

**NEW RIVER PUBLIC LIBRARY COOPERATIVE
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2023
TABLE OF CONTENTS**

FINANCIAL SECTION	PAGE NO.
Independent Auditor's Report	4 - 6
Management's Discussion and Analysis	7 - 10
Basic Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Governmental Fund	
Balance Sheet	14
Statement of Revenues, Expenditures and Changes in Fund Balance	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities	16
Notes to Financial Statements	17 - 33
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	35
Notes to Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund	36
Florida Retirement System and Health Insurance Subsidy Program	
Schedule of Proportionate Share of Net Pension Liability	37
Schedule of Contributions	38
 COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	39 - 40
Management Letter Required by Chapter 10.550 <i>Rules of the Auditor General</i>	41 - 42
Independent Accountant's Report on Compliance with <i>Florida Statutes on Local Government Investments</i>	43
Communication with Those Charged with Governance	44 - 45

FINANCIAL SECTION



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200
Fax 386.719.5504

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
New River Public Library Cooperative
Lake Butler, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the New River Public Library Cooperative, (The "Cooperative") as of and for the year ended September 30, 2023, 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 governmental activities and major fund of the Cooperative, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Governmental Auditing Standards*. 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 *Governmental Auditing Standards* 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 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 *Governmental 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.

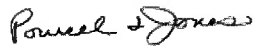
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and schedule of contributions 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 June 9, 2024, on our consideration of the Cooperative'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 Cooperative'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 the Cooperative's internal control over financial reporting and compliance.



Powell and Jones CPA
Lake City, Florida
June 9, 2024

NEW RIVER PUBLIC LIBRARY COOPERATIVE Management's Discussion and Analysis

The management of the New River Public Library Cooperative (the "Cooperative") offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended September 30, 2023.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Cooperative owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets and long-term liabilities. Also, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of the Cooperative's programs and the extent to which such programs rely upon operating grants and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus on governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Cooperative has one major governmental fund which accounts for all of its operations. A budgetary comparison is presented for the governmental fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Cooperative's financial condition.

Condensed Financial Information

Condensed financial information from the statement of net position at September 30, 2023, and revenues, expenses and changes in net position for the year then ended, follows:

Net Position	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Current assets	\$ 442,956	\$ 586,269
Prepays	40,020	-
Capital assets	<u>59,846</u>	<u>19,189</u>
Total assets	<u>542,822</u>	<u>605,458</u>
Deferred outflows of resources	<u>52,921</u>	<u>45,585</u>
Current liabilities	17,649	5,626
Long-term liabilities	<u>207,601</u>	<u>162,754</u>
Total liabilities	<u>225,250</u>	<u>168,380</u>
Deferred inflows of resources	<u>18,474</u>	<u>30,065</u>
Net position:		
Invested in capital assets	59,846	19,189
Restricted for library operations	<u>292,173</u>	<u>433,409</u>
Total net assets	<u>\$ 352,019</u>	<u>\$ 452,598</u>

A condensed version of the Statement of Activities follows:

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Change in Net Position		
Operating revenue:		
Program revenues	\$ 323,680	\$ 326,571
Other revenues	<u>1,830</u>	<u>2,806</u>
Total operating revenues	<u>325,510</u>	<u>329,377</u>
Expenses		
Personnel services	135,401	96,907
Operating expenses	<u>290,688</u>	<u>194,006</u>
Total operating expenses	<u>426,089</u>	<u>290,913</u>
Change in net position	(100,579)	38,464
Net position - beginning of year	<u>452,598</u>	<u>414,134</u>
End of year net position	<u>\$ 352,019</u>	<u>\$ 452,598</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$323,680 in program revenues and incurred \$426,089 of program expenses. The decrease in net position of \$100,579 was caused by the following factors, a \$43,713 increase in long term liabilities and deferred amounts, non-cash depreciation expense of \$27,539, and losses from operations of \$29,327. Revenues were from the Division of Library and Information services received from the State of Florida and federal awards.

THE DISTRICTS INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance decreased by \$97,523 during 2023. This decrease is due to operating expenditures increasing, hiring of a new employee, and non-routine capital outlay expenditures of \$38,831.

BUDGETARY HIGHLIGHTS

There were no budget amendments during the year. Actual expenditure was approximately \$146,500 less than the final budget.

Actual revenues of \$325,510 were \$1,461 less than the budgeted amount of \$326,971.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Cooperative capital assets increased by \$38,831, with the purchase of a new vehicle and \$29,365 for a new lease under GASB 87.

