

**Liberty Township Board of Auditors  
39 Topper Road  
Fairfield, PA 17320**

May 1, 2007

Board of Supervisors  
Liberty Township  
39 Topper Road  
Fairfield, PA 17320

Board of Auditors

Robert D. Jackson, Chairman  
Sandie Schultz,  
Carol Kletz, Secretary

Dear Mr. Harner, Mr. Foscatto, and Mr. Bostek:

In accordance with the laws of the State of Pennsylvania and the ordinances of Liberty Township, we have conducted an audit of the records and practices of Liberty Township during the year 2006. This year the audit went very smoothly and we are pleased to report that all the records are complete and accurate with no material misstatements. We would like to pass along a special complement to Lea Esta for promptly providing all of the details required to conduct the audit.

Based on our audit, we would like to make the following observations and recommendations.

1. We reviewed all of the bank statements for fiscal year 2006 and found that all of the balances coincided exactly with Township records. Since there were zero discrepancies, we believed it to be unnecessary to contact banks for opinion statements. There are a total of seven bank accounts and confirmation letters would cost \$25 each and this seemed to be an unnecessary expense.
2. We examined labor cards for the month of September 2006 and found no discrepancies.
3. Natalie Williams furnished tax Revenue Statements but the County audits these separately and the information is no longer required on the Township Audit Report.
4. The only financing statement on Liberty Township books involves the purchase of a truck and the last payment is scheduled for May of 2007.
5. During the year the Township borrowed \$200,000 from the Pennsylvania Infrastructure Bank to rebuild a portion of Bullfrog Road. This loan will be repaid over a period of ten years and its low interest rate represents a cost that is

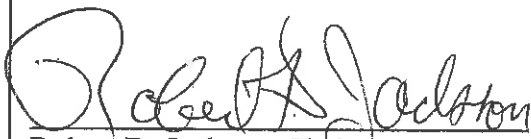
considerably less than the road maintenance expense would have been.

6. There was also a \$25,000 loan from the Adams County Bank to cover a credit mistake discovered by York County for Earned Income Tax. The loan is scheduled for repayment in May 2007.

Since the audit went very well and there are no corrections or recommendations for improvement, I will relate one anecdote. Two years ago the Tax office in Gettysburg required that our audit report be notarized. Last year when the report was presented to the Tax office they said no notarization was necessary. This year we were told the entire report could be submitted electronically which of course means no notarization. I visited the tax office for clarification and was told they are not allowed to divulge that information and if I wanted an answer I would have to hire an attorney or visit the Law Library. I told them I had enough lawyers and libraries for a lifetime and we would take our chances with electronic submission.

Once again, our thanks to the Supervisors especially to the Township Secretary for an exceptionally fine job of recordkeeping.

Respectfully Submitted.



Robert D. Jackson, Chairman

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Sandie Schultz

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Carol Kletz, Secretary

Board of Auditors

Robert Jackson, Chairman

Sandie Schultz,

Carol Kletz, Secretary

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new

LIBERTY TWP, ADAMS COUNTY  
BALANCE SHEET  
December 31, 2008

	Governmental Funds				Proprietary Funds		Fiduciary 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	
<b>Assets and Other Debits</b>										
100-120 Cash and Investments	18,296	5,652	30,341							54,289
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>	18,296	5,652	30,341							54,289

<b>Liabilities and Other Credits</b>		
210-229 Payroll Taxes and Other Payroll Withholdings	18	18
200-209, 231-239 All Other Current Liabilities	12,331	12,331
230.00 Due To Other Funds		
260-269 Long-Term-Liabilities		
240-259 Current Portion of Long-Term Debt and Other Credits		
<b>Total Liabilities and Other Credits</b>	12,349	12,349

<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	5,947	30,341
291-299 Other Equity		
<b>Total Fund and Account Group Equity</b>	5,947	30,341
		41,940
		41,940

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY

54,289





**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2008

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

**REVENUES**

State	
356.00	State Payments in Lieu of Taxes
	23,887
	<b>Total State</b>

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
	34,611
	<b>Total Local Government Units</b>

