

**2014 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**010635 LIBERTY TWP, ADAMS COUNTY**



# BALANCE SHEET

DCED-CLGS-30 (09-09)

## LIBERTY TWP, ADAMS 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		
<b>Assets and Other Debits</b>												
100-120 Cash and Investments	193,810	14,441	102,918				335,888					647,057
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												
180-189 Other Debits												
<b>Total Assets and Other Debits</b>	193,810	14,441	102,918				335,888					647,057

Liabilities and Other Credits							
210-229 Payroll Taxes and Other Payroll Withholdings		5,544					5,544
200-209, 231-239 All Other Current Liabilities		900					900
230-00 Due To Other Funds							

**LIBERTY TWP, ADAMS 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	
<b>Liabilities and Other Credits</b>										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits										
<b>Total Liabilities and Other Credits</b>	6,444									6,444

<b>Fund and Account Group Equity</b>										
281-284	Contributed Capital									
290.00	Investment in General Fixed Assets									
270-289	Fund Balance / Retained Earnings on 12/31	187,366	14,441	102,918		335,888				640,613
291-299	Other Equity									
<b>Total Fund and Account Group Equity</b>		187,366	14,441	102,918		335,888				640,613

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>										647,057
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**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2014

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**

<b>Interest, Rents and Royalties</b>								
341.00	Interest Earnings	134	7	78			24,107	24,326
342.00	Rents and Royalties							
	<b>Total Interest, Rents and Royalties</b>	134	7	78			24,107	24,326

<b>Federal</b>								
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>							

<b>State</b>								
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		57,012					57,012
355.04	Alcoholic Beverage Licenses	300						300
355.05	General Municipal Pension System State Aid	15,491						15,491
355.07	Foreign Fire Insurance Tax Distribution	10,137						10,137
355.08	Local Share Assessment/Gaming Proceeds							



**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2014

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								
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							
	<b>Total Charges for Service</b>	60,078						60,078

**Unclassified Operating Revenues**

383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	4,050						4,050
388.00	Fiduciary Fund Pension Contributions					15,491		15,491
389.00	All Other Unclassified Operating Revenues	10					10	10
	<b>Total Unclassified Operating Revenues</b>	4,060				15,491		19,551

**Other Financing Sources**

391.00	Proceeds of General Fixed Asset Disposition	8,000						8,000
392.00	Interfund Operating Transfers		41,745	100,000				141,745
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2014

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

**REVENUES**

Other Financing Sources							
395.00	Refunds of Prior Year Expenditures	2,244					2,244
	<b>Total Other Financing Sources</b>	10,244	41,745	100,000			151,989

<b>TOTAL REVENUES</b>	635,123	98,764	100,078			39,598	873,563
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**EXPENDITURES**

General Government							
400.00	Legislative (Governing) Body	3,698					3,698
401.00	Executive (Manager or Mayor)						
402.00	Auditing Services / Financial Administration						
403.00	Tax Collection	13,598					13,598
404.00	Solicitor / Legal Services	1,872					1,872
405.00	Secretary / Clerk	52,077					52,077
406.00	Other General Government Administration	19,873					19,873
407.00	IT-Networking Services-Data Processing						
408.00	Engineering Services	3,560					3,560
409.00	General Government Buildings and Plant	18,532					18,532
	<b>Total General Government</b>	113,210					113,210

**Public Safety**

410.00	Police	98,096					98,096
411.00	Fire	20,136					20,136
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement						
414.00	Planning and Zoning	4,434					4,434
415.00	Emergency Management and Communications	100					100



LIBERTY TWP, ADAMS County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2014

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**

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
122,766	<b>Total Public Safety</b>

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

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
	<b>Total Public Works - Sanitation</b>

Public Works - Highways and Streets	
430.00	General Services - Administration
431.00	Cleaning of Streets and Gutters
432.00	Winter Maintenance – Snow Removal
433.00	Traffic Control Devices
434.00	Street Lighting
435.00	Sidewalks and Crosswalks
436.00	Storm Sewers and Drains

