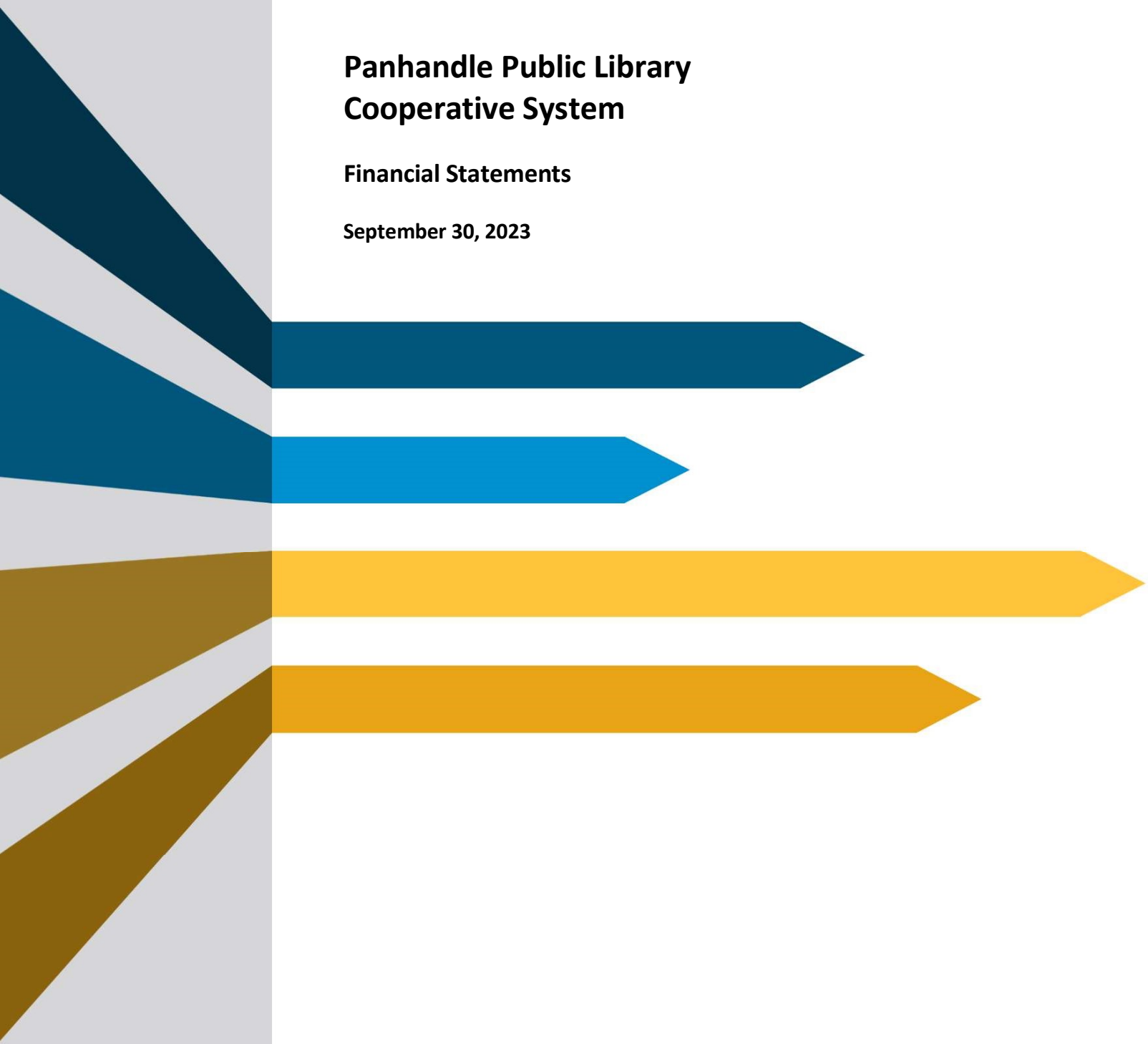
Panhandle Public Library Cooperative System

