HOMEDALE LIBRARY DISTRICT

Report on Audited
Basic
Financial Statements
and
Supplemental Information

For the Year Ended September 30, 2024

Table of Contents

	Page
Independent Auditor's Report	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet – Governmental Funds	8
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	11
Notes to the Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary (GAAP Basis) Comparison Schedule:	
General Fund	25
Notes to the Required Supplementary Information	26
Schedule of Required Supplemental Information – Pension	27
SUPPLEMENTARY INFORMATION	
Schedule of Revenue and Expenditures – Budget (GAAP Basis) and Actual – General Fund	29
FEDERAL REPORT	
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	31
Schedule of Findings and Responses	33

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Independent Auditor's Report

Board of Directors
Homedale Library District
Homedale, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of the Homedale Library District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Homedale Library District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Homedale Library District, as of September 30, 2024, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Homedale Library District 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

The Homedale Library District's 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 Homedale Library District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 judgement 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 Homedale Library District'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 Homedale Library District'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 budgetary comparison information on pages 25 and 27 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. Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Homedale Library District's basic financial statements. The Schedule of Revenue and Expenditures – Budget (GAAP Basis) and Actual – General Fund on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenue and Expenditures – Budget (GAAP Basis) and Actual – General Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenue and Expenditures – Budget (GAAP Basis) and Actual – General Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2025 on our consideration of the Homedale Library District'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 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 Homedale Library District's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
May 12, 2025

Homedale Library District
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets	
Current Assets	
Cash and Cash Equivalents	$ 146,314
Taxes Receivable, Net	7,738
Prepaid Items	2,842
Total Current Assets	156,894
Noncurrent Assets	
Capital Assets	
Land	32,780
Construction In Progress	21,359
Buildings, Net Accumulated Depreciation	848,909
Improvements, Net Accumulated Depreciation	28,873
Equipment, Net Accumulated Depreciation	130,000
Total Capital Assets	1,061,921
Total Assets	1,218,815
Deferred Outflows	
Pension Related Items	17,676
Total Deferred Inflows	17,676
Liabilities	
Current Liabilities	
Salaries and Benefits Payable	3,751
Total Current Liabilities	3,751
Long-Term Liabilities	
Net Pension Liability	17,922
Total Long-Term Liabilities	17,922
Total Liabilities	21,673
Deferred Inflows	
Pension Related Items	325
Total Deferred Inflows	325
Net Position	
Net Investment in Capital Assets	162,780
Unrestricted	1,051,713
Total Net Position	$ 1,214,493

The accompanying notes are an integral part of the financial statements.

Homedale Library District
Statement of Activities
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Primary Government:					
Governmental Activities:					
General and Administrative	$ 224,995	$ 18,226	$ 27,623	$ 1,089,000	$ 909,854
Total Governmental Activities	$ 224,995	$ 18,226	$ 27,623	$ 1,089,000	909,854
General Revenues:					
Property Taxes					311,525
Other					1,270
Unrestricted Investment Earnings					3
Total General Revenues and Special Items					312,798
Change in Net Position					1,222,652
Net Position, Beginning of Year					(8,159)
Net Position, End of Year					$ 1,214,493

The accompanying notes are an integral part of the financial statements.

Homedale Library District
Balance Sheet - Governmental Funds
September 30, 2024

	General
Assets	
Cash and Cash Equivalents	$ 146,314
Taxes Receivable, Net	7,738
Prepaid Items	2,842
Total Assets	$ 156,894
Liabilities, Deferred Inflows, and Fund Balances	
Liabilities	
Current Liabilites	
Salaries and Benefits Payable	$ 3,751
Total Liabilities	3,751
Deferred Inflows	
Unearned Property Tax Revenue	6,892
Total Deferred Inflows	6,892
Fund Balances	
Nonspendable	2,842
Unassigned	143,409
Total Fund Balances	146,251
Total Liabilities, Deferred Inflows, and Fund Balances	$ 156,894

The accompanying notes are an integral part of the financial statements.

Homedale Library District
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds		$ 146,251
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Land	$ 32,780	
Construction in Progress	21,359	
Buildings, Net of $45,369 Accumulated Depreciation	848,909	
Improvements, Net of $2,730 Accumulated Depreciation	28,873	
Equipment, Net of $20,000 Accumulated Depreciation	130,000	
Net Cost of Assets		1,061,921
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period's expenditures and, therefore, are deferred in the funds.		(325)
The District participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of Net Position.		
Net Pension Liability	$ (17,922)	
Pension Related Deferred Inflows	6,892	
Pension Related Deferred Outflows	17,676	
		6,646
Net Position - Governmental Activities		$ 1,214,493

The accompanying notes are an integral
part of the financial statements.

