BONNEVILLE COUNTY
LIBRARY DISTRICT
AMMON, IDAHO
BASIC FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION
with
INDEPENDENT AUDITOR'S REPORT
For the Year Ended September 30, 2024

BONNEVILLE COUNTY LIBRARY DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees
Bonneville County Library District
Ammon, Idaho

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Bonneville County Library District, Ammon, Idaho, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bonneville County Library District 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 (GAAS) 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 Bonneville County Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Bonneville County Library 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risks 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 *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 Bonneville County Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bonneville County Library District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison and schedules of employer's share of net pension liability and employer contributions PERSI information on pages 23 to 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 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 the 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 January 14, 2025, on our consideration of Bonneville County Library District 's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bonneville County Library District'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 Bonneville County Library District's internal control over financial reporting and compliance.

Searle Hart + Associates PLLC

Rexburg, Idaho
January 14, 2025

FINANCIAL SECTION

BONNEVILLE COUNTY LIBRARY DISTRICT
STATEMENT OF NET POSITION
September 30, 2024

	GOVERNMENTAL ACTIVITIES	TOTAL
ASSETS		
Current assets:		
Cash	$ 585,754	$ 585,754
Household fees receivable	29,693	29,693
Total current assets	615,447	615,447
Noncurrent assets:		
Restricted cash - noncurrent	-	-
Operating lease - right of use assets	904,887	904,887
Less: accumulated amortization	(419,602)	(419,602)
Total capital assets	485,285	485,285
Total noncurrent assets	485,285	485,285
TOTAL ASSETS	1,100,732	1,100,732
DEFERRED OUTFLOWS		
Pension	$ 160,037	$ 160,037

The notes to the financial statements are an integral part of this statement.

	GOVERNMENTAL	TOTAL
LIABILITIES		
Accounts payable and accrued expenses	$ 37,175	$ 37,175
Long-term liabilities		
Due within one year		
Operating leases - right of use liability	121,321	121,321
Compensated absences	37,671	37,671
Due in more than one year		
Operating leases - right of use liability	363,964	363,964
Net pension liability	211,314	211,314
TOTAL LIABILITIES	771,445	771,445
DEFERRED INFLOWS		
Pension	-	-
Other	-	-
TOTAL DEFERRED INFLOWS	-	-
NET POSITION		
Net investment in capital assets	-	-
Restricted for:		
Other projects	-	-
Unrestricted	489,324	489,324
TOTAL NET POSITION	$ 489,324	$ 489,324

BONNEVILLE COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUE: Charges for Services	PROGRAM REVENUE: Operating Grants and Contributions	PROGRAM REVENUE: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 1,251,794	$ -	$ -	$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health, welfare and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Conservation/economic development	-	-	-	-
Interest on long-term debt	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	1,251,794	-	-	-
TOTAL PRIMARY GOVERNMENT	$ 1,251,794	$ -	$ -	$ -

General revenues:
Household fees:
Household fees for general purposes
Grants and contributions not restricted to specific programs
Investment earnings
Miscellaneous
Special item - gain on sale of assets
Pension expense
Transfers

TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS

Change in net position

Net Position, October 1, 2023

NET POSITION, SEPTEMBER 30, 2024

The notes to the financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
Primary Government	
Governmental Activities	Total
$ (1,251,794)	$ (1,251,794)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(1,251,794)	(1,251,794)
(1,251,794)	(1,251,794)
1,324,052	1,324,052
46,386	46,386
13,329	13,329
6,859	6,859
-	-
(51,277)	(51,277)
-	-
1,339,349	1,339,349
87,555	87,555
401,769	401,769
$ 489,324	$ 489,324

BONNEVILLE COUNTY LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS		
Cash and cash equivalents	$ 585,754	$ 585,754
Household fees receivable	29,693	29,693
Prepaid expenditures	-	-
TOTAL ASSETS	615,447	615,447
DEFERRED OUTFLOWS	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 615,447	$ 615,447
LIABILITIES		
Accounts payable	$ 8,298	$ 8,298
Other payables	28,877	28,877
TOTAL LIABILITIES	37,175	37,175
DEFERRED INFLOWS		
Revenue unavailable for use	26,876	26,876
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Assigned	-	-
Unassigned	551,396	551,396
TOTAL FUND BALANCES	551,396	551,396
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 615,447	$ 615,447

The notes to the financial statements are an integral part of this statement.