Charges for Service	
361.00	General Government
	17,193
362.00	Public Safety
	14,150
363.20	Parking
363.00	All Other Charges for Highway & Streets 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
369.00	Bars
	34,611
	<b>Total</b>

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

December 31, 2006

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			
370								370
31,713								31,713

**REVENUES**

Charges for Service	
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>

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
388.00	All Other Unclassified Operating Revenues
	<b>Total Unclassified Operating Revenues</b>

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



**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2008

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

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	495						495
	<b>Total Other Financing Sources</b>	45,495	200,000					245,495

**TOTAL REVENUES**

410,564	251,812	933						663,309
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	3,595						3,595
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration							
403.00	Tax Collection	4,765						4,765
404.00	Solicitor / Legal Services	14,322						14,322
405.00	Secretary / Clerk	30,144						30,144
406.00	Other General Government Administration	15,676						15,676
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	48,702						48,702
409.00	General Government Buildings and Plant	16,220	226,598					242,816
	<b>Total General Government</b>	133,424	226,598					360,020

**Public Safety**

410.00	Police	99,743						99,743
411.00	Fire	9,260						9,260
412.00	Ambulance / Rescue							
413.00	UC and Code Enforcement							
414.00	Planning and Zoning	9,110						9,110
415.00	Emergency Management and Communications	178						178



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

December 31, 2006

		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 Works - Highways and Streets</b>							
437.00	Repairs of Tools and Machinery						
438.00	Maintenance and Repairs of Roads and Bridges	2,393					2,393
439.00	Highway Construction and Rebuilding Projects	29,596	33,091				62,687
	<b>Total Public Works - Highways and Streets</b>	56,668	33,091				123,995

<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 Facilities						
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, 2006

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
1,596	
<b>Total Culture and Recreation</b>	<b>1,596</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
11,935	
1,186	
13,121	
<b>Total Debt Service</b>	<b>13,121</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
14,520	
17,920	
10,742	
<b>Total</b>	<b>43,182</b>

Memorandum Only	
1,596	
1,596	

**LIBERTY TWP, ADAMS County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2006

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**

Employer Paid Benefits and Withholding Items								
487.00	Other Group Insurance Benefits							
	<b>Total Employer Paid Benefits and Withholding Items</b>	43,182						43,182

Insurance							
486.00	Insurance, Casualty, and Surety	13,623					13,623
	<b>Total Insurance</b>	13,623					13,623

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures						
	<b>Total Unclassified Operating Expenditures</b>						

Other Financing Uses							
491.00	Refund of Prior Year Revenues	117					117
492.00	Interfund Operating Transfers		20,000				20,000
493.00	All Other Financing Uses		20				40
	<b>Total Other Financing Uses</b>	117	20,020				20,157

<b>TOTAL EXPENDITURES</b>	370,942	273,973	53,111				698,026
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	39,622	-22,161	-52,178				-34,717
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**LIBERTY TWP**  
December 31, 2006

**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	0	200,000	0		200,000		200,000
Short-term	Note	2006	2007	25,000	0	25,000			25,000		25,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
Truck	Lease Rentals	2004	2007	48,956	24,451		11,935		12,516		12,516
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

237,516

Capitalized lease obligations

0

Net debt

237,516

**LIBERTY TWP, ADAMS County**  
**STATEMENT OF CAPITAL EXPENDITURES**  
 December 31, 2006

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		265,687	265,687
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>		<b>265,687</b>	<b>265,687</b>

**EMPLOYEE COMPENSATION**

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

174,176

**ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION**

To the:  
Governing Body of the Municipality  
President Judge of the Court of Common Pleas  
Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the LIBERTY TWP have audited, adjusted and settled the various funds and account groups of the LIBERTY TWP for the year ended December 31, 2006. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of LIBERTY TWP for the year ended December 31, 2006, and the results of operations of such funds in accordance with the law.

**SIGNATURE AND VERIFICATION**

Signed: Carol Kleiz Elected Auditor  
Sandra Schultz Elected Auditor  
Robert Jackson Elected Auditor

Subscribed and sworn to before me this 1 day of April, 2007.



Signed: \_\_\_\_\_  
Witness (Controller)/Auditor (Auditors)