Homedale Library District
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2024

	General
Revenues	
Property Taxes	$ 304,633
Community Center	12,261
Contributed Income	1,116,623
Fines	1,366
Interest Income	3
Fees	736
Copies	3,532
Raffles	331
Miscellaneous	1,270
Total Revenues	1,440,755
Expenditures	
Current:	
General and Administrative	1,318,525
Total Expenditures	1,318,525
Net Change in Fund Balances	122,230
Fund Balances - Beginning	24,021
Fund Balances - Ending	$ 146,251

The accompanying notes are an integral
part of the financial statements.

Homedale Library District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental
Funds to the Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds		$ 122,230
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. Only the proceeds of capital disposals are reported in the governmental funds but in the Statement of Activities, the proceeds are reported net of cost less accumulated depreciation. In the current period these amounts are:		
Capital Outlay	$ 1,130,020	
Depreciation Expense	(35,919)	
Total		1,094,101
Because some property taxes will not be collected for several months after the Library's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities.		6,892
The City participates in the Public Employer Retirement System of Idaho, which is a cost-sharing plan. As a participant they are required to report their share of the Net Pension Liability and the related deferred inflows and outflows on their Statement of net Position. The changes in the Net Pension Liability and the related deferred inflows and outflows		(571)
Change in Net Position - Governmental Activities		$ 1,222,652

The accompanying notes are an integral
part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Homedale Library District (the Library), came into existence in Homedale, Idaho in 1939. It has grown, to a great extent, through the contributions of buildings, equipment, and books received from area patrons, clubs and organizations. It presently offers reference material, books, and videos for loan to area members.

In 2022, the Library was organized as a District Library in Owyhee County, Idaho, making it eligible to receive county tax monies. In addition to Owyhee County taxes, the Library receives fees from book fines and copy services, as well as grant and contract funds from the Idaho State Library and the State of Idaho for various project services. Grant contract funds are also available for purchase of library equipment, materials and subscriptions, and are received by the Library, generally, as reimbursement for expended funds.

The accompanying financial statements present the activities of the Library, which has responsibility and control over all activities related to the Library District. The Library receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the Library is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the Library's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the Library. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Library's governmental activities.

- Direct expenses are expenses that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

- Indirect expenses are expenses of the general government related to the administration and support of the Library's programs, such as personnel and accounting (but not interest on long-term debt) and are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Library's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Library reports the following major governmental funds:

- *General fund.* This is the Library's primary operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund.

Basis of Accounting

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The library considers all revenues reported in the governmental funds to be available if they are collected within sixty-days after the end of the year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

Different measurement focuses and bases of accounting are used in the government-wide statements and in governmental fund financial statements. The Library uses the following fund balance categories in the governmental fund financial statements

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenditures, and inventories that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned.* Balances available for any purpose.

The remaining fund balance classifications (committed, and assigned) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Directors, the Library's highest level of decision-making authority, through a formal action. The Board of Directors would also have the authority to assign fund balance or authorize another official to do so.

Under the terms of grant agreements, the Library funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position or fund balance available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

There is no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the Library's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Library considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

C. Assets and Liabilities

Cash Equivalents

All amounts reported as cash, as well as all investment accounts with an original maturity of three months or less are considered to be cash and cash equivalents. See Note 2.

Receivables

All trade and property tax receivables are shown net of an allowance for doubtful accounts. No receivable is accrued for fines because all fines are estimated to be uncollectible.

Property Tax Calendar

The Library levies its real property taxes through the county on the second Monday in September of each year based upon the assessed valuation as of the previous July. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 of the following year, at which time the property is subject to lien.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below.

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight Line	7-40 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives. The Library does not own any infrastructure.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the Library's deposits was $146,314 and the respective bank balances totaled $148,722. The entire bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the Library.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, all of the Library's deposits were covered by the federal depository insurance or by collateral held by the Library's agent or pledging financial institution's trust department or agent in the name of the Library, and thus were not exposed to custodial credit risk. The Library does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Library does not have a formal policy limiting its exposure to custodial credit risk for investments.

Interest Rate Risk

The Library does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The Library follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the Library to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

At the end of the year, the District had no investment funds.

