

THREE RIVERS REGIONAL LIBRARY SYSTEM
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

**THREE RIVERS REGIONAL LIBRARY SYSTEM
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SEPTEMBER 30, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Three Rivers Regional Library System:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Three Rivers Regional Library System (the System), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the System's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the System as of September 30, 2025, 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.

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 report. We are required to be independent of the System 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 System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *GAS*, 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 System'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 System's ability to continue as a going concern for a reasonable period of time.

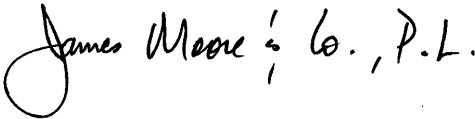
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 June 23, 2026, on our consideration of the System'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 System'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 System's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
June 23, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Three Rivers Regional Library System's financial performance provides an overview of the System's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the System's financial statements, which follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the System's activities as a whole and fund financial statements that report on the System's individual fund.

Government-Wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the System's assets, liabilities, and deferred outflows/inflows using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position – the difference between assets, liabilities, and deferred outflows/inflows – can be used to measure the System's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the System's financial health is improving or deteriorating. However, other non-financial factors must also be considered when assessing the overall health of the System.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements.

Governmental funds – The General Fund is the System's only governmental fund. This fund is accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

Condensed Financial Information

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

NET POSITION

	Governmental Activities	
	2025	2024
ASSETS		
Current assets	\$ 513,786	\$ 591,377
Capital assets	947	1,327
Total assets	\$ 514,733	\$ 592,704
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	\$ 36,361	\$ 46,871
Deferred outflows related to OPEB	2,789	2,872
Total deferred outflows	\$ 39,150	\$ 49,743
LIABILITIES		
Current liabilities	\$ 28,650	\$ 86,846
Noncurrent liabilities	209,517	242,165
Total liabilities	\$ 238,167	\$ 329,011
DEFERRED INFLOWS		
Deferred inflows related to pensions	\$ 34,456	\$ 19,805
Deferred inflows related to OPEB	429	600
Total deferred inflows	\$ 34,885	\$ 20,405
NET POSITION		
Net investment in capital assets	\$ 947	\$ 1,327
Restricted	67,980	79,381
Unrestricted	211,904	212,323
Total net position	\$ 280,831	\$ 293,031

CHANGES IN NET POSITION

	Governmental Activities	
	2025	2024
Program Revenues		
Operating grants and contributions	\$ 446,973	\$ 463,997
General Revenues		
Investment income	20,914	23,305
Miscellaneous	1,594	2,199
Total revenues	469,481	489,501
Program expenses		
Culture/recreation	481,681	512,055
Change in net position	(12,200)	(22,554)
Net position, beginning of year	293,031	315,585
Net position, end of year	\$ 280,831	\$ 293,031

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$446,973 in program revenues and \$22,508 of general revenues, and incurred \$481,681 of program expenses. This resulted in a \$12,200 decrease in net position.

THE SYSTEM'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance decreased by \$19,395 due to decreased funding received from the State of Florida under grants.

BUDGETARY HIGHLIGHTS

The original budget for the System anticipated revenues of \$460,755, expenditures of \$944,991 and an overall anticipated decrease in fund balance of \$484,236. There were no significant budget amendments during the year. A positive variance primarily occurred because budgeted capital outlay for special projects was not expended.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During the year the System had no significant capital asset activity. Please refer to Note (4) in the accompanying financial statements entitled Capital Assets and Depreciation for more detailed information about the System's capital asset activity.

Debt Administration

The System's long-term liabilities primarily consist of compensated absences and the net pension liability. Please refer to Notes (5), (7), and (8) in the accompanying financial statements for more detailed information about the System's long-term liability activity.

ECONOMIC FACTORS

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

CONTACTING THE SYSTEM'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the System's finances and to show the System's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Dale Collum, at 176 SW Community Circle, Suite B, Mayo, Florida 32066.