Financial Statements

September 30, 2023



Panhandle Public Library Cooperative System
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September 30, 2023

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REPORT

CARR RIGGS & INGRAM

Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

Mailing Address:
P.O. Box 1606
Marianna, FL 32447

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

Administrative Board
Panhandle Public Library Cooperative System
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Panhandle Public Library Cooperative System (the "Cooperative") as of and for the year ended September 30, 2023 and the related notes to financial statements, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Cooperative's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Cooperative as of September 30, 2023, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and page 9, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Cooperative's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Marianna, Florida

February 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Panhandle Public Library Cooperative System's (the "Cooperative") financial performance provides an overview of the Cooperative's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the Cooperative's financial statements, which follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Cooperative is engaged in a single governmental program and administers only one fund, the General Fund. It has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statement of Net Position and Governmental Fund Balance Sheet reports the Cooperative's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance reports changes in financial position of the General Fund and the governmental activities, and the degree to which the functional expenses are offset by program revenues for the governmental activities.

CONDENSED FINANCIAL INFORMATION

The following tables present condensed, government-wide data about net position and changes in net position.

Net Position

For the years ended September 30,	**2023**	2022
Assets:		
Cash and cash equivalents	**$ 189,452**	$ 261,967
Equity in pooled investments	**103,152**	98,318
Accounts receivable	**-**	4,623
Capital assets, net		
Right-to-use lease assets, net	**16,832**	**-**
Liabilities:		
Accounts payable	**12,045**	39,400
Due to other governments	**-**	1,211
Unearned revenue	**109,366**	153,104
Long-term liabilities		
Portion due or payable within one year		
Lease liabilites	**4,527**	-
Portion due or payable after one year		
Lease liabilites	**12,305**	-
Net position - restricted	**$ 171,193**	$ 171,193

Change in Net Position

For the years ended September 30,	**2023**	2022
Program revenues:		
Operating grants	**$ 380,377**	$ 466,882
General revenues:		
Interest and investment earnings	**9,907**	831
Miscellaneous	**23,619**	4,623
Total revenues	**413,903**	472,336
Program expenses:		
Culture/recreation	**409,103**	472,336
Debt Service:		
Interest and other charges	**209**	-
Amortization	**4,591**	-
Total expenses	**413,903**	472,336
Change in net position	**-**	-
Beginning net position	**171,193**	171,193
Ending net position	**$ 171,193**	$ 171,193

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated $380,377 in program revenues, $33,526 in general revenues and incurred $413,903 of program expenses. This resulted in a change in net position of zero.

THE COOPERATIVE'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance was unchanged.

BUDGETARY HIGHLIGHTS

There were no significant budget amendments made during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Leased Assets

GASB 87, Leases, was adopted October 1, 2021. Under this new guidance, all contracts allowing for the Cooperative to use another entity's assets for a period of greater than 12 months must be recorded as a right-of-use asset. The intangible leased asset is recorded for the same amount as the related leased liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The value of such assets on September 30, 2023, net of amortization, is $16,832.

Debt Administration

GASB 87, Leases, was adopted October 1, 2021. Under this new guidance, all contracts allowing for the Cooperative to use another entity's assets for a period of greater than 12 months must be recorded as a leased liability. The leased liability is recorded at the present value of future lease payments, including fixed leased payments, variable payments based on the index or fixed rate. The value of such liabilities on September 30, 2023, is $16,832.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the Cooperative's financial position or results of operations.

CONTACTING THE COOPERATIVE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Cooperative's finances for all of those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mary Balint, PPLCS Administrator, 2862 Madison Street, Marianna, Florida 32448.

