

**2018 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**021774 KENNEDY TWP, ALLEGHENY COUNTY**



## KENNEDY TWP, ALLEGHENY County

## BALANCE SHEET

December 31, 2018

		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
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities									4,035,761	4,035,761
240-259	Current Portion of Long-Term Debt and Other Credits									923,466	923,466
<b>Total Liabilities and Other Credits</b>										4,959,227	4,959,227
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets					2,081,718					2,081,718
270-289	Fund Balance / Retained Earnings on 12/31	5,439,208	119,834			2,427,902		4,985,287	3,211,079	50	16,183,360
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		5,439,208	119,834			4,509,620		4,985,287	3,211,079	50	18,265,078
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											23,224,305



**KENNEDY TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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**

Interest, Rents and Royalties								
341.00	Interest Earnings	72,027	2,446			36,891		111,364
342.00	Rents and Royalties	8,235						8,235
<b>Total Interest, Rents and Royalties</b>		80,262	2,446			36,891		119,599

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							
<b>Total Federal</b>								

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)	3,364						3,364
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		239,635					239,635
355.04	Alcoholic Beverage Licenses	1,650						1,650
355.05	General Municipal Pension System State Aid	140,532						140,532
355.07	Foreign Fire Insurance Tax Distribution	43,741						43,741
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	1,431						1,431

**KENNEDY TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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**

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		190,718	239,635					430,353

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							
<b>Total Local Government Units</b>								

Charges for Service								
361.00	General Government	62,164						62,164
362.00	Public Safety	67,923						67,923
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	14,965						14,965
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				1,890,737			1,890,737
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	6,950						6,950
368.00	Airports							

**KENNEDY TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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**

<b>Charges for Service</b>								
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							
<b>Total Charges for Service</b>		152,002			1,890,737			2,042,739

<b>Unclassified Operating Revenues</b>								
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					448,102		448,102
389.00	All Other Unclassified Operating Revenues	3,065						3,065
<b>Total Unclassified Operating Revenues</b>		3,065				448,102		451,167

<b>Other Financing Sources</b>								
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, 2018

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

Other Financing Sources							
395.00	Refunds of Prior Year Expenditures	29,837			11,112		40,949
<b>Total Other Financing Sources</b>		29,837			11,112		40,949

<b>TOTAL REVENUES</b>	4,145,696	242,081			2,070,642	448,102	6,906,521
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### EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	13,388					13,388
401.00	Executive (Manager or Mayor)	30,203					30,203
402.00	Auditing Services / Financial Administration	21,724					21,724
403.00	Tax Collection	84,180					84,180
404.00	Solicitor / Legal Services	28,379					28,379
405.00	Secretary / Clerk	102,120					102,120
406.00	Other General Government Administration	128,326					128,326
407.00	IT-Networking Services-Data Processing						
408.00	Engineering Services	53,571					53,571
409.00	General Government Buildings and Plant	50,549					50,549
<b>Total General Government</b>		512,440					512,440

Public Safety							
410.00	Police	948,062					948,062
411.00	Fire	173,035					173,035
412.00	Ambulance / Rescue	25,667					25,667
413.00	UCC and Code Enforcement	42,655					42,655



**KENNEDY TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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**

<b>Public Safety</b>								
414.00	Planning and Zoning	4,077						4,077
415.00	Emergency Management and Communications	448						448
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	83,070						83,070
<b>Total Public Safety</b>		<b>1,277,014</b>						<b>1,277,014</b>

<b>Health and Human Services</b>								
420.00-425.00	Health and Human Services	3,075						3,075
<b>Total Health and Human Services</b>		<b>3,075</b>						<b>3,075</b>

<b>Public Works - Sanitation</b>								
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				1,970,709			1,970,709
<b>Total Public Works - Sanitation</b>					<b>1,970,709</b>			<b>1,970,709</b>

<b>Public Works - Highways and Streets</b>								
430.00	General Services - Administration	562,509			111,000			673,509
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance - Snow Removal							
433.00	Traffic Control Devices	1,651						1,651
434.00	Street Lighting		277,719					277,719

KENNEDY TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	23,227						23,227
437.00	Repairs of Tools and Machinery	25,145						25,145
438.00	Maintenance and Repairs of Roads and Bridges							
439.00	Highway Construction and Rebuilding Projects	4,087						4,087
<b>Total Public Works - Highways and Streets</b>		616,619	277,719			111,000		1,005,338

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							
<b>Total Other Public Works Enterprises</b>								

