

**2017 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

010635 LIBERTY TWP, ADAMS COUNTY

LIBERTY TWP, ADAMS County

BALANCE SHEET

December 31, 2017

		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		3,207									3,207
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	189,984	55,041	201,423				393,772			840,220
291-299	Other Equity										
Total Fund and Account Group Equity		189,984	55,041	201,423				393,772			840,220
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											843,427

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	91,565	40,803					132,368
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	4,904						4,904
310.10	Real Estate Transfer Taxes	32,839						32,839
310.20	Earned Income Taxes / Wage Taxes	173,922						173,922
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		303,230	40,803					344,033

Licenses and Permits

320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	9,539						9,539
Total Licenses and Permits		9,539						9,539

Fines and Forfeits

330-332	Fines and Forfeits	5,533						5,533
Total Fines and Forfeits		5,533						5,533

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
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REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	192	265	202			63,225	63,884
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		192	265	202			63,225	63,884

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)	311						311
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		75,874					75,874
355.04	Alcoholic Beverage Licenses	300						300
355.05	General Municipal Pension System State Aid	16,102						16,102
355.07	Foreign Fire Insurance Tax Distribution	10,250						10,250
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, 2017

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REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		26,963	75,874					102,837

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	9,187						9,187
362.00	Public Safety	13,588						13,588
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.)	20,620						20,620
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, 2017

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		43,395						43,395

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					9,394		9,394
389.00	All Other Unclassified Operating Revenues	173						173
Total Unclassified Operating Revenues		173				9,394		9,567

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	2,050	8,069					10,119
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, 2017

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REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	6,775						6,775
Total Other Financing Sources		8,825	8,069					16,894
TOTAL REVENUES		397,850	125,011	202			72,619	595,682

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	3,937						3,937
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	6,475						6,475
403.00	Tax Collection	4,533	1,223					5,756
404.00	Solicitor / Legal Services	19,429						19,429
405.00	Secretary / Clerk	41,275						41,275
406.00	Other General Government Administration	16,253						16,253
407.00	IT-Networking Services-Data Processing	5,817						5,817
408.00	Engineering Services	13,777						13,777
409.00	General Government Buildings and Plant	19,611						19,611
Total General Government		131,107	1,223					132,330

Public Safety								
410.00	Police	73,636						73,636
411.00	Fire	10,250	2,837					13,087
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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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	27,442						27,442
415.00	Emergency Management and Communications	66						66
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		111,394	2,837					114,231

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

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	1,553						1,553
Total Public Works - Sanitation		1,553						1,553

Public Works - Highways and Streets								
430.00	General Services - Administration	58,781	91					58,872
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		4,870					4,870
433.00	Traffic Control Devices	904	316					1,220
434.00	Street Lighting							

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
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EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery		5,347					5,347
438.00	Maintenance and Repairs of Roads and Bridges	38	47,293					47,331
439.00	Highway Construction and Rebuilding Projects		71,728					71,728
Total Public Works - Highways and Streets		59,723	129,645					189,368

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, 2017

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

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	11,659						11,659
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	16,928						16,928

LIBERTY TWP, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	15,717						15,717
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		44,304						44,304

Insurance								
486.00	Insurance, Casualty, and Surety	16,074						16,074
Total Insurance		16,074						16,074

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						11,190	11,190
489.00	All Other Unclassified Expenditures						10,876	10,876
Total Unclassified Operating Expenditures							22,066	22,066

Other Financing Uses								
491.00	Refund of Prior Year Revenues	50						50
492.00	Interfund Operating Transfers	8,069	2,050					10,119
493.00	All Other Financing Uses							
Total Other Financing Uses		8,119	2,050					10,169

TOTAL EXPENDITURES	373,815	133,705	2,050				22,066	531,636
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	24,035	-8,694	-1,848				50,553	64,046
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LIBERTY TWP
December 31, 2017

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											
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	0
Capitalized lease obligations	0
Net debt	0

LIBERTY TWP, ADAMS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		13,180	13,180
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways		110,838	110,838
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		124,018	124,018

EMPLOYEE COMPENSATION

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

167,020

LIBERTY TOWNSHIP
Notes to Financial Statements
December 31, 2017

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.

Basis of Accounting

The financial statements are prepared on a 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 are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred.

Line 310.60

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



Smith Elliott Kearns & Company, LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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, 2017, 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 as of December 31, 2017, 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 in accordance with generally accepted accounting principles.

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.

A handwritten signature in black ink that reads "Smith & Elliott Keams & Company, LLC". The signature is written in a cursive, flowing style.

Chambersburg, Pennsylvania
March 6, 2018