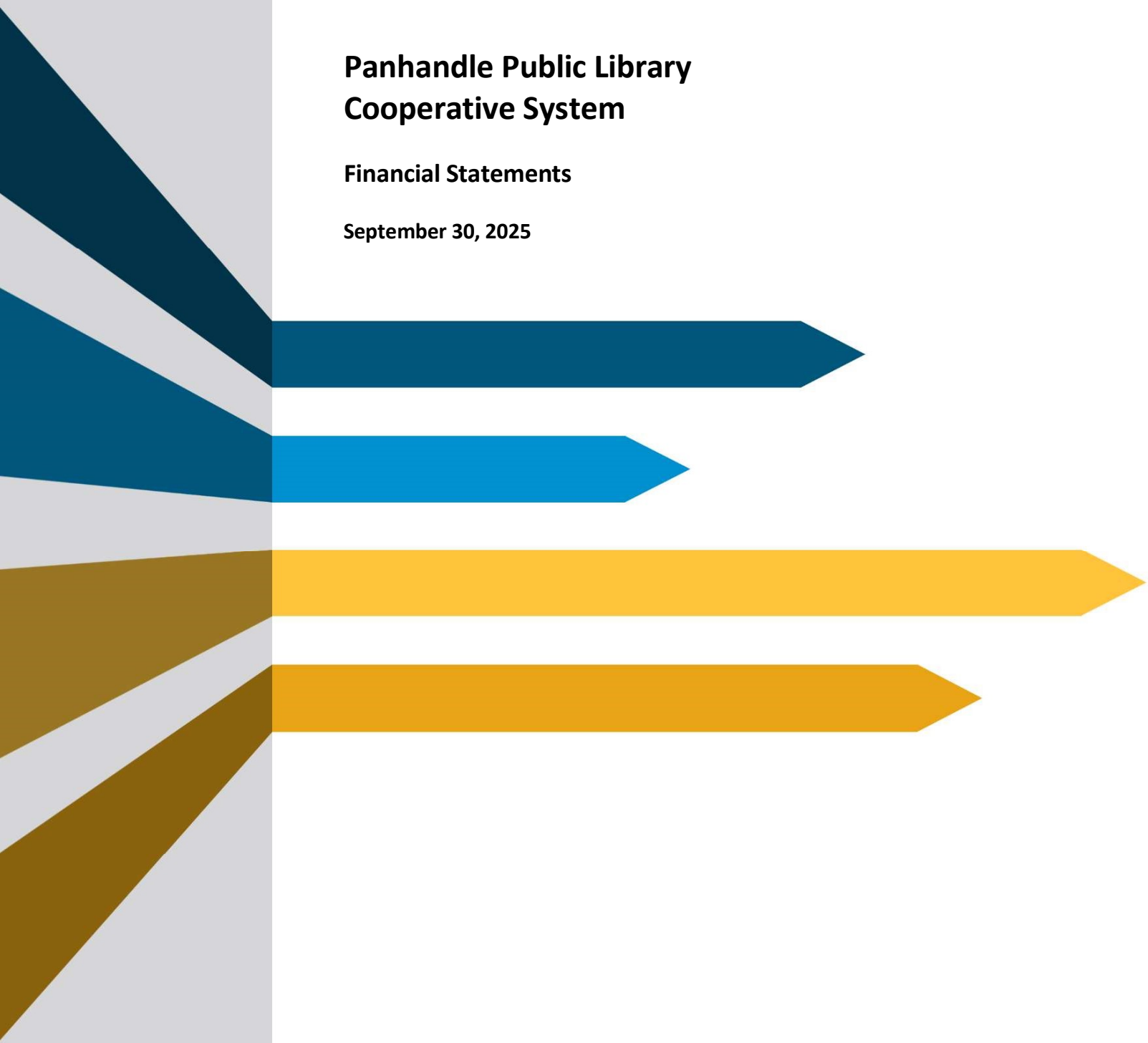
Panhandle Public Library Cooperative System

Financial Statements

September 30, 2025



Panhandle Public Library Cooperative System
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Administrative Board
Panhandle Public Library Cooperative System
Marianna, Florida

Opinions

We have audited the accompanying financial statements of the major fund of the Panhandle Public Library Cooperative System (the "Cooperative") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Cooperative as of September 30, 2025, the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cooperative 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 opinions.

