		127,126						
Total Licenses and Permits		140,871						140,871

Fines and Forfeits

330-332 Fines and Forfeits		13,299						
Total Fines and Forfeits		13,299						13,299

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		

REVENUES

Interest, Rents and Royalties	
341.00	Interest Earnings
342.00	Rents and Royalties
	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 Really 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
355.09	Marcellus Shale Impact Fee Distribution

KENNEDY TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

REVENUES	State				Proprietary Funds	Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service			
355.00	All Other State Shared Revenues and Entitlements						
356.00	State Payments in Lieu of Taxes						
	Total State				166,389	216,115	382,504

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
362.00	Public Safety
363.20	Parking
363.00	All Other Charges for Highway & Street Services
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)
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
368.00	Airports

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

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							
Total Charges for Service				175,708			
					1,884,385		
						2,060,093	

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					2,550		
Total Unclassified Operating Revenues				2,550			
					398,137		
						400,687	

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, 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
REVENUES									

REVENUES

Other Financing Sources	
395.00	Refunds of Prior Year Expenditures
	Total Other Financing Sources
30,962	

TOTAL REVENUES	3,941,879	216,648			2,034,677		553,300	6,746,504
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EXPENDITURES

		General Government						
400.00	Legislative (Governing) Body	14,274						14,274
401.00	Executive (Manager or Mayor)	32,084						32,084
402.00	Auditing Services / Financial Administration	19,863						19,863
403.00	Tax Collection	68,771						68,771
404.00	Solicitor / Legal Services	20,092						20,092
405.00	Secretary / Clerk	95,138						95,138
406.00	Other General Government Administration	119,933						119,933
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	64,365						64,365
409.00	General Government Buildings and Plant	77,950						77,950
	Total General Government	512,470						512,470

Public Safety	
410.00	Police
	729,829
411.00	Fire
	158,780
412.00	Ambulance / Rescue
	32,600
413.00	UCC and Code Enforcement
	63,502

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			
	Enterprise	Internal Service	Trust and Agency	Memorandum Only		

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-	Health and Human Services			3,025		3,025
425.00				3,025		3,025
	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					
	Total Public Works - Sanitation					
				1,701,550		1,701,550

	Public Works - Highways and Streets					
430.00	General Services - Administration			462,081		462,081
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					
	Total Public Works - Highways and Streets					
				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

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
	538,003
	164,398
	99,488
	801,879

Other Public Works Enterprises

440.00	Airports
441.00	Cemetaries
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
	10,630
	66,809
	66,809
	10,630

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

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
	86,933

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
	338,122

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
	692,597
	338,122
	338,122
	1,030,719

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
	Total
	71,118
	9,165
	80,283
	347,793

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
487.00	Other Group Insurance Benefits
Total Employer Paid Benefits and Withholding Items	723,057

Insurance	
486.00	Insurance, Casualty, and Surety
Total Insurance	24,173

Unclassified Operating Expenditures	
488.00	Fiduciary Fund Benefits and Refunds Paid
489.00	All Other Unclassified Expenditures
Total Unclassified Operating Expenditures	3,929

Other Financing Uses	
491.00	Refund of Prior Year Revenues
492.00	Interfund Operating Transfers
493.00	All Other Financing Uses
Total Other Financing Uses	12,737
TOTAL EXPENDITURES	3,689,707
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	252,172

Insurance	
486.00	Insurance, Casualty, and Surety
Total Insurance	24,173

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489.00	All Other Unclassified Expenditures
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TOTAL EXPENDITURES	3,689,707
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	252,172

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	252,172

548,842

393,070

160,230

761,234

29,012

230

160,000

12,737

30,173

3,929

160,230

160,000

4,159

230

160,000

72,675

30,173

6,000

6,000

24,173

24,173

72,675

231,471

723,057

484.00

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	23,538	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											
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			47,247	47,247
2016 Ford Interceptor	Capital Leases	2016	2020	27,055	0		27,055			20,335	20,335
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding**Capitalized lease obligations****Net debt**

6,637,486

0

6,637,486

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	27,055		27,055
Police			
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