Debt Administration

The Cooperative employees are enrolled in the Florida Retirement System, which resulted in long term liabilities of \$190,381. See notes for further detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the Cooperative's main operating grant is reasonably assured, the Cooperative continues to feel the tightening of the state's budget in state funding for special projects. Some of the state's federal grant funds and supplemental state financial assistance have been diverted to the statewide electronic library system now being implemented. The Cooperative continued to explore ways to reduce costs. At this time, no significant changes in operations are expected for the subsequent year.

CONTACTING THE COOPERATIVE'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Cooperative's finances to all those with an interest in the Cooperative's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Marlene Glennon, 401 East University Avenue, Lake Butler, Florida 32601.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

government wide data in a separate column. The fund financial statements are on a modified accrual basis, while the government wide financial statements are on a full accrual basis. The Statement of Net Position and Governmental Fund Balance Sheet reports the 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.

BASIC FINANCIAL STATEMENTS

NEW RIVER PUBLIC LIBRARY COOPERATIVE
STATEMENT OF NET POSITION
September 30, 2023

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 442,956
Prepaid expenses	40,020
Capital assets, net	59,846
Total assets	542,822
 DEFERRED OUTFLOWS OF RESOURCES	 52,921
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 \$ 595,743
LIABILITIES	
Current liabilities	
Accounts payable	\$ 953
Accrued liabilities	2,674
Accrued retirement	3,049
Lease payables, current	9,775
Accrued compensated absences, current	1,198
Total current liabilities	17,649
Non-current liabilities	
Lease payable, non-current	10,429
Net pension liability	190,381
Accrued compensated absences, non-current	6,791
Total non-current liabilities	207,601
Total liabilities	225,250
 DEFERRED INFLOWS OF RESOURCES	 18,474
NET POSITION	
Invested in capital assets	59,846
Restricted for library operations	292,173
Total net position	352,019
 TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	 \$ 595,743

See notes to financial statements.

**NEW RIVER PUBLIC LIBRARY COOPERATIVE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023**

	Expenses	Program Revenues Operating Grants	Net Revenue (Expense) Change in Net Position Governmental Activities Total
Governmental activities:			
Culture and recreation			
Personnel services	\$ 135,401	\$ 323,680	\$ 188,279
Operating expenses	290,688	-	(290,688)
Total governmental activities	\$ 426,089	\$ 323,680	\$ (102,409)
 General revenues:			
Miscellaneous			1,830
 Change in net position			(100,579)
Net position at beginning of year			452,598
Net position at end of year			\$ 352,019

See notes to financial statements.

**NEW RIVER PUBLIC LIBRARY COOPERATIVE
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2023**

	<u>General Fund</u>
Assets	
Cash	\$ 442,956
Total assets	<u>\$ 442,956</u>
Liabilities	
Accounts payable	\$ 953
Accrued liabilities	2,674
Accrued retirement	3,049
Total liabilities	<u>6,676</u>
Fund balances	
Restricted - grant	<u>436,280</u>
Total fund balances	<u>436,280</u>
Total liabilities and fund balance	<u>\$ 442,956</u>
Total fund balances reported above	\$ 436,280
Amounts reported for governmental activities in the statement of net assets are difference because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	59,846
Long-term liabilities are not due in the current period and, therefore are not reported in government funds	(218,574)
Prepaid expenses are paid in advance of the current period thus are not reported in government funds	40,020
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the governmental funds.	52,921
Deferred inflows of resources represent an acquisition of fund equity that will be reported as an inflow of resources in a future period and therefore are not reported in the governmental funds.	(18,474)
Net assets of governmental activities	<u>\$ 352,019</u>

See notes to financial statements.

**NEW RIVER PUBLIC LIBRARY COOPERATIVE
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2023**

	<u>General Fund</u>
REVENUES	
Intergovernmental revenue	\$ 323,680
Miscellaneous	1,830
Total revenues	<u>325,510</u>
EXPENDITURES	
Current Expenditures	
Culture/recreation	
Personnel services	118,712
Operating expenses	265,490
Capital outlay	38,831
Total expenditures	<u>423,033</u>
Excess of revenues over expenditures	(97,523)
Fund balance at beginning of year	<u>533,803</u>
Fund balance at end of year	<u>\$ 436,280</u>

See notes to financial statements.

