



**LibraryLinkNJ**

THE NEW JERSEY LIBRARY COOPERATIVE

***FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITORS' REPORT***

***YEARS ENDED JUNE 30, 2023 AND 2022***

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## INDEPENDENT AUDITORS' REPORT

To The Executive Board of Directors  
INFOLINK, The Eastern New Jersey  
Regional Library Cooperative, Inc.  
d/b/a LibraryLinkNJ  
Trenton, New Jersey

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of INFOLINK, The Eastern New Jersey Regional Library Cooperative, Inc. d/b/a LibraryLinkNJ (INFOLINK), which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of INFOLINK as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits 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, as well as the New Jersey Department of the Treasury Circular Letter 15-08 OMB. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of INFOLINK 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 opinions.

#### **Responsibilities of Management for the Financial Statements**

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 INFOLINK's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities 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 control. 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 INFOLINK'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 INFOLINK'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion 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 for 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 and other 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 state financial assistance is fairly stated, in all material respects, in relation to the 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 17, 2023, on our consideration of INFOLINK'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 solely 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 effectiveness of INFOLINK's 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 INFOLINK's internal control over financial reporting and compliance.

*Dorfman Abrams Music, LLC*

Saddle Brook, New Jersey

November 17, 2023

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

BALANCE SHEETS

ASSETS

	June 30,	
	2023	2022
Cash and cash equivalents	\$ 1,280,524	\$ 1,524,098
Accounts receivable	7,395	9,486
Prepaid expenses	7,374	7,044
Total assets	<u>\$ 1,295,293</u>	<u>\$ 1,540,628</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 21,797	\$ 108,895
Refundable advances from government agency	781,850	988,901
Deferred revenues	821	2,082
Total liabilities	<u>804,468</u>	<u>1,099,878</u>
Net assets:		
Without donor restrictions	<u>490,825</u>	<u>440,750</u>
Total net assets	<u>490,825</u>	<u>440,750</u>
Total liabilities and net assets	<u>\$ 1,295,293</u>	<u>\$ 1,540,628</u>

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

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

STATEMENTS OF ACTIVITIES

	Year ended June 30, 2023			Year ended June 30, 2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Support and revenues:						
Government grants - Network funds	\$	\$	\$	\$	\$	\$
Library service fees	242,516	1,797,051	1,797,051	117,671	1,659,124	1,659,124
Contributions of nonfinancial assets	49,572		242,516	32,585		117,671
Interest and dividends	50,200		49,572	3,255		32,585
			50,200			3,255
Total support and revenues	342,288	1,797,051	2,139,339	153,511	1,659,124	1,812,635
Net assets released from restriction	1,797,051	(1,797,051)		1,709,124	(1,709,124)	
Total support and revenues	2,139,339		2,139,339	1,862,635	(50,000)	1,812,635
Operating expenses:						
Program	1,979,313		1,979,313	1,753,758		1,753,758
Total program services	1,979,313		1,979,313	1,753,758		1,753,758
Supporting services:						
Management and general	78,264		78,264	74,903		74,903
Fundraising	31,687		31,687	26,948		26,948
Total supporting expenses	109,951		109,951	101,851		101,851
Total operating expenses	2,089,264		2,089,264	1,855,609		1,855,609
Change in net assets	50,075		50,075	7,026	(50,000)	(42,974)
Net assets, beginning of year	440,750		440,750	433,724	50,000	483,724
Net assets, end of year	\$ 490,825	\$	\$ 490,825	\$ 440,750	\$	\$ 440,750

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

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 50,075	\$ (42,974)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,091	(5,730)
Prepaid expenses	(330)	(4,103)
Increase (decrease) in:		
Accounts payable and accrued expenses	(87,098)	6,294
Refundable advances from government agency	(207,051)	178,859
Deferred revenues	(1,261)	(63,370)
Net cash provided (used) by operating activities	(243,574)	68,976
Net increase (decrease) in cash	(243,574)	68,976
Cash and cash equivalents, beginning of year	1,524,098	1,455,122
Cash and cash equivalents, end of year	\$ 1,280,524	\$ 1,524,098

