COMMUNITY LIBRARY NETWORK & COOPERATIVE INFORMATION NETWORK

AUDITED FINANCIAL STATEMENTS

Year Ended September 30, 2024

Prepared By

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITOR'S REPORT

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Community Library Network & Cooperative Information Network
Hayden, ID 83835

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of Community Library Network and each major fund, and the business-type activities of the component unit, Cooperative Information Network, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Community Library Network's and Cooperative Information Network's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Community Library Network and each major fund, and the business-type activities of the component unit, Cooperative Information Network, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Community Library Network and Cooperative Information Network and to meet our 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 Community Library Network's and Cooperative Information Network's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2025 on our consideration of Community Library Network's and Cooperative Information Network's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Library Network's and Cooperative Information Network'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 Community Library Network's and Cooperative Information Network's internal control over financial reporting and compliance.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, Idaho
September 8, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Community Library Network & Cooperative Information Network

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

As management of the Community Library Network (the "District") and Cooperative Information Network (component unit of Community Library Network), we offer readers of the District's and Component Unit's financial statements this narrative overview and analysis of the financial activities of the District and Component Unit for the fiscal year ended September 30, 2024.

FINANCIAL HIGHLIGHTS

Several income lines have surpassed budget projections for the fiscal year ending September 30, 2024, largely due to flooding in two of the seven libraries in January 2024. While the resulting repairs were covered by insurance, regular operating expenditures remained below budget despite this unexpected event.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the District's and Component Unit's basic financial statements, which have four components:

1. Government-wide financial statements,
2. Fund financial statements,
3. Component unit financial statements,
4. Notes to the financial statements

This report also contains required supplementary information in addition to the basic financial statements themselves.

The District operates two types of funds – a general fund (which reports standard operations of the District) and a debt service fund (which reports bond-related information).

The Component Unit operates one business type fund.

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 39 of this report.

Required supplementary information further explains and supports the financial statement by including a comparison of the District's budget data for the year.

Government-wide Financial Statements

The government-wide statements report information about the District and the Component Unit as a whole using accounting methods similar to those used by private-sector companies. The two government-wide statements report the District's and the Component Unit's net position and how they have changed.

Component Unit information is discreetly presented in the government-wide statements.

The *statement of net position* (similar to what is commonly known in private industry as a balance sheet) presents information on the District's and Component Unit's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in the District's and Component Unit's net position are one indicator of whether their financial position is improving or deteriorating, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Current assets include cash and cash equivalents in bank accounts, and taxes receivable. Capital assets report cost of property, equipment, and books and material collections owned by the District and Component Unit net of accumulated depreciation on these assets.

Short-term liabilities are amounts owed by the District and Component Unit and include accounts payable and accrued interest. The District's only long-term liability is for the bonds that were sold in October 2005, pursuant to citizens' approval in August 2005. See note 5 on pages 32-33 in the notes to the financial statements for additional information about this bond. The Component Unit does not have long-term liabilities.

Net position: is the mathematical difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources and is separated into three categories: Net investment in capital assets, restricted and unrestricted.

The *statement of activities* (similar to what is commonly known as an income statement in private industry) presents information showing how the government's net position changed during the most recent fiscal year. As one would expect, activities of the District are not self-supporting and this statement clearly shows that the District provides services to its "customers", rather than generates income from them – as is its mission. During the current year the Component Unit recognized operating income of $48,031.

Government-wide financial statements can be found on pages 12 - 14 of this report.

In the government-wide financial statements, the District's activities are all classified as governmental activities, as the District has only governmental type funds, the general fund, and debt service fund. Their component unit, the Cooperative Information Network, is classified as a business-type fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Community Library Network and Cooperative Information Network, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Community Library Network maintains two (2) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered to be major funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Community Library Network adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement for its general fund has been provided to demonstrate compliance with these budgets.

Proprietary Funds – The Component Unit maintains one proprietary fund. This fund is used to account for member contributions and related operating expenses.

FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows of resources by $8,827,343 as of September 30, 2024. The following Table 1 presents a summary of the District's net position for the years ended September 30, 2024 and 2023.

Table 1
Community Library Network
Statements of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current and other assets	$ 4,609,102	$ 3,831,818
Capital assets, net of accumulated depreciation	6,350,135	6,324,734
Other long-term assets	7,848	9,571
Total assets	10,967,085	10,166,123
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	431,874	842,473
LIABILITIES		
Long-term liabilities outstanding	405,615	629,961
Net pension liability	1,796,333	2,094,213
Other liabilities	224,419	132,533
Total liabilities	2,426,367	2,856,707
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	145,249	47,909
NET POSITION		
Net investment in capital assets	6,080,992	5,800,345
Restricted for grants and HRA	135,265	326,868
Unrestricted	2,611,086	1,976,767
Total net position	$ 8,827,343	$ 8,103,980

By far the largest portion of the District's net position reflects its investment in capital assets (e.g. buildings and real property, equipment and furniture and fixtures).

FINANCIAL ANALYSIS (continued)

Net Position (continued)

Cooperative Information Network's assets exceeded liabilities by $107,485 as of September 30, 2024. The following Table 2 presents a summary of the Component Unit's net position for the years ended September 2024 and 2023.

Table 2
Cooperative Information Network
Statements of Net Position
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current and other assets	$ 121,688	$ 70,545
Total assets	121,688	70,545
LIABILITIES		
Other liabilities	14,203	11,091
Total liabilities	14,203	11,091
NET POSITION		
Unrestricted	107,485	59,454
Total net position	$ 107,485	$ 59,454

FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position

The District's total revenues for the fiscal year ended September 30, 2024, were $7,061,406. Total expenses were $6,338,043 resulting in an increase of $723,363 in net position. Table 3 shows the changes in net position for the fiscal year's ended September 30, 2024, and 2023.

