

New Jersey Civic Information Consortium

Financial Statements and
New Jersey OMB Circular Letter 15-08 Schedules
Together With Independent Auditors' Reports

December 31, 2022

New Jersey Civic Information Consortium

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Independent Auditors' Report

Board of Directors New Jersey Civic Information Consortium

Opinion

We have audited the accompanying financial statements of New Jersey Civic Information Consortium (the "Consortium") which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Consortium as of December 31, 2022, 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 ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our audit. We are required to be independent of the Consortium and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 Consortium'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 auditors' 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 substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consortium'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 Consortium'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 Summarized Comparative Information

We have previously audited the Consortium's December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 26, 2022. In our opinion, the summarized comparative information presented herein as of December 31, 2021 and for the period from inception May 7, 2021 to December 31, 2021 is consistent in all material respects, with the audited financial statements from which it has been derived.

Report on 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 the State of New Jersey Department of Treasury Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 information 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 September 22, 2023, on our consideration of the Consortium'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 Consortium'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 the Consortium's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

September 22, 2023

New Jersey Civic Information Consortium

Statement of Financial Position
December 31, 2022
(with comparative amounts at December 31, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 4,642,158	\$ 1,241,531
Prepaid expenses	<u>15,063</u>	<u>-</u>
	<u>\$ 4,657,221</u>	<u>\$ 1,241,531</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 186,668	\$ 6,435
Deferred revenue	<u>105,030</u>	<u>996,565</u>
Total Liabilities	291,698	1,003,000
Net assets - without donor restrictions	<u>4,365,523</u>	<u>238,531</u>
	<u>\$ 4,657,221</u>	<u>\$ 1,241,531</u>

See notes to financial statements

New Jersey Civic Information Consortium

Statement of Activities
Year Ended December 31, 2022
(with comparative amounts for the period May 7, 2021 to December 31, 2021)

	<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT		
Government grants	\$ 5,891,534	\$ 503,435
Foundation grants	350,000	250,000
Interest income	1,886	255
Total Revenue and Support	<u>6,243,420</u>	<u>753,690</u>
EXPENSES		
Program services	2,049,831	505,654
Management and general	66,597	9,505
Total Expenses	<u>2,116,428</u>	<u>515,159</u>
Change in Net Assets	4,126,992	238,531
NET ASSETS		
Beginning of period	<u>238,531</u>	<u>-</u>
End of period	<u>\$ 4,365,523</u>	<u>\$ 238,531</u>

See notes to financial statements

New Jersey Civic Information Consortium

Statement of Functional Expenses
 Year Ended December 31, 2022
 (with summarized totals for the period May 7, 2021 to December 31, 2021)

	Program Services	Management and General	Total	
			2022	2021
Grants awarded	\$ 1,949,014	\$ -	\$ 1,949,014	\$ 486,553
Professional fees	48,000	50,219	98,219	-
Consulting	46,000	11,457	57,457	17,588
Training and education	5,854	-	5,854	6,503
Office	-	3,656	3,656	-
Insurance	-	1,265	1,265	-
Meetings	963	-	963	-
Organization formation	-	-	-	1,352
Website	-	-	-	3,163
Total Expenses	<u>\$ 2,049,831</u>	<u>\$ 66,597</u>	<u>\$ 2,116,428</u>	<u>\$ 515,159</u>

See notes to financial statements

New Jersey Civic Information Consortium

Statement of Cash Flows
Year Ended December 31, 2022
(with comparative amounts for the period May 7, 2021 to December 31, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,126,992	\$ 238,531
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in operating assets and liabilities		
Prepaid expenses	(15,063)	-
Accounts payable and accrued expenses	180,233	6,435
Deferred revenue	<u>(891,535)</u>	<u>996,565</u>
Net Cash from Operating Activities	3,400,627	1,241,531
 CASH		
Beginning of period	<u>1,241,531</u>	<u>-</u>
 End of period	<u>\$ 4,642,158</u>	<u>\$ 1,241,531</u>

See notes to financial statements

New Jersey Civic Information Consortium

Notes to Financial Statements
December 31, 2022 and 2021

1. Organization and Tax Status

In 2018, the State of New Jersey created the New Jersey Civic Information Consortium (the "Consortium"), via statute Titles 18A:64-94 through 102, in response to the growing local news crisis impacting communities across the State's 21 counties.

