

*Report of Audit*

*on the*

*Financial Statements  
and Supplementary Schedules*

*of the*

*Township of Edison  
Public Library*

*for the*

*Year Ended  
December 31, 2020*



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

*Report of Audit*  
*on the*  
*Financial Statements*  
*and Supplementary Schedules*  
*of the*  
*Township of Edison*  
*Public Library*  
*for the*  
*Year Ended*  
*December 31, 2020*

TOWNSHIP OF EDISON PUBLIC LIBRARY

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# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees  
Township of Edison Public Library  
Edison, New Jersey 08817

### ***Report on the Financial Statements***

We have audited the accompanying balance sheet - regulatory basis of the current fund of the Township of Edison Public Library, as of December 31, 2020, the related statement of operations and change in fund balance - regulatory basis for the year then ended, and the statement of expenditures - regulatory basis of the current fund for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's regulatory 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 the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 misstatements, whether due to fraud or error.

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

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



## **SUPLEE, CLOONEY & COMPANY**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Township of Edison Public Library'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 Library'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 regulatory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles***

As described in Note B of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Edison Public Library on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the current fund and account group of the Township of Edison Public Library as of December 31, 2020, or the results of its operations and changes in fund balance for the year then ended or the expenditures for the year ended December 31, 2020.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheet of the current fund as of December 31, 2020, the regulatory basis statement of operations and change in fund balance for the year then ended and the regulatory basis statement of expenditures and changes in fund balance for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note B.

# SUPLEE, CLOONEY & COMPANY

## *Other Matters*

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Edison Public Library's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed and data in the table of contents are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2022 on our consideration of the Township of Edison Public Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Edison Public Library's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 7, 2022





# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Trustees  
Township of Edison Public Library  
Edison, New Jersey 08817

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Edison Public Library, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's regulatory financial statements, and have issued our report thereon dated April 7, 2022. Our report disclosed that, as described in Note B to the financial statements, the Township of Edison Public Library prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory financial statements, we considered the Library's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

## SUPLEE, CLOONEY & COMPANY

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township of Edison Public Library's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we noted other immaterial matters involving the internal control over financial reporting that we reported to management in a separate letter dated March 24, 2022.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Edison Public Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Edison Public Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 7, 2022



"A"

TOWNSHIP OF EDISON PUBLIC LIBRARY

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

BALANCE  
DECEMBER  
31, 2020

ASSETS

Cash and Cash Equivalents - Operating	\$	1,923,390
Due from Township - State Aid		87,118
Due from Township - Municipal Contribution		<u>2,911,205</u>
<u>TOTAL ASSETS</u>	\$	<u>4,921,713</u>

LIABILITIES, RESERVES AND FUND BALANCES

Reserve For Encumbrances	\$	<u>337,117</u>
<u>TOTAL LIABILITIES</u>		<u>337,117</u>
Fund Balance:		
Unrestricted		<u>4,584,596</u>
Total Fund Balance		<u>4,584,596</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</u>	\$	<u>4,921,713</u>

The Notes to the Financial Statements are an integral part of these statements.

TOWNSHIP OF EDISON PUBLIC LIBRARY

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Revenue and Other Income

Municipal Contributions	\$ 6,327,927
State Library Aid	43,318
Interest on Investments	7,822
Fines and Fees/ Donations	<u>46,477</u>
<u>Total Revenue and Other Income</u>	<u>6,425,544</u>

Expenditures

Budget Appropriations Disbursed by Township:	
Salaries and Wages	2,146,019
Other Expenses	1,060,384
Employee Benefits and Overhead - Budget Splits	1,789,859
Appropriation Reserves	90,507
Non-Budget Expenditures - Disbursed by Library	<u>162,327</u>
<u>Total Expenditures</u>	<u>5,249,096</u>

Excess in Revenue	1,176,448
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Fund Balances, December 31, 2019	<u>3,408,148</u>
	4,584,596

Increased by:	
Prior Year Adjustment	<u>-</u>

Fund Balances, December 31, 2020	<u>\$ 4,584,596</u>
----------------------------------	---------------------

The Notes to the Financial Statements are an integral part of these statements.