Table 3
Community Library Network
Changes in Net Position
For the Years Ending September 30, 2024 and 2023

	2024	2023
REVENUES		
Program revenues:		
Charges for services	$ 28,429	$ 34,192
Capital and operating grants and contributions	25,780	52,384
	54,209	86,576
General revenues:		
Taxes and assessments	5,401,109	5,177,457
Intergovernmental revenue	279,144	309,303
Other revenue	1,227,293	17,037
Interest	99,651	57,991
Total general revenues	7,007,197	5,561,788
Total revenues	7,061,406	5,648,364
EXPENSES		
General library services	5,290,820	5,260,359
Youth Programs	29,291	43,972
Adult programs	10,787	21,462
Outreach	13,035	24,385
Interest expense	23,348	32,113
Amortization expense	1,723	1,723
Defined benefit plan expense	472,750	543,446
Loss on disposal of assets	496,289	
Total expenses	6,338,043	5,927,460
CHANGES IN NET POSITION	$ 723,363	$ (279,096)

FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (continued)

Cooperative Information Network's total revenues for the fiscal year ended September 30, 2024, were $325,782. Total expenses were $277,751 resulting in an increase of $48,031 in net position. Table 4 shows the changes in net position of the Component Unit for the fiscal year's ended September 30, 2024, and 2023.

Table 4
Cooperative Information Network
Changes in Net Position
For the Years Ending September 30, 2024 and 2023

	2024	2023
REVENUES		
Program revenues:		
Charges for services	$ 325,782	$ 329,194
Total revenues	325,782	329,194
EXPENSES		
Program expenses	277,751	324,635
CHANGES IN NET POSITION	$ 48,031	$ 4,559

Governmental Activities – Fund Statements

The District completed the year with a total governmental unassigned fund balance of $3,391,323, which is up from the prior year unassigned fund balance by $1,121,804.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District received $29,137 more in property taxes (which includes personal property tax replacement and property tax relief) than budgeted in 2024. Intergovernmental revenues were below budget expectations by $83,939.

Operating expenditures came in under budget, primarily due to several factors: unspent line items resulting from Federal and State support for internet connectivity, staff layoffs, staff vacancies, and conservative spending practices.

In January 2024, flooding occurred at the Athol and Post Falls libraries following a cold snap that caused pipes to freeze. As a result, the Community Library Network (CLN) received $1,152,880.88 in insurance reimbursements by September 30, 2024. A total of 40,378 items were destroyed in the floods, with an average value of $19 each, resulting in a collection loss valued at approximately $767,182. The majority of the damaged materials were CDs and audiobooks, which were replaced through Overdrive, CLN's digital platform for audiobooks. The remaining collections from Athol and Post Falls were packed and stored in leased space. District staff from the Post Falls branch worked from the leased location through the end of the fiscal year. A mini-library remained operational in the undamaged portion of the Post Falls library during repairs, while in Athol, the Bookmobile was stationed in the parking lot to provide ongoing library services. Repair and maintenance expenses for both libraries significantly exceeded budgeted amounts due to flood-related damage; however, these costs were covered by the insurance payout.

Legal and professional services were reported together in the income statement. Legal services totaled $73,426, while professional services amounted to $30,195. Combined, this line item ended at 126% of budget. Despite this overage, overall actual expenditures for the fiscal year remained below budget. Capital expenditures included the Hayden roof project.

Grant revenues and associated expenditures were both under budget. Grant spending does not always align with revenue timing, as many grants operate on funding cycles that differ from CLN's fiscal year. As such, grant expenditures and revenues often do not match within the same reporting period. Additionally, seventy-four open restricted grants were reviewed. With the related programs completed, the remaining funds were reclassified as unrestricted. This reallocation enabled the formal closure of all seventy-four grants.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has invested approximately $15 million in a broad range of capital assets, including buildings, land, vehicles, collections, equipment and furniture & fixtures. Total accumulated depreciation on these assets amounts to $8,649,887 on September 30, 2024. The component unit does not have capital assets.

Asset acquisitions for the District totaled $1,216,721 for the current fiscal year.

See note 4 on pages 31-32 in the notes to the financial statements detailing changes in capital assets.

Long-term Debt

At the end of the fiscal year, Community Library Network had total bonded debt outstanding of $265,000 of which $265,000 is payable within one year. The component unit does not have long-term debt.

The amount of long-term bonded debt retired during the fiscal year ending September 30, 2024, was $255,000. Also included in long-term debt at fiscal year-end is a liability for compensated absences in the amount of $134,318.

See note 5 on pages 32-33 in the notes to the financial statements for detail changes in long-term debt.

ECONOMIC FACTORS AND CONDITIONS CONSIDERATION

It continues to be important that the Trustees monitor the replacement of aging equipment, vehicles and fixtures within the District. Property tax collections were stable during the year, although real estate values in the District are seeing significant increases. It is anticipated that the Board of Trustees will carefully consider the need to use the 3% budget increase allowed by law, as well as considering service cost increases due to inflation.

Cooperative Information Network - CIN, a component-unit of CLN, is a company managing the automation systems and courier service for 14 additional libraries, as well as for the Community Library Network. Fiscal year 2023-2024 was a stable year of operations for CIN.

