

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Barrett Township  
Cresco, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barrett Township, Monroe County, Pennsylvania as of and for the year ended December 31, 2018, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 opinions 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 opinions.

### **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Barrett Township, Monroe County, Pennsylvania, at December 31, 2018, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Barrett Township's Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Budgetary comparison information and the pension information on pages 28 and 29-31 presented in the Supplementary Schedules and Notes to Supplementary Schedules are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Barrett Township's basic financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Kirk, Summa & Co., LLP*

East Stroudsburg, Pennsylvania  
August 6, 2019

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 798,141
Taxes receivable	91,689
Prepaid insurance	61,773
Other receivables	10,957
Total current assets	<u>962,560</u>
Capital assets, net of accumulated depreciation:	
Land and construction in progress - nondepreciable	486,210
Depreciable assets:	
War memorial	18,657
Buildings and contents	620,246
Improvements	127,694
Vehicles	2,058,971
Office equipment	1,995
Operating equipment	660,437
Infrastructure	650,419
	<u>4,624,629</u>
Less: accumulated depreciation	<u>(2,612,933)</u>
Total capital assets, net	<u>2,011,696</u>
Total Assets	<u>2,974,256</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Difference between expected and actual experience	6,047
Changes in assumptions	99,023
Net difference between projected and actual earnings on pension plan investments	158,572
Total deferred outflows of resources	<u>263,642</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,237,898</u>

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION  
LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 56,851
Accrued wages	12,093
Payroll taxes payable	923
Escrow payable	7,820
<b>Total current liabilities</b>	<b>77,687</b>
 <b>Long-term liabilities:</b>	
Accrued compensated absences	23,173
Net pension liability	272,550
 <b>Long-term debt:</b>	
Portion due within one year	70,974
Long-term portion	156,504
<b>Total long-term debt</b>	<b>227,478</b>
 <b>Total long-term liabilities</b>	 <b>523,201</b>
<b>Total Liabilities</b>	<b>600,888</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Differences between expected and actual experience	58,126
Net differences between expected and actual experience	52,955
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>711,969</b>
 <b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,784,218
Restricted	234,773
Unrestricted	506,938
<b>Total Net Position</b>	<b>2,525,929</b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	 <b>\$ 3,237,898</b>

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					Governmental Activities
General government	\$ 324,776	\$ 5,710	\$ 342,792	\$ -	\$ 23,726
Public safety and protective inspection	768,947	69,452	112,734	-	(586,761)
Highways, roads and streets	956,933	-	204,558	-	(752,375)
Parks and library	182,263	-	-	-	(182,263)
Insurance	133,050	-	-	-	(133,050)
Pension	103,542	-	-	-	(103,542)
Payroll taxes	37,984	-	-	-	(37,984)
Interest - unallocated	13,463	-	-	-	(13,463)
Depreciation - unallocated	240,343	-	-	-	(240,343)
<b>Total government</b>	<b>\$ 2,761,301</b>	<b>\$ 75,162</b>	<b>\$ 660,084</b>	<b>\$ -</b>	<b>(2,026,055)</b>

<b>General Revenues:</b>	
Taxes	1,997,735
License and permits	80,357
Fines	17,154
Investment earnings	6,971
Donations	913
Miscellaneous	46,649
<b>Total general revenues</b>	<b>2,149,779</b>
Change in net position	123,724
Net position at beginning of year	2,402,205
Net position at end of year	<b>\$ 2,525,929</b>

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General Fund	Fire Fund	LST Fund	Open Space Fund	Road Machinery Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash	\$ 566,635	\$ 87,403	\$ 7,565	\$ 88,693	\$ 43,215	\$ 4,762	\$ 798,273
Taxes receivable	47,877	3,989	-	499	2,493	5,476	60,334
Prepaid insurance	61,773	1,583	-	-	-	-	63,356
<b>Total Assets</b>	<b>\$ 676,285</b>	<b>\$ 92,975</b>	<b>\$ 7,565</b>	<b>\$ 89,192</b>	<b>\$ 45,708</b>	<b>\$ 10,238</b>	<b>\$ 921,963</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 45,944	\$ 998	\$ 506	\$ 2,931	\$ -	\$ 6,470	\$ 56,849
Accrued wages	13,017	-	-	-	-	-	13,017
Escrow payable	7,820	-	-	-	-	-	7,820
<b>Total Liabilities</b>	<b>66,781</b>	<b>998</b>	<b>506</b>	<b>2,931</b>	<b>-</b>	<b>6,470</b>	<b>77,686</b>
<b>FUND BALANCES</b>							
Restricted	-	91,977	7,059	86,261	45,708	3,768	234,773
Unassigned	609,504	-	-	-	-	-	609,504
<b>Total Fund Balances</b>	<b>609,504</b>	<b>91,977</b>	<b>7,059</b>	<b>86,261</b>	<b>45,708</b>	<b>3,768</b>	<b>844,277</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 676,285</b>	<b>\$ 92,975</b>	<b>\$ 7,565</b>	<b>\$ 89,192</b>	<b>\$ 45,708</b>	<b>\$ 10,238</b>	<b>\$ 921,963</b>

