BEAR LAKE COUNTY LIBRARY DISTRICT

FINANCIAL STATEMENTS

September 30, 2024



JONES SIMKINS
Certified Public Accountants

BEAR LAKE COUNTY LIBRARY DISTRICT
TABLE OF CONTENTS
September 30, 2024

	Page
Independent Auditor's Report	1
Basic Financial Statements:	
Governmental Fund Balance Sheet / Statement of Net Position	5
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances / Statement of Activities	6
Notes to Financial Statements	7
Required Supplementary Information:	
Budgetary Comparison Schedule	25
Schedule of the Proportionate Share of the Net Pension Liability	26
Schedule of Contributions	27
Notes to Required Supplementary Information	28
Governmental Auditing Standards 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*	30

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Providing Guidance with Insight & Integrity

75 YEARS 1948-2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Bear Lake County Library District
Montpelier, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Bear Lake County Library District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 the major fund of the District, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 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

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.

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 management's discussion and analysis, budgetary comparison information, the schedule of the proportionate share of the net pension liability, and the schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is

the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 April 3, 2025 on our consideration of the 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 District's internal control over financial reporting and compliance.



JONES SIMKINS LLC
Logan, Utah
April 3, 2025

Basic Financial Statements

BEAR LAKE COUNTY LIBRARY DISTRICT
GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION
September 30, 2024

		General Fund	Adjustments	Statement of Net Position
Assets				
Cash and cash equivalents	$	1,071,952	-	1,071,952
Receivables		17,406	-	17,406
Capital assets, net		-	363,007	363,007
Total assets	$	1,089,358	363,007	1,452,365
Deferred Outflows of Resources				
Pensions		-	14,391	14,391
Total deferred outflows of resources		-	14,391	14,391
Liabilities				
Accounts payable and accrued liabilities	$	2,119	-	2,119
Compensated absences:				
Payable within one year		-	2,101	2,101
Net pension liability		-	55,268	55,268
Total liabilities		2,119	57,369	59,488
Deferred Inflows of Resources				
Unavailable revenues - property taxes		2,749	(2,749)	-
Pensions		-	10,093	10,093
Total deferred inflows of resources		2,749	7,344	10,093
Fund Balances/Net Position				
Fund balances:				
Unassigned		1,084,490	(1,084,490)	-
Total fund balances		1,084,490	(1,084,490)	-
Total liabilities, deferred inflows of resources, and fund balances	$	1,089,358		
Net position:				
Net investment in capital assets			363,007	363,007
Unrestricted			1,034,168	1,034,168
Total net position		$	312,685	1,397,175

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

BEAR LAKE COUNTY LIBRARY DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses:			
Salaries, payroll taxes, and benefits	$ 194,095	6,148	200,243
Materials	35,589	-	35,589
Capital outlay	27,381	(27,381)	-
Facilities	20,226	-	20,226
Other	15,351	-	15,351
Utilities	9,281	-	9,281
Insurance	8,257	-	8,257
Professional fees	5,000	-	5,000
Supplies	944	-	944
Depreciation	-	40,106	40,106
Total expenditures/expenses	316,124	18,873	334,997
Program revenues:			
Charges for services	2,030	-	2,030
Operating grants and contributions	15,800	-	15,800
Net program expenses			(317,167)
General revenues:			
Property taxes	398,501	2,749	401,250
Sales taxes	38,023	-	38,023
Interest income	3,797	-	3,797
Miscellaneous income	3,566	-	3,566
Total general revenues	443,887	2,749	446,636
Excess of revenues over expenditures	145,593	(145,593)	-
Change in net position	-	129,469	129,469
Fund balances/net position:			
Beginning of year	938,897	328,809	1,267,706
End of year	$ 1,084,490	312,685	1,397,175

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

Note 1 – Summary of Significant Accounting Policies

The Bear Lake County Library District (the Library) is a library in the taxing district within Bear Lake County, Idaho, operating under the laws of the State of Idaho. The Library is presently governed by a Board of Trustees consisting of five members elected from the County.

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

Financial Reporting Entity

The Library's financial statements include the accounts of all Library operations. The accounting policies of the Library conform to generally accepted accounting principles.

The Library has no oversight responsibility for any other governmental entity due to the determination that no other entities are considered to be controlled by, or dependent on the Library. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Library. These statements have been combined with the fund financial statements because the Library is a single-purpose government with minimal adjustments between the fund financial statements and the government-wide financial statements. The Library's single purpose is classified as a governmental activity. Governmental activities are usually financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the Library's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Resources are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation.

The Statement of Activities is combined with the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to report revenues and expenses/expenditures for the year.

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements

The Library's accounting system is organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the government establishes for accountability purposes in accordance with statutes, laws, regulations, restrictions, or specific purposes.