Community Library Network & Cooperative Information Network

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024

FACTORS BEARING ON THE DISTRICT AND THE COMPONENT UNIT

The major factor which may bear on the District in the immediate future is the increase in new construction values, aging facilities and systems including HVAC, roofing, data, and electrical in need of repair or replacement. Thirteen employees were laid off in August 2024 in order to increase wages for the remaining staff to market value as of September 25, 2024. In order to not fall below market wages again it is important to maintain cost of living increases and step increases.

CONTACTING THE DISTRICT'S OR COMPONENT UNIT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's and the Component Unit's finances and to demonstrate their accountability for the resources it receives. If you have questions about this report or need additional information, please contact Community Library Network. The mailing address is 821 N Spokane Street, Post Falls, ID 83854 or stop by the District office which is located at the same address. The District's telephone number is 208-773-1506; email martinw@communitylibrary.net.

BASIC FINANCIAL STATEMENTS

Community Library Network & Cooperative Information Network
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government	Component Unit
	Governmental Activities	Cooperative Information Network
ASSETS		
Cash and cash equivalents	$ 4,051,868	$ 27,694
Restricted cash	135,265	-
Receivables	421,969	10,061
Prepaid expenses	-	83,933
Capital assets not being depreciated	277,297	-
Capital assets, net of accumulated depreciation	6,072,838	-
Right-to-use asset, net of amortization	7,848	-
Total assets	10,967,085	121,688
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	431,874	-
LIABILITIES		
Cash overdraft	36,197	-
Accounts payable and accrued expenses	124,319	14,203
Accrued payroll	58,160	-
Accrued interest	3,900	-
Noncurrent liabilities:		
Due within one year	265,243	-
Due within one year, lease liabilities	1,843	-
Due in more than one year	134,318	-
Due in more than one year, lease liabilities	6,054	-
Net pension liability	1,796,333	-
Total liabilities	2,426,367	14,203
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	145,249	-
NET POSITION		
Net investment in capital assets	6,080,992	-
Restricted grants and donations	135,265	-
Unrestricted	2,611,086	107,485
Total net position	$ 8,827,343	$ 107,485

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental Activities				
General library services	$ 5,290,820	$ 28,429	25,780	$ -
Youth programs	29,291	-	-	-
Adult programs	10,787	-	-	-
Outreach	13,035	-	-	-
Interest on long-term debt	23,348	-	-	-
Amortization expense	1,674	-	-	-
Defined benefit plan (income) expense	472,750	-	-	-
Total governmental activities	$ 5,841,705	$ 28,429	$ 25,780	$ -
Component unit:				
Cooperative Information Network	$ 277,751	$ 325,782	$ -	$ -
Total component unit	$ 277,751	$ 325,782	$ -	$ -

General revenues:
- Property taxes, levied for general purposes
- Property taxes, levied for bond payment
- Intergovernmental revenue
- Other revenue
- Interest and investment earnings
- Insurance proceeds
- Loss on disposal of capital assets

Total general revenues

Change in net position

Net position - October 1, 2023

Net position - September 30, 2024

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Cooperative Information Network
$ (5,236,611)	$ -
(29,291)	-
(10,787)	-
(13,035)	-
(23,348)	-
(1,723)	
(472,750)	-
(5,787,545)	-
-	48,031
-	48,031
5,122,709	-
278,400	-
279,144	-
45,424	-
99,651	-
1,181,869	-
(496,289)	
6,510,908	-
723,363	48,031
8,103,980	59,454
$ 8,827,343	$ 107,485

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
September 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	$ 4,051,868
Restricted cash	135,265
Accounts receivable	106,768
Property tax receivable	315,201
Total assets	$ 4,609,102
LIABILITIES	
Cash overdraft	36,197
Accounts payable and accrued expenses	124,319
Accrued payroll	58,160
Total liabilities	218,676
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	293,489
Total deferred inflows of resources	293,489
FUND BALANCES	
Restricted grants and donations	135,265
Assigned for capital asset repair and replacement	570,349
Unassigned	3,391,323
Total fund balances	4,096,937
Total liabilities, deferred inflows of resources and fund balances	$ 4,609,102

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances at September 30, 2024 - Governmental Funds		$ 4,096,937
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		6,350,135
Intangible assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		7,848
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore, are not reported in the funds:		
Deferred outflows of resources-pension plan		431,874
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Elimination of unavailable revenue - property taxes		293,489
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore, are not reported in the funds:		
Deferred inflows of resources-pension plan		(145,249)
Net pension liability		(1,796,333)
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of:		
Accrued interest on bonds	(3,900)	
Bond premium (net of amortization)	(243)	
Bonds payable	(265,000)	
Long-term leases payable	(7,897)	
Compensated absences	(134,318)	(411,358)
Net position of governmental activities at September 30, 2024		$ 8,827,343

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENT FUNDS
For the Year Ended September 30, 2024

	General Fund	Debt Service Fund	Total
REVENUES			
Property taxes	$ 5,106,600	$ -	$ 5,106,600
Bond levy taxes	-	278,400	278,400
Intergovernmental revenue	279,144	-	279,144
Grants	25,780	-	25,780
Interest	99,651	-	99,651
Other revenue	73,853	-	73,853
Total revenues	5,585,028	278,400	5,863,428
EXPENDITURES			
Personnel expense	3,657,487	-	3,657,487
Operating expense	1,182,918	-	1,182,918
Grant expense	38,445	-	38,445
Capital outlay	1,216,721	-	1,216,721
Debt service:			
Principal payments	1,806	255,000	256,806
Interest	194	23,400	23,594
Total expenditures	6,097,571	278,400	6,375,971
EXCESS OF REVENUES OVER EXPENDITURES	(512,543)	-	(512,543)
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	1,181,869	-	1,181,869
NET CHANGE IN FUND BALANCES	669,326	-	669,326
FUND BALANCES, beginning	3,427,611	-	3,427,611
FUND BALANCES, ending	$ 4,096,937	$ -	$ 4,096,937

