AMERICAN FALLS DISTRICT LIBRARY

FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

DEATON COMPANY

AMERICAN FALLS DISTRICT LIBRARY
BASIC FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of the Idaho Society of Certified Public Accountants
Members of the American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
American Falls District Library
American Falls, Idaho

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of American Falls District Library as of and for the year ended September 30, 2024, and related notes to the financial statements, which collectively comprise the library'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, each major fund, and the aggregate remaining fund information of American Falls District Library as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 American Falls District Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the American Falls District Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* , we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Falls District Library'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 American Falls District Library 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 and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

American Falls District Library has omitted the required 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 opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 5, 2025, on our consideration of American Falls District Library'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 American Falls District Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering American Falls District Library's internal control over financial reporting and compliance.



Pocatello, Idaho
May 5, 2025

AMERICAN FALLS DISTRICT LIBRARY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Current assets	
Pooled cash and cash equivalents	$ 270,072
Prepaid expense	14,125
Property taxes and intergovernmental receivable	18,805
	303,002
Non-current assets	
Capital assets	
Land	81,801
Buildings, net of accumulated deprecation	1,409,465
Books and materials, net of accumulated depreciation	11,542
	1,502,808
Total assets	1,805,810
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows - pension	31,399
LIABILITIES	
Current liabilities	
Accounts payable	2,051
Payroll payable	5,849
Accrued Interest	755
Bonds due within 1 year	143,674
	152,329
Long-term liabilities	
Bonds due in more than 1 year	146,663
Net pension liability	145,238
	291,901
Total liabilities	444,230
DEFERRED INFLOW OF RESOURCES	
Deferred inflows - pension	-
NET POSITION	
Net investment in capital assets	1,212,471
Restricted for debt retirement	72,995
Unrestricted	107,513
Total net position	$ 1,392,979

AMERICAN FALLS DISTRICT LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Governmental Activities
EXPENSES-LIBRARY SERVICES	
General administration	
Grant expenses	$ 2,500
Depreciation	92,265
Insurance	1,418
Library supplies	12,739
Repairs and maintenance	8,646
Miscellaneous	1,225
Payroll taxes & benefits	58,830
Professional fees	17,110
Public Programming	11,911
Salaries	277,291
Technology	27,300
Utilities	18,295
Debt interest	8,545
	538,075
CHARGES FOR SERVICES	
Fines, refunds, copies, and miscellaneous	6,086
Net program expense	(531,989)
GENERAL REVENUES	
Property taxes	651,105
Investment income	15,483
Grant revenue	10,966
	677,554
CHANGE IN NET POSITION	145,565
NET POSITION – BEGINNING	1,260,245
PRIOR PERIOD ADJUSTMENT	(12,831)
NET POSITION – ENDING	$ 1,392,979

AMERICAN FALLS DISTRICT LIBRARY
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Bond Redemption Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 198,129	$ 71,943	$ 270,072
Property taxes receivable	4,132	1,052	5,184
Ag replacement receivable	2,174	-	2,174
Sales tax receivable	11,447	-	11,447
Prepaid expense	14,125	-	14,125
Total assets	$ 230,007	$ 72,995	$ 303,002
LIABILITIES			
Accounts payable	$ 2,051	$ -	$ 2,051
Payroll payable	5,849	-	5,849
Accrued interest	755	-	755
Total liabilities	8,655	-	8,655
DEFERRED INFLOWS			
Unavailable revenues	4,743	-	4,743
FUND BALANCE			
Nonspendable			
Prepaid expense	14,125	-	14,125
Restricted			
Cash restricted for debt service	-	72,995	72,995
Assigned			
Contingency fund	11,845	-	11,845
Unassigned	190,639	-	190,639
Total fund balance	216,609	72,995	289,604
Total liabilities and fund balance	$ 230,007	$ 72,995	$ 303,002