NEW RIVER PUBLIC LIBRARY COOPERATIVE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Net change in fund balances - total governmental funds		\$ (97,523)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	68,196	
Less current year depreciation/amortization	<u>(27,539)</u>	40,657
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds		
Net increase in lease liabilities		(20,204)
Net increase in compensated absences		(2,606)
Net increase in pension liabilities		(33,010)
Net decrease in prepaid expenses		<u>(6,820)</u>
		<u>(62,640)</u>
Recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds.		
Net change in deferred outflows		7,336
Net change in deferred inflows		<u>11,591</u>
		<u>18,927</u>
Change in net position of governmental activities		<u>\$ (100,579)</u>

See notes to financial statements.

NEW RIVER PUBLIC LIBRARY COOPERATIVE
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of New River Public Library Cooperative (the "Cooperative") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with the subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units. The most significant of these accounting policies are described below.

A. Financial Reporting Entity - New River Public Library Cooperative (the "Cooperative") meets the criteria of an independent special district as defined in Section 189.403(3), *Florida Statutes*. The Cooperative was established under an interlocal agreement entered into in September 2010 and currently operates as a single-function government to provide unified library services throughout the local service area. The Cooperative is administered by a governing board of directors, consisting of two members from each county participating in the interlocal agreement. There are no component units of the Cooperative.

1. 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 the Cooperative's governmental activities. The Statement of Activities demonstrates the degree to which the direct expenses of the Cooperative's single-function activities are offset by program revenues. Program revenues consist of grants and contributions that are restricted to meeting the operational or capital requirements of the Cooperative. Interest and miscellaneous revenues not properly included among program revenues are reported as general revenues. Separate fund financial statements are also included for the Cooperative's general fund.

2. Measurement focus, basis of accounting and financial statement presentation

Basis of accounting refers to when revenues, expenditures, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Government-wide financial statements are reported using 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 are recognized as revenue as soon as all eligible 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Cooperative considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred and/or will be paid from expendable available financial resources.

3. Assets, Liabilities and Net Position

Cash – Cash deposits consist of interest-bearing demand accounts which are entirely insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral pursuant to the Public Depository Security Act of the State of Florida.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid expenses consist primarily of prepaid insurance and service contracts. These items are considered expenditures/expenses over the term of the contract.

Capital Assets – Capital assets include furniture, fixtures, vehicles, software, and equipment and are reported in the government-wide financial statements. Capital assets are defined by Chapter 274.02, *Florida Statutes* as fixtures and other tangible personal property of a nonconsumable nature. The Cooperative utilizes a \$1,000 threshold for capitalizing property, plant, and equipment for reporting purposes. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets and is recorded in the government-wide financial statements. The Cooperative's estimates of useful lives are five years for vehicles, computer equipment, and software and seven years for furniture, fixtures, and office equipment.

Capital assets used in governmental activities are not financial resources and are reported as capital outlay expenditures in the governmental fund financial statements.

Compensated Absences Liability – All permanent employees are granted annual leave based on the number of years of employment. Annual leave may be accumulated up to 240 hours. Sick leave is accumulated at the rate of eight hours for each full calendar month of continuous employment. Upon voluntary resignation or retirement, the employee can receive a cash benefit, based on the employee's current wage rate and the unused annual leave with 25% of sick leave, up to the maximum of 60 hours. Upon termination for violation of a policy or procedure or quitting without proper notice, any accumulated annual sick leave is forfeited.

All vested leave is accrued when incurred in the government-wide financial statements. The current portion is the amount estimated to be used in the following year. A liability for these amounts is reported in the governmental fund statements only if they have matured, for example, as a result of employee resignations and retirements, therefore, these amounts represent a reconciling item between the fund and the government-wide presentations.

Net Position – Net position not invested in capital assets are classified as restricted net position because their use is restricted by the grant provider. It is the practice of the Cooperative to utilize unrestricted net position (interest earnings on non-grant funds) before restricted net position (grant funds).

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

Total fund balances of the Cooperative's governmental funds of \$436,280 differs from the net position of governmental activities of \$352,019 as reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet.

Capital related items

When capital assets (property, plant and equipment) that are used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included in these capital assets among the assets of the Cooperative as a whole.

Cost of capital assets	\$ 194,505
Accumulated depreciation	(134,659)
	<u>\$ 59,846</u>

Long-term liabilities

Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities are reported in the Statement of Net Position. Balances at September 30, 2023 were:

Accrued compenstated absences	\$ (7,989)
Net pension liability	(190,381)
Lease payables	(20,204)
	<u>\$ (218,574)</u>

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the Statement of Net Position included those deferred outflows/inflows of resources.

Deferred outflows	\$ 52,921
Deferred inflows	(18,474)
	<u>\$ 34,447</u>

Prepaid Items

The Cooperative recognizes prepaid items using the purchases method in its governmental funds. Under the purchases method, prepaid items are recognized as expenditures when purchased rather than being accounted for as an asset. However, in the statement of net position prepaid items are recognized as assets and expensed as the benefit is received.