The notes to financial statements are an integral part of these financial statements.



**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET-MODIFIED ACCRUAL BASIS -  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

Total fund balance - total governmental funds	\$	844,277
Amounts reported for governmental activities in the statement of net position are different because:		
Real estate taxes receivable that are not reported as current financial resources because they are not deemed collectible within sixty days using the modified accrual basis of accounting.		40,596
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		4,624,629
Accumulated depreciation from capital assets used in governmental activities are not current financial resources and therefore is not reported in the governmental funds balance sheet.		(2,612,933)
Deferred outflows of resources are not reported on the governmental funds balance sheet		
Difference between expected and actual experience		6,047
Change in assumptions		99,023
Net difference between projected and actual earnings on pension plan investments		158,572
Accrued compensated absences are not accrued in governmental-type funds.		(23,173)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		(227,478)
Net pension liability is not reported on the governmental funds balance sheet		(272,550)
Deferred inflows of resources are not reported on the governmental funds balance sheet		
Differences between expected and actual experience		(58,126)
Net difference between projected and actual earnings on pension plan investments		(52,955)
 Net position of governmental activities	 \$	 <u>2,525,929</u>

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund	Fire Fund	LST Fund	Open Space Fund	Road Machinery Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 1,525,353	\$ 133,982	\$ 71,940	\$ 16,748	\$ 83,740	\$ 184,224	\$ 2,015,987
Licenses and permits	80,357	-	-	-	-	-	80,357
Fines	17,154	-	-	-	-	-	17,154
Interest	4,034	282	61	403	263	1,928	6,971
Intergovernmental	344,284	117,734	-	-	-	203,066	665,084
Charges for services	70,162	-	-	-	-	-	70,162
Donations	8	-	-	-	-	905	913
<b>Total Revenues</b>	<b>2,041,352</b>	<b>251,998</b>	<b>72,001</b>	<b>17,151</b>	<b>84,003</b>	<b>390,123</b>	<b>2,856,628</b>
<b>Other Financing Sources (Uses)</b>							
Insurance proceeds or gain on sale of fixed assets	44,500	-	-	-	5,500	-	50,000
Transfers in/(out)	(48,843)	-	-	-	-	48,843	-
<b>Total Other Financing Sources</b>	<b>(4,343)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,500</b>	<b>48,843</b>	<b>50,000</b>
<b>Total Revenues and Other Financing Sources</b>	<b>2,037,009</b>	<b>251,998</b>	<b>72,001</b>	<b>17,151</b>	<b>89,503</b>	<b>438,966</b>	<b>2,906,628</b>
<b>Expenditures</b>							
General government	320,103	-	1,256	-	-	-	321,359
Public safety and protective inspection	657,605	167,248	21,173	-	-	33,356	879,382
Highways, roads and streets	642,917	-	57,309	-	12,630	251,899	964,755
Parks and library	-	-	-	46,657	-	160,390	207,047
Debt service - principal	-	46,692	-	-	104,883	-	151,575
Debt service - interest	-	7,907	-	-	5,558	-	13,465
Insurance	136,257	-	-	-	-	-	136,257
Pension	57,901	-	-	-	-	-	57,901
Payroll taxes	34,777	-	-	-	-	-	34,777
Refunds	4,008	573	-	71	358	787	5,797
<b>Total Expenditures</b>	<b>1,853,568</b>	<b>222,420</b>	<b>79,738</b>	<b>46,728</b>	<b>123,429</b>	<b>446,432</b>	<b>2,772,315</b>
<b>Net change in fund balances</b>	<b>183,441</b>	<b>29,578</b>	<b>(7,737)</b>	<b>(29,577)</b>	<b>(33,926)</b>	<b>(7,466)</b>	<b>134,313</b>
Fund balances at beginning of year	426,063	62,399	14,796	115,838	79,634	11,234	709,964
<b>Fund balances at end of year</b>	<b>\$ 609,504</b>	<b>\$ 91,977</b>	<b>\$ 7,059</b>	<b>\$ 86,261</b>	<b>\$ 45,708</b>	<b>\$ 3,768</b>	<b>\$ 844,277</b>

