

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012**

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITORS' REPORT

The Honorable Board of Trustees
of the Mahwah Public Library
Township of Mahwah, New Jersey

We have audited the accompanying financial statements – regulatory basis of the Mahwah Public Library (the “Library”), County of Bergen, State of New Jersey, (A Component Unit of the Township of Mahwah, the “Township”), as of December 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Library’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audits in accordance with 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Library prepare its financial statements in accordance with the accounting practices on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library, State of New Jersey, as of December 31, 2012 and 2011, or the results of its revenues, expenditures and changes in net assets for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets – regulatory basis of the various funds of the Library, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in net assets of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds, for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated March 18, 2013, on our consideration of the Library, State of New Jersey'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 and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplementary information is presented for the purpose of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Paul W. Garbarini

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534

Garbarini & Co., P.C.

Garbarini & Co. P.C.
Certified Public Accountants

Carlstadt, NJ
March 18, 2013

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees
of the Public Library
Township of Mahwah, New Jersey

We have audited the financial statements of the Mahwah Public Library (the "Library"), County of Bergen, State of New Jersey, (A Component Unit of the Township of Mahwah), as of and for the year ended December 31, 2012 and have issued our report thereon dated March 18, 2013. Our report disclosed that, as described in Note 1 to the financial statements, the 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 accounting principles generally accepted in the United States of America. We conducted our audit in accordance with 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of 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, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the Library's board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Paul W. Garbarini

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534

Garbarini & Co., P.C.

Garbarini & Co. P.C.
Certified Public Accountants

Carlstadt, NJ
March 18, 2013

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Comparative Balance Sheets - Regulatory Basis
As of December 31, 2012 and 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Operating Fund:		
Operating Account	\$ 354,204	\$ 325,765
State Aid Account	15,507	15,980
Unemployment Account	130,484	130,223
Payroll Account	1,246	1,000
Total Operating	<u>501,441</u>	<u>472,968</u>
Capital Fund:		
Building Account	-	18,614
Private Contribution Account	156,797	146,503
Working Capital Account	490,480	518,650
Total Capital	<u>647,277</u>	<u>683,767</u>
TOTAL ASSETS	<u>\$ 1,148,718</u>	<u>\$ 1,156,735</u>

LIABILITIES AND FUND BALANCE

Current Liabilities		
Accounts payable	\$ 33,464	\$ 13,247
Due to the Township of Mahwah	-	11,282
Fund Balances		
Unrestricted:		
Assigned - Unemployment Reserve	130,485	130,224
Unassigned	337,492	318,214
Restricted		
Capital Fund	<u>647,277</u>	<u>683,768</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,148,718</u>	<u>\$ 1,156,735</u>

See independent auditor's report and notes to financial statements.

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Comparative Statement of Revenues, Expenditures and
Changes in Net Assets - Regulatory Basis
As of December 31, 2012 and 2011

	<u>Unrestricted</u>		<u>Restricted</u>	<u>Total</u> <u>2012</u>
	<u>Unassigned</u> <u>Operating Fund</u>	<u>Unemployment</u> <u>Reserve</u>	<u>Building & Capital</u> <u>Improvements</u>	
REVENUES				
Township of Mahwah appropriations	\$ 2,145,178	\$ -	\$ -	\$ 2,145,178
State Aid	11,458			11,458
Fines	21,445			21,445
Contributions	3,217		10,000	13,217
Reciprocal borrowing	1,106			1,106
Copier/computer printout revenue	1,831			1,831
Video rentals	7,775			7,775
Interest on savings	-	261	297	558
Lost and damaged books	2,657			2,657
Miscellaneous revenue	7,472			7,472
Interfund			191,000	191,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>2,202,139</u>	<u>261</u>	<u>201,297</u>	<u>2,403,697</u>
EXPENDITURES				
Salaries and benefits	1,377,101	-	-	1,377,101
Library materials	251,160			251,160
Operating Expenses	44,967			44,967
Unemployment				-
Professional fees	25,890		4,500	30,390
Supplies and stationary	30,142			30,142
Program expense	41,603			41,603
Computer expense	58,371			58,371
Furniture and equipment	17,087			17,087
Building maintenance	66,581			66,581
Utilities	78,959			78,959
New building			233,288	233,288
Interfund	191,000			191,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>2,182,861</u>	<u>-</u>	<u>237,788</u>	<u>2,420,649</u>
Excess/(deficit) of revenues over/(under) expenditures	19,278	261	(36,491)	(16,952)
Net Assets, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	318,214	130,224	683,768	1,132,206
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets, December 31	<u>\$ 337,492</u>	<u>\$ 130,485</u>	<u>\$ 647,277</u>	<u>\$ 1,115,254</u>