TOWNSHIP OF EDISON PUBLIC LIBRARY  
TOWNSHIP OF EDISON, NEW JERSEY

STATEMENT OF EXPENDITURES

	2020 FINAL BUDGET	2020 PAID OR CHARGED	ENCUMBERED	TOTAL
<b><u>SALARIES AND WAGES</u></b>				
Salaries and Wages	\$ 2,941,800	\$ 2,136,267	\$	\$ 2,136,267
Sick Buyback				-
Vacation Buyback		9,752		9,752
	<u>2,941,800</u>	<u>2,146,019</u>	<u>-</u>	<u>2,146,019</u>
<b><u>OTHER EXPENSES</u></b>				
Advertising				-
Postage and Express	3,500	447	1,148	1,595
Cleaning and Maintenance of Building	55,000	25,158	43,401	68,558
Maintenance of Motor Vehicles	1,000			-
Maintenance of Other Equipment	5,000	12,145	8,592	18,737
Other Professional Services	350,000	279,393	77,751	357,144
Other Contractual		619		619
Materials and Supplies	75,000	23,435	18,498	39,932
Books and Publications	697,207	254,751	92,995	347,746
Motor Vehicle Parts	50,000	1,138	24,147	25,285
Cleaning and Household Supplies	3,000	2,493	756	3,249
Office Supplies		5,842	776	6,618
Hardware and Tools		343	1,238	1,581
Personnel Expenses & Training		1,402	115	1,517
Conferences and Meetings	5,000	921	145	1,066
Professional Association Dues	12,000	298		298
Travel	5,000	87	13	100
Electric, Lighting and Equipment Supplies	50,000		500	500
Plumbing and HVAC Equipment Supplies	5,000	2,947	4,300	7,247
Fire and Other Safety	5,000		2,102	2,102
Furniture and Furnishings	100,000	6,653	4,418	11,071
Computer Hardware and Software	125,000	12,347	28,121	40,468
Electricity	125,000	70,586	20,414	91,000
Water	6,000	3,456		3,456
Telephone		6,511	6,348	12,859
Fax, Internet and Cable	35,000	1,737	4,525	6,262
Gas, Natural or Propane		10,558	815	11,373
	<u>1,712,767</u>	<u>723,267</u>	<u>337,117</u>	<u>1,060,384</u>
<b><u>DISBURSEMENTS BY TOWNSHIP (SPLITS)</u></b>				
Salaries and Wages	1,673,420	116,439		116,439
Public Employees Retirement System		174,361		174,361
Medical Benefits		828,475		828,475
FICA		174,361		174,361
Insurance and Surety		311,834		311,834
Fuel		110,727		110,727
Buildings and Grounds		18,282		18,282
Municipal Garage		5,686		5,686
Other Expenses		49,694		49,694
	<u>1,673,420</u>	<u>1,789,859</u>	<u>-</u>	<u>1,789,859</u>
<b><u>STATE AID</u></b>				
State Aid Expended	-		-	-
<b><u>DISBURSED BY LIBRARY</u></b>				
Computer Hardware and Software		9,500		9,500
Building		140,657		140,657
County Grant Match		8,125		8,125
Office Supplies and Expenses		732		732
Miscellaneous		3,313		3,313
	<u>-</u>	<u>162,327</u>	<u>-</u>	<u>162,327</u>
<b>TOTAL</b>	<b>\$ 6,327,927</b>	<b>\$ 4,821,472</b>	<b>\$ 337,117</b>	<b>\$ 5,158,589</b>

The Notes to the Financial Statements are an integral part of these statements.



TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(A) ORGANIZATION

The Township of Edison Public Library was chartered to provide services to the residents of the Township of Edison. It is comprised of a main library and two branches.

In addition, the Board of Trustees consists of appointed officials and is responsible for the fiscal control of the Library. A Library Director is appointed by the Board, and is responsible for administrative control of the Library.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Township of Edison Public Library is presented to assist in understanding the Library's financial statements. The financial statements and notes are representations of the Library's management, who is responsible for their integrity and objectivity.

(1) Reporting Entity

The Township of Edison Public Library is a component unit of the Township of Edison. The Township of Edison reports on a Regulatory Basis of Accounting, in accordance with the State of New Jersey Division of Local Government Services, which is another comprehensive basis of accounting. Under this basis the Township does not include its component units in its annual report.

(2) Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Edison Public Library conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Edison Public Library are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2) Description of Funds (Continued)

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Library accounts for its financial transactions through the following individual funds and account groups:

Current Fund - resources and expenditures for library operations of a general nature, including federal and state grant funds.

Miscellaneous Reserves - are used to report resources from restricted donations and funds designated by the Board of Trustees for a specified purpose. See Exhibit A-5 for details of the reserves.

(3) Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:  
A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Library's budget. Other amounts that are due the Library, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements.

Budgetary Process - Under existing statutes and regulations, the Township of Edison Public Library is not required to legally adopt an annual operating budget; however, the Board of Trustees approves an annual budget at the beginning of each fiscal year for expenditure control purposes. Unexpended appropriation balances are not reserved or recorded as liabilities at December 31 of each year.



TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(3) Basis of Accounting (Continued)

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under, GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

(C) CONTRIBUTED SERVICES AND FACILITIES

The facilities from which the Library operates land and buildings are recorded in the name of the Township of Edison in accordance with N.J.S.A.40:54-24. The estimated fair rental value for use of these facilities is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such contributed services.

(D) STATUTORY MUNICIPAL APPROPRIATION FOR MAINTENANCE OF FREE PUBLIC LIBRARY

N.J.S.A. 40:54-8 requires that the governing body of every municipality governed by this statute shall annually appropriate a sum equal to one-third of a mill on every dollar of assessable property within such municipality based on the equalized valuation of such property as certified by the Director of the Division of Taxation in the Department of the Treasury for the proper maintenance of a free public library. The Library realized \$6,327,927 in 2020 of revenue from municipal appropriation for "Maintenance of Free Public Library."

