

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean,
State of New Jersey)

Financial Statements and Supplementary Information

For the year ended December 31, 2019

(With Independent Auditor's Report thereon)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Ocean County Library Commission
Toms River, New Jersey 08754

Report on the Financial Statements

We have audited the accompanying balance sheet - regulatory basis of the Ocean County Library Commission as of December 31, 2019, and the related statement of revenues, expenditures, and changes in fund balances – regulatory basis for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Ocean County Library Commission'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 and practices prescribed by the New Jersey State Library. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the New Jersey State Library. 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 Ocean County Library Commission'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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 2, the Ocean County Library Commission prepares its financial statements using accounting practices prescribed by The New Jersey State Library, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the New Jersey State Library.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” 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 Ocean County Library Commission, a component unit of the County of Ocean, State of New Jersey, as of December 31, 2019, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet – regulatory basis of the Ocean County Library Commission, a component unit of the County of Ocean, State of New Jersey, as of December 31, 2019, and results of its operations and changes in fund balance for the year ended December 31, 2019 in conformity with accounting principles and practices prescribed by The New Jersey State Library, as described in Note 2.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean County Library Commission’s basic financial statements. The accompanying supplementary schedules, such as the schedules of cash and schedule of revenues and expenditures budget to actual - regulatory basis are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary schedules 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 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 supplementary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

The comparative totals for December 31, 2018 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2020 on our consideration of the Ocean County Library Commission's internal control over financial reporting and 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 the 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 Ocean County Library Commission's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

June 30, 2020
Toms River, New Jersey



**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***

To the Board of Commissioners
Ocean County Library Commission
Toms River, New Jersey 08754

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the New Jersey State Library, the financial statements- regulatory basis of the Ocean County Library Commission, a component unit of the County of Ocean, State of New Jersey, as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Ocean County Library Commission's basis financial statements, and have issued our report thereon dated June 30, 2020. Our report indicated that the Ocean County Library Commission's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the New Jersey State Library.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ocean County Library Commission's internal 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 Ocean County Library Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Ocean County Library Commission's internal control.

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 entity'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. We did identify one deficiency in internal controls, described in the accompanying General Comments and Recommendations that we consider to be a significant deficiency as Finding No. 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ocean County Library Commission'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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the New Jersey State Library and which is described in the accompanying General Comments and Recommendations as Finding No. 2019-001.

Ocean County Library Commission's Response to Findings

The Ocean County Library Commission's response to the findings identified in our audit is described in the accompanying General Comments and Recommendations. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

June 30, 2020
Toms River, New Jersey

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Balance Sheet - Regulatory Basis
December 31, 2019
(With comparative totals for December 31, 2018)

	2019	2018 (Memorandum Only)
ASSETS		
Cash with fiscal agent - general	\$ 16,271,925	\$ 14,280,306
Cash - office account	10,939	35,167
Cash - petty	915	1,057
Total assets	\$ 16,283,779	\$ 14,316,530
LIABILITIES AND FUND BALANCE		
Unearned revenue	\$ 11,026	\$ 19,300
Compensated absences payable	747,240	718,207
Total liabilities	758,266	737,507
Fund balance:		
Restricted general reserves (See Note 6)	6,367,844	5,221,151
Unreserved	9,157,669	8,357,872
Total fund balance	15,525,513	13,579,023
Total liabilities and fund balance	\$ 16,283,779	\$ 14,316,530

The accompanying notes to financial statements are an integral part of this statement.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Regulatory Basis
For the year ended December 31, 2019
(With comparative totals for December 31, 2018)

