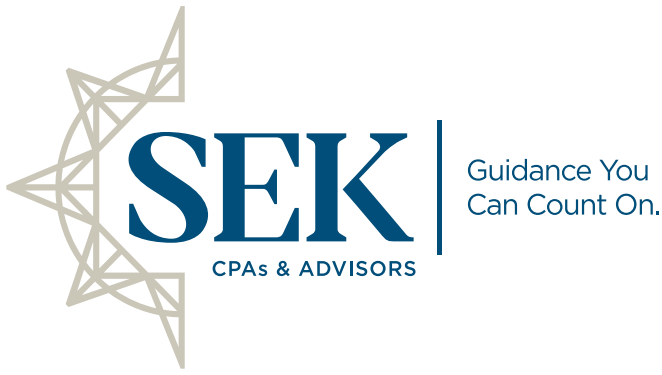


Annual Audit
and Financial
Report
(DCED-CLGS-30)

December 31,
2019

Liberty Township



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, 2019, 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.

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, Adams County, Pennsylvania as of December 31, 2019, 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 modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

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 17, 2020

**2019 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

010635 LIBERTY TWP, ADAMS COUNTY

LIBERTY TWP, ADAMS County

BALANCE SHEET

December 31, 2019

		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										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		3,783									3,783

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	315,462	16,660	96,352				425,913			854,387
291-299	Other Equity										
Total Fund and Account Group Equity		315,462	16,660	96,352				425,913			854,387

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											858,170
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LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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

Taxes

301.00	Real Estate Taxes	106,372	40,400					146,772
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)							
310.00	Per Capita Taxes	5,029						5,029
310.10	Real Estate Transfer Taxes	38,270						38,270
310.20	Earned Income Taxes / Wage Taxes	253,260						253,260
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **							
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		402,931	40,400					443,331

Licenses and Permits

320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	10,517						10,517
Total Licenses and Permits		10,517						10,517

Fines and Forfeits

330-332	Fines and Forfeits	5,168						5,168
Total Fines and Forfeits		5,168						5,168

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	4,213	2,425	642			90,940	98,220
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		4,213	2,425	642			90,940	98,220

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)	335						335
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		81,390					81,390
355.04	Alcoholic Beverage Licenses	300						300
355.05	General Municipal Pension System State Aid	10,720						10,720
355.07	Foreign Fire Insurance Tax Distribution	10,055						10,055
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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							
Total State		21,410	81,390					102,800

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	12,552						12,552
362.00	Public Safety	4,680						4,680
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.)	7,220						7,220
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							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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								
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		24,452						24,452

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					4,352		4,352
389.00	All Other Unclassified Operating Revenues	163						163
Total Unclassified Operating Revenues		163				4,352		4,515

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition		6,045					6,045
392.00	Interfund Operating Transfers	38,000	100,063					138,063
393.00	Proceeds of General Long-Term Debt		38,000					38,000
394.00	Proceeds of Short Term-Debt							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	72,468	410					72,878
Total Other Financing Sources		110,468	144,518					254,986

TOTAL REVENUES

579,322	268,733	642				95,292	943,989
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	4,351						4,351
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	6,505						6,505
403.00	Tax Collection	4,587	1,374					5,961
404.00	Solicitor / Legal Services	28,521						28,521
405.00	Secretary / Clerk	38,071						38,071
406.00	Other General Government Administration	13,159						13,159
407.00	IT-Networking Services-Data Processing	7,461						7,461
408.00	Engineering Services	5,904						5,904
409.00	General Government Buildings and Plant	17,317						17,317
Total General Government		125,876	1,374					127,250

Public Safety

410.00	Police	60,455		893				61,348
411.00	Fire	10,055	37,087					47,142
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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								
414.00	Planning and Zoning	32,149						32,149
415.00	Emergency Management and Communications	97						97
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		102,756	37,087	893				140,736

Health and Human Services								
420.00-425.00	Health and Human Services	500						500
Total Health and Human Services		500						500

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	8,735						8,735
Total Public Works - Sanitation		8,735						8,735

Public Works - Highways and Streets								
430.00	General Services - Administration	60,058	158					60,216
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	2,571	6,377					8,948
433.00	Traffic Control Devices	551	809					1,360
434.00	Street Lighting							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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		4,085					4,085
438.00	Maintenance and Repairs of Roads and Bridges	1,968	60,777					62,745
439.00	Highway Construction and Rebuilding Projects	38,000	182,705					220,705
Total Public Works - Highways and Streets		103,148	254,911					358,059

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							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	1,541						1,541
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		1,541						1,541

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)		1,472					1,472
472.00	Debt Interest (short-term and long-term)		87					87
475.00	Fiscal Agent Fees							
Total Debt Service			1,559					1,559

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	11,782						11,782
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	11,969						11,969

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	9,196						9,196
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		32,947						32,947

Insurance								
486.00	Insurance, Casualty, and Surety	18,109						18,109
Total Insurance		18,109						18,109

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						12,785	12,785
489.00	All Other Unclassified Expenditures	1					9,916	9,917
Total Unclassified Operating Expenditures		1					22,701	22,702

Other Financing Uses								
491.00	Refund of Prior Year Revenues	118						118
492.00	Interfund Operating Transfers	100,063	38,000					138,063
493.00	All Other Financing Uses							
Total Other Financing Uses		100,181	38,000					138,181

TOTAL EXPENDITURES	493,794	332,931	893				22,701	850,319
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	85,528	-64,198	-251				72,591	93,670
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LIBERTY TWP
December 31, 2019

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											
Vehicle Bank Loan	Note	2019	2022	38,000	0	38,000	1,472		36,528		36,528
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	36,528
Capitalized lease obligations	0
Net debt	36,528

LIBERTY TWP, ADAMS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2019

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	12,664		12,664
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	418		418
Recreation			
Sewer			
Solid Waste			
Streets / Highways	81,655	160,270	241,925
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	94,737	160,270	255,007

EMPLOYEE COMPENSATION

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

152,600

LIBERTY TOWNSHIP
Notes to Financial Statements
December 31, 2019

COMMENTS

Fiduciary Fund

The Township has two pension plans. The police pension plan is a single employer defined benefit pension plan which is reported on the DCED report because the Township is holding the assets in a fiduciary capacity. The non-uniform pension plan is a defined contribution pension plan which is not reported on the DCED report because the Township does not hold those assets in a fiduciary capacity.

Line 310.60

The Township levies this tax, but there was none necessary to assess during the current year.