Culture and Recreation								
451.00	Culture-Recreation Administration	8,007						8,007
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	41,136						41,136

**KENNEDY TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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**

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	9,924						9,924
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		59,067						59,067

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							
<b>Total Community Development</b>								

Debt Service								
471.00	Debt Principal (short-term and long-term)	612,716			302,114			914,830
472.00	Debt Interest (short-term and long-term)	81,319			41,091			122,410
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		694,035			343,205			1,037,240

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	85,708			9,483			95,191
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	380,671						380,671

KENNEDY TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	69,711						69,711
487.00	Other Group Insurance Benefits	324,763			24,700			349,463
<b>Total Employer Paid Benefits and Withholding Items</b>		860,853			34,183			895,036

**Insurance**

486.00	Insurance, Casualty, and Surety	30,685			8,132			38,817
<b>Total Insurance</b>		30,685			8,132			38,817

**Unclassified Operating Expenditures**

488.00	Fiduciary Fund Benefits and Refunds Paid					150,000		150,000
489.00	All Other Unclassified Expenditures	8,481				181,110		189,591
<b>Total Unclassified Operating Expenditures</b>		8,481				331,110		339,591

**Other Financing Uses**

491.00	Refund of Prior Year Revenues	15,281						15,281
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		15,281						15,281

**TOTAL EXPENDITURES**

		4,077,550	277,719			2,467,229		331,110	7,153,608
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**EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES**

		68,146	-35,638			-396,587		116,992	-247,087
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**KENNEDY TWP**  
December 31, 2018

**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
<b>General Obligation Bonds and Notes</b>											
2012 G.O. BONDS	Bond	2012	2024	3,925,000	1,880,000		255,000		1,625,000		1,625,000
2014 G.O. Bonds	Bond	2014	2024	5,355,000	3,780,000		600,000		3,180,000		3,180,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
2006 & 2009 Dump Trucks	Capital Leases	2014	2019	48,000	9,955		9,955		0		0
2015 Caterpillar	Capital Leases	2015	2020	48,000	20,658		9,795		10,863		10,863
2015 Ford Explorer police vehicle	Capital Leases	2015	2019	26,591	6,814		6,814		0		0
2007 Komatsu WA200-PT	Capital Leases	2016	2021	55,000	36,645		10,911		25,734		25,734
2016 Ford Interceptor	Capital Leases	2016	2020	27,055	13,748		6,776		6,972		6,972
1994 Ford F-700 Combo Truck	Capital Leases	2018	2023	35,000	0	35,000	2,114		32,886		32,886
2018 Ford Explorer Police Interceptor	Capital Leases	2018	2022	27,227	0	27,227	3,690		23,537		23,537
2017 Ford F550 Super Duty Dump Truck	Capital Leases	2018	2023	64,010	0	64,010	9,775		54,235		54,235
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

4,959,227

Capitalized lease obligations

0

Net debt

4,959,227

**KENNEDY TWP, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	9,764		9,764
Gas System			
General Government	64,010		64,010
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	27,227		27,227
Recreation			
Sewer	141,113		141,113
Solid Waste			
Streets / Highways	21,756	26,236	47,992
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>263,870</b>	<b>26,236</b>	<b>290,106</b>

**EMPLOYEE COMPENSATION**

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

1,644,127

December 31, 2018

**NOTES / COMMENTS**

## Fixed Asset Detail by Fund for 2018:

## General Fund:

Beginning Net Book Value of Fixed Assets at 1/1/2018: \$3,322,841

Cash additions during 2018: \$0

Non-cash additions during 2018: \$148,993

Depreciation expense for the year ended 12/31/2018: \$260,755

Ending Net Book Value of Fixed Assets at 12/31/2018: \$3,211,079

## Sewer Fund:

Beginning Net Book Value of Fixed Assets at 1/1/2018: \$2,051,540

Cash additions during 2018: \$141,113

Non-cash additions during 2018: \$0

Depreciation expense for the year ended 12/31/2018: \$110,935

Ending Net Book Value of Fixed Assets at 12/31/2018: \$2,081,718







Big Thinking. Personal Focus.

INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Kennedy Township  
Corapolis, Pennsylvania

We have audited the accompanying 2018 Municipal Annual Audit and Financial Report (report) of Kennedy Township (Township), Pennsylvania, which comprise the balance sheet as of December 31, 2018, 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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 financial position of the Township, including the debt statement and statement of capital expenditures, as of December 31, 2018, 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 21, 2019