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES-MODIFIED ACCRUAL BASIS- OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - total governmental funds	\$ 134,313
Amounts reported for governmental activities in the statement of activities are different because:	
Accrual of real estate taxes receivable that are not accrued for the modified accrual basis of accounting.	(18,250)
Government funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	149,280
Net adjustment for retirement of assets, not recorded on modified accrual basis of accounting	(3,351)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	
Current year depreciation expense	(240,343)
Change in accrued compensated absences which are not accrued for the modified accrual basis of accounting.	(3,860)
Change in pension expense is not reported in fund financial statements	(45,640)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences is the treatment of long-term debt and related items:	
Repayment of principal portion of short-term and long-term debt.	151,575
Change in net position of governmental activities	\$ 123,724

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP**  
**MONROE COUNTY, PENNSYLVANIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION FUND**  
**DECEMBER 31, 2018**

	Non-uniform Pension Fund
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 57,555
Investments (fair value):	
Domestic equities	1,166,105
Total Investments	1,166,105
Total Assets	\$ 1,223,660
<b><u>NET POSITION</u></b>	
Held in Trust for Pension Benefits	\$ 1,223,660

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Non-uniform Pension Fund</u>
ADDITIONS	
CONTRIBUTIONS	
Employer	\$ 20,720
Commonwealth	<u>32,791</u>
TOTAL CONTRIBUTIONS	53,511
INVESTMENT INCOME	
Net depreciation in fair value of investments	<u>(62,578)</u>
TOTAL INVESTMENT (LOSS)	(62,578)
Less investment expenses	<u>(10,217)</u>
Net investment income	<u>(72,795)</u>
TOTAL	(19,284)
DEDUCTIONS	
Pension payments	<u>47,782</u>
TOTAL DEDUCTIONS	<u>47,782</u>
NET DECREASE IN PLAN NET POSITION	(67,066)
NET POSITION RESTRICTED FOR PENSIONS:	
FUND BALANCE ON JANUARY 1	<u>1,290,726</u>
FUND BALANCE ON DECEMBER 31	<u>\$ 1,223,660</u>

The notes to financial statements are an integral part of these financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General Statement**

Barrett Township was formed in 1859. It operates as a second-class township in Monroe County, Pennsylvania, using a Board of Supervisors as its governing body.

The accounting and reporting policies of the Township relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (US GAAP) applicable to state and local governments. US GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the Township are described below.

**B. Financial Reporting Entity**

The report includes all of the services provided by the Township to residents and businesses within its boundaries. Township services provided include general administrative services, public safety (police and fire), highways and streets, planning and zoning, and recreation and community services. The criteria for including organizations as component units within the Township's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Township holds the corporate powers of the organization
- The Township appoints a voting majority of the organization's board
- The Township is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Township
- There is fiscal dependency by the organization on the Township

Based on the aforementioned criteria, the Township does not have any component units.

The Township has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011.

**C. Basis of Presentation**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities columns, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

C. Basis of Presentation - continued

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following major governmental funds:

General Fund:

The General Fund is the main operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid through the General Fund.

Fire Fund:

The Fire Fund accounts for the real estate tax collections, grants and donations, and the related disbursements for fire related services.

LST Fund:

The Local Services Tax Fund accounts for the revenues collected from the local services tax and the related expenditures.

Open Space Fund:

The Open Space Fund accounts for the real estate tax collections and related disbursements for the preservation of land.

Road Machinery Fund:

The Road Machinery Fund accounts for the real estate tax collections and related disbursements for the repair and maintenance, as well as capital purchases and related debt payments for road machinery.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**D. Measurement Focus and Basis of Accounting - continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt services expenditures, as well as expenditures related to compensated absences are recorded only when payment has matured and will be payable shortly after year-end.

The revenues susceptible to accrual are taxes, licenses, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

**E. Budgetary Control**

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. At least 30 days prior to budget adoption, the Township prepares a proposed budget for the ensuing year.
2. Notification of the proposed budget and hearings on it are held by the Township prior to adoption.
3. Prior to December 31<sup>st</sup>, the budget is legally enacted by the Township and the tax levy ordinance is adopted.
4. The Township, during the budget year, is authorized to modify the budget through either budget transfers or supplemental appropriations.
5. The budget lapses at the end of the year.