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
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

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - total governmental funds	$	669,326
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital Outlay		1,216,721
Depreciation		(695,031)
Loss on disposal of capital assets		(496,289)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Difference between property taxes on modified accrual basis versus accrual basis		16,109
Amortization of intangible assets is recognized as an expense in the statement of activities		(1,723)
The issuance of long-term debt (e.g., bonds, leased) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal payments considered as an expenditure		256,806
Change in accrued interest		-
Bond Premium Amortization		246
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase)/ Decrease in Compensated Absence Liability		(32,743)
The net pension effect related to the pension expense recognized for the year.		
PERSI contributions		262,691
Defined benefit plan expense		(472,750)
Change in net position of governmental activities	$	723,363

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
STATEMENT OF NET POSITION
COMPONENT UNIT
September 30, 2024

ASSETS		
Current assets:		
Cash and cash equivalents	$	27,694
Accounts receivable		10,061
Prepaid expenses		83,933
Total current assets		121,688
LIABILITIES		
Current liabilities:		
Cash overdraft		-
Accounts payable		14,203
Total current liabilities		14,203
NET POSITION		
Unrestricted		107,485
Total net position	$	107,485

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNIT
For the Year Ended September 30, 2024

OPERATING REVENUES	
Community Library Network member contributions	$ 80,176
Coeur d'Alene member contributions	24,447
Other member contributions	40,084
EBooks-membership	10,000
EBooks-member contributions	171,075
Total operating revenues	325,782
OPERATING EXPENSES	
Supplies	123,043
Courier services	72,411
System maintenance	56,735
EBSCO Discovery	9,703
Ebooks	10,000
Professional fees	3,859
Other operating expenses	2,000
Total operating expenses	277,751
OPERATING INCOME	48,031
CHANGE IN NET POSITION	48,031
NET POSITON, beginning of year	59,454
NET POSITION, end of year	$ 107,485

See accompanying notes to the financial statements and independent auditors' report.

Community Library Network & Cooperative Information Network
STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$335,760
Payments to suppliers	(345,654)
Net cash provided (used) by operating activities	(9,894)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,894)
CASH, beginning of year	37,588
CASH, end of year	$ 27,694
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (Loss)	$ 48,031
Adjustments to reconcile operating income to net cash (used) by operating activities:	
(Increase) decrease in assets:	
Accounts receivable	9,978
Prepaid expenses	(71,015)
Increase (decrease) in assets:	
(Increase) decrease in accounts payable	3,112
Net cash provided (used) by operating activities	$ (9,894)

See accompanying notes to the financial statements and independent auditors' report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Community Library Network (the "District") was formed in 1985, and has branches in Post Falls, Athol, Harrison, Hayden, Pinehurst, Rathdrum, Spirit Lake, and an Outreach Branch (which includes the Bookmobile). The District is a political subdivision of the State of Idaho but is not part of State or County Government. The Community Library Network's mission statement is: "We Empower Discovery." The Community Library Network reflects our local communities through quality programs, services, and materials. The Board of Trustees and talented staff members believe in and offer lifelong learning opportunities in a customer-focused environment. People visiting the Community Library Network find beautiful buildings and virtual worlds that serve as social and learning centers with up-to-date tools for informational and recreational needs. Our libraries foster a love of reading, build intellectual self-confidence, and encourage life-long learning. People of all walks of life enjoy enriching experiences delivered within our libraries and in our communities. We are a dynamic, collaborative community leader, helping those who seek information and ideas to become better-informed citizens. The District operates under the Board of Trustees form of government, and record-keeping is centralized in the administrative offices at the District's administrative center.

Cooperative Information Network (CIN) is a component unit of the District, providing automation system services to its members. CIN's revenue sources are user fees paid by the District and various libraries and/or school districts in Kootenai, Shoshone, and Benewah Counties in Idaho, Liberty Lake Municipal Library, in Spokane County, and Pend Oreille County Library District, in Pend Oreille County, WA. No significant financial transactions occurred during the year between the primary government and CIN, other than the District's payment of its user fees. CIN has no debt.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Library District consists of all funds, departments, boards and agencies that are not legally separate from the District. For Community Library Network this includes general operations.

The financial statements of Community Library Network have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District has two governmental funds, the general fund and debt service fund. The general fund and debt service fund are considered major funds by the District.

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to the laws of the state of Idaho

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Debt Service Fund – The debt service fund accounts for the accumulation of financial resources (i.e., taxes) for payment of principal and interest on the District's bond payable. The District levies taxes annually for retirement of the bonds, and this fund reports taxes collected to service the debt.

The Component Unit (CIN) has one fund, a proprietary fund.

Proprietary Funds – Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. CIN has only one proprietary fund, which accounts for all its activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Basis of Presentation

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The District has activities that are considered to be governmental as opposed to business-type activities. The District's component unit, Cooperative Information Network (CIN), is included on the statement of net position. Cooperative Information Network has activities that are considered to be business-type activities. Assets and liabilities of both the primary government and component unit are presented in order of their relative liquidity.

The statement of activities reports expenses of a given function of the District (an assembly of similar activities), offset by program revenues directly connected with the function. Functional programs of the primary government are general library services, children's programs, and outreach/bookmobile.