BONNEVILLE COUNTY LIBRARY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balance, governmental funds:	$	551,396
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		485,285
A net pension liability for the measured portion of the present value of projected benefit payments is reported on the Statement of Net Position, but not in the fund financial statements.		
Deferred outflows associated with the net pension liability		160,037
Deferred inflows associated with the net pension liability		-
Net pension liability		(211,314)
Some liabilities, (such as notes payable, capital lease contracts payable, long-term compensated absences, and bonds payable), are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.		(522,956)
Net position of governmental activities in the Statement of Net Position:	$	489,324

BONNEVILLE COUNTY LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	GENERAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES		
Household fees	$ 1,297,176	$ 1,297,176
Donations	2,524	2,524
Intergovernmental	43,862	43,862
Charges for services	6,859	6,859
Investment earnings	13,329	13,329
	1,363,750	1,363,750
EXPENDITURES		
Current:		
General government	1,224,802	1,224,802
Other expenditure	43,862	43,862
Debt Service:		
Principal	-	-
Interest and other charges	-	-
Capital outlay	-	-
	1,268,664	1,268,664
Excess (deficiency) of revenues over expenditures	95,086	95,086
OTHER FINANCING SOURCES (USES)		
Proceeds from long-term debt, net	-	-
Transfers in	-	-
Transfers out	-	-
	-	-
SPECIAL ITEM		
Proceeds from sale of assets	-	-
Net change in fund balances	95,086	95,086
Fund Balances, Oct. 1, 2023	456,310	456,310
FUND BALANCES, SEPT. 30, 2024	$ 551,396	$ 551,396

The notes to the financial statements are an integral part of this statement.

BONNEVILLE COUNTY LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds:	$	95,086
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as amortization expense.		
This is the difference between capital outlays of $0 and depreciation or amortization of $0 in the current period.		(139,867)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Pension expense not reflected in the governmental funds.		(51,277)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Interest Expense on Leased Assets		(16,647)
Principal on Leased Assets		183,514
Compensated absences		(10,130)
Net change in net position of governmental activities:	$	87,555

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NOTES TO THE FINANCIAL STATEMENTS

BONNEVILLE COUNTY LIBRARY DISTRICT
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For the Year Ended September 30, 2024

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BONNEVILLE COUNTY LIBRARY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bonneville County Library District is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the District conform to accounting principles generally accepted in the United States of America as applied to governments, except for the exceptions noted hereafter:

A. GENERAL

The financial statements listed in the table of contents have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The scope of the reporting entity is intended to cover those funds under the direct jurisdiction of the library board. Other governing boards, elected or appointed, that exercise substantial or total administrative and supervisory authority in their name are considered to be substantially autonomous from Bonneville County Library District government and are not included in this report.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The District's financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the District as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the government. The District's activities are governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The *Statement of Net Position* presents the District's non-fiduciary assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is restricted when constraints placed upon it is either externally imposed or is imposed by constitutional provisions or enabling legislation.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The District does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The financial transactions of the District are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for governmental, proprietary, and fiduciary funds. For governmental and proprietary funds, the emphasis is on major funds, with each displayed in a separate column.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental fund:

- **General Fund** - This fund is the principal operating fund of the District. It is used to account for all financial resources not required to be accounted for in another fund.

Governmental Fund Types

Governmental funds account for the District's general activities including current financial resources and are those through which most governmental functions of the District are financed. The District has the following governmental fund:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The District does not have any proprietary or fiduciary funds.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES OR NET POSITION

Following are the District's significant policies regarding recognition and reporting of certain assets, deferred outflows, liabilities, deferred inflows, and net position/fund balance.

