

LIBRARY ASSOCIATION OF RINGWOOD

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

LIBRARY ASSOCIATION OF RINGWOOD
INDEX TO ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Library Association of Ringwood
30 Cannici Drive
Ringwood, NJ 07456

Ladies and Gentlemen:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Library Association of Ringwood (a nonprofit organization) which comprise the statement of financial position as of and for the years ended December 31, 2024 and 2023, and the related statements of activities 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 Library Association of Ringwood as of December 31, 2024 and 2023, 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. 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 Association of Ringwood (a nonprofit organization) and to meet our ethical responsibilities in accordance with the relevant ethical requirement 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

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 Library Association of Ringwood's ability to continue as a going concern for the next 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 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Association of Ringwood'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 Library Association of Ringwood'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.

Report on Other Legal and Regulatory Requirements

Other Matters

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Very truly yours,



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 11, 2025



**LIBRARY ASSOCIATION OF RINGWOOD
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents	423,344	408,058
Investments, Net Unrealized Gain (Loss)	12,227	10,507
	<u>435,571</u>	<u>418,565</u>
Capital Assets:		
Property and Equipment:		
Equipment	310,034	307,254
Leasehold Improvements	343,413	343,413
Less: Accumulated Depreciation	(334,465)	(316,275)
	<u>318,982</u>	<u>334,392</u>
Total Assets	<u><u>754,553</u></u>	<u><u>752,957</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current Liabilities:		
Accounts Payable	24,778	46,349
Accrued Compensation	9,369	2,507
	<u>34,147</u>	<u>48,856</u>
Total Liabilities	<u>34,147</u>	<u>48,856</u>
Net Assets:		
With Donor Restrictions:		
Capital Improvement	1,765	-
Without Donor Restrictions:		
Designated - Friends of Ringwood Library	27,229	-
Designated - Board Designated	54,517	-
Undesignated	636,895	704,101
	<u>720,406</u>	<u>704,101</u>
Total Net Assets	<u>720,406</u>	<u>704,101</u>
Total Liabilities and Net Assets	<u><u>754,553</u></u>	<u><u>752,957</u></u>

See accompanying notes to financial statements.

**LIBRARY ASSOCIATION OF RINGWOOD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
Support and Revenues:		
Municipal Appropriations	566,200	565,750
State and Local Grants	6,444	6,465
Fines/Fees	5,049	3,805
Fundraising Revenue:		
Direct Mailing	22,911	2,563
Membership Dues	570	1,190
Donations	3,883	29,389
Grants	12,406	1,057
Other Income	2,250	4,322
Interest Income	1,898	2,193
Donated Services - Borough of Ringwood	74,074	73,670
Cancellation of Accounts Payable	6,028	-
	701,713	690,404
Expenses:		
Program Services	442,354	477,156
Supporting Services	158,795	136,286
Fundraising	10,185	2,654
Donated Services - Borough of Ringwood	74,074	73,670
	685,408	689,766
Changes in Net Assets	16,305	638
Net Assets, January 1, 2024	704,101	703,463
Net Assets, December 31, 2024	720,406	704,101

See accompanying notes to financial statements.

LIBRARY ASSOCIATION OF RINGWOOD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Change in Net Assets	16,305	638
Changes in Operating Assets and Liabilities:		
Depreciation Expense	18,190	25,579
Increase (Decrease) in Accounts Payable	(21,571)	37,147
Increase (Decrease) in Accrued Compensation	<u>6,862</u>	<u>2,507</u>
Net Cash Provided (Used) by Operating Activities:	<u>19,786</u>	<u>65,871</u>
Cash Flows From Financing Activities:		
Decrease (Increase) in Property and Equipment	<u>(2,780)</u>	<u>(5,730)</u>
Cash Flows From Investing Activities:		
(Increase) Decrease in Investments	<u>(1,720)</u>	<u>(1,685)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,286	58,456
Cash and Cash Equivalents, January 1, 2024	<u>408,058</u>	<u>349,602</u>
Cash and Cash Equivalents, December 31, 2024	<u><u>423,344</u></u>	<u><u>408,058</u></u>
Supplemental Disclosures of Cash Flow Information:		
In-Kind Expenses	74,074	73,670

See accompanying notes to financial statements.