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

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2023 and 2022

	Program services		Supporting services				Total	
	2023	2022	Management and general		Fundraising		2023	2022
			2023	2022	2023	2022		
Salaries	\$ 424,924	\$ 371,953	\$ 28,328	\$ 24,797	\$ 18,886	\$ 16,531	\$ 472,138	\$ 413,281
Payroll taxes and employee benefits	142,743	137,037	9,516	9,136	6,344	6,091	158,603	152,264
Total personnel costs	567,667	508,990	37,844	33,933	25,230	22,622	630,741	565,545
Regional services	1,183,227	1,020,282					1,183,227	1,020,282
Incubator and special projects	102,743	130,095					102,743	130,095
Occupancy and facilities	44,615	28,986	2,974	1,933	1,983	1,288	49,572	32,207
Office expenses	9,019	5,588	604	373	402	248	10,025	6,209
Travel and conferences	15,463	11,736					15,463	11,736
Telephone	19,422	12,757	1,214	1,199	3,642	2,463	24,278	16,419
Professional services	7,835	8,165	31,337	32,658			39,172	40,823
Insurance	3,646	4,316	3,646	4,316			7,292	8,632
Consulting	16,000	15,484					16,000	15,484
Equipment	9,676	7,359	645	491	430	327	10,751	8,177
Total expenses	\$ 1,979,313	\$ 1,753,758	\$ 78,264	\$ 74,903	\$ 31,687	\$ 26,948	\$ 2,089,264	\$ 1,855,609

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



INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

1. Nature of the Organization

INFOLINK, The Eastern New Jersey Regional Library Cooperative, Inc. d/b/a LibraryLinkNJ (INFOLINK), 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. INFOLINK 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. INFOLINK's primary source of revenue is an operational grant provided by the New Jersey State Library.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of INFOLINK have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require INFOLINK 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 INFOLINK. These net assets may be used at the discretion of INFOLINK'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 INFOLINK 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.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Allowance for doubtful accounts

INFOLINK 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. INFOLINK determined that no allowance for doubtful accounts was necessary at June 30, 2023 and 2022.

Recently adopted accounting standards - Leases

During fiscal year 2023, INFOLINK adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. INFOLINK elected not to restate the comparative period (fiscal year 2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, INFOLINK evaluated its leases and concluded that there are no material leases, which would require a right-of-use assets and related lease liabilities to be recorded.

INFOLINK determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. INFOLINK does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Deferred revenue

Deferred revenue represents funds received before such income is earned.

Revenue and revenue recognition

INFOLINK 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.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Revenue and revenue recognition (continued)

A portion of the INFOLINK'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 INFOLINK 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 INFOLINK'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.

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. INFOLINK recognized \$49,572 and \$32,585 of donated space received during the fiscal years ended June 30, 2023 and 2022, respectively.

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Regional services are directly charged to program expenses. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort.

Income taxes

INFOLINK is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. INFOLINK has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. INFOLINK has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

3. Risk and uncertainties

Financial instruments that potentially subject INFOLINK to concentrations of credit risk consist principally of cash and cash equivalents, and accounts receivable. INFOLINK 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. INFOLINK has not experienced, nor does it anticipate, any losses with respect to such accounts.

4. Availability and liquidity

The following represents INFOLINK'S financial assets at June 30, 2023:

Financial assets at year end

Cash and cash equivalents	\$ 1,280,524
Accounts receivables	<u>7,395</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,287,919</u>

INFOLINK's goal is generally to maintain financial assets to meet 90 days of operating expenses, net of in-kind (approximately \$510,000). As part of INFOLINK's liquidity plan, excess cash can be invested in short-term investments. In addition to these available financial assets, a significant portion of INFOLINK's annual expenditures will be funded by current year operating revenues.