Prior to December 31<sup>st</sup>, the budget is legally enacted by the Township and the tax levy ordinance is adopted.

**F. Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

**G. Capital Assets**

Capital assets, which include property, plant, and equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.



**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

G. Capital Assets - continued

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings, plant and improvements	40 years
Vehicles and transportation equipment	5-10 years
Office Equipment	5 years
Machinery and equipment	5 years
Infrastructure	25 years

The Township elected not to report major general infrastructure assets retroactively as permitted by the Governmental Accounting Standards Board Statement No. 34.

H. Compensated Absences

The Township's policy for accrual of compensated absences is to allow full-time employees to accrue time for sick leave. The value of compensated absences at the end of the year is calculated by multiplying the number of accumulated hours by each employee's pay rate as of the end of the year.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**J. Equity Classification Government-Wide**

Equity is classified as net position and displayed in three components for government-wide presentation:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position – Consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**K. Equity Classification – Governmental Fund Financial Statements**

In the fund financial statements the Township reports fund balance classifications in accordance with the provisions of GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The following are a listing of fund balance categories:

Non-Spendable - Not in spendable form or legally or contractually required to remain intact.

Restricted - Externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed – Only can be used for specific purposes pursuant to constraints by formal action of the highest level of decision-making authority. The Township's Committed Fund Balance is fund balance reporting required by the Township Supervisors, either because of a Township Policy or in the Township Policy Manual, or because of motions that passed at Board meetings.

Assigned – Constrained by intent to be or used for specific purpose. The Township's Assigned Fund Balance is fund balance reporting occurring by Township authority under the direction of the Township Business Manager.

Unassigned – Residual in classification for government's general fund and includes all spendable amounts not contained in the other classifications.

For the classification of Governmental Fund balances, the Township considers an expenditure to be made from the most restrictive first when more than one classification is available.

**L. Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

The GASB has issued the following Statement which will become effective in the current year as shown below:

Statement No.83 "*Certain Asset Retirement Obligations*" is effective for reporting periods beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations. The Township is evaluating the impact this Statement may have on the financial statements.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**L. Impact of Recently Issued Accounting Principles**

Statement No.84 "*Fiduciary Activities*" is effective for reporting periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Township is evaluating the impact this Statement may have on the financial statements.

Statement No.87 "*Leases*" is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Township is evaluating the impact this Statement may have on the financial statements.

Statement No.88 "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*" is effective for reporting periods beginning after June 15, 2018. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Township is evaluating the impact this Statement may have on the financial statements.

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, Township specific information about its fiduciary net position with AXA Equitable and additions to/deductions from Township's fiduciary net position have been determined on the same basis as they are reported by AXA Equitable. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Township's Total Pension Liability is obtained from AXA Equitable through a report prepared for the Township by Enrolled Actuary, Beyer-Barber Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

**NOTE 2 – BUDGET BASIS OF ACCOUNTING**

Barrett Township prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Township's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. The Township's policy for minimizing credit risk for bank balances exceeding the Federal Deposit Insurance Corporation's insured limits relies upon the Pennsylvania Pledge Act 72 (72 P.S. section 3836-1 et seq.). The act requires the financial institution to pool collateral for all of its government deposits in addition to having the collateral held by an approved custodian in the institution's name.

The table presented below is designed to disclose the level of custodial credit risk assumed by the Township based on how its deposits were insured or secured with collateral at December 31, 2018. The categories and related deposits are defined as follows:

Categories	Deposits held in financial institutions
Category 1 – Insured by Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Township or by its agent in its name.	\$ 397,412
Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.	-
Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Township's name; or properly collateralized with no written and approved collateral agreement.	417,129
<b>TOTAL</b>	<u><u>\$ 814,541</u></u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 1/1/18	Adjustments/ Additions	Retirements/ Adjustments	Balance 12/31/18
<b>Governmental Activities:</b>				
Land (not depreciated)	\$ 460,711	\$ 25,499	\$ -	\$ 486,210
War memorial	18,657	-	-	18,657
Buildings, contents and land	620,246	-	-	620,246
Improvements	16,543	111,151	-	127,694
Vehicles	2,060,241	12,630	13,900	2,058,971
Office equipment	1,995	-	-	1,995
Operating equipment	667,437	-	7,000	660,437
Infrastructure	650,419	-	-	650,419
Total Capital Assets	<u>4,496,249</u>	<u>149,280</u>	<u>20,900</u>	<u>4,624,629</u>
Less: accumulated Depreciation	<u>2,390,139</u>	<u>240,343</u>	<u>17,549</u>	<u>2,612,933</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 2,106,110</u></u>	<u><u>\$ (91,063)</u></u>	<u><u>\$ 3,351</u></u>	<u><u>\$ 2,011,696</u></u>

