Received by DCED: 01/01/0001

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
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2014 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

021805 KILBUCK TWP, ALLEGHENY COUNTY

MaherDuessel
Certified Public Accountants
1990 | 2015 25 YEARS OF PROMOTING THE PUBLIC GOOD

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Independent Auditor's Report

Board of Supervisors
Township of Kilbuck

We have audited the Cash Basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (Schedules) included in the 2014 Annual Audit and Financial Report of the Township of Kilbuck (Township), Pennsylvania.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these Schedules 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 Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Schedules 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 Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Schedules, 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 Schedules 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 Schedules.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Township on the basis of the instructions provided by DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared on the cash basis of accounting, without financial statement disclosures, without cash flows, without component unit financial information, without government–wide financial statements, without Management's Discussion and Analysis, without

budgetary comparisons and historical pension information, and require all funds to be aggregated by fund type on the Schedules.

The effects on the Schedules of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and the results of its operations for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Township as of December 31, 2014, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by DCED.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's financial statements as a whole. The pension disclosures on pages 18 and 19 are presented for purposes of additional analysis and are not a required part of the financial statements. The "Other Information" section has not been subjected to the auditing procedures applied in the audit of the Schedules, and accordingly, we do not express an opinion or provide any assurance on it.

Maher Duessel

Pittsburgh, Pennsylvania
February 27, 2015

BALANCE SHEET

DCED-CLGS-30 (09-09)

KILBUCK 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	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	233,638	60,196			83,070		324,153			701,057
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds							21,274			21,274
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									601,926	601,926
Total Assets and Other Debits		233,638	60,196			83,070		345,427		601,926	1,324,257
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	21,274									21,274

KILBUCK 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	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									487,017	487,017
240-259	Current Portion of Long-Term Debt and Other Credits									114,909	114,909
Total Liabilities and Other Credits		21,274								601,926	623,200
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	212,364	60,196			83,070		345,427			701,057
291-299	Other Equity										
Total Fund and Account Group Equity		212,364	60,196			83,070		345,427			701,057
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,324,257

KILBUCK TWP, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

REVENUES

		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
Taxes									
301.00	Real Estate Taxes	169,358			155,671				325,029
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)	11,687							11,687
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	12,985							12,985
310.20	Earned Income Taxes / Wage Taxes	122,239							122,239
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	976							976
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other: _____								
	Total Taxes	317,245			155,671				472,916
Licenses and Permits									
320-322	All Other Licenses and Permits	9,952							9,952
321.80	Cable Television Franchise Fees	15,090							15,090
	Total Licenses and Permits	25,042							25,042
Fines and Forfeits									
330-332	Fines and Forfeits	10,342							10,342
	Total Fines and Forfeits	10,342							10,342

KILBUCK TWP, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

REVENUES

		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
Interest, Rents and Royalties									
341.00	Interest Earnings	9	10			11		21,914	21,944
342.00	Rents and Royalties	3,575							3,575
Total Interest, Rents and Royalties		3,584	10			11		21,914	25,519
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 Realty Tax (PURTA)								
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		24,548						24,548
355.04	Alcoholic Beverage Licenses	450							450
355.05	General Municipal Pension System State Aid								
355.07	Foreign Fire Insurance Tax Distribution	5,374							5,374
355.08	Local Share Assessment/Gaming Proceeds								

KILBUCK 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	Memorandum Only
REVENUES									
State									
355.09	Marcellus Shale Impact Fee Distribution	79							79
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		5,903	24,548						30,451
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.)					84,196			84,196
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					16,260			16,260
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation								

KILBUCK 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	Memorandum Only
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								
Total Charges for Service						100,456			100,456
Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	3,184							3,184
388.00	Fiduciary Fund Pension Contributions							21,791	21,791
389.00	All Other Unclassified Operating Revenues								
Total Unclassified Operating Revenues		3,184						21,791	24,975
Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers	207,564							207,564
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt								

KILBUCK 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	Memorandum Only
REVENUES									
Other Financing Sources									
395.00	Refunds of Prior Year Expenditures	8,100							8,100
	Total Other Financing Sources	215,664							215,664
	TOTAL REVENUES	580,964	24,558		155,671	100,467		43,705	905,365
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	11,255							11,255
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	10,103							10,103
403.00	Tax Collection	4,991				1,177			6,168
404.00	Solicitor / Legal Services	16,416							16,416
405.00	Secretary / Clerk	804							804
406.00	Other General Government Administration	32,400							32,400
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	11,744							11,744
409.00	General Government Buildings and Plant	27,594							27,594
	Total General Government	115,307				1,177			116,484
Public Safety									
410.00	Police	88,286							88,286
411.00	Fire	38,959							38,959
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	1,189							1,189
414.00	Planning and Zoning								
415.00	Emergency Management and Communications								