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 Cooperative's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative'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 Cooperative'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 budgetary comparison information 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 a report dated April 23, 2026 on our consideration of the Cooperative' 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 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 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' internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, L.L.C.

Marianna, Florida
April 23, 2026

As management of the Panhandle Public Library Cooperative (the "Cooperative"), we offer readers of the Cooperative's financial statements this narrative overview of the financial activities of the Cooperative for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

The governmental activities generated $360,854 in program revenues, $16,801 in general revenues and incurred $377,655 in program expenses. This resulted in a net change in net position of zero.

The General Fund's fund balance was unchanged.

OVERVIEW OF THE 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.

FINANCIAL ANALYSIS OF THE COOPERATIVE'S FUNDS

Total assets in the Statement of Net Position decreased by $17,380 while liabilities decreased by the same amount.

Net program revenues in the Statement of Activities increased $26,166 from the previous year and total general revenues decreased by $11,110.

CONDENSED FINANCIAL INFORMATION

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

Net Position

September 30,	**2025**	2024
Assets:		
Cash and cash equivalents	**$ 162,068**	$ 180,337
Equity in pooled investments	**114,112**	109,013
Prepaid expenses	**400**	-
Capital assets, net		
Right-to-use lease assets, net	**7,873**	12,483
Liabilities:		
Accounts payable	**6,582**	6,195
Unearned revenue	**98,805**	111,962
Long-term liabilities		
Portion due or payable within one year		
Lease liabilites	**4,695**	4,610
Portion due or payable after one year		
Lease liabilites	**3,178**	7,873
Net position - restricted	**$ 171,193**	$ 171,193

Change in Net Position

September 30,	**2025**	2024
Program revenues:		
Operating grants	**$ 360,854**	$ 334,688
General revenues:		
Interest and investment earnings	**7,800**	10,870
Miscellaneous	**9,001**	17,041
Total revenues	**377,655**	362,599
Program expenses:		
Culture/recreation	**372,855**	357,977
Debt Service:		
Interest and other charges	**190**	273
Amortization	**4,610**	4,349
Total expenses	**377,655**	362,599
Change in net position	**-**	-
Beginning net position	**171,193**	171,193
Ending net position	**$ 171,193**	$ 171,193

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. 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, 2025, net of amortization, is $7,873.

Debt Administration

GASB 87, Leases, was adopted October 1, 2021. 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, 2025, is $7,873.

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 Becky Marsh, Holmes County Library, Acting 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

September 30, 2025	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash	$ 162,068	$ -	$ 162,068
Equity in pooled investments	114,112	-	114,112
Prepaid expenses	400	-	400
Capital assets, net			
Right-to-use lease assets, net	-	7,873	7,873
Total assets	$ 276,580	$ 7,873	$ 284,453
Liabilities			
Accounts payable	$ 6,582	$ -	$ 6,582
Unearned revenue	98,805	-	98,805
Long-term liabilities			
Portion due or payable within one year			
Lease liabilites	-	4,695	4,695
Portion due or payable after one year			
Lease liabilites	-	3,178	3,178
Total liabilities	105,387	7,873	113,260
Fund balance			
Restricted - grant	171,193	-	171,193
Total fund balance	171,193	-	171,193
Total liabilities and fund balance	$ 276,580		
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, 2025	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Expenditures/expenses			
Culture/recreation	$ 372,855	$ -	$ 372,855
Debt Service:			
Principal	4,610	(4,610)	-
Interest and other charges	190	-	190
Amortization	-	4,610	4,610
Program revenues			
Intergovernmental/operating grants	360,854	-	360,854
Net program revenues	(16,801)	-	(16,801)
General revenues			
Interest and investment earnings	7,800	-	7,800
Miscellaneous	9,001	-	9,001
Total general revenues	16,801	-	16,801
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, 2025	Budgeted Original	Budgeted Final	Actual Amounts on Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues				
Grant	$ 381,682	$ 361,853	$ 360,854	$ (999)
Interest	-	-	7,800	7,800
Miscellaneous	-	-	9,001	9,001
Total revenues	381,682	361,853	377,655	15,802
Expenditures				
Culture/recreation:				
Operating expenditures	395,667	401,665	372,855	28,810
Debt service:				
Principal	-	-	4,610	(4,610)
Interest	-	-	190	(190)
Total expenditures	395,667	401,665	377,655	24,010
Excess of revenues over expenditures	(13,985)	(39,812)	-	39,812
Fund balance, beginning of year	171,193	171,193	171,193	-
Fund balance, end of year	$ 157,208	$ 131,381	$ 171,193	$ 39,812