3. PROPERTY TAXES

Property taxes are an enforceable lien on property. The lien date is January 1 for property taxes levied on the second Monday of the prior September. Taxes can be paid in two installments with payments due by December 20 and June 20. Owyhee County

bills and collects the taxes and remits them to the Library monthly. Library property tax revenues are recognized when entered on the tax rolls to the extent that they result in receivables.

Taxes receivable represent balances due as of August 31, 2024. Taxes collected by the Owyhee County Tax Collector in September, 2024, are on deposit with the Owyhee County Treasurer. These collections were turned over to the Homedale Library District subsequent September 30, 2024. Balances not received within 60 days after the end of the year are considered deferred in the fund financial statements.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

	Balance 9/30/2023	Additions	Disposals	Balance 9/30/2024
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 32,780	$ -	$ -	$ 32,780
Construction in Progress	-	21,359	-	21,359
	32,780	21,359	-	54,139
Depreciable Capital Assets:				
Buildings	887,220	7,058	-	894,278
Improvements	-	31,603	-	31,603
Equipment	150,000	-	-	150,000
Total Historical Cost	1,037,220	38,661	-	1,075,881
Less: Accumulated Depreciation:				
Buildings	22,180	23,189	-	45,369
Improvements	-	2,730	-	2,730
Equipment	10,000	10,000	-	20,000
Total Accumulated Depreciation	32,180	35,919	-	68,099
Net Depreciable Assets	1,005,040	2,742	-	1,007,782
Governmental Activities - Net Capital Assets	$ 1,037,820	$ 24,101	$ -	$ 1,061,921

Depreciation expense was charged to the functions of the Library as follows:

Governmental Activities:	
General and Administrative	$35,919

5. RISK MANAGEMENT

The Library is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, and e) worker's compensation, i.e. employee injuries. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

6. PENSION PLAN

Plan Description

The Homedale Library District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed

officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of

6. PENSION PLAN (continued)

living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The Homedale Library District's contributions were $5,021 the year ended September 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2024, the Homedale Library District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Homedale Library District's proportion of the net pension liability was based the Homedale Library District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the Homedale Library District's proportion was 0.0004791 percent.

6. PENSION PLAN (continued)

For the year ended September 30, 2024, the Homedale Library District recognized pension expense (revenue) of $5,157. At September 30, 2024, the Homedale Library District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,853	$ -
Changes in assumptions or other inputs	710	-
Net difference between projected and actual earnings on pension plan investments		325
Differences between employer's contributions and the employer's proprtionate contributions	12,155	
Homedale Library District's contributions subsequent to the measurement date	1,958	-
Total	$ 17,676	$ 325

$1,958 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023, is 4.6 years and 4.6 for the measurement period June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

For the Year Ended September 30:	PERSI
2025	$ 5,484
2026	5,984
2027	2,066
2028	2,230
2029	1,587

6. PENSION PLAN (continued)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries
General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female Pub-2010 General Tables, increased 21%
Teachers – Males Pub-2010 Teacher Tables, increased 12%
Teachers – Females Pub-2010 Teacher Tables, increased 21%
Fire & Police – Males Pub-2010 Safety Tables, increased 21%
Fire & Police – Females Pub-2010 Safety Tables, increased 26%
Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
Disabled Members – Females Pub-20210 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2024, is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

6. PENSION PLAN (continued)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions.

Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Asset Class	
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

6. PENSION PLAN (continued)

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 34,057	$ 17,922	$ 4,743

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

7. OTHER COMMITMENTS

The Organization maintains credit cards with a total credit limit of $16,000. As of September 30, 2024, none of the available credit was in use.

REQUIRED SUPPLEMENTARY INFORMATION

Homedale Library District
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Tax Revenue	$ 309,900	$ 309,900	$ 304,633	$ (5,267)
Sales Tax Revenue	12,000	12,000	-	(12,000)
Community Center	5,000	5,000	12,261	7,261
Contributed Income	65,000	65,000	1,116,623	1,051,623
Fines	200	200	1,366	1,166
Interest Income	-	-	3	3
Fees	300	300	736	436
Copies	400	400	3,532	3,132
Raffles	-	-	331	331
Miscellaneous	500	500	1,270	770
Total Revenues	393,300	393,300	1,440,755	1,047,455
Expenditures				
Current:				
General and Administrative	398,300	398,300	1,318,525	(920,225)
Total Expenditures	398,300	398,300	1,318,525	(920,225)
Net Change in Fund Balances	(5,000)	(5,000)	122,230	127,230
Fund Balances - Beginning	5,000	5,000	24,021	19,021
Fund Balances - Ending	$ -	$ -	$ 146,251	$ 146,251

1. BUDGETS AND BUDGETARY ACCOUNTING

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

A. Prior to September 1, the Board of Directors prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted to obtain taxpayer comments.