Prepaid expenses	<u>\$ 40,020</u>
------------------	------------------

Note 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Difference Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

	Total Governmental Funds	Capital Related	Prepaid Expenses	Deferred Inflows/Outflows	Long - Term Debt Transactions	Statement of Net Position
ASSETS						
Cash and cash equivalents	\$ 442,956	-	\$ -	\$ -	-	\$ 442,956
Prepaid expenses	-	-	40,020	-	-	40,020
Capital asset, net	-	59,846	-	-	-	59,846
Total assets	\$ 442,956	\$ 59,846	\$ 40,020	\$ -	\$ -	\$ 542,822
DEFERRED OUTFLOWS OF RESOURCES						
	-	-	-	52,921	-	52,921
LIABILITIES						
Accounts payable	\$ 953	-	\$ -	\$ -	-	\$ 953
Accrued compensated absences	-	-	-	-	7,989	7,989
Accrued retirement	3,049	-	-	-	-	3,049
Accrued liabilities	2,674	-	-	-	-	2,674
Lease liability	-	-	-	-	20,204	20,204
Net pension liability	-	-	-	-	190,381	190,381
Total liabilities	6,676	-	-	-	218,574	225,250
DEFERRED INFLOWS OF RESOURCES						
	-	-	-	18,474	-	18,474
FUND BALANCE/NET POSITION	\$ 436,280	\$ 59,846	\$ 40,020	\$ 34,447	\$ (218,574)	\$ 352,019

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The net change in fund balance for governmental funds of (\$97,523) differs from the change in Net Position for governmental activities of (\$100,579) as reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas Net Position decreases by the amount of depreciation expense charges for the year.

Capital outlay	\$ 68,196
Depreciation expense	(27,539)
	<u>\$ 40,657</u>

Long-term debt transactions

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net increase in compensated absences	\$ (2,606.00)
Net increase in lease payable	(20,204)
Net increase in net pension liability	(33,010)
	<u>\$ (55,820)</u>

Deferred outflows/inflows of resources

Recognition of certain obligations related to prior and subsequent periods are not recognized in governmental funds.

Net increase in deferred outflows	\$ 7,336
Net decrease in deferred inflows	11,591
	<u>\$ 18,927</u>

Prepaid expenses

Prepaid expenses utilize current resources for future benefits. The Cooperative treats them as expenses in the fund statements. These expenses are recognized as the benefit is received in the government-wide statements.

Net decrease in prepaids	<u>\$ (6,820)</u>
--------------------------	-------------------

Note 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Difference Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

	Total Governmental Funds	Capital Related	Prepaid Expenses	Deferred Inflows/Outflows	Long - Term Debt Transactions	Statement of Activities
REVENUES						
Intergovernmental	\$ 323,680	-	\$ -	-	\$ -	\$ 323,680
Miscellaneous	1,830	-	-	-	-	1,830
Total revenues	325,510	-	-	-	-	325,510
EXPENDITURES						
Current expenditures:						
Culture/recreation	118,712	-	-	18,927	(35,616)	102,023
Personnel services	265,490	(1,826)	6,820	-	20,204	290,688
Operating expenses	38,831	(38,831)	-	-	-	-
Capital outlay	423,033	(40,657)	6,820	18,927	(15,412)	392,711
Total expenditures	(97,523)	40,657	(6,820)	(18,927)	15,412	(67,201)
Net change in fund balance	533,803	19,189	46,840	15,520	(162,754)	452,598
Fund balance/net position at October 1, 2022	\$ 436,280	\$ 59,846	\$ 40,020	\$ (3,407)	\$ (147,342)	\$ 385,397
Fund balance/net position at September 30, 2023						

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information – An annual appropriated budget is adopted for the general fund on a basis consistent with GAAP. All annual appropriations lapse at the fiscal year end. Line-item expenditures in excess of budget are authorized to the extent that the total budgetary category does not exceed total amounts budgeted for the category of the fund. Amendments to the budget must be approved by the Governing Board.

NOTE 4. CASH

Cash deposits at September 30, 2023 consist of an interest-bearing demand account with a bank designated by the Florida Division of Treasury as a qualified public depository. At September 30, 2023, the bank balance was \$442,956.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, to government's deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral cash each month pursuant to Chapter 280.04, *Florida Statutes*. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Cooperative's deposits are in a qualified depository and are considered fully insured or collateralized.