Program revenues are: 1) charges for services (charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided, such as fines for overdue books, copy machine charges, and fees for lost books), 2) operating grants and contributions (funds provided by persons or organizations which may be used to defray program-specific operating expenses), and 3) capital grants and contributions (funds provided by persons or organizations to purchase, construct, and/or renovate capital assets associated with a specific program). Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

The government-wide statements are prepared using the economic resources measurement focus and accrual basis of accounting (where revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows). Property tax revenue is recognized in the year for which it is levied, while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements use the current financial resources measurement focus, and modified accrual basis of accounting – where revenues are recognized when they are both measurable and available. "Available" means material amounts collectible within the current period or soon enough thereafter to pay current liabilities and the District considers this to be within 60 days of the end of the fiscal year. The governmental fund revenue source susceptible to accrual is property taxes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Expenditures, including general obligation bond principal and interest, are recorded when the related liability is incurred.

Component unit (CIN) financial statements use the economic resources measurement focus, and accrual basis of accounting.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental fund statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on sources (i.e., revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before it can be recognize

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available in advance, sales tax, interest, grants, and rentals.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of CIN are charges for services. The principal operating expenses for CIN include system maintenance, courier services, supplies and other operating expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Cash Equivalents

In the general fund, cash received by the District is pooled for investment purposes and is presented as "Cash and Cash Equivalents" on the financial statements.

For presentation in the financial statements, investments in the cash management pool and investments with an original maturity of six months or less, at the time they are purchased by the District, are considered to be cash equivalents. Investments with an initial maturity of more than six months are reported as investments.

Receivables

Accounts receivable for CIN consist primarily of amounts due Cooperative Information Network from members. Accounts receivable for Community Library Network are primarily property taxes, sales tax, penalty and interest and business management fee due to CLN from Cooperative Information Network.

Prepaid Expenses

Prepaid items for Community Library Network consist primarily of collections paid in advance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

General capital assets usually result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of $2,500 on capital assets with estimated useful lives of more than one year except collections. Collections are capitalized and depreciated, as required by the GASB and are reported at cost. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	30 years
Equipment and Furniture	5 years
Shelving	10 years
Bookmobiles	10 years
Collections	10 years

The District's component unit, CIN, owns no capital assets.

Compensated Absences

Vacation leave is available for those who receive paid vacation and accrues monthly. All new employees are subject to a 90-day probationary period. During this period, vacation is not accrued or granted. After their probation period, all employees accrue vacation based on the number of hours per week for which they were hired. (See vacation tables.) During the calendar year, employees might accrue more vacation time than their accrual limit. Hours over the accrual limit are forfeited on December 31st. Whenever someone leaves the District employment, they will receive paid compensation for vacation hours accrued up to their accrual limit.

The entire compensated absence liability is reported on the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

Vacation Tables:

Administrative Team

Length of Service	Accrual	Accrual Limit
1-4 years	120 Hours per year	180 Hours
5-9 years	144 Hours per year	216 Hours
10-14 years	168 Hours per year	252 Hours
15-19 years	180 Hours per year	270 Hours
Over 20 years	192 Hours per year	288 Hours

Full-time employees not part of Administrative Team

Length of Service	Accrual	Accrual Limit
1-4 years	96 Hours per year	144 Hours
5-9 years	120 Hours per year	180 Hours
10-14 years	144 Hours per year	216 Hours
15-19 years	168 Hours per year	252 Hours
Over 20 years	180 Hours per year	270 Hours

Eligible Part-time employees

Hours worked per week	Accrual	Accrual Limit
33-39 Hours	6 Hours per month	72 Hours
27-32 Hours	5 Hours per month	60 Hours
24-26 Hours	4 Hours per month	48 Hours
18-23 hours	3 Hours per month	36 Hours
10-17 Hours	2 Hours per month	24 Hours
1-9 Hours	1 Hour per month	12 Hours

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does have items that qualify for reporting in this category. Note 7 outlines the deferred outflows of resources associated with the pension base plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of these items, which arise under the government-wide accrual basis of accounting that qualifies for reporting in this category and one item, which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other item (reported in the government-wide statements) is an amount related to the pension base plan. See note 7 for details on the pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balance Policies / Flow Assumptions

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Non-spendable Fund Balance — includes amounts that are: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance — includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance — includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board of Trustees of the District. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

Assigned Fund Balance — includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by: (a) District Board of Trustees, or (b) a body (a budget, finance committee, or District Manager and Chief Financial Officer) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted, or committed.

Unassigned Fund Balance — includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Policies / Flow Assumptions (continued)

The District developed and adopted a comprehensive general fund - fund balance policy whereby the District will maintain a general fund – fund balance of not less than the first quarter's operating expenditures.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). 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 government'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.

Net Position Flow Assumptions

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Program Revenues

Amounts reported as 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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes levied for 2023 are recorded as receivables. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent that they are collected within 60 days of year end, in accordance with the modified accrual basis of accounting. Receivables collectible after the 60-day date are reflected in the fund financial statements as deferred inflows of resources. In the government-wide financial statements property taxes are recorded as revenue in the period levied, in accordance with the accrual basis of accounting.

