

Report of Audit
on the
Financial Statements
of
LibraryLinkNJ
for the
Year Ended
June 30, 2024

LIBRARYLINKNJ

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
LibraryLinkNJ
Trenton, New Jersey 08618

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LibraryLinkNJ, which comprise the statement of financial position as of June 30, 2024 and the related statements of activity, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LibraryLinkNJ as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 State of New Jersey *OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid."* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LibraryLinkNJ and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Organization's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

SUPLEE, CLOONEY & COMPANY LLC

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

SUPLEE, CLOONEY & COMPANY LLC

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards and the New Jersey Department of the Treasury Circular Letter 15-08 OMB, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LibraryLinkNJ's internal control over financial reporting and compliance.

Suplee Clooney & Company LLC
Certified Public Accountants

November 21, 2024

LIBRARYLINKNJSTATEMENT OF FINANCIAL POSITION
JUNE 30, 20242024ASSETSCurrent Assets

Cash and Cash Equivalents	\$	1,207,476
Accounts Receivable		<u>4,739</u>

<u>Total Current Assets</u>	\$	<u>1,212,215</u>
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<u>TOTAL ASSETS</u>	\$	<u><u>1,212,215</u></u>
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LIABILITIES AND NET ASSETSCurrent Liabilities

Accounts Payable and Accrued Expenses	\$	17,808
Deferred Revenues		1,165
Refundable Advances from Government Agency		<u>705,361</u>

<u>Total Current Liabilities</u>	\$	<u>724,334</u>
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Net Assets:

Without Donor Restrictions	\$	<u>487,881</u>
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<u>Total Net Assets</u>		<u>487,881</u>
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<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$	<u><u>1,212,215</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

LIBRARYLINKNJ

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<u>Operating Activities:</u>			
Government Grants - Network Funds	-	1,826,489	
Library Service Fees	245,197	-	245,197
Contributions of Nonfinancial Assets	51,873	-	51,873
Total Revenues and Support before Releases	<u>297,070</u>	<u>1,826,489</u>	<u>2,123,559</u>
Net Assets Released from Restrictions	<u>1,826,489</u>	<u>(1,826,489)</u>	<u>-</u>
<u>TOTAL SUPPORT AND REVENUE</u>	\$ <u>2,123,559</u>	\$ <u>-</u>	\$ <u>2,123,559</u>
<u>Expenses and Losses:</u>			
Program Expenses	\$ 2,056,264	\$ -	\$ 2,056,264
Management and General	<u>113,418</u>	<u>-</u>	<u>113,418</u>
<u>TOTAL EXPENSES</u>	\$ <u>2,169,682</u>	\$ <u>-</u>	\$ <u>2,169,682</u>
Change in Net Assets from Operating Activities:	\$ <u>(46,123)</u>	\$ <u>-</u>	\$ <u>(46,123)</u>
<u>Non-Operating Activities:</u>			
Interest and Dividends	59,322	-	59,322
Other	<u>(16,143)</u>	<u>-</u>	<u>(16,143)</u>
Change in Net Assets from Non-Operating Activities:	<u>43,179</u>	<u>-</u>	<u>43,179</u>
Change in Net Assets	(2,944)	-	(2,944)
Net Assets - Beginning of Year	<u>490,825</u>	<u>-</u>	<u>490,825</u>
Net Assets - End of Year	\$ <u><u>487,881</u></u>	\$ <u><u>-</u></u>	\$ <u><u>487,881</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

LIBRARYLINKNJSTATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Salaries and Wages	\$ 500,439	\$ 55,604	\$ 556,043
Payroll Taxes	177,443	19,716	197,159
Statewide Services	1,203,116	-	1,203,116
Incubator and Special Projects	60,625	-	60,625
Occupancy and Facilities	46,686	5,187	51,873
Office Expenses	1,582	176	1,758
Travel and Conferences	12,213	-	12,213
Telephone	2,440	610	3,050
Professional Services	6,083	24,331	30,414
Insurance	4,496	4,496	8,992
Consulting	11,462	-	11,462
Equipment	29,121	3,236	32,357
Miscellaneous	558	62	620
	<u>\$ 2,056,264</u>	<u>\$ 113,418</u>	<u>\$ 2,169,682</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT "D"

LIBRARYLINKNJ

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>
<u>OPERATING ACTIVITIES</u>	
Net Decrease in Net Assets	\$ (2,944)
Add (Deduct) Changes in Non-Cash Working Capital:	
Accounts Receivable	2,656
Prepaid Expenses	7,374
Accounts Payable and Accrued Expenses	(3,989)
Refundable Advances from Government Agency	(76,489)
Deferred Revenue	344
Net Cash Used by Operating Activities	<u>(73,048)</u>
Net Decrease in Cash and Cash Equivalents	\$ (73,048)
Cash and Cash Equivalents - Beginning of Year	<u>1,280,524</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,207,476</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Nature of Activities