THREE RIVERS REGIONAL LIBRARY SYSTEM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 494,034
Investments	19,752
Capital assets:	
Depreciable, net	947
Total Assets	<u><u>\$ 514,733</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	\$ 36,361
Deferred outflows related to OPEB	2,789
Total Deferred Outflows	<u><u>\$ 39,150</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 28,650
Noncurrent liabilities:	
Due within one year	15,703
Due in more than one year	17,333
Total OPEB liability	11,758
Net pension liability	164,723
Total Liabilities	<u><u>\$ 238,167</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	\$ 34,456
Deferred inflows related to OPEB	429
Total Deferred Inflows	<u><u>\$ 34,885</u></u>
NET POSITION	
Net investment in capital assets	\$ 947
Restricted for:	
State grant	67,980
Unrestricted	211,904
Total Net Position	<u><u>\$ 280,831</u></u>

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

**THREE RIVERS REGIONAL LIBRARY SYSTEM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Culture and recreation	\$ 481,681	\$ -	\$ 446,973	\$ -	\$ (34,708)
General revenues:					
Investment income					20,914
Miscellaneous					1,594
Total general revenues					22,508
Change in net position					(12,200)
Net position - beginning of year					293,031
Net position - end of year					\$ 280,831

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

**THREE RIVERS REGIONAL LIBRARY SYSTEM
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 494,034
Investments	19,752
Total Assets	<u>\$ 513,786</u>
 LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable and accrued expenses	\$ 28,650
Total liabilities	<u>28,650</u>
 Fund balances	
Restricted for:	
State grant	67,980
Assigned to:	
Subsequent year's budget	417,156
Total fund balances	<u>485,136</u>
 Total Liabilities and Fund Balances	<u>\$ 513,786</u>

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

**THREE RIVERS REGIONAL LIBRARY SYSTEM
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Total fund balances - Governmental Funds	\$	485,136
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Amounts reported for governmental activities in the statement of activities are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Total governmental capital assets - nondepreciable	50,971	
Less: accumulated depreciation	<u>(50,024)</u>	947

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(164,723)	
Deferred outflows related to pensions	36,361	
Deferred inflows related to pensions	<u>(34,456)</u>	(162,818)

On the governmental fund statements, total OPEB liability is not recorded until an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(11,758)	
Deferred outflows related to OPEB	2,789	
Deferred inflows related to OPEB	<u>(429)</u>	(9,398)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, consist of the following:

Compensated absences		(33,036)
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Net position of governmental activities	\$	<u>280,831</u>
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The accompanying notes to financial statements
are an integral part of this statement.

THREE RIVERS REGIONAL LIBRARY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>General</u>
Revenues	
Member contributions	\$ 79,554
Intergovernmental	367,419
Miscellaneous revenues	22,508
Total revenues	<u>469,481</u>
Expenditures	
Current:	
Culture and recreation	488,876
Total expenditures	<u>488,876</u>
Excess (deficiency) of revenues over expenditures	<u>(19,395)</u>
Net change in fund balance	<u>(19,395)</u>
Fund balance, beginning of year	504,531
Fund balance, end of year	<u><u>\$ 485,136</u></u>

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

**THREE RIVERS REGIONAL LIBRARY SYSTEM
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances-total governmental funds	\$ (19,395)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense	(380)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:	
Compensated absences	(2,890)
Total OPEB liability and related items	(1,755)
Net pension liability and related items	12,220
Change in net position of governmental activities	<u><u>\$ (12,200)</u></u>

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

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies:

The financial statements of the Three Rivers Regional Library System (the System) have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the System's significant accounting policies:

(a) **Reporting entity**—The System is a cooperative library serving the public libraries of Dixie, Gilchrist, Lafayette, and Taylor Counties. The System was created in May 1995 through an interlocal agreement, pursuant to the authority provided in Section 163.01, Florida Statutes, and began serving the citizens of Dixie, Gilchrist, and Lafayette Counties on October 1, 1995. Taylor County was added to the System in August 2012. The System's purpose is to provide for the coordination of library service throughout the region, to provide for equal access to free public library service to all residents of the region, and to formulate and implement consistent plans, programs, policies, and procedures in the operation, maintenance, and development of library services throughout the region.

The System 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 System is governed by a Library Board whose members are appointed by the respective Boards of County Commissioners of member counties. Each County appoints one County Commissioner and one other person to be members of the Library Board. In addition, the Clerk from each County, or his or her designee, serves alternating one-year terms.

The System uses the GASB Codification to define the reporting entity and identify component units. Component units are entities for which the System is considered to be financially accountable or entities that would be misleading to exclude. There are no entities included as a component unit within the System's reporting entity.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) concentrate on the System as a whole. In addition, they report information on all of the non-fiduciary activities of the System. For the most part, the effect of inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses, of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Measurement focus and basis of accounting**—The accounts of the System are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. 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 System follows the County's policy for revenue recognition in which it considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes and revenues which are 60 days.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The System reports the following major governmental fund:

General Fund - The General fund is the general operating fund of the System. It is used to account for all financial resources.