**LIBRARY ASSOCIATION OF RINGWOOD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies the Library Association of Ringwood (the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (generally accepted accounting principles) and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The Organization's mission is to provide a learning and cultural center for the Ringwood, New Jersey community, where people can discover ideas, the joy of reading, the power of information, and the appreciation of culture.

Basis of Presentation

The Organization's policy is to prepare its financial statements using the accrual basis of accounting.

The Organization has adopted the provisions of Financial Accounting Standard Board's ASC 958:205, "Presentation of Financial Statements of Not-for-profit Organizations", which established standards for external financial reporting of not-for-profit organizations. These provisions require that a complete set of financial statements for a not-for-profit organization should include a *statement of financial position* as of the end of the reporting period, a *statement of activities* and a *statement of cash flows* for the reporting period, and accompanying notes to the financial statements, as described below.

Statement of Financial Position

The primary purpose of the statement of financial position is to provide relevant information about the organization's assets, liabilities and net assets, and about their relationships to each other at a moment in time. The information provided in the statement of financial position, used with related disclosures and information in other financial statements, helps donors, members, creditors and others assess (a) the organization's ability to continue to provide services and (b) the organization's liquidity, financial flexibility, ability to meet obligations, and needs for external financing.

**LIBRARY ASSOCIATION OF RINGWOOD
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, (continued)

Statement of Financial Position, (continued)

A statement of financial positions provided by a not-for profit organization shall report the amounts for each of the two classes of net assets - net assets with donor restrictions and net assets without donor restrictions.

Statement of Activities

The primary purpose of a statement of activities is to provide relevant information about (a) the effects of transactions and other events and circumstances that change the amount and nature of net assets, (b) the relationships of those transactions and other events and circumstances to each other, and (c) how the organization's resources are used in providing various programs or services. The information in statement of activities, used with related disclosures and information in the other financial statements, helps donors, creditors, and others to (1) evaluate the organization's performance during a period, (2) assess an organization's service efforts and ability to continue to provide services, and (3) how an organization's managers have discharged their stewardship responsibilities and other aspects of their performance.

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide relevant information about the cash receipts and cash payments of an organization during a period.

Income Taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt under Title 15 of the State of New Jersey, Corporations and Association Not-For-Profit Act. Accordingly, no provision for federal and state income taxes has been presented in the accompanying financial statements.

The Organization's accounting policies require compliance with FASB interpretation No. 48 "Accounting for Uncertainty in Income Taxes". During the year, the Organization regularly monitors transactions for potential exposure of an unrelated business income tax liability. As of December 31, 2024, the Organization identified no transactions that would qualify as unrelated business income under FASB Interpretation No. 48.

**LIBRARY ASSOCIATION OF RINGWOOD
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Estimates

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

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions support depending on the existence or nature of any donor restrictions.

NOTE 2 - FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash in bank deposit accounts, the balances of which, at time, may exceed Federally insured limits. Exposure to credit risk is reduced by management placing such deposits in high quality financial institutions.

NOTE 3 - CASH AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

The Organization held \$423,344 and \$408,058 in cash at December 31, 2024 and 2023, respectively.

NOTE 4 - CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the organization's deposit may not be returned. To minimize this risk, the organization has deposited cash into several bank accounts insured by Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. As of December, 2024, \$-0- of the Organization's bank balance of \$447,312 was exposed to custodial credit risk.

**LIBRARY ASSOCIATION OF RINGWOOD
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2024**

NOTE 5 - INVESTMENTS

Investment securities may be purchased or sold on a when-issued or delayed delivery basis. These transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, liquid assets will be set aside or earmarked internally, until the settlement date, in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the rights and risks of ownership are assumed, including the risk of price and yield fluctuations, and such fluctuations are taken into account when determining net asset values. Delayed delivery transactions may be disposed of or renegotiated after they are entered into, and when-issued securities may be sold before they are delivered, which may result in an investment gain or loss.

The Library Association of Ringwood has adopted the fair value accounting guidance issued by the FASB. Fair value accounting guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available.

Observable inputs are used by market participants in pricing an asset or liability based on market data obtained from sources independent of the Library Association of Ringwood. Unobservable inputs reflect the Library Association of Ringwood's judgment regarding assumptions market participants would use in pricing an asset or liability based on the best information available in the circumstances. In instances where the determination of the fair value measurement is based on inputs from more than one level of the fair value hierarchy, the entire fair value measurement is classified within the hierarchy based on the lowest level of input that is significant to the fair value measurement in its entirety.