Cash and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include pooled investments and certificates of deposit with original maturities greater than three months.

Receivables

Receivables include accrued amounts for sales taxes and delinquent property taxes. Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Household Fees Receivable

Household fees are assessed in September of each year and become payable on December 31 and June 30 of the following year.

Household fees are collected by Bonneville County from taxpayers and attach as an enforceable lien as of December 31 following levy in September. Therefore, no amount has been set aside for an allowance of doubtful accounts.

Capital Assets

Capital assets purchased in governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Long-term Obligations

In the government-wide statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Position/Fund Balances

The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position on the government-wide statement and fund balance on the governmental fund statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position or fund balance that applies to a future period. For the year ended September 30, 2024 the deferred outflows are $160,037 (see note 4 for detail of outflows of resources).

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position or fund balance that applies to a future period, or periods, so it will not be recognized as an inflow of resources until that time. The District has an item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, revenue unavailable for use is reported only in the governmental funds Balance Sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonspendable and Spendable Fund Balances

Fund balance is separated into nonspendable and spendable fund balance. The following is a list of nonspendable and spendable fund balance designations for Bonneville County Library District.

Nonspendable: This designation segregates fund balances that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted: This designation segregates a portion of the fund balance when constraints have been placed on the use of the resources either externally by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed: This designation indicates a portion of the fund balance which can only be used for specific purposes pursuant to constraints imposed by formal action of the Library Board. It cannot be used for any other purpose unless the Library Board removes or changes the specified use by taking the same type of action it employed to previously commit it.

Assigned: This designation indicates a fund balance that can only be spent for purposes officially delegated by authority (budget) or is constrained by governmental intent but is not restricted or committed.

Unassigned: This designation indicates a fund balance is not assigned to any specific purpose or is a negative fund balance. The District may use the positive unassigned fund balance for expenditures in subsequent fiscal years.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District generally uses restricted fund balance first, then unrestricted

F. BUDGETS AND BUDGETARY ACCOUNTING

The Idaho Constitution and the Idaho Department of Revenue and Taxation prescribe the budget process and procedures for governmental subdivisions. The Bonneville County Library District has satisfied the basic requirements prescribed in the following particulars:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1) Formulation of subsequent year budget requirements by internal District officers and personnel.

2) Perusal of formulated budgets by the Library Board of Trustees.

3) Presentation of preliminary and final budget requirements in formal news media of the District.

4) Open hearings to permit taxpayer input before such budgets are formally adopted.

Subsequent control budgets following adoption are accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officers and employees for management purposes. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The District does not maintain a formal encumbrance accounting system.

G. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Accumulated unpaid vacation are not accrued in governmental funds on the modified accrual basis of accounting. At September 30, 2024, under the District's policy there was a liability for leave time accumulations of $37,671, which is considered normal to the District's operation.

Vacation and compensatory leave are recorded as expenditure when used in governmental funds and as an expense when earned in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

H. REVENUES

Under the modified accrual basis of accounting, revenues are recognized in governmental funds when "measurable and available." Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Bonneville County Library District considers household fee revenues to be "available" if they are collected within 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues including donations, are considered to be available if they are collected within 30 days after year-end. Proceeds of long-term debt and acquisitions under operating leases are reported as other financing sources.

In the government-wide statements, revenues are recognized when earned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. EXPENDITURE/EXPENSE RECOGNITION

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired.

In the government-wide statements, expenses are recorded when the related liability is incurred.

When an expenditure or expense is incurred for purposes for which both restricted and unrestricted resources are available, the District generally uses restricted resources first, then unrestricted resources.

When an expenditure is incurred for purposes for which unrestricted fund balance is used, the District generally uses committed first, then assigned and then unassigned fund balance.