AMERICAN FALLS DISTRICT LIBRARY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total fund balances – governmental funds		$ 289,604
Total net assets reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds net of accumulated depreciation, $1,443,136.		1,502,808
Some of the District's property taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and, therefore, are reported as unavailable revenue in the governmental funds.		4,743
Long term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the Governmental Fund Statements		
Net pension liability	(145,238)	
Bonds payable	(290,337)	
Accrued interest payable		
		(435,575)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions of $31,399 = $42,404 deferred outflows of resources pension expense (from pension schedule) + ($11,005) deferred employer contributions related to pensions outflow.		31,399
Deferred inflows of resources related to pensions (from pension schedule)		-
Total Net Position		$ 1,392,979

AMERICAN FALLS DISTRICT LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Bond Redemption Fund	Total Governmental Funds
REVENUES			
Ag property tax replacement	$ 11,086	$ -	$ 11,086
Gifts & grants	10,966	-	10,966
Investment income	8,758	6,725	15,483
Library services	6,086	-	6,086
Personal property tax replacement	8,247	-	8,247
Property taxes	430,166	122,762	552,928
Solar Tax	7,224	-	7,224
State sales tax	42,520	-	42,520
Windfarm tax	28,899	-	28,899
	553,952	129,487	683,439
EXPENDITURES			
Grant expenses	2,500	-	2,500
Insurance	1,418	-	1,418
Library supplies	12,739	-	12,739
Repairs and maintenance	8,646	-	8,646
Capital Outlays	38,546	-	38,546
Miscellaneous	1,225	-	1,225
Payroll taxes & benefits	82,766	-	82,766
Professional fees	17,110	-	17,110
Public Programming	11,911	-	11,911
Salaries	277,291	-	277,291
Technology	27,300	-	27,300
Utilities	18,295	-	18,295
Debt principal	-	140,747	140,747
Debt interest	-	9,666	9,666
	499,747	150,413	650,160
NET CHANGE IN FUND BALANCE	54,205	(20,926)	33,279
FUND BALANCE – Beginning	162,404	93,921	256,325
FUND BALANCE – Ending	$ 216,609	$ 72,995	$ 289,604

AMERICAN FALLS DISTRICT LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2024

Total net change in fund balances – governmental funds		$ 33,279
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over estimated useful lives as deprecation expense. This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense this year	(92,265)	
Capital outlays	38,546	
		(53,719)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Current year repayment of bond principal and change in accumulated interest		141,868
Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenue in the Governmental funds. They are recorded as current revenue in the Statement of Activities.		201
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension expense in excess of contributions		23,936
Total Change in Net Position		$ 145,565

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the American Falls District Library (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. Reporting Entity

For financial reporting purposes, management has considered potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's responsibility for financial accountability. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. Based upon the application of these criteria, the District has no potential component units.

B. Government-wide and fund financial statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities.

The statement of activities presents direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expenses for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for shared assets is ratably included in the direct expenses for the appropriate functions. Interest on general long term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include book fines, book sales, copy fees and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

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

The District reports the following major funds:

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The bond redemption fund accounts for resources accumulated and payments made for principal and interest on federal obligation bonds.

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

The government–wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, early retirement, and compensated absences, 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 debt an acquisitions under capital leases are reported as other financing sources.

D. Budgetary data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

The District begins its budget process with the Board of Trustees submitting a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget consists of expenditure appropriations and financing arrangements for those expenditures.

Public hearings are conducted to give taxpayers the opportunity to comment. As a management control, formal budgetary integration is employed during the year.

Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrances are not liabilities and they are not recorded as expenditures until receipt of material or services. For budgetary purposes, appropriations lapse at year-end and are re-budgeted the following year. The District does not reserve fund balance for outstanding encumbrances at year-end.

E. Deposits and investments

The cash balances of substantially all funds are pooled and invested by the District for purposes of increasing earnings through investment activities. The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment.

F. Cash and Cash Equivalents

The District Considers investments with an original maturity of three months or less to be cash equivalents.

G. Inventories

Inventories of governmental funds are recorded as expenditures when purchased.

H. Accounts Receivable

The District has fines and late fee receivables but due to the nature and ability to write off such revenues, these revenues are recognized when received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Purchases of constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized.