BASIC FINANCIAL STATEMENTS

Panhandle Public Library Cooperative System
Statement of Net Position and Governmental Fund Balance Sheet
General Fund

For the year ended September 30, 2023	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash	$ 189,452	$ -	$ 189,452
Equity in pooled investments	103,152	-	103,152
Capital assets, net			
Right-to-use lease assets, net	-	16,832	16,832
Total assets	$ 292,604	$ 16,832	$ 309,436
Liabilities			
Accounts payable	$ 12,045	$ -	$ 12,045
Unearned revenue	109,366	-	109,366
Long-term liabilities			
Portion due or payable within one year			
Lease liabilites	-	4,527	4,527
Portion due or payable after one year			
Lease liabilites	-	12,305	12,305
Total liabilities	121,411	16,832	138,243
Fund balance			
Restricted - grant	171,193	-	-
Total fund balance	171,193	-	-
Total liabilities and fund balance	$ 292,604		
Net position			
Restricted - grant		$ -	$ 171,193

The accompanying notes are an integral part of this financial statement.

Panhandle Public Library Cooperative System
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
General Fund

For the year ended September 30, 2023	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Expenditures/expenses			
Culture/recreation	$ 409,103	$ -	$ 409,103
Debt Service:			
Principal	4,591	(4,591)	-
Interest and other charges	209	-	209
Amortization	-	4,591	4,591
Program revenues			
Intergovernmental/operating grants	380,377	-	380,377
Net program revenues	(33,526)	-	(33,526)
General revenues			
Interest and investment earnings	9,907	-	9,907
Miscellaneous	23,619	-	23,619
Total general revenues	33,526	-	33,526
Excess of revenues over expenditures	-	-	-
Change in net position	-	-	-
Fund balance/net position - beginning	171,193	-	171,193
Fund balance/net position - ending	$ 171,193	$ -	$ 171,193

The accompanying notes are an integral part of this financial statement.

Panhandle Public Library Cooperative System
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund

For the year ended September 30, 2023	Budgeted Original	Budgeted Final	Actual Amounts on Budgetary Basis	Variance with Final Budget
Revenues				
Grant	$ 394,249	$ 394,249	$ 380,377	$ (13,872)
Miscellaneous	-	14,664	23,619	8,955
Total revenues	394,249	408,913	403,996	(4,917)
Expenditures				
Culture/recreation:				
Operating expenditures	394,249	408,913	399,196	9,717
Debt service:				
Principal	-	-	4,591	(4,591)
Interest	-	-	209	(209)
Total expenditures	394,249	408,913	403,996	4,917
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	171,193	171,193	171,193	-
Fund balance, end of year	$ 171,193	$ 171,193	$ 171,193	$ -

The accompanying notes are an integral part of this financial statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Panhandle Public Library Cooperative System (the "Cooperative") conform to generally accepted accounting principles as applicable to governments. The Jackson County Board of County Commissioners' Finance Office performs the accounting functions associated with the Panhandle Public Library Cooperative System's Administrative Board. The following is a summary of the more significant policies:

Reporting Entity

The Panhandle Public Library Cooperative System was formed pursuant to Chapter 257.171, F.S. The interlocal agreement was entered into on September 3, 1992, and operations begun in November of 1992. The interlocal agreement is made up of three counties: Calhoun County, Florida; Jackson County, Florida; Holmes County, Florida; and shall be referred to as "the Counties." The Counties entered into an agreement for the purpose of establishing a multi-county library system to provide unified library services. In particular, it is the express purpose of the Agreement and of the Counties to provide for the coordinator of library service throughout the legal service areas of the Counties; to provide for equal access to free public library service to all residents of the legal service areas of the Counties; and to formulate and implement consistent plans, programs, policies, and procedures in the operation, maintenance and development of library service throughout the legal service areas of the Counties.

The Cooperative receives substantial support from the State of Florida under grants with the Florida Division of Library and Information Services. These grants must be renegotiated at the end of each grant term.

The Cooperative is governed by a Board whose members are appointed by the respective member counties. Each County appoints two members of the Board. In addition, each County Director (or head librarian or administrative head) shall be an ex-officio, voting member of the Board.

The Cooperative uses the criteria established in GASB Statement No. 14 to define the reporting entity and identify component units. Component units are entities for which the Cooperative is considered to be financially accountable. There are no entities included as a component unit within the Cooperative's reporting entity.