(E) FINANCIAL OPERATIONS

The Township of Edison annually appropriates funds within the municipal budget for the operation and maintenance of the Library. The Township does not turn over to the Library these funds but retains them and pays the operating cost of the Library.

The Township directly pays all salaries, employee benefits, insurance costs, maintenance, utilities and other costs of operating the Library.

Certain costs, such as employee benefits and insurance are charged to the Library by the Township and are referred to as "Splits."



TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(F) CASH AND CASH EQUIVALENTS

The Library considers change funds, cash in banks, and certificates of deposit as cash and cash equivalents.

(1) Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements for the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Township of Edison Public Library had the following cash and cash equivalents at December 31, 2020:

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Library does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJGUDPA no amount of the bank balance was exposed to custodial credit risk.

	<u>CURRENT FUND</u>
Fines Account	\$ 125,946
Investment Account	<u>1,797,444</u>
	<u>\$1,923,390</u>

TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(F) CASH AND CASH EQUIVALENTS (CONTINUED)

(2) Investments

The purchase of investments by the Library is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following types of securities:

- (a) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (b) Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (d) Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;

TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(F) CASH AND CASH EQUIVALENTS (CONTINUED)

(2) Investments (Continued)

- (f) Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

- (g) Agreements for the repurchase of fully collateralized securities if:
1. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  2. the custody of collateral is transferred to a third party;
    - a. the maturity of the agreement is not more than 30 days;
    - b. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
    - c. a master repurchase agreement providing for the custody and security of collateral is executed.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Library is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.



TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(G) CONTINGENCIES

The Library receives a substantial amount of its support from state and local government. A significant reduction in the level of this support, if this would occur, would have an affect on the Library's programs and activities.

(H) PENSION PLANS

Library employees, who are eligible for a pension plan, are enrolled in the Public Employees' Retirement System, which is administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods.

Certain portions of the costs are contributed by the employees. The Library's share of pension costs, which is based upon the annual billings received from the State and paid by the Township, was \$174,361 for the year ending December 31, 2020.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

(I) GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Library provides Post Retirement Benefits to certain employees, who have retired from the Library after twenty-five (25) years of service.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB).

OPEB obligations are non-pension benefits that the library has contractually or otherwise agreed to provide employees once they have retired. Under current New Jersey budget and financial reporting requirements, the library is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis. Additionally, the library is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes, commencing with the 2012 fiscal year.

The Library has not yet calculated its OPEB obligations and the impact on the financial position or results of operations, if any, cannot be readily determined at this time.

TOWNSHIP OF EDISON PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(J) SUBSEQUENT EVENTS

The Library has evaluated subsequent events occurring after the financial statement date through April 7, 2022 which is the date the financial statements were available to be issued. Based on this evaluation, the Library has determined that no subsequent events have occurred which require disclosure in the financial statements.

(K) LITIGATION, CLAIMS AND CONTINGENT LIABILITIES

In the ordinary conduct of its business, the Library may be a party to litigation. At December 31, 2020, in the opinion of management based upon consultation with legal counsel, there were no matters pending or threatened which would have a material adverse effect on the financial position of the Library.

SUPPLEMENTARY SCHEDULES



"A-3"

TOWNSHIP OF EDISON PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF DUE FROM TOWNSHIP OF EDISON

Due from Township at December 31, 2019		\$	1,877,557
Add:			
2020 Budget Appropriation			6,327,927
Less:			
Expenditures:			
Salary and Wages	\$	2,146,019	
Other Expenses		723,267	
Budget Transfer - Splits		1,789,859	
Transfer to Library		467,957	
Prior Year Expenses		167,177	
			<u>5,294,279</u>
Due from Township at December 31, 2020		\$	<u>2,911,205</u>

"A-4"

TOWNSHIP OF EDISON PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF STATE LIBRARY AID

<u>GRANT NAME</u>	<u>BALANCE DECEMBER 31/2019</u>	<u>RECEIVED</u>	<u>REALIZED</u>	<u>BALANCE DECEMBER 31, 2020</u>
State Library Aid	\$ 43,800	\$ 43,318	\$	\$ 87,118
	\$ 43,800	\$ 43,318	\$ -	\$ 87,118

Note: Funds Held by the Township of Edison

TOWNSHIP OF EDISON PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Balance, December 31, 2019		\$	1,563,460
Receipts:			
Fines and Fees/ Donations	\$	48,477	
Prior Year Municipal Contribution		467,957	
Interest on Investments		7,822	
<u>Total Receipts</u>			<u>522,256</u>
		\$	2,085,717
Disbursements:			
Computer Hardware and Software	\$	9,500	
Building		140,657	
County Grant Match		8,125	
Office Supplies and Expenses		732	
Miscellaneous		3,313	
<u>Total Disbursements</u>			<u>162,327</u>
Balance, December 31, 2020		\$	<u>1,923,390</u>

CASH RECONCILIATION - DECEMBER 31, 2020

Balance on Deposit Per Certification of:  
TD Bank

Fines Account	\$	125,946
Investment Account		<u>1,797,444</u>
<u>BOOK BALANCE</u>	\$	<u>1,923,390</u>