NOTE 5. LONG-TERM OBLIGATIONS

The following is a summary of changes in general long-term obligations during the fiscal year ended September 30, 2023

	Balance at October 1, 2022	Increases	Decreases	Balance at September 30, 2023
Lease liability	\$ -	\$ 29,365	\$ (9,161)	\$ 20,204
Compensated absences	5,383	2,606	-	7,989
Net pension liability	157,371	(33,010)	-	124,361
	<u>\$ 162,754</u>	<u>\$ (1,039)</u>	<u>\$ (9,161)</u>	<u>\$ 152,554</u>

Management estimates that all of the above liability for compensated absences will be used within one year. The liability for compensated absences is not reported on the fund balance sheet since it is not payable from available resources at September 30, 2023. Therefore, this amount represents a reconciling item between the fund and the government-wide presentations.

NOTE 6. CAPITAL OUTLAY

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable capital assets				
Furniture & Equipment	\$ 84,404	\$ -	\$ -	\$ 84,404
Materials	18,040	-	-	18,040
Vehicles	23,865	38,831	-	62,696
Righth to use asset	-	29,365	-	29,365
Total depreciable capital assets	<u>126,309</u>	<u>68,196</u>	<u>-</u>	<u>194,505</u>
Less accumulated depreciation/amortization				
Furniture & Equipment	(74,760)	(5,212)	-	(79,972)
Materials	(18,041)	-	-	(18,041)
Vehicles	(14,319)	(12,539)	-	(26,858)
Righth to use asset	-	(9,788)	-	(9,788)
Total accumulated depreciation/amortization	<u>(107,120)</u>	<u>(27,539)</u>	<u>-</u>	<u>(134,659)</u>
 Capital assets, net during the fiscal year	 <u>\$ 19,189</u>	 <u>\$ 40,657</u>	 <u>\$ -</u>	 <u>\$ 59,846</u>
 Depreciation/amortization expenses was charged to the following assets:				
Furniture & Equipment		\$ 5,212		
Materials		-		
Vehicles		12,539		
Righth to use asset		9,788		
Government activity depreciation/amortization expense		<u>\$ 27,539</u>		

NOTE 7. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

Florida Retirement System

General Information - All of the Cooperative's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, which include the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees who work in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

B. Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. This amount increases with every year of additional service up to a maximum of 1.68% of the final average compensation of their five highest years for each year of credited service at age 65 with 33 or more years of service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service (age 52 if credited service includes at least four years of wartime military service) or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, beginning at 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service and increasing to a maximum of 1.68% for of with each year up to age 58 (55 with wartime service) and 28 years of special risk service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 (age 52 with wartime experience) with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before August 1, 2011, the annual cost-of-living adjustment is three percent per year. The cost-of-living adjustment for participants with a retirement date or DROP participation date after August 1, 2011 is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement and multiplying by three percent . Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a

period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular—11.91% and 13.57%; Special Risk Administrative Support—38.65% and 39.82%; Special Risk—27.83% and 32.67%; Senior Management Service—31.57% and 34.52%; Elected Officials—43.77% and 44.89%; and DROP participants—18.60% and 21.13%. These employer contribution rates include a 1.66% and 2.00% HIS Plan subsidy for the periods October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively.

The Cooperative's contributions, including employee contributions, to the Pension Plan totaled \$22,570 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the Cooperative reported a liability of \$160,356 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Cooperative's proportionate share of the net pension liability was based on the Cooperative's 2023-22 fiscal year contributions relative to the 2022-21 fiscal year contributions of all participating members. At June 30, 2023, the Cooperative's proportionate share was 0.000402430% percent, which was an increase of 0.0000315% percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Cooperative recognized pension expense of \$19,359. In addition, the Cooperative reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,056	\$ -
Changes in assumptions	10,453	-
Net difference between projected and actual earnings on Pension Plan investments	6,697	-
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	10,106	10,021
Town Pension Plan contributions subsequent to the measurement date	5,825	-
Total	\$ 48,137	\$ 10,021

The deferred outflows of resources related to the Pension Plan, totaling \$5,825 resulting from

Cooperative contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 4,401
2025	(1,744)
2026	26,407
2027	2,508
2028	718
Thereafter	1
	\$ 32,291

Actuarial Assumptions – The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.0%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment Expense, including inflation

Mortality rates were based on the generational RP-200 with Projection scale BB tables.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	12.0%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.4%

(1) As outlined in the Pension Plan's investment policy.