Reporting Model

As an independent special district, the Cooperative accounts for its activities using the governmental financial reporting model and follows GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Model (continued)

The Cooperative is engaged in a single governmental program and administers only one fund, the General Fund. It has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statement of Net Position and Governmental Fund Balance Sheet reports the Cooperative's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance reports changes in financial position of the General Fund and the governmental activities, and the degree to which the functional expenses are offset by program revenues for the governmental activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Cooperative considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Intergovernmental and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Cooperative receives cash.

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Equity in Pooled Investments

Equity in pooled investments include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance

Net position represents the difference between assets and liabilities reported for the governmental activities. Net position is reported as *restricted* when there are externally imposed restrictions. *Unrestricted* net position is net position that does not meet the definition of the classification previously described.

When both restricted and unrestricted resources are available for use, it is the Cooperative's policy to use restricted resources first, and then unrestricted resources as they are needed.

The Cooperative follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Cooperative is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Cooperative's highest level of decision-making authority, which is a resolution of the Board of Directors. Committed amounts cannot be used for any other purpose unless the Cooperative removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Cooperative's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Directors or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Cooperative's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Florida Statutes govern the preparation, adoption, and administration of the budget for the Panhandle Public Library Cooperative System. The annual budget for the Cooperative Governmental Fund was prepared consistent with generally accepted accounting principles. The budget is controlled according to Chapter 129, Florida Statutes, at the total fund level. Amendments to the budget have been properly approved by the Board.

The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Cooperative only budgets revenue and expenditures related to grant funding, it does not budget interest earnings. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Total Expenditures	Total Revenue
GAAP basis	$ 413,903	$ 413,903
Non-budgeted revenues and expenditures:		
Interest earnings	(9,907)	(9,907)
Budgetary basis	$ 403,996	$ 403,996

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Cooperative maintains a capitalization threshold of $5,000. The Cooperative does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Capital assets are depreciated using the straight line method. The Cooperative did not have any assets that met their capitalization threshold in the current or prior years.

Unearned Revenues

Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues. These amounts represent unearned library grant revenues for the Cooperative.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally 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.

Long-Term Debt

In the government-wide financial statements, outstanding debts are reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

Leases

Lease Obligations

GASB No. 87, *Leases*, was adopted October 1, 2021. Under this new guidance, all contracts allowing for the Cooperative to use another entity's asset for a period greater than 12 months must be recorded as both a right-of-use (ROU) asset and a lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12-month period requirement is recognized as rental expense.

The Cooperative uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of lease liability are composed of fixed payments and term options that the County is reasonably certain to exercise.

The Cooperative monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with capital assets and lease liabilities are reported on the statements of net position. Balances for lease assets and related liabilities as of October 1, 2022 have been restated to correctly report amounts from the prior year. There was no net effect on beginning net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management and Insurance

The Cooperative insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Cooperative believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 16, 2024, and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022. GASB 94 had no impact on the Cooperative's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (continued)

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022. GASB 96 had no impact on the Cooperative's financial statements.

Note 2: CASH AND INVESTMENTS

At September 30, 2023, the carrying amount of the Panhandle Public Library Cooperative System's cash and cash equivalents was $189,452 and the bank balances were $189,452. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The Cooperative's investment practices are governed by Chapter 218.415 of the Florida Statutes. The Cooperative is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and Florida PRIME.

The Cooperative invested funds in the Florida State Board of Administration's Florida PRIME. At September 30, 2023, the market value and carrying value of these funds was $103,152. Additional information and investment policies regarding Florida PRIME may be obtained from the State Board of Administration at www.sbafla.com/prime.

Note 2: CASH AND INVESTMENTS (Continued)

Florida PRIME is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for Florida PRIME. As a pool participant, the Cooperative owns a share of the respective pool, not the underlying securities.

Florida PRIME is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the Cooperative's investment in Florida PRIME is recorded at amortized cost.