Depreciation is recorded using the straight-line method over the estimated useful lives as follows:

Building and Improvements	20-40 years
Furniture and Equipment	3-20 years
Books and Audio Visual	5 years

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Compensated Absence

Full-time employees earn vacation and sick leave in varying amounts. PTO must be used within the fiscal year plus one month. Employees can sell up to forty hours of unused PTO hours back to the District at their regular hourly rate. Whether discharged for cause or voluntarily leaving, employees will be paid half of all accrued PTO. Liabilities are not accrued in the governmental funds.

L. Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable items- This category includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. This includes inventories and prepaid items.

Restricted items - This category includes resources where limitations are imposed by external entities, such as grantors and creditors, or to comply with laws and regulations of governments.

Committed items- This category includes amounts that can only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority for the District. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally.

Assigned items- Assigned items represent the District's intent to use certain resources for specific purposes. The Board may establish the intended use of these funds for a designated purpose.

Unassigned items - Represents the remainder of the District's equity in governmental fund-type balances in excess of the aforementioned classifications.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

NOTE 2 - CASH AND INVESTMENTS

The government's deposits and investments are held in the following accounts:

	Bank Balance
Idaho Central Credit Union	$ 2,653
State of Idaho Local Government Investment Pool	267,419
Total cash and cash equivalents	$ 270,072

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the District may not be able to recover its deposits. At year-end, the District's deposits up to $250,000 were not subject to custodial credit risk. As of September 30, 2024, the District had uninsured and uncollateralized deposits amounting to $0.

The District participates in the State of Idaho Local Investment Pool (LGIP). The LGIP is regulated by Idaho Code under the oversight of the Treasurer of the State of Idaho. The Pools are not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants.

The LGIP is a low-risk investment pool with high liquidity. Therefore, the District's investment in the pool is reported as a cash equivalent in the accompanying financial statements as it does not meet the definition of an investment. The LGIP is not currently rated by a nationally recognized rating agency. The funds are invested in short-term investments in the priority order of safety, liquidity, and yield.

NOTE 3 - PROPERTY TAXES

Taxes are levied by the second Monday in September on assessed valuations as of June 30. Taxes on real property are payable in two equal installments on December 20, and June 20, of the following year. Personal property taxes are due December 20. Delinquent payments bear simple interest of 1% per month plus a 2% penalty. Due to the small amount of taxes not collected, no adjustment is made for delinquent taxes.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital Assets not being depreciated				
Land	$ 81,801	$ -	$ -	$ 81,801
Capital Assets being depreciated				
Buildings and Improvements	2,220,371	-	-	2,220,371
Circulation System	15,903	-	-	15,903
Collection	422,565	38,546	43,879	417,232
Furnishings and Equipment	210,637	-	-	210,637
	2,869,476	38,546	43,879	2,864,143
Accumulated Depreciation				
Buildings and Improvements	850,852	46,670	-	897,522
Circulation System	15,903	-	-	15,903
Collection	330,547	43,948	43,879	330,616
Furnishings and Equipment	197,448	1,647	-	199,095
	1,394,750	92,265	43,879	1,443,136
Total Capital Assets – Net	$1,556,527	$ (53,719)	$ -	$ 1,502,808

NOTE 5 - PENSION PLAN

Plan Description

The 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.

NOTE 5 - PENSION PLAN (CONTINUED)

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 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 and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024 it was 6.71% for general employees. The employer contribution rate is set by the Retirement Board and was 11.18% for general employees. The District's contributions were $20,533 for 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 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 District's proportion of the net pension liability was based on the 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 District's proportion was 0.00388271 percent.

For the year ended September 30, 2024, the District recognized pension expense of ($17,130). At September 30, 2024 the 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	$ 23,123	$ -
Changes in assumptions or other inputs	5,754	-
Net difference between projected and actual earnings on pension	(2,636)	-
District's contributions subsequent to the measurement date	5,158	-
Total	$ 31,399	$ -

The amount of $5,158 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, 2025.

The amortization period is based on the remaining expected service lives of all employees that are provided with pensions through the System determined at the beginning of the measurement period. The amortization period was calculated at 4.4 years. The amortization of the net difference between projected and actual investment earnings on pension plan investments is amortized over a closed 5-year period inclusive of this fiscal year.