	General (Unreserved) Fund	General (Reserved) Fund	2019 Total	2018 Total (Memorandum Only)
Revenues:				
Per capita aid	\$ -	\$ 252,106	\$ 252,106	\$ 251,838
Dedicated tax	38,029,847	-	38,029,847	37,007,999
Fines and fees	360,991	-	360,991	465,873
Added assessment tax	273,118	-	273,118	-
Intergovernmental agreements	-	-	-	22,426
Copier fees	41,955	-	41,955	39,693
Grant revenue	-	21,826	21,826	35,201
Donations	-	56,773	56,773	38,281
Appropriation reserves	-	3,066,298	3,066,298	2,687,926
Building improvement	-	542,048	542,048	298,929
FEMA	43,316	-	43,316	-
Miscellaneous	152,371	739	153,110	149,411
Total revenues	<u>38,901,598</u>	<u>3,939,790</u>	<u>42,841,388</u>	<u>40,997,577</u>
Expenditures:				
Salaries	17,967,189	-	17,967,189	17,543,423
Fringe benefits	9,143,012	722,033	9,865,045	10,126,077
Automation	-	-	-	42,106
Materials	3,528,510	905,584	4,434,094	4,134,808
Programs and public relations	184,392	31,833	216,225	178,948
Professional expenses and seminars	54,977	8,274	63,251	62,616
Professional services	182,708	18,213	200,921	197,325
Administrative services	57,203	8,364	65,567	104,879
Equipment	97,693	34,390	132,083	105,014
Supplies	290,179	25,831	316,010	279,973
Maintenance - buildings and grounds	1,044,271	129,704	1,173,975	1,056,740
Maintenance - equipment and vehicles	116,057	13,419	129,476	147,130
Utilities	914,595	178,207	1,092,802	1,085,634
Technology	1,553,947	370,839	1,924,786	1,850,210
Building improvement fund	-	247,176	247,176	655,508
Brick expansion	-	-	-	5,845
Transfer to appropriation reserves	3,066,298	-	3,066,298	2,687,926
Total expenditures	<u>38,201,031</u>	<u>2,693,867</u>	<u>40,894,898</u>	<u>40,264,162</u>
Excess revenues over expenditures	700,567	1,245,923	1,946,490	733,415
Fund balance, January 1	8,357,872	5,221,151	13,579,023	12,845,608
Transfers to unreserved funds	201,173	(201,173)	-	-
Transfers to reserved funds	(101,943)	101,943	-	-
Fund balance, December 31	<u>\$ 9,157,669</u>	<u>\$ 6,367,844</u>	<u>\$ 15,525,513</u>	<u>\$ 13,579,023</u>

The accompanying notes to financial statements are an integral part of this statement.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 1: ORGANIZATION

The financial statements are comprised of the financial transactions and records of the Ocean County Library Commission's Trust account maintained by the Treasurer of Ocean County and the cash receipts and disbursements of the Ocean County Library Commission. The Ocean County Treasurer acts in a trust capacity and handles all funds and makes all disbursements on behalf of the Ocean County Library Commission.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Ocean County Library Commission uses the modified accrual method of accounting as prescribed by The New Jersey State Library.

B. Revenue Recognition

Revenues are recognized when they become available and measurable.

C. Expenditure Recognition

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is paid for goods or services through issuance of a voucher. General reserves covering unexpended appropriation reserves are created at December 31 of each year and recorded as a reservation of fund balance, except for amounts which may be cancelled by the governing body. General reserves are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed general reserves are recorded as income.

D. Governmental Funds Used

General (Unreserved) Fund - Accounts for all resources except those required to be accounted for in other funds. General (Reserved) Fund - Accounts for revenues that are Commissioner restricted to expenditures for specific purposes.

E. Inexhaustible Collections and Books

Because the values of the existing inexhaustible collections, including research books, are not readily determinable, the Library has not capitalized them. Accessions and deaccessions during 2019 were not significant.

F. Cash and Cash Equivalents

N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents (continued)

Jersey Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

G. Adopted Accounting Pronouncements

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and patten of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Implementation of this Statement did not have a significant impact on the Commission's financial statements.

H. Recent Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The libraries in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Ocean County Library Commission's financial statements.

Statement No. 87, *Leases*. 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. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 87 is effective for reporting periods beginning after June 15, 2021 (GASB Statement No. 95). Management has not yet determined the impact of this Statement on the financial statements.