The District's property tax is levied each November on the assessed value listed as of the prior September for all property located in the District. Assessed values are established by the County Assessor. Property tax payments are due in one-half installments in December and September. Since taxes remain collectable in perpetuity, management chooses to not recognize an allowance for uncollectible taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Pensions

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

Proprietary Funds Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

General

State statutes authorize the District's investments and deposits. The District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a financial institution, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of September 30, 2024, the District's deposits were exposed to custodial credit risk as follows:

NOTE 2 - CASH AND CASH EQUIVALENTS (concluded)

Custodial Credit Risk (continued)

Deposits without exposure to custodial credit risk:	
Amount insured by FDIC or other agencies	$ 3,964,099
Total deposits without exposure to custodial credit risk	3,964,099
Deposits with exposure to custodial credit risk:	
Amounts uninsured-exposed to custodial credit risk	320,349
Total bank balance (deposits)	$ 4,284,448
The carrying amount is displayed as follows in the financial statements:	
Statement of net position	
Cash and cash equivalents	$ 4,051,868
Restricted cash	135,265
	$ 4,187,133
Cash and Cash equivalents at September 30, 2024 consist of the following:	
Cash	
Deposits with financial institutions	$ -
Cash equivalents	
Insured cash sweep	3,476,039
Certificates of deposits	345,170
Money market funds	365,924
	$ 4,187,133

NOTE 3 - RECEIVABLES

Receivables at September 30, 2024 consist of the following:

Property taxes	$ 315,201
Sales tax	76,805
Misellaneous	29,963
	$ 421,969

NOTE 4 - CAPITAL ASSETS

Maintenance and repair costs which do not improve or extend lives of associated assets are written off currently as expense. When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized. Collections deleted each year are valued at an average cost, the average used for the fiscal year ending September 30, 2024 was $19.00 per item, based upon management's estimate. Works of art in the amount of $8,785 are not being depreciated, as their value is determined not to decrease, but rather potentially increase.

NOTE 4 - CAPITAL ASSETS (concluded)

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

	Balance 9/30/23	Increases	Decreases	Balance 9/30/24
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 268,512	$ -	$ -	$ 268,512
Art	8,785	-	-	8,785
CIP	18,343	-	10,000	-
Total capital assets, not being depreciated	295,640	-	10,000	277,297
Capital assets being depreciated:				
Buildings and improvements	9,165,933	747,706	836,211	9,085,771
Land improvements	53,045	-	-	53,045
Vehicles	478,301	-	-	478,301
Furniture and equipment	336,578	68,749	46,118	359,209
Collections	5,113,315	400,266	767,182	4,746,399
Total capital assets being depreciated	15,147,172	1,216,721	1,649,511	14,722,725
Less accumulated depreciation for:				
Buildings and improvements	5,305,732	229,096	353,626	5,180,199
Land improvements	32,100	2,795	-	34,895
Vehicles	439,633	6,939	-	446,572
Furniture and equipment	251,625	22,424	41,411	232,638
Collections	3,088,988	433,777	767,182	2,755,583
Total accumulated depreciation	9,118,078	695,031	1,162,219	8,649,887
Total capital assets being depreciated, net	6,029,094	521,690	487,292	6,072,838
Total governmental activities capital assets, net	$ 6,324,734	$ 521,690	$ 497,292	$ 6,350,135

Depreciation expense of $695,031 for the year ended September 30, 2024 was charged to the general library services governmental function.

NOTE 5 - CHANGES IN LONG-TERM DEBT AND CURRENT MATURITIES

In August, 2005, voters approved a 20-year $3,425,000 general obligation bond for facilities improvements. Bonds were sold in October, 2005, at a premium of $79,458. Management chose to reduce the premium by the total of bond issue costs ($74,541), because they provide no future economic benefit, and in fact simply reduced the total received when the bonds were sold. The balance of the premium ($4,917) will be amortized against bond interest expense using the straight-line method over the remaining life of the bonds (20 years). Interest on the bonds is due each February 1 and August 1 until 2025; interest rates vary from 3.5% to 4.5% over the life of the loan; principal payments are due each August 1. Carrying value of long-term debt approximates fair value as stated in the bond documents.

Scheduled payments on the bonds are as follows:

Year Ended September 30,	Principal	Interest	Total
2025	265,000	11,925	276,925
	$ 265,000	$ 11,925	$ 276,925

See accompanying independent auditors' report.

NOTE 5 - CHANGES IN LONG-TERM DEBT AND CURRENT MATURITIES (concluded)

The District assesses residents the current-year's principal and interest payment at the same time it levies normal property taxes. The bond resolution (#KSAL10062005-1) requires the District to maintain two funds – a construction fund; into which is deposited all proceeds of the bond sale, and from which all costs related to the project are paid, and a debt service fund; into which is deposited all taxes received for payment of the bond and related interest, and from which bond principal and interest payments are made as required. The construction fund was closed out at September 30, 2008; since all construction was complete. Initially, all proceeds of the bond sale were deposited into the District's LGIP account #2818. A separate checking account capital construction account was also opened for payment of bond construction related costs exclusively. Several certificates of deposit were purchased to maximize interest revenue, all of which matured during fiscal year ending September 30, 2007. The checking account and the balance in LGIP account #2818 collectively comprise the "construction account" required by the bond resolution. Property taxes received from Kootenai County for payment of bond principal and interest are deposited into the District's operating checking account and held either in that account or transferred to a money market account or the ICS account, until semiannual principal payments are due. The District does not have a separate bank account.