The Library only uses a general fund.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements. The following provides a summary of the measurement focus and basis of accounting used by the Library:

Economic Resources Measurement Focus and Accrual Basis of Accounting

The governmental activities in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

The governmental fund financial statements are reporting using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days (the availability period) of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, compensated absences and other long-term liability expenditures are recorded only when payment is due.

Note 1 – Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

Cash and Cash Equivalents

For the purposes of the Statement of Net Position, the term "cash and cash equivalents" includes all demand deposit accounts, savings accounts, or other short-term, highly liquid investments.

Receivables

Receivables consist of amounts due from other governments and revenues earned as of year-end but received after year-end. All receivable balances are reported net of any allowance for uncollectible accounts. Allowances for uncollectible accounts are based on historical trends and current data regarding the condition of specific debtors as of the date of issuance of the financial statements. Receivable balances generally include property and sales taxes, amounts due from other governments, and amounts due from charges for services.

Capital Assets

Capital assets are reported in the government-wide financial statements. The Library defines capital assets as assets purchased or acquired with an original cost of more than the capitalization amounts shown below and an estimated useful life of over one year. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. All capital assets are valued at cost or estimated cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the expected asset life are expensed as incurred.

Capital assets of the Library are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization
Buildings	20 to 50 years	$ 10,000
Building improvements	20 years	$ 10,000
Equipment and furniture	3 to 15 years	$ 1,000
Library books	10 years	all

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

It is the Library's policy to permit employees to accumulate earned but unused vacation. Vacation accumulates for all employees. Accumulated vacation leave is payable to the employee upon termination of employment at base pay up to a maximum of 40 hours. Accumulated balances of sick leave are not paid upon termination. An estimated liability for vacation leave is reported in the government-wide financial statements as compensated absences. Governmental funds do not report a liability for compensated absences. The expenditure is reported when leave is taken. Compensated absences are generally liquidated by the General Fund.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Items qualifying for reporting in this category are related to pensions.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The following items qualify for reporting in this category:

- Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Pension related items.

Pension Related Assets, Liabilities, and Deferred Outflows and Inflows of Resources

For purposes of measuring the net pension liability (asset) 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 the 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.

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position and is comprised of three components:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

- Restricted – consists of resources with constraints placed on their use, whether by 1) external groups such as creditors, grantors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted – all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance Classifications

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. Fund balance is further classified based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – amounts that are not in spendable form (such as prepaids) or are legally or contractually required to be maintained intact.

- *Restricted* – amounts with constraints externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

- *Committed* – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Note 1 – Summary of Significant Accounting Policies (continued)

- *Assigned* – amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

- *Unassigned* – amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

The Library's highest level of decision-making authority is the Board of Trustees. Fund balance commitments are established, modified, and rescinded through a formal resolution by the Board of Trustees. Fund balance assignments are also made through resolution by the Board of Trustees.

Net position flow assumption

Sometimes the Library funds outlays from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balance flow assumptions

Sometimes the Library funds outlays from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies (continued)

Property Tax Calendar

Acting as the assessing and collecting agent, Bear Lake County, Idaho assesses all taxable property within the boundaries of the Library other than centrally assessed property, which is assessed by the Idaho State Tax Commission, and not completed until after September 30. The Library must adopt a final tax rate prior to the second Monday of September. Property taxes are levied by Bear Lake County on or about September 30 and are payable in two installments on December 20 and June 20. Bear Lake County collects all property tax payments and remits the collections to the Library monthly. Property taxes attach as an enforceable lien on property as of January 1, of the following year. Notice of foreclosure is filed with the Bear Lake County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund balance sheet. Capital assets are however, reported in the government-wide statement of net position.

Accrued compensated absences are recognized in the government-wide statement of net position when earned by the employees. However, this liability is not recognized in the fund financial statements until it is due and payable.

Pension deferred outflows of resources, pension deferred inflows of resources, and the net pension liability are only recorded in the government-wide statement of net position.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements (continued)

Explanation of certain differences between the governmental fund statement of governmental fund revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, the net effect of various miscellaneous transactions involving capital assets (i.e., sales of capital assets) are only recognized in the government-wide statement of activities.

Changes in compensated absences are recorded as an expense in the government-wide statement of activities but are not recognized in the fund financial statements until they are due and payable. The change in compensated absences is recorded as an adjustment to current year expenses.

The net effect of transactions involving the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions, reported as actuarial pension expense, is only recognized in the government-wide statement of activities.