I. Subsequent Events

Ocean County Library Commission has evaluated subsequent events occurring after December 31, 2019 through the date of June 30, 2020, which is the date the financial statements were available to be issued. See Note 10 for more information.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 3: CASH

The Commission is governed by the deposit limitations of New Jersey state law. The deposits held at December 31, 2019, and reported at fair value are as follows:

Deposits:

Demand deposits	\$ <u>16,283,779</u>
Total deposits	\$ <u>16,283,779</u>

Reconciliation of Balance Sheet – Regulatory Basis:

Cash with fiscal agent – general	\$ 16,271,925
Cash – office account	10,939
Cash – petty	<u>915</u>
Total	\$ <u>16,283,779</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Commission’s deposits may not be returned. The Commission does not have a deposit policy for custodial credit risk. As of December 31, 2019, the Commission’s bank balance of \$16,280,592 was insured or collateralized as follows:

Insured	\$ 258,667
Collateralized under GUDPA	<u>16,021,925</u>
Total	\$ <u>16,280,592</u>

NOTE 4: COMPENSATED ABSENCES PAYABLE

Employees of the Ocean County Library Commission are entitled to payment for unpaid vacation, sick days, unpaid compensatory time upon retirement. Employees are entitled to a maximum payment of \$15,000 for accrued sick days. Vacation time must be used in the year it is earned or carried forward to the next year. After the succeeding year, vacation time is lost. Compensatory time can be carried over at a maximum amount of 28 hours a year and unused time shall be paid out upon termination. Compensated absences are accrued if the obligation relating to employees’ rights to receive compensation for future absences is attributable to services already rendered by employees, the rights vest or accumulate, payment of compensation is probable, and the amount can be reasonably estimated. The Commission adopted GASB No. 16 in 1995. The amount of compensated absences payable at December 31, 2019 is \$747,240.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 5: TRANSFERS

The following transfers were approved to/(from) the unreserved fund balance to the reserved fund balance:

	<u>2019</u>
Library automation	\$ (176,612)
Sick pay for retirement	(10,000)
Salaries and wages	134,669
Building improvement fund	<u>(50,000)</u>
	<u>\$ (101,943)</u>

The following transfers were approved from the reserved fund balance to the unreserved fund balance:

	<u>2019</u>
From reserves for appropriations	<u>\$ 201,173</u>
	<u>\$ 201,173</u>

NOTE 6: GENERAL RESERVE FUND BALANCE

General reserve fund balance at December 31, 2019 consisted of the following:

	<u>2019</u>
Automation	\$ 424,994
Brick expansion account	47,810
Building improvement account	1,332,331
Donations	203,879
Endowment fund	490,961
Project 2020	70,876
Reserve	3,066,298
Sick pay at retirement	463,568
Per capita aid	252,106
Major repairs and equipment	<u>15,021</u>
	<u>\$ 6,367,844</u>

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS

The Ocean County Library Commission's employees are participants in the Public Employees' Retirement System through the County of Ocean. The Ocean County Library Commission's liability for the pension plan is not reported separately from the County; therefore the following information is the pension obligation related to the County of Ocean:

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the County's contractually required contribution to PERS plan was \$11,595,934.

Components of Net Pension Liability - At December 31, 2019, the County's proportionate share of the PERS net pension liability was \$214,804,124. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The County's proportion measured as of June 30, 2019, was 1.1921321266% which was an increase of 0.0116339366% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 28,947,491	\$ 45,195,331
Deferred Inflows of Resources	81,213,418	81,150,219
Net Pension Liability	214,804,124	232,434,209
County's portion of the Plan's total Net Pension Liability	1.19213%	1.18050%

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the County's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$10,348,283. This expense is not recognized by the County because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the County contributed \$11,595,934 to the plan in 2019.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 3,855,453	\$ 948,910
Changes of Assumptions	21,448,981	74,558,831
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,390,767
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	3,643,057	2,314,910
	\$ 28,947,491	\$ 81,213,418

The County will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending</u> <u>Dec 31,</u>	<u>Amount</u>
2020	\$ (8,728,420)
2021	(14,599,301)
2022	(19,871,331)
2023	(8,306,842)
2024	<u>(760,033)</u>
	<u>\$ (52,265,927)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	100.00%	

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 7: PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the County's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
County's Proportionate Share of the Net Pension Liability	<u>\$ 273,220,092</u>	<u>\$ 214,804,124</u>	<u>\$ 168,333,905</u>

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

General Information about the OPEB Plan (continued)

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%	
Salary Increases*:		
Public Employees' Retirement System (PERS)		
Initial Fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	
Rate thereafter	3.00% to 7.00%	
Mortality:		
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	

* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Obligation and OPEB (Benefit) Expense