NOTE 5 - PENSION PLAN (CONTINUED)

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:

Year ending September 30,	
2025	$ 7,168
2026	27,080
2027	(4,670)
2028	(3,338)

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	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	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%.
	5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 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 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.

NOTE 5 - 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. 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

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:

	1% Decrease (5.35%)	**Current Discount Rate (6.35%)**	**1% Increase (7.35%)**
Employer's proportionate share of the net pension liability (asset)	$ 275,998	$ 145,238	$ 38,441

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.

NOTE 5 - PENSION PLAN (CONTINUED)

Payables to the pension plan

At September 30, 2024, the District reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 6 - LONG TERM DEBT

Schedule of bond principal and interest payments - Refunding Bond Series 2017 issued for the purpose of building on to the library.

Years Ending Sept. 30,	Principal	2.08% Interest	Total Debt
2025	$ 143,674	$ 6,040	$ 149,714
2026	146,663	3,050	149,713
	$ 146,663	$ 9,090	$ 299,427

The following is a summary of the District's long-term debt transactions for the year ended September 30, 2024:

	Balance 10-1-23	Increases	Decreases	Balance 9-30-24	Due within one year
Refunding Bond Series 2017	$ 431,084	$ -	$ 140,747	$ 290,337	$ 143,674
Net Pension Liability	223,564	-	78,326	145,238	-
	$ 654,648	$ -	$ 219,073	$ 435,575	$ 143,674

NOTE 7 - RISK MANAGEMENT

The American Falls District Library is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee health and injuries, and natural disasters. All these risks are insured by commercial insurance.

NOTE 8 - CREDIT RISK, CONCENTRATION OF CREDIT RISK, AND INTEREST RATE RISK

At year-end, the District’s deposits were in an external investment pool or in a checking account. The District's fair value of the position in the external investment pool is the same as the value of pool shares.

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

Credit Risk

Statutes authorize the District to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued from the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or any taxing district in the State, time deposits, saving deposits, revenue bonds of institutions of higher education, and the State Treasurer’s Pool. The District does not have an investment policy that would further limit its investment choices.

Concentration Credit Risk

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's deposits in any one issuer does not represent a concentration of total credit risk.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

During the year, the District determined that an asset was not properly depreciated in the prior year. This depreciation decreased the Statement of Activities in the amount of $12,831.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to May 5, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

AMERICAN FALLS DISTRICT LIBRARY
SCHEDULE OF REVENUES, AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Actual	Variance
REVENUES			
Ag property tax replacement	$ 8,694	$ 11,086	$ 2,392
Gifts & grants	13,000	10,966	(2,034)
Investment income	2,000	8,758	6,758
Library services	2,000	6,086	4,086
Miscellaneous	2,000	-	(2,000)
Personal property tax replacement	8,247	8,247	-
Property taxes	439,224	430,166	(9,058)
Solar Tax	6,472	42,520	36,048
State sales tax	36,000	-	(36,000)
Windfarm tax	30,000	28,899	(1,101)
	547,637	553,952	6,315
EXPENDITURES			
Contingency	73,000		73,000
Grant expense	1,000	2,500	(1,500)
Insurance	14,500	1,418	13,082
Library supplies	12,500	12,739	(239)
Maintenance	18,000	8,646	9,354
Materials (capital outlays)	40,000	38,546	1,454
Miscellaneous	10,022	1,225	8,797
Payroll tax & benefits	96,000	82,766	13,234
Professional fees	18,000	17,110	890
Public programming	12,000	11,911	89
Salaries	312,000	277,291	34,709
Technology	9,600	27,300	(17,700)
Utilities & phone	16,500	18,295	(1,795)
	$ 633,122	499,747	$ 133,375
NET CHANGE IN FUND BALANCE		54,205	
FUND BALANCE – Beginning		162,404	
FUND BALANCE – Ending		$ 216,609	