Depreciation expense of \$240,343 in the governmental activities was charged to general government and administration area expenses because the Township does not allocate the expenses into functional areas.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 – PROPERTY TAXES**

Based upon assessed valuation provided by the County (\$66,499,090 in 2018), the Township bills and collects its own property taxes through an appointed tax collector. The schedule for property taxes levied for 2018 is as follows:

March 1	Levy Date
March 1 through April 30	2% Discount Period
May 1 through June 30	Face Payment Period
July 1 through December 31	10% Penalty Period
January 1 (following year)	Lien Date

The Township's tax rate for all purposes for 2018 was 20.25 mills (\$20.25 per \$1,000 of assessed valuations).

**NOTE 6 – LINE OF CREDIT**

Governmental-type lines of credit consist of the following:

Description	Balance 1/1/18	Additions	Payments & Retirements	Balance 12/31/18
Line of Credit – First Keystone Bank; annual interest at WSJ Prime minus .25%; maximum credit line at \$150,000.	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

There is \$150,000 available credit at 12/31/18.

**NOTE 7 – CAPITAL LEASES**

Capital lease obligations consist of the following on December 31, 2018:

Community First National Bank- 2.624% interest per annum, payable in 5 annual payments of \$54,599 including interest, secured by 2017 Rescue truck, matures in 2022	\$ 160,161
Caterpillar Financial – 2.72% interest per annum, payable in 5 Annual payments of \$23,593 including interest, secured by 2017 Caterpillar 914M Wheel Loader, matures in 2021	67,317
	227,478
Less current maturities	(70,974)
	<b>\$ 156,504</b>

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 7 – CAPITAL LEASES – continued**

Aggregated maturities of capital lease obligations are as follows:

Year Ending December 31,	Principal	Interest	Total
2019	\$ 70,974	\$ 7,219	\$ 78,193
2020	72,864	5,329	78,193
2021	75,064	3,129	78,193
2022	8,576	1,396	9,972
	<u>\$ 227,478</u>	<u>\$ 17,073</u>	<u>\$ 244,551</u>

**NOTE 8 – NON-UNIFORMED PENSION PLAN**

**1. Plan Description**

**A. General**

The Barrett Township Non-Uniformed Employees Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution 95-17. The plan is governed by the Barrett Township which may amend plan provisions, and which is responsible for the management of plan assets. The Barrett Township has delegated the authority to manage certain plan assets to AXA Advisors, LLC. The plan does not issue stand-alone financial statements.

**B. Employees Covered by the Plan**

As of December 31, 2018, the pension plan's membership consisted of:

Active plan members	7
Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	2
Total	<u>15</u>

**C. Benefits Provided**

The following is a summary of plan provisions and does not alter the intent or meanings of the provisions contained in the contract or plan document.

**Plan Eligibility**

Class: Non-uniformed employee (not employed as a police officer).

**Normal Retirement Benefit**

Age: Attained age 60

Form: For married participants, a 50% joint and survivor annuity; for single participants, a monthly annuity payable for life.

Amount (accrued benefit): 1.5% of average compensation multiplied by accrual service.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 – NON-UNIFORMED PENSION PLAN - Continued**

C. Benefits Provided - continued

**Early Retirement Benefit**

Age: Attained age 55 and five years of vesting service.

Form: Same as normal retirement benefit.

Amount: Accrued benefit on early retirement date reduced by 6-2/3% per year to reflect the fact that the early retirement date precedes the normal retirement date.

**Late Retirement Benefit**

Age: No maximum age.

Form: Same as normal retirement benefit.

Amount: Greater of accrued benefit on normal retirement date actuarially increased to late retirement date or accrued benefit on late retirement date.

**Termination Benefit**

Vesting percentage: 100% after five years of service.

Form: Same as normal retirement benefit with income deferred until normal retirement date.

Amount: Accrued benefit on date of termination multiplied by the vesting percentage.