The Commission's proportionate share of the total Other Post-Employment Benefits Obligations was \$44,696,752. The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the OPEB Obligation associated with the Commission was based on projection of the State's long-term contributions to the OPEB plan associated with the Commission relative to the projected contributions by the State associated with all participating entities, actuarially determined. At June 30, 2019, the State proportionate share of the OPEB Obligation attributable to the Commission was 0.329961%, which was a decrease of 0.024412% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(1,655,429) for the State's proportionate share of the OPEB (benefit) expense attributable to the Commission. This OPEB (benefit) expense was based on the OPEB plans June 30, 2019 measurement date.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PERS experience studies prepared for July 1, 2014 to June 30, 2018. 100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate (continued):

	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Commission	\$ 51,680,816	\$ 44,696,752	\$ 39,021,277
State of New Jersey's Total Nonemployer OPEB Liability	\$ 15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Commission	\$ 37,718,550	\$ 44,696,752	\$ 53,598,623
State of New Jersey's Total Nonemployer OPEB Liability	\$ 11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Additional Information – The following is a summary of the deferred outflows of resources, deferred inflows of resources, and net OPEB liability balances as of June 30, 2019:

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 1,960,241	\$ 2,266,023
Deferred Inflows of Resources	38,123,723	30,551,159
Net OPEB Liability	44,696,752	55,518,265
Commission's portion of the Plan's total net OPEB Liability	0.32996%	0.35437%

OPEB Deferred Outflows/Inflows of Resources – At December 31, 2019, the Commission's proportionate share of the OPEB outflows and inflows, calculated by the plan as of the June 30, 2019 measurement date is \$1,960,241 and \$38,123,723, respectively. At December 31, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 13,071,072
Changes of Assumptions	-	15,839,535
Net Difference between Projected and Actual Earnings on Pension Plan Investments	36,818	-
Changes in Proportion	<u>1,923,423</u>	<u>9,213,116</u>
	<u>\$ 1,960,241</u>	<u>\$ 38,123,723</u>

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to OPEB that will be recognized in future periods:

Year Ending	Amount
<u>Dec 31,</u>	
2020	\$ (6,161,526)
2021	(6,161,525)
2022	(6,165,792)
2023	(6,169,539)
2024	(6,173,800)
2025-2029	<u>(5,331,300)</u>
	<u>\$ (36,163,482)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	<u>June 30, 2018</u>
Active Plan Members	63,032
Retirees Currently Receiving Benefits	<u>27,871</u>
Total Plan Members	<u>90,903</u>

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Service Cost	\$	666,574,660
Interest on the Total OPEB Liability		636,082,461
Change of Benefit Terms		(1,903,958)
Differences Between Expected and Actual Experience		(1,399,921,930)
Changes of Assumptions		(1,635,760,217)
Contributions From the Employer		(346,415,056)
Contributions From Non-Employer Contributing Entity		(43,854,500)
Net Investment Income		(4,826,936)
Administrative Expense		9,478,435
		(2,120,547,041)
Net Change in Total OPEB Liability		(2,120,547,041)
Total OPEB Liability (Beginning)		15,666,618,141
Total OPEB Liability (Ending)	\$	13,546,071,100

The number of eligible retirees and the annual amount of expenditures recognized by the County for postretirement healthcare for each of the last three years are as follows:

<u>Year</u>	<u># of Eligible Retirees</u>	<u>Amount Expended</u>
2019	114	\$ 909,788
2018	106	\$ 1,217,128
2017	101	\$ 1,322,850

NOTE 9: COMMITMENTS

On October 31, 2019, the Ocean County Library Commission entered into a 48-month Lease Purchase Agreement with Municipal Capital Finance to replace leased Library and Administrative copiers with new Savin copiers at a yearly cost of \$9,038. At the end of the lease, the Ocean County Library Commission will own the copiers outright. These lease liabilities are not recorded on the Commission's balance sheet under the regulatory basis of accounting and the monies will be budgeted as they come due.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County Ocean, State of New Jersey)
Notes to Financial Statements (continued)
For the year ended December 31, 2019

NOTE 9: COMMITMENTS (continued)

The following is a schedule of the lease payments over the life of the lease as of December 31, 2019:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 2020	\$7,365	\$1,673	\$9,038
December 31, 2021	7,804	1,234	9,038
December 31, 2022	8,268	770	9,038
December 31, 2023	<u>8,759</u>	<u>279</u>	<u>9,038</u>
Total	<u>\$32,196</u>	<u>\$3,956</u>	<u>\$36,152</u>

NOTE 10: SUBSEQUENT EVENTS

Subsequent to year end, all union contracts had expired effectively March 31, 2020. The Commission is currently in negotiations to renew these contracts however, as of the date of this report no new contracts have been finalized.