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Public Panhandle Public Library Cooperative (the "Cooperative") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Cooperative are described below.

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Model (continued)

The statement of net position and governmental fund balance sheet report 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.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The 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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

government 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, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Intergovernmental revenue 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Cooperative.

Fund Financial Statements

The fund financial statements provide information about the Cooperative's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, and internal service funds and fiduciary funds each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

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)

Budgetary Information

Budgetary Basis of 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.

Assets, Liabilities, and Net Position or Equity

Cash

Cash consists of cash on hand and demand deposits.

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. See lease policy on subsequent page.

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

Lease

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Equity (continued)

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.

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.

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, April 23, 2026, and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement were effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. There were no significant impacts of implementing this Statement.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement were effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to 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. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In December 2025, the GASB issued GASB Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events, including the subsequent events time frame, and establishes accounting and financial reporting requirements related to subsequent events. The requirements of this Statement apply to the financial statements of all state and local governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

The Cooperative is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Investments

Cash consists of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State

Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

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, 2025, the market value and carrying value of these funds was $114,112. Additional information and investment policies regarding Florida PRIME may be obtained from the State Board of Administration at www.sbafla.com/prime.

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.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Investments (continued)

As of September 30, 2025, the Cooperative's investment in Florida PRIME is rated by Standard and Poor's and the current rating is AAAm.

Interest rate risk-Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2025, is 47 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, 2025 is 73 days.

Custodial credit risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Capital Assets

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

For the year ended September 30, 2025	**October 1, 2024**	**Increases**	**Decreases**	**Transfers**	**Ending Balance**
Right-to-use lease assets, being amortized					
Buildings	$ 22,953	$ -	$ -	$ -	$ 22,953
Less accumulated amortization for					
Buildings	10,470	4,610	-	-	15,080
Right-to-use lease assets being amortized,					
amortized, net	$ 12,483	$ (4,610)	$ -	$ -	$ 7,873

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt

Leases-Lessee

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

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

September 30,	
2026	$ 4,800
2027	3,200
Total minimum payments	8,000
Less: amount representing interest	127
Present value of minimum capital lease payments	$ 7,873

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Lease liabilities	$ 12,483	$ -	$ 4,610	$ 7,873	$ 4,695
Total governmental activities:	$ 12,483	$ -	$ 4,610	$ 7,873	$ 4,695

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

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, 2025, and the related notes to basic financial statements, which collectively comprise the Cooperative's basic financial statements and have issued our report thereon dated April 23, 2026.

Report on 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. 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 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.

Report on 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 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 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.

CARR, RIGGS & INGRAM, L.L.C.

Marianna, Florida
April 23, 2026

CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT ACCOUNTANT'S 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, 2025. 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.

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

In our opinion, the Cooperative complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investments Policies* for the year ended April 23, 2026.

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.

CARR, RIGGS & INGRAM, L.L.C.

Marianna, Florida
April 23, 2026

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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, 2025, and have issued our report thereon dated April 23, 2026.

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 *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 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 25, 2025, 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.

Financial 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 Cooperative reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 1.

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 $104,678.

d. All compensation earned by or awarded to nonemployees, 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 reported, together with the total expenditures for such project as 0.

f. A budget variance based on the budget adopted under the 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 expenses were amended with an increase of $5,998.

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, 2025, 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, 2025. 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.

CARR, RIGGS & INGRAM, L.L.C.

Marianna, Florida
April 23, 2026