See independent auditor's report and notes to financial statements.

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Comparative Statement of Revenues, Expenditures and
Changes in Net Assets - Regulatory Basis
As of December 31, 2012 and 2011

	<u>Unrestricted</u>		<u>Restricted</u>	<u>Total 2011</u>
	<u>Unassigned Operating Fund</u>	<u>Unemployment Reserve</u>	<u>Building & Capital Improvements</u>	
REVENUES				
Township of Mahwah appropriations	\$ 2,253,512	\$ -	\$ -	\$ 2,253,512
State Aid	11,931			11,931
Fines	21,307			21,307
Contributions	4,528		55	4,583
Reciprocal borrowing	2,089			2,089
Copier/computer printout revenue	1,900			1,900
Video rentals	6,364			6,364
Interest on savings	223	272	891	1,386
Lost and damaged books	3,014			3,014
Miscellaneous revenue	5,313			5,313
Interfund		14,018	100,000	114,018
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>2,310,181</u>	<u>14,290</u>	<u>100,946</u>	<u>2,425,417</u>
EXPENDITURES				
Salaries and benefits	1,530,771	-	-	1,530,771
Library materials	254,252			254,252
Operating Expenses	36,787		35	36,822
Unemployment	-	2,235		2,235
Professional fees	12,254		43,580	55,834
Supplies and stationary	38,346			38,346
Program expense	40,562			40,562
Computer expense	58,281			58,281
Furniture and equipment	30,550			30,550
Building maintenance	70,957			70,957
Utilities	87,737			87,737
New building			568,959	568,959
Interfund	114,018			114,018
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>2,274,515</u>	<u>2,235</u>	<u>612,574</u>	<u>2,889,324</u>
Excess/(deficit) of revenues over/(under) expenditures	35,666	12,055	(511,628)	(463,907)
Net Assets, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	293,830	118,169	1,195,396	1,607,395
Transfer of excess Library funds to Borough N.J.S.A. 40:54-15(a)	(11,282)			(11,282)
Net Assets, December 31	<u>\$ 318,214</u>	<u>\$ 130,224</u>	<u>\$ 683,768</u>	<u>\$ 1,132,206</u>

See independent auditor's report and notes to financial statements.

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Statement of Cash Receipts and Disbursements
As of December 31, 2012

	Operating Funds	Capital Funds
Balance per books, January 1, 2012	\$ 472,968	\$ 683,767
Increased by Receipts:		
Township of Mahwah budget appropriation	2,145,178	
State aid	11,458	
Fines	21,445	
Contributions	3,217	10,000
Reciprocal borrowing	1,106	
Copier/computer printout revenue	1,831	
Video rentals	7,775	
Interest on savings	261	297
Lost and damaged books	2,657	
Miscellaneous revenue	7,472	
Interfund		191,000
	2,202,398	201,297
	2,675,366	885,064
Decreased by Disbursements:		
Expenditures	2,173,924	237,788
Balance per books, December 31, 2012	\$ 501,442	\$ 647,277

Analysis of cash balance, December 31, 2012

<u>Balance per bank's statements of:</u>		
Bank of America #0040 7000 2383	\$ 365,071	\$ -
Bank of America #0094 0391 1889	15,507	
TD Bank #247-0000162	130,484	
Bank of America #0040 7000 3231	4,938	
TD Bank #345-1585308		156,796
Bank of America #0094 1778 4884		490,480
Add: Deposit in transit	449	
(Less:) Outstanding checks	(15,007)	
Balance, December 31, 2012	\$ 501,442	\$ 647,277

See independent auditor's report and notes to financial statements.