(d) **Cash and cash equivalents**—The institutions in which the System's monies are deposited are certified as a "Qualified Public Depository," as required under the Florida Public Deposits Act. This law requires every qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of an amount to be determined by the State Treasurer and requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies: (Continued)

Therefore, the System's total deposits are insured by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

(e) **Receivables**—Receivables are reported net of an allowance for uncollectible accounts, when applicable, which is based upon management's analysis of historical trends.

(f) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. Prepaid items are recognized as expenses when the related expenses are incurred.

(g) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the System. Capital assets are defined by the System as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one-year. Such assets are recorded at historical cost, if purchased or constructed. Donated assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Years</u>
Vehicles	5 years
Equipment	4 – 15 years

(h) **Compensated absences**—The System maintains policies that permit employees to accumulate earned but unused vacation and sick pay benefits that will be paid to or used by employees upon separation of service if certain criteria are met. These benefits, plus their related tax and retirement costs, are classified as compensated absences. The compensated absences liability is primarily liquidated by the general fund.

(i) **Long-term obligations**—In the government-wide financial statements, long-term obligations are reported as liabilities on the statement of net position. The compensated absences and net pension liabilities have been liquidated in the past by the general fund.

(j) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only two items in this category consists of deferred amounts related to pensions and Other Post Employment Benefits (OPEB), as discussed further in Notes (7) and (8).

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only two items in this category consists of deferred amounts related to pensions and Other Post Employment Benefits (OPEB), as discussed further in Notes (7) and (8).

(k) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The following classifications describe the relative strength of applicable spending constraints:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts the System intends to use for a specific purpose as expressed at the highest level of decision-making authority by the Board.

Assigned – amounts the System intends to use for a specific purpose. Intent can be expressed by Board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the System considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the System considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(l) **Net position flow assumption**—Sometimes the System will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the System's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **Budgets and budgetary accounting**—Annual budgets are legally adopted by the System Board on the modified accrual basis, which is consistent with generally accepted principles. The fund is the legal level of control.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(2) Reconciliation of Government-Wide and Fund Financial Statements:

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) Deposits and Investments:

Florida Statutes authorize the System to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool. As of September 30, 2025, all System deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

The State Board of Administration PRIME pool (Florida PRIME) is an external investment pool that meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the System's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. Florida PRIME maintains a credit rating of AAAm by S&P and the weighted average maturity of the fund was 47 days. At September 30, 2025, the System had \$19,752 invested with Florida PRIME.

Interest Rate Risk. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The System places no limit on the amount that may be invested in any one issuer.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(4) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2025, was as follows:

Governmental Activities:	Balance 9/30/2024	Increases	Decreases	Balance 9/30/2025
Capital Assets Being Depreciated:				
Vehicles	\$ 24,578	\$ -	\$ -	\$ 24,578
Machinery and Equipment	26,393	-	-	26,393
Total Capital Assets Being Depreciated	<u>50,971</u>	<u>-</u>	<u>-</u>	<u>50,971</u>
Less Accumulated Depreciation For:				
Vehicles	(24,578)	-	-	(24,578)
Machinery and Equipment	(25,066)	(380)	-	(25,446)
Total Accumulated Depreciation	<u>(49,644)</u>	<u>(380)</u>	<u>-</u>	<u>(50,024)</u>
Total Capital Assets, Net of Depreciation	1,327	(380)	-	947
Governmental Activities Capital Assets, Net	<u><u>\$ 1,327</u></u>	<u><u>\$ (380)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 947</u></u>

Depreciation expense of \$380 was charged to the culture and recreation function for the System.

(5) Long-term Liabilities:

A summary of changes in long-term liabilities of the System for the fiscal year ended September 30, 2025, follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences, net	\$ 30,146	\$ 2,890	\$ -	\$ 33,036	\$ 15,703

The change in compensated absences liability is presented as a net change.

(6) Commitments and Contingencies:

Various suits and claims arising in the ordinary course of the System's operations, some of which involve substantial amounts, are pending against the System.

The ultimate effect of such litigation cannot be ascertained at this time. However, in the opinion of counsel for the System, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the System or the results of its operations, nor is it anticipated that any material amount will be paid for claims and judgments in the next fiscal year.

**THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

(7) Employees' Retirement Plans:

Florida Retirement System

Plan Description and Administration

The System participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the System's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(7) Employees' Retirement Plans: (Continued)

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The System participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect at September 30, 2025, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2025	After June 30, 2025
Regular Class	13.63%	14.03%
Senior Management	34.52%	33.24%
Special Risk	32.79%	35.19%
Elected Official	58.68%	54.57%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2025, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 21,457
Entity Contributions – HIS	3,709
Employee Contributions – FRS	5,564

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(7) Employees' Retirement Plans: (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2025, the entity reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 111,530
HIS	53,193
Total	<u>\$ 164,723</u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2025 and June 30, 2024, the System's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2025	2024
FRS	0.000359367%	0.000360132%
HIS	0.000415005%	0.000418560%

For the year ended September 30, 2025, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 13,983
HIS	409
Total	<u>\$ 14,392</u>

Deferred outflows/inflows related to pensions:

At September 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,913	\$ -	\$ 318	\$ (84)
Changes of assumptions	12,952	-	471	(12,866)
Net difference between projected and actual investment earnings	-	(18,621)	-	(44)
Change in proportionate share	3,317	(193)	330	(2,648)
Contributions subsequent to measurement date	6,049	-	1,011	-
Total	<u>\$ 34,231</u>	<u>\$ (18,814)</u>	<u>\$ 2,130</u>	<u>\$ (15,642)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from System contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2025.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(7) Employees' Retirement Plans: (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2026	\$ 19,892	\$ (3,307)	\$ 16,585
2027	(2,228)	(3,829)	(6,057)
2028	(4,489)	(3,283)	(7,772)
2029	(3,807)	(2,563)	(6,370)
2030	-	(1,541)	(1,541)
Thereafter	-	-	-
	<u>\$ 9,368</u>	<u>\$ (14,523)</u>	<u>\$ (5,155)</u>

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.93%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2025, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(7) **Employees' Retirement Plans:** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.2%
Fixed income	29.0%	5.5%
Global equities	45.0%	8.5%
Real estate	12.0%	8.4%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.5%
Total	<u>100.0%</u>	

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability (asset) of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 218,876	\$ 111,530	\$ 21,533
HIS	5.20%	59,984	53,193	47,498

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(8) Other Post-Employment Benefits (OPEB):

Plan Description and Benefits Provided—The Three Rivers Library System Other Post-Employment Benefit (OPEB) Plan is a single-employer benefit plan administered by Gilchrist County. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the County is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the “implicit rate subsidy.” This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

Plan Membership—At October 1, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	4
Inactive Employees	-
	<u>4</u>

Total OPEB Liability—The System’s total OPEB liability of \$11,758 was measured as of October 1, 2024, and was determined by an actuarial valuation at October 1, 2023.

Actuarial Assumptions and Other Inputs—The total OPEB liability at the October 1, 2023 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Salary increases	4.00%
Discount rate	4.06%
Healthcare cost trend rate	6.75% reduced 0.25% each year until reaching ultimate trend rate of 5.0%

The System does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the 20-year municipal bond index (SAPIHG) as of October 1, 2023.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table with 10-year Scale AA projection.

Changes in the OPEB liability for the fiscal year ended September 30, 2025, were as follows:

	Total OPEB Liability
Balance at September 30, 2024	\$ 9,915
Changes for a year:	
Service cost	217
Interest	488
Assumption changes	1,138
Net changes	<u>1,843</u>
Balance at September 30, 2025	<u>\$ 11,758</u>

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(8) Other Post-Employment Benefits (OPEB): (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the System calculated using the discount rate of 4.06%, as well as what the System's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.06%) or 1% higher (5.06%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 12,299	\$ 11,758	\$ 11,169

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the System as well as what the System's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.75%) or 1% higher (7.75%) than the current healthcare cost trend rates (6.75%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 11,288	\$ 11,758	\$ 12,118

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2025, the System recognized OPEB expense of \$1,826. At September 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 2,116	\$ 429
Differences between expected and actual experience	673	-
Total	<u>\$ 2,789</u>	<u>\$ 429</u>

The potential recording of a deferred outflow for contributions subsequent to measurement date is considered by management to be inconsequential.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended September 30:</u>	<u>Amortization</u>
2026	\$ 1,031
2027	620
2028	306
2029	300
2030	103
Total	<u>\$ 2,360</u>

THREE RIVERS REGIONAL LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(9) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the County's financial statements:

- (a) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- (b) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.
- (c) GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