AMERICAN FALLS DISTRICT LIBRARY
SCHEDULE OF REVENUES, AND EXPENDITURES
BUDGET AND ACTUAL – BOND REDEMPTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Actual	Variance
REVENUES			
Property taxes	$ 110,000	$ 122,762	$ 12,762
Interest income		6,725	(6,725)
	110,000	129,487	6,037
EXPENDITURES			
Interest	39,715	9,666	30,049
Bonds redeemed	110,000	140,747	(30,747)
	149,715	150,413	(698)
NET CHANGE IN FUND BALANCE	$ (39,715)	(20,926)	$ 18,789
FUND BALANCE – Beginning		93,921	
FUND BALANCE – Ending		$ 72,995	

AMERICAN FALLS DISTRICT LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.00388271%	0.0053010%	0.0053010%	0.0050190%	0.0052410%	0.0056600%	0.0051148%	0.0037650%	0.0034080%	0.0026770%
Employer's proportionate share of the net pension liability	$ 145,238	$ 223,564	$ 208,788	$ (3,964)	$ 121,708	$ 64,603	$ 75,931	$ 59,178	$ 69,091	$ 35,256
Employer's covered-employee payroll	$ 263,415	$ 289,830	$ 216,166	$ 188,398	$ 203,017	$ 184,832	$ 174,206	$ 237,289	$ 96,667	$ 78,131
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	55.14%	77.14%	96.59%	-2.10%	59.95%	34.95%	43.59%	24.94%	71.47%	45.12%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Data reported is measured as of June 30, 2024.

Schedule of Employer Contributions
PERSI – Base Plan
Last 10 - Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 20,533	$ 24,468	$ 24,547	$ 19,818	$ 20,563	$ 21,656	$ 19,991	$ 12,696	$ 10,132	$ 8,758
Contributions in relation to the statutorily required contribution	20,533	26,690	25,254	22,635	22,571	22,077	19,003	13,417	11,439	8,601
Contribution (deficiency) excess	$ -	$ 2,222	$ 707	$ 2,817	$ 2,008	$ 421	$ (988)	$ 721	$ 1,307	$ (157)
Employer's covered-employee payroll	$ 262,229	$ 289,830	$ 216,166	$ 188,398	$ 203,017	$ 184,832	$ 174,206	$ 237,289	$ 96,677	$ 78,131
Contributions as a percentage of covered-employee payroll	7.83%	8.44%	11.36%	10.52%	10.13%	11.72%	11.46%	5.35%	10.48%	11.21%

Data reported is measured as of September 30, 2024.

AMERICAN FALLS DISTRICT LIBRARY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 - EXPENDITURES IN EXCESS OF BUDGET

General Government:

The District did not budget a sufficient amount for grant, supplies, utilities, or technology expenses.

Expenditures in excess of budget were paid for by decreased expenditures in other categories.

Bond Redemprion Fund:

The District did not budget a sufficient amount for debt retirement.

These expenditures in excess of budget were paid for by decreased expenditures for bond interest.

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of the Idaho Society of Certified Public Accountants
Members of the American Institute of Certified Public Accountants



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 Trustees
American Falls District Library
American Falls, 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, each major fund, and the aggregate remaining fund information of American Falls District Library, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise American Falls District Library's basic financial statements and have issued our report thereon dated May 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered American Falls District Library'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 American Falls District Library's internal control. Accordingly, we do not express an opinion on the effectiveness of American Falls District Library'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency (2024-001), in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether American Falls District Library'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.

American Falls District Library's Response to Findings

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

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.

Pocatello, Idaho
May 5, 2025

AMERICAN FALLS DISTRICT LIBRARY

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Findings Of Significant Deficiency And Responses

2024-001 The District's internal control system does not currently require the entity to employ a person with the qualifications and training necessary to prepare the District's financial statements, notes and required supplementary information in accordance with generally accepted accounting principles. The auditor's firm was requested to draft the financial statement, notes and required supplementary information to the financial statements. This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

We suggest that the District provide an individual that could act as a control over the financial statement preparation.

Management Response

Management believes the above significant deficiency is not material and the cost of providing an individual as described above would outweigh the benefits.

AMERICAN FALLS DISTRICT LIBRARY

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Findings Of Significant Deficiency And Responses

2023-001 None