A summary of long-term debt is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year	Due in more than one year
Compensated absences	$ 101,575	$ 32,743	$ -	$ 134,318	$ -	$ 134,318
Bonds payable	520,000	-	255,000	265,000	265,000	-
Premium on bonds	489	-	246	243	243	-
	622,064	32,743	255,246	399,561	265,243	134,318

NOTE 6 – LONG-TERM LEASES PAYABLE – RIGHT-TO-USE ASSETS

The District entered into an agreement to lease land for 20 years from the Harrison Grange #422 beginning November 29, 2005. The lease terminates November of 2024. Under the terms of the lease, the District pays an annual fee of $1,500. All lease payments are made by the general fund.

The District entered into an agreement to lease land for 30 years from the City of Post Falls beginning August 10, 2010. The lease terminates August of 2039. Under the terms of the lease, the District pays an annual fee of $500. All lease payments are made by the general fund.

On September 30, 2024, the District recognized right-to-use assets of $38,440 and a lease liability of $7,897 related to the right-to-use assets. During the fiscal year, the District recorded $1,723 in amortization expense for the right-to-use assets. The amortization expense is allocated to secondary programs on the statement of activities. The District used an interest rate of 2% for the assets.

	Balance 9/30/2023	Increases	Decreases	Balance 9/30/2024
Governmental activities:				
Right-to-use assets:				
Land	$ 38,440	$ -	$ -	$ 38,440
Less accumulated amortization for:				
Land	28,869	1,723	-	30,592
Total right-to-use assets, net	$ 9,571	$ (1,723)	$ -	$ 7,848

See accompanying independent auditors' report.

NOTE 6 – LONG-TERM LEASES PAYABLE – RIGHT-TO-USE ASSETS (concluded)

Future payments on the lease agreements are as follows:

Year Ended September 30,	Principal	Interest	Total
2025	$ 1,843	$ 157	$ 2,000
2026	379	121	500
2027	387	113	500
2028	394	106	500
2029	402	98	500
2030-2034	2,135	365	2,500
2035-2039	2,357	143	2,500
	$ 7,897	$ 1,103	$ 9,000

NOTE 7 - PENSION PLAN

Plan Description

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

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

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (five 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 or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

NOTE 7 - PENSION PLAN (continued)

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of July 1, 2023, through June 30, 2024, the employee rate was 6.71% for general employees and 9.83% for police and firefighters. As of July 1, 2024, the employee rate increased to 7.18% for general employees and increased to 10.83% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters during the period July 1, 2023, through June 30, 2024. As of July 1, 2024, the employer rates for general employees decreased to 11.96% and increased for police and firefighters to 14.65%.

The District's contributions were $262,709 for the year ended September 30, 2024.

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

On September 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.04802202%.

For the year ended September 30, 2024, the District recognized pension expense (expense offset) of $472,750. At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 285,993	$ -
Changes in assumptions or other inputs	71,160	-
Net difference between projected and actual earnings on pension plan investments	-	32,606
Changes in the District's proportion and differences between the District's contributions and the District's proportionate contributions	8,271	112,643
District's contributions subsequent to the measurement date	66,450	-
Total	$ 431,874	$ 145,249

$66,450 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

See accompanying independent auditors' report.

NOTE 7 - PENSION PLAN (continued)

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

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

Year ended June 30:	
2025	$ 48,156
2026	305,654
2027	(82,071)
2028	(51,563)

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 on 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%
Investment rate of return*	6.35%
Cost-of-living (COLA) adjustments	1.00%

*net of investment fees
**there is an additional component of assumed salary growth (on top of the 3.05%) that varies for each individual member based on the years of service.

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%.

See accompanying independent auditors' report.

NOTE 7 - PENSION PLAN (continued)

Actuarial Assumptions (continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	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 7 - PENSION PLAN (concluded)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.35%, as well as what the District'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%
rict's proportionate share of the net pension liability (asset)			
Total Plan	$ 3,413,593	$ 1,796,333	$ 475,444

Pension plan fiduciary net position

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

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

NOTE 8 - RESTRICTED NET POSITION

The restricted net position of the District is made up of funds related to the Pinehurst Estate donation.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District contracts with an insurance company for property insurance (including boiler and machinery) and general liability insurance.

The District pays the State Worker's Compensation System a premium based on a rate per $100 of salaries. The rate is calculated based on accident history and administrative costs.

The District provides medical and dental insurance to some employees through an insurance company.

NOTE 10 - COMPONENT UNIT DISCLOSURES

Cash and Cash Equivalents

General
State statutes authorize CIN's investments and deposits. CIN is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of a financial institution, CIN's deposits and investments may not be returned to it. CIN does not have a deposit policy for custodial credit risk. As of September 30, 2024, CIN's deposits were not exposed to custodial credit risk.

Deposits without exposure to custodial credit risk:	
Amount insured by FDIC or other agencies	$ 29,694
Total deposits without exposure to custodial credit risk	29,694
Deposits with exposure to custodial credit risk:	
Amounts uninsured-exposed to custodial credit risk	-
Total bank balance (deposits)	$ 29,694
The carrying amount is displayed as follows in the financial statements:	
Statement of net position	
Cash and cash equivalents	$ 27,694
Cash and Cash equivalents at September 30, 2024 consist of the following:	
Cash	
Cash overdraft	$ (565)
Cash equivalents	
Money market funds	28,259
	$ 27,694

Prepaid Expenses

Prepaid items for the component unit, Cooperative Information Network consist primarily of prepaid e-books.