LibraryLinkNJ is a non-profit organization created by New Jersey Library Legislation. It is a cooperative serving all member libraries of the New Jersey Library Network. It serves 2,500 multi-type libraries of the New Jersey Library Network. LibraryLinkNJ enhances the ability of member libraries to serve their clientele. This is done through resource sharing with delivery services, cost-sharing opportunities, discount offers, ongoing continuing education, and incubator projects. LibraryLinkNJ's primary source of revenue is an operational grant provided by the New Jersey State Library

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of LibraryLink have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require LibraryLinkNJ to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of LibraryLinkNJ. These net assets may be used at the discretion of LibraryLinkNJ's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of LibraryLinkNJ or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank deposit accounts, as well as in the State of New Jersey Cash Management Fund.

Accounts Receivable

Accounts receivable consists of amounts unpaid from member libraries. All accounts receivable are expected to be collected within one year.

LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

LibraryLinkNJ determines whether an allowance for uncollectible accounts receivable should be provided. The allowance, if any, is based on management's knowledge of which individual receivables are likely to not be collected. LibraryLinkNJ determined that no allowance for doubtful accounts was necessary at June 30, 2024.

Deferred Revenue

Deferred Revenue represents funds received before such income is earned.

Revenue and Revenue Recognition

LibraryLinkNJ recognizes contributions when cash or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the LibraryLinkNJ's revenue is derived from a cost-reimbursable state grant, which is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when LibraryLinkNJ has incurred expenditures in compliance with specific contract or grant provisions. Amounts received on the cost reimbursement grant, prior to incurring qualifying expenditures, are reported as refundable advances in the balance sheet. Under the terms of funding agreement with various governmental agencies, all reported expenditures are subject to audit and acceptance by the funding agency. In the opinion of management, adjustments, if any, resulting from future audits, should not have a material effect on LibraryLinkNJ's financial position or changes in its net assets.

Library service fees are recognized based on the delivery cost rates charged to the member libraries at the time service is provided. All amounts received prior to the delivery are deferred to the applicable period.

LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are reflected at their fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used.

Donated space has been recognized as support and revenue; and, related expense on the financial statements. Donated space is valued based on similar rates comparable to similar spaces in Central New Jersey. LibraryLinkNJ recognized \$51,873 of donated space received during the fiscal year ended June 30, 2024.

(2) RISK AND UNCERTAINTIES

Financial instruments that potentially subject LibraryLinkNJ to concentrations of credit risk consist principally of cash and cash equivalents, and accounts receivable. LibraryLinkNJ maintains its cash and cash equivalents in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is further reduced by placing such deposits in the New Jersey Cash Management Fund and in high quality financial institutions. Concentrations of credit risk with respect to accounts receivable is limited in that amounts are primarily due from members and other library cooperatives. LibraryLinkNJ has not experienced, nor does it anticipate, any losses with respect to such accounts

(3) AVAILABILITY AND LIQUIDITY

The following represents LibraryLinkNJ's financial assets at June 30, 2024:

Cash and Cash Equivalents	\$ 1,207,476
Accounts Receivable	<u>4,739</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 1,212,215</u>

(4) CASH AND CASH EQUIVALENTS

The cash and cash equivalents of LibraryLinkNJ at June 30, 2024 were as follows:

Checking Accounts	\$ 146,502
Certificate of Deposit	823,060
NJ Cash Management Fund	<u>237,914</u>
Total Cash and Cash Equivalents	<u>\$ 1,207,476</u>

LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(5) ANNUITY PLAN

LibraryLinkNJ has a tax deferred annuity plan for all eligible employees under Section 403(b) of the Internal Revenue Code. LibraryLinkNJ contributes 10% of eligible employees' annual salary and the employee can elect to waive medical benefits for an additional 3% contribution. LibraryLinkNJ contributed \$63,891 for the year ended June 30, 2024.