**Survivor Annuity Death Benefit**

Eligibility: Qualified married participant fully or partially vested in his/her accrued benefit.

Form: Monthly annuity payable immediately to spouse.

Amount: If death occurs, the amount paid to the surviving spouse is equal to the amount that would have been paid had the participant terminated employment on the date of death and survived to his/her earliest retirement age, retired with a qualified joint and 50% survivor annuity in effect, then died the next day.

**Disability Benefit**

Eligibility: Active participant who becomes totally and permanently disabled.

Form: Monthly income payable until normal retirement, death or recovery and a deferred annuity payable at normal retirement date.

Amount: Accrued benefit on date of disability, not less than \$20 a month.

**Definitions**

Average compensation: The monthly average of total pay received for the three latest years.

D. Contributions

Act 205 requires that annual contributions to the plan be based upon the plan's Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation. In accordance with the plan's governing document, employees are not required to contribute to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 – NON-UNIFORMED PENSION PLAN- Continued**

**2. Net Pension Liability**

**A. Net Pension Liability**

The components of the net pension liability of the municipality as of December 31, 2018 were as follows:

Total Pension Liability (TPL)	\$ 1,496,210
Plan Fiduciary Net Position	\$ (1,223,660)
Net Pension Liability (NPL)	\$ 272,550

Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	81.78%
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**B. Actuarial Assumptions**

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2017. Update procedures were used to roll forward to the plan's fiscal year ending December 31, 2018. This report was based on the plan's actuarial assumptions, asset valuation method and cost method, as listed below.

Investment yield	Annual rate of 7.00%, net of investment expenses
Salary increases	4.00%
Retirement age	Normal Retirement Date
Inflation	Assumes continued low inflation
Cost of Living Adjustment	None
Cost method	Entry Age Normal
Asset valuation method	Fair Market Value of Assets
Amortization method	Level Dollar
Retirement Mortality Rates	RP Male and Female Combined Annuitant and Non-Annuitant, projected from 2000 to the valuation year using Scale AA

**C. Long-Term Expected Rate of Return**

The long-term expected rate of return of 7.00% on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. It was assumed that Plan assets will be invested in such a strategy to achieve the long-term expected rate of return.



**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 – NON-UNIFORMED PENSION PLAN- Continued**

**2. Net Pension Liability - continued**

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. It is assumed the Township will continue the historical and required practice of contributing to the Plan the annual Minimum Municipal Obligation as described in Chapter 3 of the Pennsylvania Municipal Pension Plan Funding Standard and Recovery Act of 1984 (1984 Act 205). A separate cash flow projection was not performed because it is the actuary's opinion that following the above funding policy will result in the projected Fiduciary Net Position being at least equal to the benefit payments projected for each future period.

**E. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.5 % as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Net Pension Liability	\$ 445,491	\$ 272,550	\$ 127,006

**F. Changes in Net Pension Liability**

The following table shows the changes in net position liability recognized over the measurement period.

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 12/31/17</b>	\$ 1,282,814	\$ 1,290,726	\$ (7,912)
<b>Changes for the year:</b>			
Service Cost	25,246	-	25,246
Interest	95,366	-	95,366
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	5,234	-	5,234
Assumption Changes	135,332	-	135,332
Contributions - Employer	-	20,720	(20,720)
Contributions - State Aid	-	32,791	(32,791)
Contributions - Member	-	-	-
Net Investment Income	-	(72,795)	72,795
Benefit Payments	(47,782)	(47,782)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	213,396	(67,066)	280,462
<b>Balances at 12/31/18</b>	\$ 1,496,210	\$ 1,223,660	\$ 272,550

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 – NON-UNIFORMED PENSION PLAN- Continued**

**3. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the Plan recognized a pension expense of \$99,152. At December 31, 2018, the municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,047	\$ 58,126
Changes in Assumptions	99,023	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>158,572</u>	<u>52,955</u>
Total	<u>\$ 263,642</u>	<u>\$ 111,081</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ended December 31:	
2019	\$ 75,119
2020	52,098
2021	17,489
2022	27,146
2023	(6,816)
Thereafter	(12,475)

**NOTE 9 – INTERFUND TRANSFERS**

The Township transfers funds between funds periodically to allocate revenues and to cover expenditures. Interfund transfers are approved at public meetings of the Supervisors. During the year ended December 31, 2018, interfund transfers were as follows:

	<u>Transfers Out</u> <u>General Fund</u>
<u>Transfers In</u> Highway Fund	<u>\$ 48,843</u>
Total	<u>\$ 48,843</u>