Also, in December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, the number of those infected grew significantly, and beyond China's borders. As of the date of this report, the coronavirus is reported to have spread globally. The coronavirus outbreak is still evolving and its effects remain unknown. The Commission is unable to predict how changing global economic conditions such as the COVID-19 coronavirus will affect the Commission's operations.

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Schedule of Cash with Fiscal Agent- General Account
For the year ended December 31, 2019

Balance, January 1, 2019	\$ 14,280,306
Increased by receipts:	
Grant reserves	21,825
General reserves	851,667
Budget revenues	<u>38,917,693</u>
Total receipts	<u>39,791,185</u>
Decreased by disbursements:	
Grant reserves	6,703
General reserves	2,687,164
General budget	<u>35,105,699</u>
Total disbursements	<u>37,799,566</u>
Balance, December 31, 2019	<u><u>\$ 16,271,925</u></u>

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Schedule of Cash - Office Account
For the year ended December 31, 2019

Schedule II

Balance, January 1, 2019	\$	35,167
Increased by receipts:		
Fines and fees		228,548
Printer		112,518
Copier fees		41,955
Donations		39,203
Miscellaneous		9,750
Total receipts		431,974
Decreased by disbursements:		
Paid County Treasurer		389,679
Refunds and miscellaneous		66,523
Total disbursements		456,202
Balance, December 31, 2019	\$	10,939

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Schedule of Revenues and Expenditures
Budget to Actual - Regulatory Basis
For the year ended December 31, 2019

Schedule III

	Adopted Budget	From (Cancelled) to Reserves	Transfer to Appropriation Reserves	Actual	Variance
Revenues:					
Dedicated tax	\$ 38,029,847	\$ -	\$ -	\$ 38,029,847	\$ -
Fines, fees, and photocopier charges	350,000	-	-	402,946	52,946
Miscellaneous	-	201,173	-	195,687	(5,486)
Budgeted fund balance	5,113,347	-	-	-	(5,113,347)
Total revenues	\$ 43,493,194	\$ 201,173	\$ -	\$ 38,901,598	\$ (4,792,769)
Expenditures:					
Salaries	\$ 20,812,414	\$ 134,669	\$ -	\$ 17,967,189	\$ 2,979,894
Fringe benefits	10,940,253	-	1,219,780	9,143,012	577,461
Materials	4,400,000	-	871,490	3,528,510	-
Programs and public relations	203,000	-	9,845	184,392	8,763
Professional expenses and seminars	85,000	-	21,715	54,977	8,308
Professional services	350,024	-	64,385	182,708	102,931
Administrative services	139,000	-	31,364	57,203	50,433
Equipment	215,000	(50,000)	61,684	97,693	5,623
Supplies	325,000	-	22,000	290,179	12,821
Maintenance - buildings and grounds	1,160,000	-	64,318	1,044,271	51,411
Maintenance - equipment and vehicles	204,400	-	33,236	116,057	55,107
Utilities	1,620,991	-	284,096	914,595	422,300
Technology	2,204,728	(176,612)	382,385	1,553,947	91,784
Contingency	415,000	-	-	-	415,000
Rate stabilization fund	408,384	-	-	-	408,384
Sick pay	10,000	(10,000)	-	-	-
Total expenditures	\$ 43,493,194	\$ (101,943)	\$ 3,066,298	\$ 35,134,733	\$ 5,190,220

OCEAN COUNTY LIBRARY COMMISSION
(A Component Unit of the County of Ocean, State of New Jersey)
Board of Commissioners and Management
December 31, 2019

Ruthanne Scaturro	Chairperson
Christopher J. Mullins	Vice-Chairperson
Susan L. Hutler	Commissioner
Henry J. Mancini	Commissioner
Sal Baglio	Commissioner
Timothy McDonald	Commissioner
Bonnie R. Peterson	Commissioner
Susan Quinn	Director