(6) NET ASSETS

Releases from net assets with donor restrictions are as follows at June 30, 2024:

Statewide Library Cooperative Program	\$ 1,826,489
Total Net Assets Released from Restrictions	<u>\$ 1,826,489</u>

(7) CONCENTRATION OF REVENUE

During the year ended June 30, 2024, LibraryLinkNJ received 86% of its total revenue from the New Jersey State Library. Revenue from those grants consisted of the following:

Statewide Library Cooperative Program	<u>\$ 1,826,489</u>
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In July 2024, LibraryLinkNJ signed a contract with the New Jersey State Library to cover the Statewide Library Cooperative Program (operational grant) in the amount of \$1,750,000 for the fiscal year ending June 30, 2024

(8) COMMITMENTS AND CONTINGENCIES

In November 2020, LibraryLinkNJ entered into a Memorandum of Understanding (MOU) with the New Jersey State Library to occupy office space at the NJSL Talking Book & Braille Center located in Trenton, New Jersey. The MOU had an initial term of three years that expired on October 31, 2023 and was extended for three additional years until October 31, 2026. LibraryLinkNJ has not been charged by the State Library for rent or utility costs for the designated office space during the term of this MOU.

Donated space for the year ended June 30, 2024 was \$51,873.

(9) SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 21, 2024, which is the date the financial statements were available to be issued. LibraryLinkNJ is not aware of any material subsequent events.

SINGLE AUDIT SECTION



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

To the Board of Trustees
LibraryLinkNJ
Trenton, New Jersey 08618

We have audited the financial statements of LibraryLinkNJ as of and for the year ended June 30, 2024 and have issued our report thereon dated November 21, 2024. We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LibraryLinkNJ'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 LibraryLinkNJ's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LibraryLinkNJ'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

SUPLEE, CLOONEY & COMPANY LLC

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Suplee Clooney & Company LLC

Certified Public Accountants

November 21, 2024



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE NEW JERSEY OMB CIRCULAR 15-08**

To the Board of Trustees
LibraryLinkNJ
Trenton, New Jersey 08618

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited LibraryLinkNJ compliance with the types of compliance requirements identified as subject to audit in the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on LibraryLinkNJ's major state program for the year ended June 30, 2024. The Organization's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to as above that could have a direct and material effect on its major state program for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"); the audit requirements of New Jersey OMB Circular 15-08. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

SUPLEE, CLOONEY & COMPANY LLC

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Governmental Auditing Standards, the New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

SUPLEE, CLOONEY & COMPANY LLC

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Suplee Clooney & Company LLC
Certified Public Accountants

November 21, 2024

SCHEDULE 1

LIBRARY LINKNJ

SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2024

<u>STATE GRANTOR/ PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT PERIOD</u>		<u>GRANT AWARD AMOUNT</u>	<u>2023-2024 RECEIVED</u>	<u>2023-2024 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES JUNE 30, 2024</u>
		<u>FROM</u>	<u>TO</u>				
Through the New Jersey State Library New Jersey Library Network - Statewide Library Cooperative	52-0-5413000-56100	07/01/23	06/30/24	\$ 1,750,000	\$ 1,750,000	\$ 1,826,489	\$ 1,826,489
				\$	\$ 1,750,000	\$ 1,826,489	\$ 1,826,489

LIBRARYLINKNJ

NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1) GENERAL

The accompanying Schedule of Expenditures of State Awards presents the activity of all State financial assistance programs of LibraryLinkNJ. The Organization is defined in the Notes to the Organization's general-purpose financial statements. All State financial assistance received directly from State agencies, as well as State financial assistance passed through other government agencies is included on the Schedule of Expenditures of State Awards.

(2) BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented using the accrual basis of accounting.

(3) RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Organization's basic financial statements.

(4) RELATIONSHIP TO STATE AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related State and state financial reports.

(5) OTHER

Matching contributions expended by the Organization in accordance with terms of the various grants are not reported in the accompanying schedules.

(6) LOANS

The Organization had no year-end loan balances for Reimbursement Loans, Loan Advances and Revolving Loans.

(7) COST RATE

The accompanying schedules include indirect costs that were claimed for reimbursement using the ten percent de minimus cost rate.

LIBRARYLINKNJ

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

(1) Type of Auditor's Report Issued:	Unmodified
(2) Internal Control Over Financial Reporting:	
(a) Material weakness identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(3) Noncompliance material to the basic financial statements noted?	No

Federal Program(s)

Not Applicable

State Program(s)

(1) Internal Control Over Major State Programs:	
(a) Material weakness identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(2) Type of Auditor's Report issued on compliance for major state program(s)?	Unmodified
(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?	No

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Identification Numbers</u>
New Jersey Library Network – Statewide Library Cooperative	2024-1385

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results (Continued)

(5) Program Threshold Determination:

Type A State Program Threshold \geq \$750,000.00

Type B State Program Threshold \geq \$187,500.00 but $<$ \$750,000.00

(6) Auditee qualified as a low-risk auditee under OMB Uniform Guidance? No

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – Not applicable

State Programs - None Reported

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SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Programs - None Reported

State Programs - None Reported