Note 3 – Deposits

The Library's deposits consist of the following:

Financial Statement Description		Deposits	Total
Cash and cash equivalents:			
Demand deposit - checking	$	554,879	554,879
Demand deposit - savings		517,073	517,073
Total cash and cash equivalents	$	1,071,952	1,071,952

Note 3 – Deposits (continued)

Deposits and Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Library's deposits may not be returned. State law specifies the types of financial institutions in which the Library can deposit monies. In addition, State law also requires that deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of collateral or the furnishing of a surety bond. As of September 30, 2024, the Library has bank balances of $1,075,702. Of these bank balances, $825,702 is uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with State law.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library's policy for reducing exposure to credit risk is to comply with State law.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Library's policy for reducing exposure to credit risk is to comply with State law.

Note 4 – Receivables

The Library's receivables consist of the following:

Property taxes and sales taxes	$	17,225
Other receivables		181
	$	17,406

Note 5 – Capital Assets

Capital asset activity is as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,000	-	-	1,000
Total capital assets not being depreciated	1,000	-	-	1,000
Capital assets being depreciated:				
Buildings	711,052	-	-	711,052
Equipment and furniture	256,964	-	-	256,964
Library books	1,002,262	27,381	(787,985)	241,658
Total capital assets being depreciated	1,970,278	27,381	(787,985)	1,209,674
Accumulated depreciation	(1,595,546)	(44,749)	787,985	(847,667)
Total capital assets, net	$ 375,732	(17,368)	-	363,007

Note 6 – Long-Term Liabilities

Long-term liability activity is as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Governmental activities:					
Compensated absences	$ -	2,101	-	2,101	2,101
Total long-term liabilities	$ -	2,101	-	2,101	2,101

At September 30, 2024, the Library has no unused lines of credit.

Note 7 – Net Position and Fund Balance

At September 30, 2024, all of the Library's fund balance is considered unassigned and available for appropriation. Governmental fund balance consists of the following:

Restricted, committed, and assigned fund balance represent monies required to be maintained to satisfy third party agreements, including grant agreements, legal requirements, enabling legislation, or by commitment or assignment of the Library's Board of Trustees.

As of September 30, 2024, none of the Library's resources are restricted by enabling legislation.

Note 8 – Pension Plan

The Library 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) 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 8 – 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. 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, the contribution rate 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 Library's contributions were $7,898 for the year ended September 30, 2024.

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

At September 30, 2024, the Library reported a liability for its proportionate share of the net pension liability of $55,268. 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 Library's proportion of the net pension liability was based on the Library's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. The Library's proportionate share is equal to 0.00147749 percent measured at June 30, 2024, compared to 0.00194119 percent measured at June 30, 2023, a decrease of 0.0004637 percent.

Note 8 – Pension Plan (continued)

For the year ended September 30, 2024, the Library recognized pension expense (benefit) of $15,895. At September 30, 2024, the Library 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
Net difference between projected and actual earnings on pension plan investments	$	-	1,003
Changes in assumptions		2,189	-
Difference between expected and actual experience		8,799	-
Changes in proportion and differences between contributions and proportionate share of contributions		-	9,090
Contributions subsequent to the measurement date		3,403	-
	$	14,391	10,093

$3,403 reported as deferred outflows of resources related to pensions resulting from Library 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 average of the expected remaining service lives of all employees that are provided with pensions through PERSI (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023, is 4.6 for the measurement period ended June 30, 2024.

Note 8 – 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 (benefit) as follows:

Year ended September 30,	Net Deferred Outflows (Inflows) of Resources
2025	$ 54
2026	7,631
2027	(4,451)
2028	(2,339)
	$ 895

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%
Assumed inflation rate	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Note 8 – Pension Plan (continued)

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries, as well as for the Judicial members. These rates were adopted for the valuation dated July 1, 2021.

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%.
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 dated 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.

Even though history provides a valuable perspective for setting the investment return assumption, PERSI relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, PERSI uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing PERSI's asset allocation. The assumptions and PERSI's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets.

Note 8 – Pension Plan (continued)

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	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	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.

Note 8 – Pension Plan (continued)

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

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Library'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%
Proportionate share of net pension liability	$ 105,026	55,268	14,628

Pension plan fiduciary net position

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

Note 9 – Risk Management

The nature of the Library’s operations makes it susceptible to lawsuits, legal actions, and other judgments. The Library is also subject to the risk of casualty and theft losses with respect to capital assets. The Library mitigates its risk of material loss from these events through the purchase of liability and property insurance arranged through the Idaho Counties Risk Management Program. The Library had no claim settlements over the past three years that exceeded its insurance coverage.