THREE RIVERS REGIONAL LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(UNAUDITED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Member contributions	\$ 79,554	\$ 79,554	\$ 79,554	\$ -
Intergovernmental	366,201	366,201	367,419	1,218
Miscellaneous revenues	15,000	15,000	22,508	7,508
Total revenues	<u>460,755</u>	<u>460,755</u>	<u>469,481</u>	<u>8,726</u>
Expenditures				
Current:				
Culture and recreation	944,991	944,991	488,876	456,115
Total expenditures	<u>944,991</u>	<u>944,991</u>	<u>488,876</u>	<u>456,115</u>
Excess (deficiency) of revenues over expenditures	<u>(484,236)</u>	<u>(484,236)</u>	<u>(19,395)</u>	<u>(447,389)</u>
Net change in fund balance	<u>(484,236)</u>	<u>(484,236)</u>	<u>(19,395)</u>	<u>(447,389)</u>
Fund balance, beginning of year	504,531	504,531	504,531	-
Fund balance, end of year	<u><u>\$ 20,295</u></u>	<u><u>\$ 20,295</u></u>	<u><u>\$ 485,136</u></u>	<u><u>\$ (447,389)</u></u>

Notes to Schedule:

The annual budget is adopted and amended by the Library Board. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

THREE RIVERS REGIONAL LIBRARY SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability						
Service cost	\$ 217	\$ 210	\$ 360	\$ 134	\$ 130	\$ 140
Interest	488	400	211	88	135	160
Difference between expected and actual experience	-	879	-	414	-	-
Changes of assumptions	1,138	144	(942)	3,954	185	-
Initial recording of immaterial balance	-	-	-	-	-	3,313
Net change in total OPEB liability	<u>1,843</u>	<u>1,633</u>	<u>(371)</u>	<u>4,590</u>	<u>450</u>	<u>3,613</u>
Total OPEB liability - beginning of year	<u>9,915</u>	<u>8,282</u>	<u>8,653</u>	<u>4,063</u>	<u>3,613</u>	<u>-</u>
Total OPEB liability - end of year	<u>\$ 11,758</u>	<u>\$ 9,915</u>	<u>\$ 8,282</u>	<u>\$ 8,653</u>	<u>\$ 4,063</u>	<u>\$ 3,613</u>
Covered employee payroll	\$ 151,863	\$ 138,952	\$ 163,360	\$ 161,138	\$ 155,592	\$ 147,751
Total OPEB liability as a percentage of covered payroll	6.50%	6.00%	5.30%	5.37%	2.61%	2.45%
Measurement date	10/1/2024	10/1/2023	10/1/2022	9/30/2022	9/30/2021	9/30/2020
Valuation date	10/1/2023	10/1/2023	10/1/2021	10/1/2021	10/1/2020	10/1/2019

Notes to Schedule:

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount rate	4.06%	4.87%	4.77%	2.39%	2.14%	3.68%
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No assets are being accumulated in a trust to pay for OPEB benefits. Therefore, the System only reports a total OPEB liability.

*10 years of data will be presented as it becomes available.

THREE RIVERS REGIONAL LIBRARY SYSTEM
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)

	As of the Plan Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Florida Retirement System (FRS)										
Proportion of the net pension liability	0.000359367%	0.000360132%	0.000357751%	0.000343623%	0.000338175%	0.000320055%	0.000311614%	0.000314890%	0.000315807%	0.000300626%
Proportionate share of the net pension liability	\$ 111,530	\$ 139,316	\$ 142,552	\$ 127,855	\$ 25,545	\$ 138,716	\$ 107,315	\$ 94,846	\$ 93,413	\$ 75,908
Covered employee payroll	185,458	177,183	168,899	161,138	155,592	157,544	147,751	144,721	141,720	131,835
Proportionate share of the net pension liability as a percentage of covered payroll	60.14%	78.63%	84.40%	79.34%	16.42%	88.05%	72.63%	65.54%	65.91%	57.58%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%
Health Insurance Subsidy Program (HIS)										
Proportion of the net pension liability	0.000415005%	0.000418560%	0.000426216%	0.000442070%	0.000439405%	0.000453833%	0.000441691%	0.000443093%	0.000444618%	0.000427041%
Proportionate share of the net pension liability	\$ 53,193	\$ 62,788	\$ 67,689	\$ 46,822	\$ 53,900	\$ 55,412	\$ 49,421	\$ 46,897	\$ 47,541	\$ 49,770
Covered employee payroll	185,458	177,183	168,899	161,138	155,592	157,544	147,751	144,721	141,720	131,835
Proportionate share of the net pension liability as a percentage of covered payroll	28.68%	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.41%	33.55%	37.75%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