The Consortium consists of the following member universities: The College of New Jersey; Montclair State University; the New Jersey Institute of Technology; Rowan University; Rutgers, The State University, and Kean University. The purpose of the Consortium shall be to advance research and innovation in the field of media and technology to benefit the State's civic life and evolving information needs.

A first-in-the-nation project, the Consortium builds on the foundation laid by public media in the United States, and reimagines how public funding can be used to address the growing problem of news deserts and misinformation, and to support more informed communities. The Consortium provides grants for projects that achieve the following goals:

- Improve the quantity and quality of civic information in New Jersey communities;
- Give residents enhanced access to useful government data and public information through innovative applications, platforms, and technologies;
- Train students, professionals, and community members in the practice of community storytelling, journalism, and media production;
- Nurture better civic engagement and dialogue inside and between New Jersey communities;
- Better meet the information needs of low-income communities and racial and ethnic communities that have been underserved by the media;
- Invest in research and practices that can help media outlets become more closely connected to their audiences and more sustainable without government support.

In May 2021, the Consortium was granted tax exempt status as a 501(c)(3) Type I supporting organization under Internal Revenue Code Section 509(a)(3).

The Consortium is exempt from income taxes under Section 509(a)(3) of the Internal Revenue Code and corresponding provisions of New Jersey State law. Accordingly, no income tax expense or liability is recorded in the financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly actual results could differ from those estimates.

New Jersey Civic Information Consortium

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (*continued*)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. With respect to the statement of functional expenses, the prior year amounts are presented by expense classification but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Consortium's December 31, 2021 financial statements, from which the summarized information was derived.

Net Asset Presentation

The Consortium reports information regarding financial position and activities in two classes of net assets: without and with donor restrictions.

Without donor restrictions – consist of resources available for the general support of the Consortium's operations. Net assets without donor restrictions may be used at the discretion of the Consortium's management and Board of Directors.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Consortium to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, 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.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable law.

Revenue Recognition

Unconditional contributions of cash, securities or other assets, and unconditional promises to give, are recognized as revenue when received by the Consortium. Conditional contributions, those with a measurable performance or other barrier or stipulation and right of return, are not recognized as revenue until the conditions on which they depend have been met.

Certain grants are included in deferred revenue due to stipulations within the agreement that contain right of the return of funds and barriers that makes these contributions conditional. These funds are recognized as eligible costs are incurred. At December 31, 2022 and 2021, the Consortium's deferred revenue balance was \$105,030 and \$996,565.

New Jersey Civic Information Consortium

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Government Grants

Since 2021, the Consortium has received funding each year in the form of a grant from the State of New Jersey, administered through the Office of the Secretary of Higher Education ("OSHE"), in support of the furtherance of the Consortium's mission. During the period from inception May 7, 2021 to December 31, 2021, the Consortium received \$1,500,000 of grant funding from OSHE. As of December 31, 2021, \$996,565 was recorded as deferred revenue due to stipulations within the agreement that contained the right of the return of funds to OSHE. During the year ended December 31, 2022, the Consortium recognized the previously deferred \$996,565 as revenues as eligible costs were incurred.

During the year ended December 31, 2022, the Consortium received a \$1,000,000 grant from OSHE of which \$894,970 of funds were expended. Due to stipulations within the agreement that contained the right of return of funds, the remaining \$105,030 is recognized as deferred revenue as of December 31, 2022.

During the year ended December 31, 2022, the Consortium received an additional \$4,000,000 grant from OSHE. However, there are no stipulations within the agreements that contain right of the return of funds or barriers that makes these contributions conditional. Accordingly, during the year ended December 31, 2022, the \$4,000,000 grant funding received is recognized as revenue and included in government grants in the statement of activities.

Cash

Cash includes cash deposited with banks.

Concentrations of Credit Risk

Financial instruments that potentially subject the Consortium to concentrations of credit and market risk consist principally of cash on deposit with financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. At times cash balances may exceed the FDIC limit. As of December 31, 2022 and 2021, the Consortium's uninsured cash on deposit totaled approximately \$4,392,000 and \$998,000.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Program service expenses consist of costs expended to execute and fulfill the purpose of the Consortium. Management and general expenses are those expenses that are not directly identifiable with any other specific function but provide for the overall support of the Consortium.