**NOTE 10 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Township's management has evaluated events and transactions subsequent to December 31, 2018 through August 6, 2019, the date these financial statements were available to be issued. Based on the definitions and requirements of the Subsequent Events Topics of the FASB Accounting Standards Codification, the Township's management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,429,491	\$ 1,429,491	\$ 1,525,353	\$ (95,862)
Licenses and permits	79,730	79,730	80,357	(627)
Fines	10,300	10,300	17,154	(6,854)
Interest	2,700	2,700	4,034	(1,334)
Intergovernmental	345,622	345,622	344,284	1,338
Charges for services	78,820	78,820	70,162	8,658
Miscellaneous	-	-	44,508	(44,508)
<b>Total Revenues</b>	<u>1,946,663</u>	<u>1,946,663</u>	<u>2,085,852</u>	<u>(139,189)</u>
<b>Expenditures</b>				
General government	341,351	341,351	324,111	17,240
Public safety and protective inspection	697,844	697,844	657,605	40,239
Highways	660,740	660,740	642,917	17,823
Insurance	158,855	158,855	136,257	22,598
Pension	53,511	53,511	57,901	(4,390)
Payroll taxes	34,362	34,362	34,777	(415)
<b>Total Expenditures</b>	<u>1,946,663</u>	<u>1,946,663</u>	<u>1,853,568</u>	<u>93,095</u>
<b>Other Financing Uses</b>				
Transfers out	-	-	48,843	(48,843)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>48,843</u>	<u>(48,843)</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>1,946,663</u>	<u>1,946,663</u>	<u>1,902,411</u>	<u>44,252</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>-</u>	<u>183,441</u>	<u>\$ (232,284)</u>
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>426,063</u>	
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,504</u>	

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NON-UNIFORMED EMPLOYEES PENSION PLAN  
SCHEDULE OF CHANGES IN MUNICIPALITY'S NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS \*\*  
DECEMBER 31, 2018**

	2014	2015	2016	2017	2018
<b>Total Pension Liability</b>					
Service cost (beginning of year)	\$ 25,414	\$ 38,771	\$ 34,226	\$ 20,700	\$ 25,246
Interest (includes interest on service cost)	80,202	84,784	89,340	89,762	95,366
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(37,945)	(69,800)	8,331	5,234
Changes of assumptions	-	19,646	2,797	-	135,332
Benefit payments, including refunds of member contributions	(40,299)	(38,858)	(43,457)	(44,899)	(47,782)
<b>Net Change in Total Pension Liability</b>	<u>65,317</u>	<u>66,398</u>	<u>13,106</u>	<u>73,894</u>	<u>213,396</u>
<b>Total Pension Liability - Beginning</b>	<u>1,064,099</u>	<u>1,129,416</u>	<u>1,195,814</u>	<u>1,208,920</u>	<u>1,282,814</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 1,129,416</u>	<u>\$ 1,195,814</u>	<u>\$ 1,208,920</u>	<u>\$ 1,282,814</u>	<u>\$ 1,496,210</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 38,229	\$ 8,184	\$ 22,772	\$ 23,283	\$ 20,720
Contributions - state aid	32,297	62,733	30,622	32,178	32,791
Contributions - member	-	-	-	-	-
Net investment income	38,663	(36,539)	92,958	161,771	(72,795)
Benefit payments, including refunds of member contributions	(40,299)	(38,858)	(43,457)	(44,899)	(47,782)
Administrative expense	(5,750)	(6,250)	(5,750)	(500)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>63,140</u>	<u>(10,730)</u>	<u>97,145</u>	<u>171,833</u>	<u>(67,066)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>969,338</u>	<u>1,032,478</u>	<u>1,021,748</u>	<u>1,118,893</u>	<u>1,290,726</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 1,032,478</u>	<u>\$ 1,021,748</u>	<u>\$ 1,118,893</u>	<u>\$ 1,290,726</u>	<u>\$ 1,223,660</u>
<b>Net Pension Liability - Ending</b>	<u>\$ 96,938</u>	<u>\$ 174,066</u>	<u>\$ 90,027</u>	<u>\$ (7,912)</u>	<u>\$ 272,550</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	91.42%	85.44%	92.55%	100.62%	81.78%
<b>Covered Employee Payroll</b>	\$ 286,694	\$ 290,597	\$ 285,850	\$ 306,280	\$ 331,044
<b>Plan's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	33.81%	59.90%	31.49%	-2.58%	82.33%

