Report of Audit

on the

Financial Statements
and Supplementary Schedules

of the

Berkeley Heights Free Public Library

in the

Township of Berkeley Heights
New Jersey

for the

Year Ended
December 31, 2024

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Berkeley Heights Public Library
Berkeley Heights, New Jersey 07922

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the individual fund and account group of the Berkeley Heights Public Library (the "Library"), as of and for the years ended December 31, 2024 and 2023, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of expenditures - regulatory basis of the various individual fund for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Library's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the individual fund and account group of the Library as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended or the expenditures for the year ended December 31, 2024.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the individual fund and account group as of December 31, 2024 and 2023, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of expenditures for the year ended December 31, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note B.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 the Library 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note B of the regulatory financial statements, the regulatory financial statements are prepared by the Library on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory 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 opinions. 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, *Government Auditing Standards* and audit requirements prescribed by the Division 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, 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 Library'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 Library'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 opinions on the financial statements that collectively comprise the Library's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2025 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Library'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 Library's internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 6, 2025

SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Trustees
Berkeley Heights Public Library
Berkeley Heights, New Jersey 07922

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the current fund and account group of the Berkeley Heights Public Library, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Library's regulatory financial statements, and have issued our report thereon dated June 6, 2025. Our report disclosed that, as described in Note 1 to the financial statements, the Berkeley Heights Public Library prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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 Berkeley Heights Public Library's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are 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 results of that testing, and not to provide an opinion on the effectiveness of the Berkeley Heights Public Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Berkeley Heights Public Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Suplee Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert W. [illegible]
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 6, 2025

"A"

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
A S S E T S		
Cash	$ 901,616.93	$ 740,278.55
Change Fund	100.00	100.00
Due from Township of Berkeley Heights	20,778.63	143,679.38
TOTAL ASSETS	$ 922,495.56	$ 884,057.93
LIABILITIES, RESERVES AND FUND BALANCES		
Accounts Payable	$ 8,575.15	$ 9,857.16
Prepaid Library State Aid	7,169.00	7,313.00
Reserve for:		
Miscellaneous Reserves	450,526.77	161,319.16
Total Liabilities	466,270.92	178,489.32
Fund Balances	456,224.64	705,568.61
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	$ 922,495.56	$ 884,057.93

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

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	YEAR 2024	YEAR 2023
Revenue and Other Income		
Municipal Contributions	$ 1,329,169.00	$ 1,231,916.00
State Library Aid	7,313.00	6,841.00
Miscellaneous:		
Fines, Photocopier Fees, Miscellaneous	19,261.83	10,616.71
Total Income	1,355,743.83	1,249,373.71
Expenditures		
Budget Appropriations:		
Salaries and Wages	598,290.37	545,581.26
Other Expenses:		
Administrative	706,797.43	615,287.98
Return of Funding NJSA 40A-25.1 and 40:54-15 Payable		
Transfer to Capital	300,000.00	
Sub-Total (See Exhibit A-2)	1,605,087.80	1,160,869.24
Total Expenditures	1,605,087.80	1,160,869.24
Excess/(Deficit) in Revenue	(249,343.97)	88,504.47
Fund Balances, January 1,	705,568.61	617,064.14
Fund Balances, December 31,	$ 456,224.64	$ 705,568.61

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

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 BUDGET	PAID OR CHARGED	VARIANCE
Operating Budget:			
Expenses Paid by Township of Berkeley Heights			
Salaries and Wages	$ 600,000.00	$ 598,290.37	$ 1,709.63
Other Expenses	279,169.00	260,100.00	19,069.00
	879,169.00	858,390.37	20,778.63
Delivery Expense	6,500.00	823.86	5,676.14
Memberships	3,000.00	1,169.00	1,831.00
Marketing Expense	30,000.00	604.80	29,395.20
Computer Contract Services	32,000.00	18,085.54	13,914.46
Programs	60,000.00	37,575.39	22,424.61
Periodicals/ Subscriptions	10,000.00	13,417.96	(3,417.96)
Museum Passes	10,000.00	8,002.48	1,997.52
Reimagining	100,000.00	13,812.16	86,187.84
Consortium	75,000.00	18,352.69	56,647.31
Library of Things	15,000.00	2,476.24	12,523.76
Audio-Visual	10,000.00	4,064.31	5,935.69
Books	125,000.00	64,620.33	60,379.67
Downloads	150,000.00	65,722.72	84,277.28
Internet	5,000.00	4,257.18	742.82
Internet Subscriptions	60,000.00	39,017.00	20,983.00
Contract Services	10,000.00	4,025.57	5,974.43
Computer Maintenance	45,000.00	31,207.08	13,792.92
Computer Supplies	15,000.00	3,289.41	11,710.59
Electric	27,500.00	29,251.99	(1,751.99)
Maintenance	40,000.00	21,868.56	18,131.44
Postage, Mailing Service	1,000.00	9.68	990.32
Heat	20,000.00	2,226.12	17,773.88
Water	4,500.00	772.26	3,727.74
Telephone, Telecommunications	25,000.00	778.43	24,221.57
Supplies	25,000.00	19,884.28	5,115.72
Professional Services	37,300.00	41,382.39	(4,082.39)
	941,800.00	446,697.43	495,102.57
Total	$ 1,820,969.00	$ 1,305,087.80	$ 515,881.20

Cash Disbursements	$ 1,296,512.65
Accounts Payable	8,575.15
	$ 1,305,087.80

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

"B"

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER 31, 31, 2024	BALANCE DECEMBER 31, 31, 2023
Fixed Assets	$ 351,355.00	$ 343,786.00
Investments in General Fixed Assets	$ 351,355.00	$ 343,786.00

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

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(A) ORGANIZATION

The Berkeley Heights Free Public Library was established as a free public library within the corporate limits of the Township of Berkeley Heights and in accordance with New Jersey Statute 40:54-1. The Library operates for the purpose of supporting literary, educational and community undertakings.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Reporting Entity

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

(2) Description of Funds

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

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

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2) Description of Funds (Continued)

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

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

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

Miscellaneous Reserves - are used to report resources from restricted donations and funds designated by the Board of Trustees for a specified purpose. See Exhibit A-6 for details of the reserves.