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Mahwah Public Library, State of New Jersey (the "Library") conform to the accounting principles applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The following is a summary of the significant policies.

Component Unit

The Governmental Accounting Standards Board Statement 14 requires that disclosure be made in the financial statements regarding the financial reporting entity of government units.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and the other organizations for which the primary government is not accountable but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

A component unit is a legally separate organization for which the elected officials or the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on the primary government.

The Library is a component unit of the primary government of the Township. The members of the Library are appointed by the Mayor with the advice and consent of the Council of the Township, and the Township would be obligated to guarantee debt of the Library to the extent not met by other sources.

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Library, the accounts of the Library are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities reserves, fund balance, revenues and expenditures, as appropriate.

Funds

Operating Fund: is used to account for the resources and expenditures for operations of a general nature, including Federal, State and Local grants for operations, if any,

Capital Fund: is used to account for the receipts, custodianship and disbursements of monies in accordance with the purpose for which the fund was created.

Budgets

An annual budget is adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements are those adopted by the Library Board of Trustees.

Basis of Accounting

The accounting principles and practices prescribed for libraries by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Revenues

Revenues, except for the municipal contribution and State/Federal Aid, are recognized on a cash basis. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

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

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Compensated Absences

Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation. During 2007, a compensated absences policy was adopted that allowed use of accumulated sick leave for sick pay during employment and prohibited payment for any accumulated absences.

Inventories of Supplies

The costs of inventories of supplies and the library collection for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories and the library collection are not capitalized on the balance sheet as required by GAAP.

Capital Assets

The library building is owned by the Township and is not recorded on the books of the Library. No depreciation on the building is included in operating expenditures. Equipment is recorded as an expenditure at time of purchase and is not recorded as a capital asset.

Use of Estimates

The preparation of financial statements in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Library presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

2. CASH AND CASH EQUIVALENTS

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

Deposits

The Library's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank and under GUDPA for the balance. At December 31, 2012 and 2011, the book value of the Library's deposits were \$1,148,719 and \$1,156,735 and bank balances of the Library's cash and deposits amounted to \$1,163,277 and \$1,196,235, respectively. The Library's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2012</u>	<u>2011</u>
Insured	\$1,163,277	\$1,196,235

Custodial Credit Risk: Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Library does not have a formal policy for custodial credit risk. As of December 31, 2012 and 2011, the Library's bank balances were not exposed to custodial credit risk.

Investments

The Library is permitted to invest public funds in accordance with the types of securities authorized by NJ.S.A.40:54-19.3. Investments include any interest-bearing obligations of the United States of America, or in interest-bearing bonds of the State of New Jersey, or any county or municipality of said State, or in any other securities authorized for investments by trustees under and in accordance with the provisions of Article 2 of Chapter 15 of Title 3A of the New Jersey Statutes.

The Library had no investments outstanding as of December 31, 2012.

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

3. EMPLOYEE RETIREMENT PLANS

Substantially all of the Library's employees participate in the defined benefit Public Employee Retirement Systems which has been established by the State statute. These systems are sponsored and administered by the State of New Jersey.

Public Employees' Retirement System

Public Employees' Retirement Systems (PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provision N.J.S.A. 43:15A to provide retirement, death and disability benefits, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State also administers the Pension Adjustment Fund (PAF), which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State sponsored pension systems except SACT. The cost of living increase for PERS is funded directly by the retirement system and is considered in the annual actuarial calculation of the required State contributions for that system.

According to State statutes, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the retirement systems, funds, and trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Contribution Requirements

The Contribution policy is set by laws of the State of New Jersey. Contributions made by employees to PERS for the years ended December 31, 2012 and 2011 were 6.5% and 6.5% of their base wages, respectively. Employers are required to contribute at an actuarially determined rate. The Library makes these required contributions.