Discount Rate - The discount rate used to measure the total pension liability was 6.7%. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Cooperative's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Cooperative's proportionate share of the net pension liability calculated using the discount rate of 6.7%, as well as what the Cooperative's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.7%) or one percentage point higher (7.7%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Board's proportionate share of the net pension liability	\$ 273,921	\$ 160,356	\$ 65,346

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2023, the Cooperative had no payables for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2019 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 1.66%, respectively. The Cooperative contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Cooperative's contributions to the HIS Plan totaled \$1,450 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the Cooperative reported a liability of \$30,025 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Cooperative's proportionate share of the net pension liability was based on the Cooperative's 2023-22 fiscal year contributions relative to the 2022-21 fiscal year contributions of all participating members. At June 30, 2023, the Cooperative's proportionate share was 0.000189058%, which was an increase of 0.00002359% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Cooperative recognized pension expense of \$1,221. In addition, the Cooperative reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	440	70
Changes in assumptions	789	2,602
Net difference between projected and actual earnings on HIS Plan investments	16	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	3,116	5,781
Town HIS Plan contributions subsequent to the measurement date	423	-
Total	\$ 4,784	\$ 8,453

The deferred outflows of resources related to the HIS Plan, totaling \$423 resulting from Cooperative contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ (715)
2025	(433)
2026	(719)
2027	(1,415)
2028	(749)
Thereafter	(61)
	<u>\$ (4,092)</u>

Actuarial Assumptions - The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.65%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Cooperative's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Cooperative's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Cooperative's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Board's proportionate share of the net pension liability	\$ 34,254	\$ 30,025	\$ 26,520

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2023, the Cooperative had no payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2023.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Cooperative employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Cooperative Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Cooperative.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly

benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Cooperative did not have any participants in the Investment Plan for the fiscal year ended September 30, 2023.

NOTE 8. RISK MANAGEMENT

General Liability – The Cooperative is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance.

Unemployment Compensation – The Cooperative is a self-insured employer with the State of Florida, Agency for Workforce Innovation, Division of Unemployment Compensation. As such, the Division of Unemployment Compensation process unemployment claims, pays the unemployment benefits to eligible claimants, and invoices the Cooperative for the benefits paid from the Florida Unemployment Compensation Fund.

NOTE 9. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Cooperative expects such amounts, if any, to be immaterial.

The Cooperative receives a substantial amount of its funding from the State of Florida Department of State. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Cooperative’s programs and activities.

NOTE 10. FUND BALANCE CLASSIFICATION

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Cooperative classifies governmental fund balances as follows:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Governing Board.

Unassigned - All other spendable amounts.

At September 30, 2023, fund balances are composed of the following:

Restricted - library grants	<u>\$ 436,280</u>
-----------------------------	-------------------

Required Supplementary Information

**NEW RIVER PUBLIC LIBRARY COOPERATIVE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 326,571	\$ 326,571	323,680	(2,891)
Miscellaneous	400	400	1,830	1,430
Total revenues	326,971	326,971	325,510	(1,461)
Expenditures				
Culture and recreation				
Personnel services	180,102	180,102	118,712	61,390
Operating expenses	337,970	337,970	265,490	72,480
Capital outlay	50,000	50,000	38,831	11,169
Total expenditures	568,072	568,072	423,033	145,039
Change in fund balance	(241,101)	(241,101)	(97,523)	143,578
Fund balance at beginning of year	533,803	533,803	533,803	-
Fund balance at end of year	\$ 292,702	\$ 292,702	436,280	\$ 143,578

NEW RIVER PUBLIC LIBRARY COOPERATIVE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended September 30, 2023

A. Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds. All annual appropriations lapse at fiscal year end.

The Cooperative generally follows these procedures in establishing the budgetary data for the governmental funds as reflected in the financial statements:

1. Prior to September 30, the Central Administrator submits to the Governing Board a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Governing Board.
3. After public hearings and necessary revisions have been completed, the budget is approved.
4. The legal level of budgetary control is the fund level.
5. Formal budgetary integration is employed as a management control device during the year.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2023	2022	2021
Cooperative's proportion of the FRS net pension liability (asset)	0.000402430%	0.000370930%	0.000384966%
Cooperative's proportionate share of the FRS net pension liability (asset)	\$ 160,356	\$ 138,016	\$ 29,080
Cooperative's proportion of the HIS net pension liability (asset)	0.000189058%	0.000165464%	0.000168700%
Cooperative's proportionate share of the HIS net pension liability (asset)	30,025	17,525	20,694
Cooperative's proportionate share of the total net pension liability (asset)	<u>\$ 190,381</u>	<u>\$ 157,371</u>	<u>\$ 49,773</u>
Cooperative's covered-employee payroll	\$ 78,100	\$ 65,128	\$ 59,431
Cooperative's proportionate share of the net pension liability (asset) as a percentage of its covered- Plan fiduciary net position as a percentage of the total pension liability	243.77%	241.63%	83.75%
	77.04%	79.09%	91.09%