Required Supplementary Information

BEAR LAKE COUNTY LIBRARY DISTRICT
BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	$ 374,140	374,140	398,501	24,361
Sales taxes	-	-	38,023	38,023
Operating grants and contributions	10,000	10,000	15,800	5,800
Charges for services	-	-	2,030	2,030
Interest income	-	-	3,797	3,797
Miscellaneous income	213,059	213,059	3,566	(209,493)
Total revenues	597,199	597,199	461,717	(135,482)
Expenditures:				
Salaries, payroll taxes, and benefits	382,199	382,199	194,095	188,104
Materials	-	-	35,589	(35,589)
Capital outlay	60,000	60,000	27,381	32,619
Facilities	120,000	120,000	20,226	99,774
Other	35,000	35,000	15,351	19,649
Utilities	-	-	9,281	(9,281)
Insurance	-	-	8,257	(8,257)
Professional fees	-	-	5,000	(5,000)
Supplies	-	-	944	(944)
Total expenditures	597,199	597,199	316,124	281,075
Change in fund balance	$ -	-	145,593	145,593
Fund balance – beginning of year			938,897	
Fund balance – end of year			$ 1,084,490	

BEAR LAKE COUNTY LIBRARY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Public Employee Pension Plan:	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability (asset)	0.0014775%	0.0019412%	0.0017033%	0.0005357%	0.0005918%	0.0011810%	0.0018283%	0.0020163%	0.0030211%	0.0030642%
Proportionate share of the net pension liability (asset)	$ 55,268	$ 77,466	$ 67,089	$ (423)	$ 13,742	$ 13,481	$ 26,968	$ 31,693	$ 61,242	$ 40,351
Covered employee payroll	$ 67,571	$ 83,044	$ 81,640	$ 21,205	$ 19,610	$ 35,565	$ 53,466	$ 63,955	$ 80,133	$ 91,703
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	81.79%	93.28%	82.18%	-1.99%	70.08%	37.91%	50.44%	49.56%	76.43%	44.00%
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%

BEAR LAKE COUNTY LIBRARY DISTRICT
SCHEDULE OF CONTRIBUTIONS

	Year Ended September 30, 2024	Year Ended September 30, 2023	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended September 30, 2020	Year Ended September 30, 2019	Year Ended September 30, 2018	Year Ended September 30, 2017	Year Ended September 30, 2016	Year Ended September 30, 2015
Contractually required contribution	$ 7,898	$ 8,478	$ 7,887	$ 2,115	$ 2,322	$ 4,519	$ 7,100	$ 6,799	$ 8,981	$ 10,023
Contributions in relation to the contractually required contribution	7,898	9,974	8,115	2,416	2,549	4,607	6,749	7,185	10,139	9,843
Contribution deficiency (excess)	$ -	$ 1,496	$ 228	$ 301	$ 227	$ 88	$ (351)	$ 386	$ 1,158	$ (180)
Covered employee payroll	$ 69,572	$ 83,044	$ 81,640	$ 21,205	$ 19,610	$ 35,565	$ 53,466	$ 63,955	$ 80,133	$ 91,703
Contributions as a percentage of covered employee payroll	11.35%	12.01%	9.94%	11.39%	13.00%	12.95%	12.62%	11.24%	12.65%	10.73%

BEAR LAKE COUNTY LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2024

Note 1 – Budget Presentation

A Budgetary Comparison Schedule is presented for the general fund as required by generally accepted accounting principles (GAAP). Budgets for the general fund are adopted on a GAAP basis annually. All annual appropriations lapse at fiscal year-end. The general fund adopts a "balanced budget" in accordance with state law. As allowed by state law, the Library's Board of Trustees may authorize increases to or uses of unrestricted fund balances. In the budget presentations, authorized increases to fund balance are shown as positive changes in fund balance and authorized decreases are shown as negative changes in fund balance.

Note 2 – Budget Adoption and Monitoring and Compliance Related Matters

The Library follows those budget procedures prescribed by the Idaho Constitution and related rules and regulations prescribed by the State of Idaho Department of Revenue and Taxation. Procedures followed include:

- Formulation of subsequent year budget requirements by internal Library officers and personnel,
- Perusal of formulated budgets by the Board of Trustees
- Presentation of preliminary and final budget requirements in formal news media of the Library, and
- Open hearings to permit taxpayer input before such budgets are formally adopted.

The Library has placed detailed emphasis on the budgeting for expenditures. Subsequent control of budgets following adoption is accomplished through a budget expenditures control system with interim status management purposes.

Governmental Auditing Standards Report

JONES SIMKINS
Certified Public Accountants
Providing Guidance with Insight & Integrity

75 YEARS 1948-2023

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Logan, UT 84323-0747

Salt Lake City Office:
41 North Rio Grande; Suite 101
Salt Lake City, UT 84101

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

To the Board of Trustees of the
Bear Lake County Library District
Montpelier, ID

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Bear Lake County Library District (the Library) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated April 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Library'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.

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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, yet important enough to merit attention by those charged with governance.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library'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 Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JONES SIMKINS LLC
Logan, Utah
April 3, 2025