NOTE 11 – SUBSEQUENT EVENTS

On July 16, 2025, the Cooperative Information Network (CIN) Board of Directors approved the formal dissolution of the Cooperative Information Network, part of a consortium that included the Community Library Network (CLN) to end September 30, 2025. The dissolution was completed in accordance with applicable state and federal regulations, due to no evidence of paperwork being filed with the Idaho Secretary of State. This event occurred after the 2024 fiscal year-end and is considered a non-recognized subsequent event, as it relates to conditions that did not exist as of the balance sheet date. At the time of this disclosure, the financial impact of the dissolution on the Community Library Network (CLN), if any, is still being evaluated. As such, an estimate of the financial effect cannot be reasonably determined.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

Community Library Network & Cooperative Information Network
SCHEDULE OF COMMUNITY LIBRARY NETWORK'S
SHARE OF NET PENSION LIABILITY
PERSI – Base Plan
Last 10 – Fiscal Years *

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Community Library Network's portion of the net pension liability (asset)	0.0480220%	0.0524777%	0.0517098%	0.0554959%	0.0581152%	0.0577203%	0.0576731%	0.0544396%	0.0550521%	0.0571342%
Community Library Network's proportionate share of the net pension liability (asset)	$1,796,333	$ 2,094,213	$ 2,036,723	$ (43,829)	$1,349,512	$ 658,861	$ 850,688	$ 855,697	$1,115,991	$ 752,364
Community Library Network's covered-employee payroll	$2,323,271	$ 2,285,894	$ 2,076,924	$2,056,141	$2,076,559	$1,987,283	$1,888,185	$1,736,295	$1,602,372	$1,614,097
Community Library Network's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.32%	91.61%	98.06%	-2.13%	64.99%	33.15%	45.05%	49.28%	69.65%	46.61%
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Community Library Network will present

Data reported is measured as of June 30, 2024 (measurement date)

SCHEDULE OF COMMUNITY LIBRARY NETWORK'S CONTRIBUTIONS
PERSI – Base Plan
Last 10 – Fiscal Years *

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Statutorily required contribution	$ 312,359	$ 229,201	$ 239,451	$ 219,114	$ 228,010	$ 220,861	$ 223,969	$ 183,577	$ 163,649	$ 186,887
Contributions in relation to the statutorily required contribution	$ 266,239	$ 269,645	$ 246,354	$ 250,259	$ 250,266	$ 225,156	$ 212,893	$ 194,005	$ 183,893	$ 191,748
Contribution (deficiency) excess	$ 46,121	$ (40,445)	$ (6,903)	$ (31,146)	$ (22,256)	$ (4,295)	$ 11,076	$ (10,428)	$ (20,244)	$ (4,861)
Community Library Network's covered-employee payroll	$2,323,271	$ 2,285,894	$ 2,076,924	$2,056,141	$2,076,559	$1,987,283	$1,888,185	$1,736,295	$1,602,372	$1,614,097
Contributions as a percentage of covered-employee payroll	-11.46%	-11.80%	-11.86%	-12.17%	-12.05%	-11.33%	-11.27%	-11.17%	-11.48%	-11.88%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Community Library Network will present

Data reported is measured as of June 30, 2024 (measurement date)

Community Library Network & Cooperative Information Network
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES				
Property taxes	$ 5,013,163	$ 5,077,463	$ 5,106,600	$ 29,137
Intergovernmental revenue	363,083	363,083	279,144	(83,939)
Grants and donations	55,000	55,000	25,780	(29,220)
Interest	34,000	34,000	99,651	65,651
Other revenue	42,500	42,500	73,853	31,353
Total revenues	5,507,746	5,572,046	5,585,028	12,982
EXPENDITURES				
Personnel expense	3,977,503	3,977,503	3,657,487	(320,016)
Operating expense	1,591,801	1,591,801	1,182,918	(408,883)
Grant expense	-	45,000	38,445	(6,555)
Capital outlay	-	-	1,216,721	1,216,721
Debt service:				
Principal payments	-	-	1,806	1,806
Interest	-	-	194	194
Total expenditures	5,569,304	5,614,304	6,097,571	483,267
EXCESS OF REVENUES OVER EXPENDITURES	(61,558)	(42,258)	(512,543)	(470,285)
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	1,181,869	1,181,869
NET CHANGE IN FUND BALANCES	(61,558)	(42,258)	669,326	711,584
FUND BALANCES, beginning	2,418,558	2,399,258	3,427,611	1,028,353
FUND BALANCES, ending	$ 2,357,000	$ 2,357,000	$ 4,096,937	$ 1,739,937

The notes to the required supplementary information are an integral part of this schedule

Community Library Network & Cooperative Information Network
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2024

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund.

This is in conformance with Idaho State Statutes, which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation. The budget was not amended in the current fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The District publishes a proposed budget for public review.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to October 1, the budget is adopted by resolution of the Board of Trustees and published.

Lapsing of Appropriations – At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

The District properly prepared and published its budget for the year, as required by US generally accepted accounting principles and Idaho Code 33-2713A. The budget is adopted on a modified accrual basis, consistent with the fund financial statements and was not amended during the year ended September 30, 2024.

REPORT REQUIRED BY GAO

ALPINE SUMMIT CPAs

TAX, ASSURANCE, ACCOUNTING, ADVISORY

Office (208) 777-1099 Fax (202) 773-5108
1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

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
Community Library Network & Cooperative Information Network
Hayden, ID 83835

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities of the component unit, Cooperative Information Network, and each major fund of Community Library Network, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Community Library Network's and Cooperative Information Network's basic financial statements and have issued our report thereon dated September 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Library Network's and Cooperative Information Network'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 Community Library Network's and Cooperative Information Network's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Library Network's and Cooperative Information Network's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Library Network's and Cooperative Information Network'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 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.

Alpine Summit CPAs

Alpine Summit CPAs
Post Falls, ID
September 8, 2025