KILBUCK 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	Memorandum Only
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		128,434							128,434
Health and Human Services									
420.00-425.00	Health and Human Services	3,944							3,944
Total Health and Human Services		3,944							3,944
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	534				46,412			46,946
Total Public Works - Sanitation		534				46,412			46,946
Public Works - Highways and Streets									
430.00	General Services - Administration								
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	20,942							20,942
433.00	Traffic Control Devices	28							28
434.00	Street Lighting	1,570							1,570
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains								

KILBUCK 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	Memorandum Only
EXPENDITURES									
Public Works - Highways and Streets									
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges	14,505							14,505
439.00	Highway Construction and Rebuilding Projects								
Total Public Works - Highways and Streets		37,045							37,045
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								
455.00	Shade Trees								
456.00	Libraries								

KILBUCK 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	Memorandum Only
EXPENDITURES									
Culture and Recreation									
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)	105,088				14,438			119,526
472.00	Debt Interest (short-term and long-term)	31,838				324			32,162
475.00	Fiscal Agent Fees								
Total Debt Service		136,926				14,762			151,688
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	21,274							21,274
484.00	Worker Compensation Insurance								

KILBUCK 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	Memorandum Only
EXPENDITURES									
Employer Paid Benefits and Withholding Items									
487.00	Other Group Insurance Benefits								
Total Employer Paid Benefits and Withholding Items		21,274							21,274
Insurance									
486.00	Insurance, Casualty, and Surety	7,667							7,667
Total Insurance		7,667							7,667
Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid							50,630	50,630
489.00	All Other Unclassified Expenditures								
Total Unclassified Operating Expenditures								50,630	50,630
Other Financing Uses									
491.00	Refund of Prior Year Revenues	10,773							10,773
492.00	Interfund Operating Transfers	1,289	50,604		155,671				207,564
493.00	All Other Financing Uses								
Total Other Financing Uses		12,062	50,604		155,671				218,337
TOTAL EXPENDITURES		463,193	50,604		155,671	62,351		50,630	782,449
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		117,771	-26,046			38,116		-6,925	122,916

KILBUCK 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											
PNC Note	Note	2007	2019	1,250,000	707,014		105,088		601,926		601,926
Pennvest	Note	1995	2014	193,354	14,438		14,438		0		0
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	601,926
Capitalized lease obligations	
Net debt	601,926

KILBUCK TWP, ALLEGHENY County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES			

EMPLOYEE COMPENSATION

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

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: See Attached Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

KILBUCK TWP, ALLEGHENY County

December 31, 2014

NOTES / COMMENTS

Other Information

TOWNSHIP OF KILBUCK

POLICE PENSION PLAN

PENSION DISCLOSURES

YEAR ENDED DECEMBER 31, 2014

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1. PLAN DESCRIPTION

The Township of Kilbuck (Township), Pennsylvania, sponsors one pension plan, the Police Pension Plan (Police Plan).

The Police Plan is a single employer defined benefit contributory plan available to all permanent members of the Township's police department upon hire. The Police Plan was established under the Second Class Township Code and various Township ordinances. All pre-Act 600 participants are eligible for retirement benefits provided they have completed 16 years of aggregate service as a full-time Township employee and have attained the age of 55. Post-Act 600 hires are eligible provided they have completed 25 years of aggregate service and have attained the age of 55. Pre-Act 600 participants of the Police Plan are entitled to a vested deferred benefit after five years of service. Post-Act 600 participants of the Police Plan are entitled to a vested deferred benefit after 12 years of service. The monthly Police Plan benefit for pre-Act 600 participants is based on 70% of the participant's average compensation earned during the final 12 months of employment or 85% if payments commence at age 59 or after. The monthly Police Plan benefit for post-Act 600 is based on 50% of the participant's final 60 months average compensation. "Average compensation" is the salary averaged over the final 60-month period prior to retirement or other severance.

2. FUNDING POLICY AND CONTRIBUTIONS

The Township's funding policy is to comply with Pennsylvania Act 205 of 1984 (Act 205). Under Act 205, the Township is to contribute the sum of the Police Plan's normal cost, administrative expenses, and amortization of the unfunded actuarial accrued liability (if any), less the amount contributed by employees and the Commonwealth of Pennsylvania. The normal cost and amortization of unfunded actuarial accrued liability are determined by an actuary, using guidelines established in Act 205.

The Minimum Municipal Obligation (MMO) for the Police Plan in 2014 was $21,274. The MMO was due from the general fund at December 31, 2014. The 2014 MMO was based on the January 1, 2011 actuarial valuation.

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3. ACTUARIAL VALUATION

Certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2013.

An unfunded actuarial accrued liability of $252,442 existed as of January 1, 2013. The funded ratio of the Police Plan was 56.97%.