Notes to schedule

1. See notes to financial statements for changes in assumptions
2. The amounts presented for each fiscal year for FRS and HIS were determined as of the measurement date which was June 30 of the current fiscal year
3. Covered payroll is for the fiscal year ended September 30
4. GASB 68 requires information for 10 years, however until a full 10-year trend is compiled only those years for which information is available is presented.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2023	2022	2021
Contractually required FRS contribution	\$ 20,368	\$ 2,052	\$ 14,948
Contractually required HIS contribution	1,309	16,158	1,011
Total Contractually Required Contributions	21,677	18,210	15,958
Contributions in relation to the contractually required contribution	(21,677)	(18,210)	(15,958)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Cooperative's covered-employee payroll	\$ 78,100	\$ 65,128	\$ 59,431
Contributions as a percentage of covered-employee payroll	27.76%	27.96%	26.85%

Notes to schedule

1. See notes to financial statements for changes in assumptions
2. GASB 68 requires information for 10 years, however until a full 10-year trend is compiled only those years for which information is available is presented.

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

To the Governing Board
New River Public Library Cooperative
Lake Butler, 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 the New River Public Library Cooperative (the "Cooperative"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the New River Public Library Cooperative's basic financial statements, and have issued our report thereon dated June 9, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cooperative's internal control over financial reporting (internal control) 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 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.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the New River Public Library Cooperative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

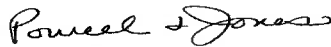
This report is intended solely for the information and use of management and the Governing Board, the Auditor General of the State of Florida, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Powell and Jones CPA
Lake City, Florida
June 9, 2024

**MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Governing Board
New River Public Library Cooperative
Lake Butler, Florida

We have audited the basic financial statements of the New River Public Library Cooperative (the "Cooperative") as of and for the year ended September 30, 2023, and have issued our report thereon dated June 9, 2024 have issued our Report on Compliance and on Internal Control Over Financial Reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter:

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Financial Emergency Status – We determined that the Cooperative had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment – As required by the *Rules of the Auditor General* [Sections 10.554(1)(i)5a and 10.556(7)], we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.557(4)(b).

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

Special District 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 the following data:

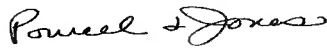
- a. The total number of Cooperative employees compensated in the last pay period of the Cooperative's fiscal year. 4

- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Cooperative's fiscal year: None.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$78,100.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency: None.
- e. Each construction project with a total cost of at least \$65,000 approved by the Cooperative that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as: None.
- 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 Cooperative amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: The Cooperative's original budget was not amended.

This information was not subjected to audit procedures, and we express no opinion on it

CONCLUSION

We very much enjoyed the challenge and experiences with this audit of the New River Public Library Cooperative. We appreciate the helpful assistance of Libraries' staff in completing our audit and also the generally high quality of the New River Public Library Cooperative's financial records and internal controls.



Powell and Jones CPA
Lake City, Florida
June 9, 2024

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES ON LOCAL GOVERNMENT INVESTMENTS**

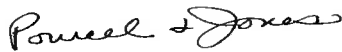
To the Governing Board
New River Public Library Cooperative
Lake Butler, Florida

We have examined New River Public Library Cooperative's (the "Cooperative") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for the Cooperative's compliance with those requirements. Our responsibility is to express an opinion on the Cooperative's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Cooperative's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Cooperative's compliance with specified requirements.

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

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



Powell and Jones CPA
Lake City, Florida
June 9, 2024

Communication with Those Charged with Governance

To the Governing Board
New River Public Library Cooperative
Lake Butler, Florida

We have audited the financial statements of New River Public Library Cooperative for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government *Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New River Public Library Cooperative are described Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 9, 2024.

LOCAL GOVERNMENTAL ENTITY AUDIT REPORT SUBMITTAL CHECKLIST

Entity Name: New River Public Library Cooperative
Entity Address: 10 S. Lake Ave
Lake Butler, FL 32054

Entity Contact Person:
Name: Tricia Wylie
Title: Director
Phone Number: 386-406-4262
E-mail Address: www.newriverlibrary.org

CPA Firm Contact Person:
Name: CALEB PERLA
Title: CPA
Phone Number: 386-755-4200
E-mail Address: CALEB@powelandjonescpa.com

Fiscal Year Audited: 9/30/2023

Date the auditor delivered the audit report to the entity: 6/30/2024

Does the audit report include the following items required by Section 10.557(3), Rules of the Auditor General?