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

3. EMPLOYEE RETIREMENT PLANS (Continued)

Library Contributions

The Library's year ended December 31, 2012 and 2011 contributions to PERS and the Defined Contribution Retirement Program were:

	12/31/2012	12/31/2011
Public Employee Retirement System	\$ 94,628	\$ 101,479
Defined Contribution Retirement Program	933	256
Total Library Contributions	\$ 95,561	\$ 101,735

Deferred Compensation Plan

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary to future years. Individuals are one hundred percent vested. The plan is funded solely from voluntary employee payroll deductions. Distribution is available to employees upon termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Library's general creditors.

4. TRANSFER OF EXCESS LIBRARY FUNDS TO THE MUNICIPALITY

The annual report submitted by the library board of trustees to the municipality pursuant to N.J.S.A. 40:54-15(a) shall identify excess funds that the board will approve for transfer to the Township as a miscellaneous revenue. Management has calculated that amount to be \$0.

5. DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through March 18, 2013, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Schedule of Accounts Payable
As of December 31, 2012

Balance, January 1, 2012	\$ 13,247
Increased by Receipts:	
Charged to Budget Appropriations	<u>33,464</u>
	46,711
Decreased by:	
Cash Disbursements	<u>13,247</u>
Balance, December 31, 2012	<u><u>\$ 33,464</u></u>

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Schedule of 2012 Budget Revenues
As of December 31, 2012

	<u>Budget Memo</u>	<u>Realized</u>	<u>Excess or (Unrealized)</u>
REVENUES			
Township of Mahwah budget appropriation	\$ 2,145,178	\$ 2,145,178	\$ -
State Aid	11,931	11,458	(473)
Fines	20,000	21,445	1,445
Contributions	-	3,217	3,217
Reciprocal borrowing	2,000	1,106	(894)
Copier/computer printout revenue	2,000	1,831	(169)
Video rentals	6,000	7,775	1,775
Interest on savings	500	261	(239)
Lost and damaged books	3,500	2,657	(844)
Miscellaneous	5,800	7,472	1,672
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 2,196,909</u>	<u>\$ 2,202,398</u>	<u>\$ 5,489</u>

Mahwah Public Library
County of Bergen, State of New Jersey
(A Component Unit of the Township of Mahwah)
Schedule of 2012 Budget Expenditures
As of December 31, 2012

	<u>Budget Memo</u>	<u>Paid or Charged</u>	<u>(Deficit) or Unexpended Balance</u>
EXPENDITURES			
Salaries and benefits	\$ 1,460,157	\$ 1,377,101	\$ 83,056
Library materials	272,564	251,160	21,404
Operating expenses	35,441	44,967	(9,526)
Unemployment	14,697		14,697
Professional fees	32,000	25,890	6,110
Supplies and stationary	38,950	30,142	8,808
Program expense	43,000	41,603	1,397
Computer expense	60,370	58,371	1,999
Furniture and equipment	19,500	17,087	2,413
Building maintenance	74,120	66,580	7,540
Utilities	89,772	78,959	10,813
Contingency	56,338	-	56,338
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 2,196,909</u>	<u>\$ 1,991,859</u>	<u>\$ 205,050</u>

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
BOARD OF TRUSTEES
FOR THE YEAR ENDED DECEMBER 31, 2012**

President	Curtis P. Koster
Vice President	Peter Wendrychowicz
Treasurer	Richard H. Wolf
Secretary	Richard Lee
Trustee	Samuel A. Alderisio
Trustee	Angela Clarkin
Trustee	William Grob
Mayor's Alternate	John Spiech
Interim Superintendent of Schools	Dr. Karen Lake
Mayor	William Laforet
Director	George Kurt Hadelar
Administrative Assistant	Darlene Mercadante

**MAHWAH PUBLIC LIBRARY
COUNTY OF BERGEN, STATE OF NEW JERSEY
(A Component Unit of the Township of Mahwah)
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Current Year Comments and Recommendations

NONE

Status of Prior Years Comments and Recommendations*

NONE