The hierarchy is measured in three levels based on the reliability of inputs:

- Level 1 – Valuations based on quoted prices in active markets for identical assets as of the reporting date.
- Level 2 – Valuations based on pricing inputs that are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from independent sources.

**LIBRARY ASSOCIATION OF RINGWOOD
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2024**

NOTE 5 - INVESTMENTS, (continued)

- Level 3 – Valuations are derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets or liabilities. Level 3 investments comprise primarily real estate investment funds, bank loans, and private equity at December 31, 2024, which are discussed in greater detail below.

At December 31, 2024, investments comprised the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Vanguard Div App Index (VDAIX)	\$12,227	\$ -	\$ -	\$12,227
Total Investments	<u>\$12,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,227</u>

Total Investments, Net Unrealized Gain

Risk Factors

Currency/foreign exchange risk. The Library Association of Ringwood may hold investments denominated in currencies other than the U.S. dollar, the Organization's functional currency. In such instances, there is exposure to currency risk, as the value of the investments denominated in other currencies will fluctuate due to changes in exchange rates. To the extent that these investments create risk in respect of movements in foreign exchange rates, the Library Association of Ringwood may hedge this risk, in a cost-effective manner, to the extent possible. As of December 31, 2024, there are no foreign currency hedges.

Interest rate/credit risk. The Library Association of Ringwood's investment portfolios are subject to interest rate and credit risk. The value of debt securities may decline as interest rates increase. The investment portfolios could lose money if the issuer of a fixed-income security is unable to pay interest or repay principal when it is due.

Market price risk. The prices of securities held by the Library Association of Ringwood may decline in response to certain events, including those directly involving the companies whose securities it owns. Those events may include, but are not necessarily limited to: conditions affecting the general economy; overall market changes, local, regional, or global political, social, or economic instability; and currency, interest rate, and commodity price fluctuations.

**LIBRARY ASSOCIATION OF RINGWOOD
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2024**

NOTE 6 - PROPERTY AND EQUIPMENT

At December 31, 2024, property and equipment comprised the following:

	Unaudited <u>2023</u>	<u>Additions</u>	<u>2024</u>
Property and Equipment:			
Equipment	\$127,445	\$	\$127,445
Leasehold Improvements	343,413		343,413
Computer Equipment	67,821	2,780	70,601
Office Equipment	111,988		111,988
Less: Accumulated Depreciation	<u>(316,275)</u>	<u>(18,190)</u>	<u>(334,465)</u>
	<u>\$334,392</u>	<u>\$(18,190)</u>	<u>\$318,982</u>

The Organization values assets using straight-line methods of depreciation. Useful lives of assets are determined based on the guidelines provided by the Internal Revenue Service (Publication 946).

NOTE 7 - SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the statement of financial position date through July 11, 2025. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

LIBRARY ASSOCIATION OF RINGWOOD
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

Program Services:	2024	2023
Payroll Costs:		
Salaries and Wages	301,551	306,876
Employee Benefits	11,521	13,805
Payroll Taxes	24,058	35,573
Total Payroll Costs	337,130	356,254
Office Expenses	4,079	3,390
Information Technology	-	5,922
Insurance	3,484	758
Telecommunications	5,240	5,325
Books and Library Materials	54,101	63,284
Miscellaneous	1,605	1,380
Computer Databases	5,772	238
Equipment and Building Maintenance	38	2,872
Program Expenses	12,715	12,154
Depreciation	18,190	25,579
Total Program Services	442,354	477,156
Support Services:		
Payroll Costs:		
Salaries and Wages - Director	106,304	97,556
Payroll Taxes	8,481	4,602
Total Payroll Costs	114,785	102,158
Outside Services	31,996	28,246
Accounting	6,500	680
Postage	1,606	1,126
Payroll Processing Fees	3,908	4,076
Total Support Services	158,795	136,286
Fundraising Expenses:		
Direct Mail Drive	3,219	
Friends of the Library	6,966	2,654
Total Fundraising Expenses	10,185	2,654

This report has been included for management purposes only and is not required under accounting principles generally accepted in the United States of America.