Required for municipalities, special districts, the county as a whole, and county agencies¹

- Y The financial statements described in Sections 10.556(3) and (4), Rules of the Auditor General, as applicable, together with related notes to financial statements?
- Y Required supplementary information (RSI) such as the management's discussion and analysis (not required for county agencies), or the budgetary comparison schedule (required as RSI if not presented as part of the financial statements)?
- Y The auditor's report on the financial statements?
- Y The auditor's report on compliance and internal control?
- Y The management letter² defined in Section 10.554(1)(i), Rules of the Auditor General?

¹ Pursuant to Section 218.39(2), Florida Statutes, an audit of the board of county commissioners is not required. However, if the county report includes an audit of the board of county commissioners, it should, pursuant to Section 10.554(1)(e), Rules of the Auditor General, include the items required by Section 10.557(3), Rules of the Auditor General.

² If required reporting information for a dependent special district is fulfilled by inclusion in the primary local government audit report, a statement to that effect should be made in the dependent special districts' audit reports, and vice versa.

N/A The written statement of explanation or rebuttal, including corrective action to be taken, required by Section 10.558(2), Rules of the Auditor General?

 Y The auditor's report based on an examination conducted in accordance with *AICPA Professional Standards*, prepared in accordance with AT-C Section 315, promulgated by the American Institute of Certified Public Accountants, regarding the compliance requirements referenced in Section 10.556(10), Rules of the Auditor General?

Required for municipalities, special districts, and the county as a whole

 N/A If applicable, any other auditor's reports, related financial information, and auditee-prepared documents required pursuant to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); or other applicable Federal law?

 N/A Any auditor's reports and related financial information required pursuant to the *Florida Single Audit Act* (see Section 10.557(3)(e), Rules of the Auditor General)?

 N/A For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a schedule of receipts and expenditures of such funds required by Section 10.557(3)(m), Rules of the Auditor General?

 N/A For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a report that includes an opinion (or disclaimer of opinion) as to whether the schedule of receipts and expenditures of such funds required by Section 10.557(3)(m), Rules of the Auditor General, is presented fairly in all material respects in relation to the financial statements taken as a whole? The report must be prepared in accordance with AICPA Professional Standards, AU-C Section 725, promulgated by the American Institute of Certified Public Accountants (see Section 10.557(3)(f), Rules of the Auditor General)?

In addition to the above, have the following requirements been complied with:

 Y Are all of the above elements of the audit report included in a **single document** as required by Section 10.557(3), Rules of the Auditor General?

 Y Are **one** paper copy and **one** electronic copy of the audit report being submitted as required by Section 10.558(4), Rules of the Auditor General?

 Y Is the audit report being submitted within 45 days after receipt of the audit report from the auditor, but no later than **9 months** after the end of the fiscal year? **NOTE:** There is no provision in law authorizing an extension for filing the audit report.

 Y Is the electronic copy named using all lower-case letters as follows: [fiscal year] [name of entity].pdf? Counties should include the word "county" in the entity name; however, it is not necessary for municipalities to include "city of," "town of," etc. in the entity name. For example, the converted document for the 2022-23 fiscal year for Alachua County should be named 2023 alachua county.pdf while the converted document for the 2022-23 fiscal year for the City of Alachua should be named 2023 alachua.pdf.

 N/A For entities that have adopted an impact fee by ordinance or resolution, was the affidavit referred to in Section 10.558(1), Rules of the Auditor General, submitted with the audit report if not submitted with the annual financial report?

N/A

If the audit report is for a county or municipality, and a dependent special district was audited as part of the county or municipality audit, did the notes to financial statements clearly indicate that the special district had been included as part of the county's or municipality's reporting entity? **NOTE:** Pursuant to Section 218.39(3), Florida Statutes, an independent special district may not be audited as part of a county or municipality audit. When a dependent special district is audited as part of the county or municipality audit, the county or municipality notes to financial statements should clearly disclose that the special district is a component unit included within the county's or municipality's reporting entity.

This checklist should accompany the audit report. It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General
Local Government Audits/251
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450
Telephone: (850) 412-2892

E-mail Address: flaudgen_localgovt@aud.state.fl.us
Web site Address: FLAuditor.gov

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

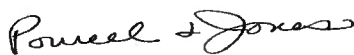
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Governing Board and management of New River Public Library Cooperative and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones CPA
Lake City, Florida
June 9, 2024