\*\* This schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NON-UNIFORMED PENSION PLAN  
LAST 10 FISCAL YEARS\*\***

	<u>2014*</u>	<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 70,526	\$ 70,917	\$ 53,394	\$ 55,461	\$ 53,511
Contributions in Relation to the Actuarially Determined Contribution*	70,526	70,917	53,394	55,461	53,511
Contribution Deficiency(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 286,694	\$ 290,597	\$ 285,850	\$ 306,280	\$ 331,044
Contributions as a Percentage of Covered Employee Payroll	24.60%	24.40%	18.68%	18.11%	16.16%

\*\* This schedule should present information for the last ten years. However, until ten years of information can be completed , information is presented for as many years as is available.

\* From December 31, 2015, report prepared by prior actuary

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**NOTE 1 – BUDGETARY COMPLIANCE**

The annual budget is prepared and adopted by the Township's Supervisors. Subsequent amendments are also prepared and adopted by the Township's Supervisors. Unexpended appropriations lapse at year end. Encumbrances are not included as expenditures. During the current year, the budget may be amended in a legally permissible manner.

The Township's financial statements for the year ended December 31, 2018 present its legally adopted budget for the General Fund. The Township approved to legally adopt the General Fund budget for the 2018 year.

The Budget has been adopted on the activity basis; expenditures at this level in excess of amounts budgeted are a violation of the Pennsylvania Second Class Township Code. Comparison of actual results of operations to the budget of the General Fund as adopted by the Township's supervisors is included in the required supplemental information of the basic financial statements.

There were expenditures in excess of budgeted amounts in the General Fund for the year ended December 31, 2018 in the pension expense category by \$4,390 and payroll taxes by \$415.

**SUPPLEMENTARY INFORMATION**



**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
COMBINING BALANCE SHEETS - OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	Highway Fund	Ambulance Fund	Library Fund	Park and Recreation Fund	Total Other Governmental Funds
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	\$ 2,507	\$ 1	\$ 1	\$ 2,253	\$ 4,762
Taxes receivable	-	997	2,983	1,496	5,476
<b>Total Current Assets</b>	<u>2,507</u>	<u>998</u>	<u>2,984</u>	<u>3,749</u>	<u>10,238</u>
<b>Total Assets</b>	<u>\$ 2,507</u>	<u>\$ 998</u>	<u>\$ 2,984</u>	<u>\$ 3,749</u>	<u>\$ 10,238</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,018	\$ 997	\$ 2,983	\$ 472	\$ 6,470
<b>Total Liabilities</b>	<u>2,018</u>	<u>997</u>	<u>2,983</u>	<u>472</u>	<u>6,470</u>
<b>FUND BALANCES</b>					
Restricted	489	1	1	3,277	3,768
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>489</u>	<u>1</u>	<u>1</u>	<u>3,277</u>	<u>3,768</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,507</u>	<u>\$ 998</u>	<u>\$ 2,984</u>	<u>\$ 3,749</u>	<u>\$ 10,238</u>

**BARRETT TOWNSHIP  
MONROE COUNTY, PENNSYLVANIA  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Highway Fund	Ambulance Fund	Library Fund	Park and Recreation Fund	Total Other Governmental Funds
<b>Revenues</b>					
Taxes	\$ -	\$ 33,496	\$ 100,485	\$ 50,243	\$ 184,224
Interest	400	3	14	1,511	1,928
Intergovernmental	203,066	-	-	-	203,066
Donations	-	-	-	905	905
Transfers in	48,843	-	-	-	48,843
<b>Total Revenues</b>	<u>252,309</u>	<u>33,499</u>	<u>100,499</u>	<u>52,659</u>	<u>438,966</u>
<b>Expenditures</b>					
Public safety and protective inspection	-	33,356	-	-	33,356
Parks and library	-	-	100,070	60,320	160,390
Highways	251,899	-	-	-	251,899
Refunds	-	143	429	215	787
<b>Total Expenditures</b>	<u>251,899</u>	<u>33,499</u>	<u>100,499</u>	<u>60,535</u>	<u>446,432</u>
<b>Net Changes in Fund Balances</b>	410	-	-	(7,876)	(7,466)
Fund balances at beginning of year	79	1	1	11,153	11,234
<b>Fund balances at end of year</b>	<u>\$ 489</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 3,277</u>	<u>\$ 3,768</u>