5. Cash and cash equivalents

Cash and cash equivalents consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Checking accounts	\$ 458,871	\$ 170,146
State of New Jersey Cash Management Fund	<u>821,653</u>	<u>1,353,952</u>
	<u>\$ 1,280,524</u>	<u>\$ 1,524,098</u>

6. Annuity plan

INFOLINK has a tax deferred annuity plan for all eligible employees under Section 403(b) of the Internal Revenue Code. INFOLINK contributes 10% of eligible employees' annual salary and the employee can elect to waive medical benefits for an additional 3% contribution. INFOLINK contributed \$52,473 and \$43,112 for the years ended June 30, 2023 and 2022, respectively.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

7. Net assets

Net assets were as follows for the years ended June 30, 2023 and 2022:

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$ 490,825	\$	\$ 490,825	\$ 440,750	\$	\$ 440,750
Total net assets	<u>\$ 490,825</u>	<u>\$</u>	<u>\$ 490,825</u>	<u>\$ 440,750</u>	<u>\$</u>	<u>\$ 440,750</u>

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

	2023	2022
Specific purpose:		
Statewide Library Cooperative Program	\$ 1,797,051	\$ 1,659,124
EBSCO Projects		<u>50,000</u>
Total net assets	<u>\$ 1,797,051</u>	<u>\$ 1,709,124</u>

8. Concentration of revenue

During the years ended June 30, 2023 and 2022, INFOLINK received 84% and 92%, respectively, of its total revenue from the New Jersey State Library. Revenue from those grants consisted of the following:

	2023	2022
Statewide Library Cooperative Program	<u>\$ 1,797,051</u>	<u>\$ 1,659,124</u>

In July 2023, INFOLINK 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.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

9. Commitments and contingencies

In November 2020, INFOLINK 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. INFOLINK 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 years ended June 30, 2023 and June 30, 2022 was \$49,572 and \$32,585, respectively.

10. Subsequent events

Subsequent events have been evaluated through November 17, 2023, which is the date the financial statements were available to be issued. INFOLINK is not aware of any material subsequent events.

## SINGLE AUDIT REPORT SECTION

INDEPENDENT AUDITORS' 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 Executive Board of Directors  
INFOLINK, The Eastern New Jersey  
Regional Library Cooperative, Inc.  
d/b/a LibraryLinkNJ  
Trenton, New Jersey

We have audited, in accordance with the 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; the New Jersey Department of the Treasury Circular Letter 15-08 OMB, the financial statements of INFOLINK, The Eastern New Jersey Regional Library Cooperative, Inc. d/b/a LibraryLinkNJ (INFOLINK), which comprise the balance sheets as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 17, 2023.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered INFOLINK's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of INFOLINK's internal control. Accordingly, we do not express an opinion on the effectiveness of the INFOLINK'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 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 the 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 were not identified.



**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether INFOLINK'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 financial statements. 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 result 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Saddle Brook, New Jersey

November 17, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
NEW JERSEY DEPARTMENT OF THE TREASURY CIRCULAR LETTER 15-08 OMB

To The Executive Board of Directors  
INFOLINK, The Eastern New Jersey  
Regional Library Cooperative, Inc.  
d/b/a LibraryLinkNJ  
Trenton, New Jersey

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited INFOLINK's The Eastern New Jersey Regional Library Cooperative, Inc. d/b/a LibraryLinkNJ (INFOLINK) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on INFOLINK's major state program for the year ended June 30, 2023. INFOLINK'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, INFOLINK complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its state award program for the year ended June 30, 2023.

***Basis for Opinion on State Program***

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Department of the Treasury Circular Letter 15-08 OMB. Our responsibilities under those standards and the Uniform Guidance and the New Jersey Department of the Treasury Circular Letter 15-08 OMB are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of INFOLINK 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 INFOLINK's compliance with the compliance requirements referred to above.

***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 INFOLINK'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 INFOLINK'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 generally accepted auditing standards, *Government Auditing Standards*, *Uniform Guidance*, and the New Jersey Department of the Treasury Circular Letter 15-08 OMB 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. Noncompliance 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 INFOLINK's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and the New Jersey Department of the Treasury Circular Letter 15-08 OMB, 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 INFOLINK'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 INFOLINK'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 Uniform Guidance and New Jersey Department of the Treasury Circular Letter 15-08 OMB, but not for the purpose of expressing an opinion on the effectiveness of INFOLINK'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.