New Jersey Civic Information Consortium

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses (continued)

Professional fees and consulting expenses are related to more than one function and have been allocated among program services and management and general in reasonable ratios determined by management based on time and costs where efforts are made.

Accounting for Uncertainty in Income Taxes

The Consortium recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Consortium had no uncertain tax positions that would require financial statement recognition or disclosure. The Consortium is not subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2021.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 22, 2023.

3. Liquidity and Availability of Resources

The Consortium's available financial assets and resources available to meet cash needs for general expenditures within one year of the date of the state of financial position were as follows at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash	<u>\$ 4,642,158</u>	<u>\$ 1,241,531</u>

The Consortium monitors the availability of resources to meet its operating needs and contractual commitments. As part of its liquidity management, the Consortium has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Consortium considers all expenditures related to its ongoing missions related activities, as well as services undertaken to support these activities, to be general expenditures.

4. Related Party Transactions (not disclosed elsewhere)

On July 1, 2022, the Consortium entered into an eighteen-month consulting agreement with Chadwick Management LLC, a company which is wholly owned by a Board member. For the year ended December 31, 2022, consulting expenses paid to Chadwick Management LLC amount to \$60,000.

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**New Jersey OMB Circular 15-08
Schedules and Reports**

New Jersey Civic Information Consortium

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2022

State Grantor/Pass-through Grantor/Program Title	Pass-through Grant Number	Grant Award Period	Grant Award Amount	2022 State Expenditures	Total State Expenditures To Date
State of New Jersey - Office of the Secretary of Higher Education					
NJCIC FY22 Grant	21 100 074 2400 065	7/1/21- 12/31/22	\$ 1,000,000	\$ 996,565	\$1,000,000
NJCIC FY22 Grant Amendment	21 100 074 2400 065	6/30/22 - 12/31/22	<u>1,000,000</u>	<u>894,970</u>	<u>894,970</u>
Total Expenditures of State Financial Assistance			<u>\$2,000,000</u>	<u>\$1,891,535</u>	<u>\$1,894,970</u>

See independent auditors' report and notes to schedule of expenditures of state financial assistance.

New Jersey Civic Information Consortium

Notes to Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the state award activity of New Jersey Civic Information Consortium (the "Consortium") under programs of the State of New Jersey government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of the New Jersey Office of Management and Budget Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* ("New Jersey State Circular 15-08 OMB"). Because the Schedule presents only a selected portion of the operations of the Consortium, it is not intended to and does not represent the financial position, changes in net assets or cash flows of the Consortium.

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 New Jersey OMB Circular Letter 15-08, wherein certain types of expenditures are not allowed or are limited to reimbursement.

3. Indirect Cost Rate

The Consortium has not elected to use the 10-percent de minimis indirect cost rate as allowed under New Jersey OMB Circular Letter 15-08.



**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**Board of Directors
New Jersey Civic Information Consortium**

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 financial statements of New Jersey Civic Information Consortium (the "Consortium"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated September 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Consortium's internal 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Consortium'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 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 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Consortium'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

September 22, 2023



**Report on Compliance for Each Major State Program and Report on
Internal Control Over Compliance Required by the New Jersey OMB Circular Letter 15-08
For State Financial Assistance**

Independent Auditors' Report

**Board of Directors
New Jersey Civic Information Consortium**

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited New Jersey Civic Information Consortium's (the "Consortium") compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Consortium's major state programs for the year ended December 31, 2022. The Consortium's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Consortium complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major State Program

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

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Consortium's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Consortium's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Consortium'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 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 Auditors' Responsibilities for the Audit of Compliance section above 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, 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 have not been 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 New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

September 22, 2023

New Jersey Civic Information Consortium

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted?

Yes No

State Financial Assistance

Internal control over major state programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 15-08?

Yes No

Identification of major state programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
21 100 074 2400 065	State of New Jersey - Office of the Secretary of Higher Education

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000 (state programs)

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

During our audit, we noted no material findings for year ended December 31, 2022.

Section III – State Financial Assistance Findings and Questioned Costs

During our audit, we noted no material instances of noncompliance and none of the costs reported in the Schedule of Expenditures of State Financial Assistance are questioned or recommended to be disallowed.