J. USE OF ESTIMATES

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

K. LEASES

The District accounts for leases in accordance with GASB 87. The District is a lessee in operating leases for operating space. Leases are evaluated using the criteria outlined in GASB 87 to determine whether they will be classified as operating leases or finance leases. The District determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The District determines if an arrangement conveys the right to use an identified assets and whether the District obtains substantially all of the economic benefit from and has the ability to direct the use of the asset. The District recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease. At September 30, 2024, operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheet.

Lease liabilities: a lease liability is measured based on the present value of its future lease payments. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the District uses its incremental borrowing rate. The District's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow ana mount equal to the lese payments under similar terms and in a similar economic environment and geographic location.

ROU assets: a ROU assets is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability, plus (minus) unamortized initial direct costs, plus (minus) any prepaid (accrued lease payments), less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease of the term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

2. CASH AND INVESTMENTS

Cash deposits and investments by the District as of September 30, 2024, totaled $585,754.

The deposits and simple investments are not collateralized nor are they required to be by Idaho state statute.

The District follows the requirements of the Idaho Public Depository Law (Idaho Code Section, Title 57-100), and applicable investment rights and restrictions cited by Idaho Code Section, Title 67, 67-1210.

Deposits
At year end, the carrying amount of the District's deposits in financial institutions was $585,754 and the bank balance was $602,875. $352,443 of the demand deposits were not covered by FDIC or SIPC insurance at year end.

3. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Leased Buildings	904,887	-	-	904,887
Total capital assets being amortized	904,887	-	-	904,887
Less: accumulated amortization	(279,734)	(139,867)	-	(419,601)
Total, net of accumulated amortization	625,153	(139,867)	-	485,286

4. PENSION PLAN

Plan Description

The District contributes to the Base Plan, which is 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.

4. PENSION PLAN (Continued)

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement of 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 police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The District's contributions were $42,068 for the year ended June 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 .00564912 percent.

For the year ended September 30, 2024, the District recognized pension expense/(revenue) of $93,345. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

4. PENSION PLAN (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,643	$ -
Changes in assumptions or other inputs	8,371	-
Net difference between projected and actual earnings on pension plan investments	(3,836)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	110,742	-
District contributions subsequent to the measurement date	11,117	-
Total	$ 160,037	$ -

$160,037 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023 is 4.4 and 4.4 for the measurement period June 30,2024.

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

Year ended June 30:	
2025	$ 3,081
2026	$ 11,639
2027	$ (2,007)
2028	$ (1,435)

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.

4. PENSION PLAN (Continued)

Actuarial Assumptions (continued)

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 (net of investment expenses)	6.35%
Net 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%
Disabled Members – Males Pub-2010 Disable Tables, increased 38%
Disabled Members – Females Pub-2010 Disable Tables, increased 36%

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

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

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

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

4. PENSION PLAN (Continued)

Actuarial Assumptions (continued)

Asset Class	2024
Cash	0.00%
Fixed Income	30.00%
US/Global Equity	55.00%
International Equity	15.00%
Total	100.00%

Discount Rate

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

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35%, 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%) or 1-percentage-point higher (7.35%) 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)	$401,562	$211,314	$55,929

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.

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.

5. LITIGATION AND CONTINGENT LIABILITIES

The District is not presently in active litigation. There are no claims pending against the District that are expected to expose the District to losses beyond the insurance protection provided.

6. LONG-TERM DEBT AND LEASES

The District has obligations as a lessee for operating space with initial noncancelable terms in excess of one year. Payments due under the lease contracts include the following:

	District's incremental borrowing rate		Present value of remaining lease term
Building located in Ammon with a lease term of 7 years, terminable if funding fails with notice to landlord. Monthly payments are variable with increases in from $10,500 in year 1 to $12,250 in year 7.	3.97%	$	485,285
Building located in west Idaho Falls with a lease term of 3 years, terminable if appropriation of funds fails, with monthly payments of $1,610.	4.25%	$	-

Future minimum lease payments for operating leases as of September 31, 2024 were as follows:

2025	133,000
2026	136,500
2027	140,000
2028	143,500
2029	147,000
Thereafter	-
Total Lease payments	700,000
Less: present value adjustment	(214,715)
Present value of lease liabilities	485,285

7. RELATED PARTY TRANSACTIONS

The District has not been directly involved in related party transactions that would violate the Idaho Code or Federal Regulations.