#### ***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 Uniform Guidance and the New Jersey Department of the Treasury Circular Letter 15-08 OMB. Accordingly, this report is not suitable for any other purpose.

*Dayman Abrams Incis, LLC*

Saddle Brook, New Jersey

November 17, 2023

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2023

Source	Contract number	Contract period	State expenditures
New Jersey State Library:			
Statewide Library Cooperative	2023-1365	July 1, 2022 - June 30, 2023	\$ 1,846,623
			\$ 1,846,623

See accompanying notes to the schedule of expenditures of state financial assistance.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2023

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of INFOLINK, The Eastern New Jersey Regional Library Cooperative, Inc. d/b/a LibraryLinkNJ (INFOLINK) under the program of the New Jersey State Library for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the *New Jersey Department of the Treasury Circular Letter 15-08 OMB* and with the standards established by the State Library Aid Law and the Library Services and Construction Act of the State of New Jersey. Because the schedule presents only a selected portion of the operations of INFOLINK, it is not intended to and does not present the financial position and changes in net assets of INFOLINK for the year then ended.

2. Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *New Jersey Department of the Treasury Circular Letter 15-08 OMB* and with the standards established by the State Library Aid Law and the Library Services and Construction Act of the State of New Jersey, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect costs

INFOLINK elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. Subrecipients

There were no payments made to subrecipients for state awards received during the year ended June 30, 2023.

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

Part 1 - Summary of Auditors' Results

**Financial Statement Section**

- A) Type of auditors' report issued: Unmodified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified?        yes   x   no
- 2) Significant deficiencies identified?        yes   x   no
- C) Noncompliance material to financial statements noted?        yes   x   no

**State Awards Section**

- D) Internal control over compliance:
- 1) Material weakness(es) identified?        yes   x   no
- 2) Significant deficiencies identified?        yes   x   no
- E) Type of auditors' report on compliance for major programs: Unmodified
- F) Any audit findings disclosed that are required to be reported in accordance with *Government Auditing Standards* and the New Jersey Department of the Treasury Circular Letter 15-08 OMB?        yes   x   no
- G) Identification of major program:

Contract number

2023-1365

Name of State Program

Statewide Library Cooperative

- H) Dollar threshold used to determine Type A programs: \$750,000
- I) Auditee qualified as low-risk auditee?   x   yes        no

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, *Uniform Guidance* and New Jersey Department of the Treasury Circular Letter 15-08 OMB.

None

INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

Part 3 - Schedule of State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by the Uniform Guidance and the New Jersey Department of the Treasury Circular Letter 15-08 OMB.

None



INFOLINK, THE EASTERN NEW JERSEY REGIONAL LIBRARY COOPERATIVE, INC.  
D/B/A LIBRARYLINKNJ

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND  
QUESTIONED COSTS AS PREPARED BY MANAGEMENT

Year Ended June 30, 2023

This section identifies the status of prior year findings related to the financial statements and state awards that are required to be reported in accordance with *Government Auditing Standards, the Uniform Guidance* and the New Jersey Department of the Treasury Circular Letter 15-08 OMB.

There were no prior year audit findings and questioned costs.

STATEMENT ON PAYMENT OF ALL TAXES DUE GOVERNMENT ENTITIES

To The Executive Board of Directors  
INFOLINK, The Eastern New Jersey  
Regional Library Cooperative, Inc.  
d/b/a LibraryLinkNJ  
Trenton, New Jersey

In conjunction with the audit of INFOLINK, The Eastern New Jersey Regional Library Cooperative, Inc. d/b/a LibraryLinkNJ for the year ended June 30, 2023, we verified that all payroll Federal and State taxes were paid on a timely and regular basis.

*Dorfman Abrams Music, LLC*

Saddle Brook, New Jersey

November 17, 2023