THREE RIVERS REGIONAL LIBRARY SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ended September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Florida Retirement System (FRS)										
Contractually required contribution	\$ 22,716	\$ 20,637	\$ 17,927	\$ 15,204	\$ 13,256	\$ 10,634	\$ 9,662	\$ 9,288	\$ 8,422	\$ 7,827
Contributions in relation to the contractually required contribution	22,716	20,637	17,927	15,204	(13,256)	(10,634)	(9,662)	(9,288)	(8,422)	(7,827)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 194,598	\$ 179,091	\$ 170,818	\$ 162,587	\$ 156,514	\$ 157,544	\$ 147,751	\$ 144,721	\$ 141,720	\$ 131,835
Contributions as a percentage of covered payroll	11.67%	11.52%	10.49%	9.35%	8.47%	6.75%	6.54%	6.42%	5.94%	5.94%
Health Insurance Subsidy Program (HIS)										
Contractually required contribution	\$ 3,892	\$ 3,582	\$ 2,970	\$ 2,699	\$ 2,598	\$ 2,615	\$ 2,453	\$ 2,402	\$ 2,353	\$ 2,188
Contributions in relation to the contractually required contribution	3,892	3,582	2,970	2,699	(2,598)	(2,615)	(2,453)	(2,402)	(2,353)	(2,188)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 194,598	\$ 179,091	\$ 170,818	\$ 162,587	\$ 156,514	\$ 157,544	\$ 147,751	\$ 144,721	\$ 141,720	\$ 131,835
Contributions as a percentage of covered payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

OTHER REPORTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Governing Board,
Three Rivers Regional Library System:

We have audited, 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, the financial statements of the governmental activities and the general fund of the Three Rivers Regional Library System (the System) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the System's financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System'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.

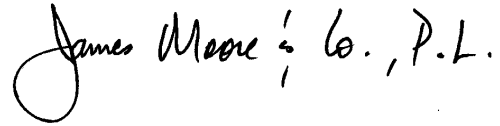
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System'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 results of that testing, and not to provide an opinion on the effectiveness of the System'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
June 23, 2026



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Three Rivers Regional Library System:

Report on the Financial Statements

We have audited the financial statements of the Three Rivers Regional Library System (the System), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 23, 2026.

Auditors' 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 *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 Auditors' 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 Accountants' 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 June 23, 2026, 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 findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report, if applicable.

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 this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component unit of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the System has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the System did not meet any conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the System'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.

Property Assessed Clean Energy (PACE) Programs

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by managements. We do not express an opinion, a conclusion, nor provided any form of assurance on this data.

As required by Section 10.554(1)(i)6.a, Rules of the Auditor General, the System and below listed special districts did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the System's or District's geographical boundaries during the fiscal year under audit

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information.

Specific Special District Information – Three Rivers Regional Library System

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the System reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 4 (four).
- b) The total number of independent contractors to whom nonemployee compensation was paid in

the last month of the district's fiscal year: 2 (two).

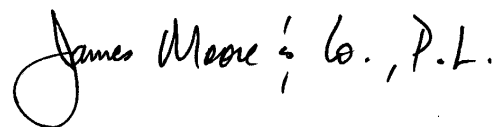
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$187,658.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$12,600.
- e) Each construction project with 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:
 - a. No such projects noted.
- 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 follows: there were no amendments between the original and final total district expenditure budget.

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, fraud, waste, 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 Governing Board, management, and others within the System and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
June 23, 2026



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

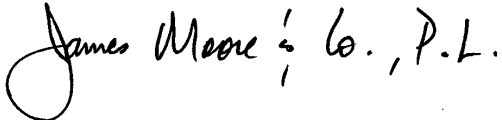
To the Governing Board,
Three Rivers Regional Library System

We have examined the Three Rivers Regional Library System (the System) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2025. Management is responsible for the System's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating against the aforementioned statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the System's compliance with the Statutes during the year ended September 30, 2025 and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of System's compliance during the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the System was not in compliance with the Statutes in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the engagement.

In our opinion, for the year ended September 30, 2025, the System complied with the Statutes in all material respects.

James Moore & Co., P.L.

Gainesville, Florida
June 23, 2026