122,766

74,409

41,404

2,019

**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2014

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

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>							
437.00	Repairs of Tools and Machinery		9,700				9,700
438.00	Maintenance and Repairs of Roads and Bridges	865	15,024				15,889
439.00	Highway Construction and Rebuilding Projects		21,332				21,332
	<b>Total Public Works - Highways and Streets</b>	77,293	57,460	30,000			164,753

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

<b>Culture and Recreation</b>							
451.00	Culture-Recreation Administration						
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks						
455.00	Shade Trees						
456.00	Libraries						

**LIBERTY TWP., ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2014

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**

Culture and Recreation	
457.00	Civil and Military Celebrations
458.00	Senior Citizens' Centers
459.00	All Other Culture and Recreation
	<b>Total Culture and Recreation</b>

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)
472.00	Debt Interest (short-term and long-term)
475.00	Fiscal Agent Fees
	<b>Total Debt Service</b>

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
484.00	Worker Compensation Insurance

LIBERTY TWP, ADAMS County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2014

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**

<b>Employer Paid Benefits and Withholding Items</b>								
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>	43,415							43,415

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety							
<b>Total Insurance</b>	13,955							13,955

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	905				10,868		11,773
<b>Total Unclassified Operating Expenditures</b>	905					10,868		11,773

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	118,149						141,745
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>	118,149	23,596						141,745

<b>TOTAL EXPENDITURES</b>	498,436	104,652	30,000			10,868		643,956
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	136,687	-5,888	70,078			28,730		229,607
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**LIBERTY 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
<b>General Obligation Bonds and Notes</b>											
Long Term	Note	2005	2015	200,000	45,068		22,188		22,880		22,880
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											
GMC Pickup	Note	2012	2014	33,000	8,519		8,519		0		0

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

22,880

22,880

**LIBERTY TWP, ADAMS 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	30,000	21,332	51,332
Water			
Other: _____			
Community Development			
<b>TOTAL CAPITAL EXPENDITURES</b>	30,000	21,332	51,332

**EMPLOYEE COMPENSATION**

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

201,802

**LIBERTY TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2014**

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<b>Comments</b>
A restatement was necessary in the fiduciary fund column to properly reflect the Township's pension assets and activity. There was nothing previously reported. \$307,158 needs added to the previously reported \$0 beginning net position to arrive at the proper ending net position of \$335,888.
Line 310.60 - The Township levies this tax but there was none necessary to assess in the current year.
A restatement was necessary in the general fund to correct errors on the 2013 report filed. \$ 57,249 2013 ending fund balance, general fund, LESS \$( 5,559) payroll tax liabilities not properly reflected on the 2013 report, LESS \$( 1,011) prepayment that should not have been reported as such with report being cash basis, EQUALS \$50,679 2013 adjusted ending fund balance, general fund



## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Liberty Township, Adams County  
Fairfield, Pennsylvania

President Judge of the Court of Common Pleas

Secretary of Community and Economic Development

We have audited the accompanying balance sheet – modified cash basis of Liberty Township, Adams, County, Pennsylvania, as of December 31, 2014, and the related statement of revenues and expenditures – modified cash basis, debt statement – modified cash basis and statement of capital expenditures – modified cash basis for the year then ended in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

### ***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 preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements 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 financial statements are 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 auditor's 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.





Board of Supervisors  
Liberty Township

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis – financial position of Liberty Township as of December 31, 2014, and the modified cash basis - revenues, expenditures, and changes in financial position, modified cash basis – debt statement and modified cash basis – capital expenditures for the year then ended in accordance with the financial reporting provisions of the modified cash basis of accounting.

***Emphasis of Matters***

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The accompanying Annual Financial Report was prepared for the purpose of complying with rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures or government-wide statements, and is not intended to be a complete presentation of the Township's assets, liabilities, revenues and expenses. Our opinion is not modified with respect to these matters.

***Restriction on Use***

This report is intended solely for the information and use of the Board of Supervisors, President Judge of the Court of the Common Pleas, and the Secretary of Community and Economic Development, and is not intended to be and should not be used by anyone other than these specified parties.

*Smith Elliott Kearns & Company, LLC*

Chambersburg, Pennsylvania  
March 26, 2015