8. MATERIAL VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

There are no known violations of direct finance-related legal and contractual provisions.

9. RISK MANAGEMENT

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty and liability coverage through commercial insurance carriers and from participation in a risk pool. The District's participation in the risk pool is limited to paying premiums for its general liability insurance coverage. Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in coverage from that of the previous year.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this report. There are no known subsequent events that will have a material impact on the operation of the District.

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REQUIRED SUPPLEMENTARY INFORMATION

BONNEVILLE COUNTY LIBRARY DISTRICT
BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the year ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCES Favorable (Unfavorable)
	ORIGINAL	FINAL	ACTUAL	Final to Actual
REVENUES				
Household fees	**$** 1,250,000	**$** 1,250,000	**$** 1,297,176	**$** 47,176
Donations	3,000	3,000	2,524	(476)
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	20,000	20,000	43,862	23,862
Charges for services	900	900	6,859	5,959
Investment earnings	4,800	4,800	13,329	8,529
Miscellaneous	-	-	-	-
	1,278,700	1,278,700	1,363,750	85,050
EXPENDITURES				
Current:				
General government	1,278,700	1,278,700	1,268,664	10,036
Debt Service:				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	-	-	-	-
	1,278,700	1,278,700	1,268,664	10,036
Excess (deficiency) of revenues over expenditures	-	-	95,086	95,086
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	-	-
SPECIAL ITEM				
Proceeds from sale of capital assets	-	-	-	-
Net change in fund balances	-	-	95,086	95,086
Fund Balances, Oct. 1, 2023	456,310	456,310	456,310	-
FUND BALANCES, SEPT. 30, 2024	$ 456,310	$ 456,310	$ 551,396	$ 95,086

BONNEVILLE COUNTY LIBRARY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

1. The legally adopted budget for Bonneville County Library District is based on the modified accrual basis of accounting.

2. Higher operating expenses may be reflected on the GAAP basis if equipment was purchased at year-end with a partial payment budgeted in the current year and an account payable booked to reflect the final payment in the subsequent year's budget.

3. Actual expenditures did not exceed budgeted amounts in the general fund.

BONNEVILLE COUNTY LIBRARY DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
Last 10 Fiscal Years*

	PERSI BASE PLAN				
Fiscal Year	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0056491%	$ 211,314	$ 407,360	51.87%	85.54%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30 each year.

BONNEVILLE COUNTY LIBRARY DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
Last 10 Fiscal Years*

	PERSI BASE PLAN				
Fiscal Year	Statutorily Required Contribution	Contribution in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2024	$ 30,951	$ 30,951	$ -	$ 407,360	7.60%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of September 30 each year.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PERSI – BASE PLAN
For the Year Ended September 30, 2024

Methods and Assumptions Used in Calculations of Actuarily Determined Contributions

The actuarially determined contribution rates in the employer's contributions are calculated as of June 30, 2024. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	PERSI Base Plan
Valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll open
Remaining amortization period	10.8 years
Asset valuation method	Fair Market value
Actuarial assumptions:	
Investment Rate of Return *	6.35%
Projected salary increases including inflation	3.05%
Postretirement benefit increase	1.00%
Implied price inflation rate	2.30%
Discount Rate – Actuarial Accrued Liability	6.35%

* net of investment expenses

SUPPLEMENTARY INFORMATION

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Trustees
Bonneville County Library District
Ammon, Idaho

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 of Bonneville County Library District, Ammon, Idaho, 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, and have issued our report thereon dated January 14, 2025.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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, as defined above, that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bonneville County Library District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Rexburg • Idaho Falls

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 result 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.

Searle Hart + Associates PLLC

Rexburg, Idaho
January 14, 2025