CREDIT RISK

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the Cooperative's investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2023, the Cooperative's investment in Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

INTEREST RATE RISK

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2023, is 28 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at June 30, 2023 is 71 days.

CUSTODIAL CREDIT RISK

At September 30, 2023, the Cooperative did not hold any deposits or investments that were considered to have custodial risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2023, the Cooperative did not hold any investments that were considered to have concentration of credit risk.

FOREIGN CURRENCY RISK

At September 30, 2023, the Cooperative did not hold any investments that were considered to have a foreign currency risk.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year end September 30, 2023, was as follows:

For the year ended September 30, 2023	October 1, 2022 as Restated	Increases	Decreases	Transfers	Ending Balance
Right-to-use lease assets, being amortized					
Buildings and Improvements	$ 22,953	$ -	$ -	$ -	$ 22,953
Less accumulated amortization for					
Buildings and Improvements	1,530	4,591	-	-	6,121
Right-to-use lease assets being amortized,					
amortized, net	$ 21,423	$ (4,591)	$ -	$ -	$ 16,832

NOTE 4: LONG-TERM DEBT

Leases-Lessee

The Cooperative has entered into a lease agreement as lessee for a building that qualify as leases for accounting purposes.

The present value of the future minimum lease payments is as follows:

2024	$ 4,800
2025	4,800
2026	4,800
2027	3,200
Total minimum payments	17,600
Less: amount representing interest	768
Present value of minimum capital lease payments	$ 16,832

	Beginning Balance- As restated	Additions	Reductions	Ending Balance	DUE Within One Year
Governmental activities:					
Lease liabilities	$ 22,953	$ -	$ 6,121	$ 16,832	$ 4,527
Total governmental activities:	$ 22,953	$ -	$ 6,121	$ 16,832	$ 4,527

NOTE 5: RESTATEMENT OF BEGINNING BALANCE

Due to implementation of GASB 87, beginning balances for lease assets and related liabilities have been restated as of October 1, 2022 to correctly report amounts from prior year. The amounts restated caused no net change on beginning net position.

COMPLIANCE SECTION

CRI CARR RIGGS & INGRAM

Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

Mailing Address:
P.O. Box 1606
Marianna, FL 32447

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

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*

Administrative Board
Panhandle Public Library Cooperative System
Marianna, Florida

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 the governmental activities and the major fund of Panhandle Public Library Cooperative System (the "Cooperative") as of and for the year ended September 30, 2023, and the related notes to basic financial statements, which collectively comprise the Cooperative's basic financial statements and have issued our report thereon dated February 16, 2024.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the Cooperative's internal control over financial reporting to determine the 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 Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative'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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 Cooperative'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard.*

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 Cooperative'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 Cooperative's internal control and specified parties.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Marianna, Florida

February 16, 2024

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Marianna, FL 32446

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Administrative Board
Panhandle Public Library Cooperative System
Marianna, Florida

We have examined Panhandle Public Library Cooperative System's (the "Cooperative") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the Cooperative's compliance with those requirements. Our responsibility is to express an opinion on the Cooperative's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Cooperative complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Cooperative complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Cooperative's compliance with specified requirements.

In our opinion, the Cooperative, complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Marianna, Florida

February 16, 2024

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Marianna, FL 32446

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Marianna, FL 32447

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(850) 526-5322 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Administrative Board
Panhandle Public Library Cooperative System
Marianna, Florida

Report on the Financial Statements

We have audited the financial statements of the Panhandle Public Library Cooperative System (the "Cooperative"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 16, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 16, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.566(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the Cooperative has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Cooperative did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Cooperative. It is management's responsibility to monitor the Cooperative's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the (name of district) reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 2.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $95,666.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $0.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as net $0, both revenues and expenses were amended with an increase of $72,777.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Cooperative for the fiscal year ended September 30, 2023, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2023. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Administrative Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Certified Public Accountants
Marianna, Florida

February 16, 2024