C. Prior to October 1, the budget is legally passed.

D. The Board of Directors, by following the same budgetary procedures used to adopt the original budget, may amend it to a greater amount if additional revenue will accrue to the Library as a result of increases in state or federal grants or allocations, or as a result of an increase in revenues from any source other than ad valorem tax revenues.

E. Formal budgetary integration is employed as a management control device during the year for the General fund.

F. The budget for the General fund is adopted on a basis consistent with generally accepted accounting principles.

G. Expenditures may not legally exceed budgeted appropriations at the fund level. The Library does not use the encumbrance method of accounting.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The General fund reports expenditures in excess of appropriations in the amount of $920,225. This is due to contribution from the City of Homedale for the new Library building.

Homedale Library District
Schedule of Required Supplemental Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years*

Schedule of the City's Proportionate Share of Net Pension Liability

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0004791%	$ 17,922	$ 43,985	40.75%	85.54%

Data reported is measured as of June 30, 2024

Schedule of City Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 5,021	$ 5,021	$ -	$ 43,985	11.42%

Data reported is measured as of September 30, 2024

* GASB Statement No. 68 requires ten years of information to be presented in this table. Data will be presented as it becomes available.

SUPPLEMENTARY INFORMATION

Homedale Library District
Schedule of Revenue and Expenditures -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended September 30, 2024

	Budget	Actual	Variance
Revenues			
Property Tax Revenue	309,900	$ 304,633	$ (5,267)
Sales Tax Revenue	12,000	-	(12,000)
Community Center	5,000	12,261	7,261
Contributed Income	65,000	1,116,623	1,051,623
Fines	200	1,366	1,166
Interest Income	-	3	3
Fees	300	736	436
Copies	400	3,532	3,132
Raffles	-	331	331
Miscellaneous	500	1,270	770
Total Revenues	$ 393,300	$ 1,440,755	$ 1,047,455
Expenditures			
Advertising	$ 1,000	$ 2,734	$ (1,734)
Asset Replacement	21,500	1,084,658	(1,063,158)
Community Center Expense	27,300	41,342	(14,042)
Education Expense	2,000	2,695	(695)
Materials	12,500	10,791	1,709
Grant Expenses	60,000	28,370	31,630
Insurance	6,300	4,737	1,563
Miscellaneous	4,300	1,789	2,511
Office Expense	10,000	10,433	(433)
Programming	8,000	6,412	1,588
Occupancy	15,200	9,665	5,535
Repairs & Maintenance	15,600	4,582	11,018
Equipment	4,000	3,149	851
Salaries & Payroll Taxes	148,500	104,461	44,039
Copier Lease	3,000	2,124	876
Taxes	600	583	17
Contract & Professional Fees	10,500	-	10,500
Contingency Fund	48,000	-	48,000
Total General and Administrative	$ 398,300	$ 1,318,525	$ (920,225)

FEDERAL REPORT

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
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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*

Board of Directors
Homedale Library District
Homedale, Idaho

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 each major fund of the Homedale Library District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Homedale Library District's basic financial statements, and have issued our report thereon dated May 12, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Homedale Library District'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 Homedale Library District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Homedale Library District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item 2024-001, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Homedale Library District'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*.

Homedale Library District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Homedale Library District's response to the findings identified in our audit and described in the accompanying schedule of findings and response. Homedale Library District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho
May 12, 2025

Finding 2024-001

Material Weakness in Internal Control over Financial Reporting—Inadequate Segregation of Duties

Criteria: The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the entity's assets and ensure accurate financial reporting.

Condition: Presently, the same individual that reconciles the bank accounts is also a signer on the bank accounts.

Context: We observed inadequate segregation of duties by reviewing an organizational chart, observing the bank reconciliation and review process, and through interviews of personnel and management.

Effect or Potential Effect: Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to the cash reconciliation activities, including misappropriation of assets, could occur and not be detected within a timely basis.

Cause: The entity's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective manner.

Recommendation: Management and the council should consider a formal evaluation of their risks associated with this lack of duties segregation over cash reconciliation. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with a lack of segregation of duties, such as providing increased council oversight and an independent reconciliation of accounts. For example, the entity might consider soliciting the assistance of independent labor to perform certain functions including daily balancing and monthly reconciliations.

Management's Response: Management will work to put controls in place to make sure that the bank reconciliations are being done by someone who is not a signer on the accounts.