(3) Basis of Accounting

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

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

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

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(3) Basis of Accounting (Continued)

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

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

General Fixed Assets - N.J.A.C. 5:30-5-6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Library as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit.

Property and equipment acquired by the Current Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current Fund are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

(C) CONTRIBUTED SERVICES AND FACILITIES

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

(D) CASH AND CASH EQUIVALENTS

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

(1) Deposits

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

The Berkeley Heights Free Public Library had the following cash and cash equivalents at December 31, 2024:

Fund Type	Bank Balance	Reconciling Items Deletions	Reconciled Balance
Current Fund	$901,655.43	$(38.50)	$901,616.93

(1) Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Library does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2024, based upon the coverage provided by FDIC and NJGUDPA no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank in the amount of $901,616.93, $250,000.00 was covered by Federal Depository Insurance and $651,655.43 was covered by NJGUDPA.

(D) CASH AND CASH EQUIVALENTS (CONTINUED)

(2) Investments

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

(a) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(b) Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

(c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(d) Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

(e) Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;

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

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

(D) CASH AND CASH EQUIVALENTS (CONTINUED)

(2) Investments (Continued)

(g) Agreements for the repurchase of fully collateralized securities if:

1. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

2. the custody of collateral is transferred to a third party;

a. the maturity of the agreement is not more than 30 days;

b. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and

c. a master repurchase agreement providing for the custody and security of collateral is executed.

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

(E) CONTINGENCIES

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

State and federal grants require the fulfillment of certain conditions as set forth in the grant agreement or contract. Failure to fulfill the conditions could result in the return of the funds to the grantor; however, the management of the Library deems such a possibility remote.

(F) PENSION PLANS

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

Certain portions of the costs are contributed by the employees. The Library's share of pension costs, which is based upon the annual billings received from the State, is not available.

Certain Library employees are also covered by Federal Insurance Contribution Act.

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

(F) LITIGATION

The Library's Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Library's insurance carrier or would have a material financial impact on the Library.

(G) RISK MANAGEMENT

Insurance for the building that the Library is housed in and for the contents and other coverages are covered under the Township of Berkeley Heights's policy.

All employees are covered by the Blanket Bond for all Township employees

(H) SUBSEQUENT EVENTS

The Library has evaluated subsequent events occurring after the financial statement date through June 6, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, the Library has determined there are no subsequent event needed to be disclosed.

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SUPPLEMENTARY SCHEDULES

"A-3"

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF DUE FROM TOWNSHIP OF BERKELEY HEIGHTS

Balance, December 31, 2023	$	143,679.38
Increased by:		
Borough Budget Approriations		1,329,169.00
	$	1,472,848.38
Decreased by:		
Cash Receipts		1,452,069.75
Balance, December 31, 2024	$	20,778.63

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2023			$ 740,278.55
Receipts:			
Township of Berkeley Heights- 2024		$ 593,679.38	
Prepaid State Library Aid		7,169.00	
Operating Interest		14,663.51	
Lost Books and Interest		129.39	
Video Account and Interest		27.11	
Capital Account Interest		300,869.53	
Miscellaneous		4,598.32	
Total Receipts			921,136.24
			1,661,414.79
Disbursements:			
2024 Appropriations	A-2	438,122.28	
Transfer		300,000.00	
Lost Book		4,147.93	
Video		7,670.49	
Accounts Payable		9,857.16	
Total Disbursements			759,797.86
Balance, December 31, 2024			$ 901,616.93

CASH RECONCILIATION - DECEMBER 31, 2024

Balance Per Statements:	
Citizens Bank	$ 901,655.43
Add: Bank Errors	61.50
Less: Outstanding Checks	100.00
Book Balance, December 31, 2024	$ 901,616.93

"A-5"

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2023	$	9,857.16
Increased by:		
Charges		8,575.15
	$	18,432.31
Decreased by:		
Cash Disbursements		9,857.16
Balance, December 31, 2024	$	8,575.15

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVES

GRANT NAME	BALANCE DECEMBER 31, 2023	INCREASED BY RECEIPTS	DECREASED BY DISBURSEMENTS	BALANCE DECEMBER 31, 2024
Capital Reserve	$ 149,657.24	$ 300,869.53	$	$ 450,526.77
Video Reserve	7,643.38	27.11	7,670.49	
Lost Book Reserve	4,018.54	129.39	4,147.93	
	$ 161,319.16	$ 301,026.03	$ 11,818.42	$ 450,526.77

BERKELEY HEIGHTS FREE PUBLIC LIBRARY

CURRENT FUND

SCHEDULE OF PREPAID STATE LIBRARY AID

GRANT NAME	BALANCE DECEMBER 31, 2023	RECEIVED	REALIZED AS REVENUE	BALANCE DECEMBER 31, 2024
State Library Aid FY2024	$	$ 7,169.00	$	$ 7,169.00
State Library Aid FY2023	7,313.00		7,313.00	0.00
	$ 7,313.00	$ 7,169.00	$ 7,313.00	$ 7,169.00

COMMENTS AND RECOMMENDATIONS

NONE