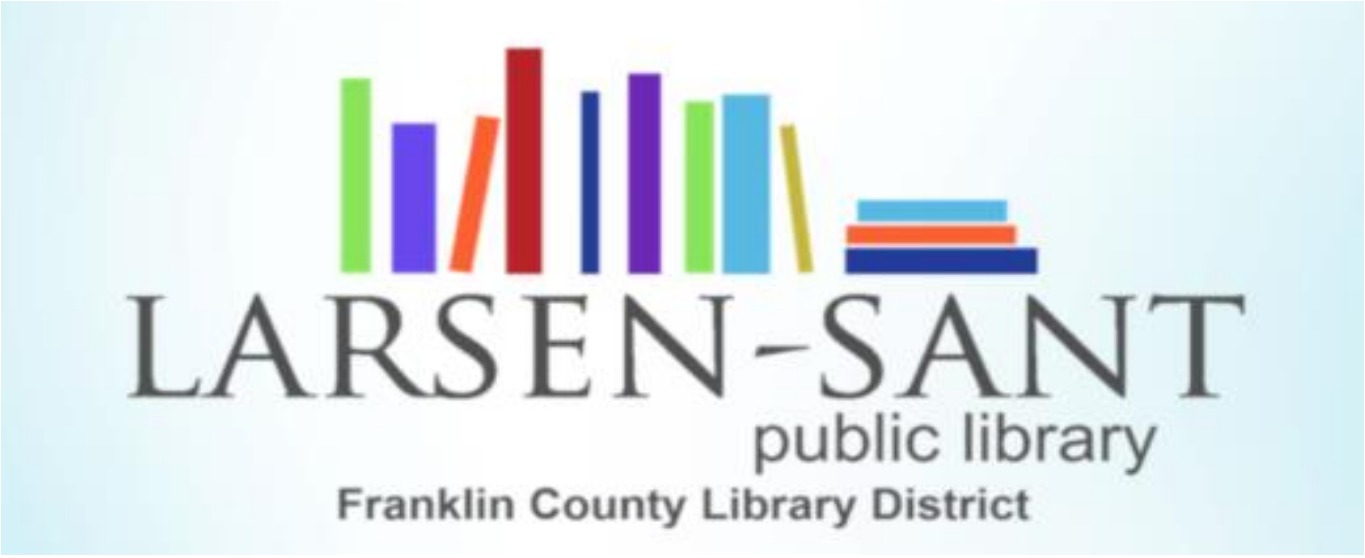


FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

DEATON COMPANY

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT
BASIC FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Franklin County Public Library District
Preston, Idaho

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Library District as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Franklin County Public Library District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Franklin County Public Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County Public Library District ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2025, on our consideration of Franklin County Public Library District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Franklin County Public Library District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Franklin County Public Library District's internal control over financial reporting and compliance.



Pocatello, Idaho
March 31, 2025

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Current assets	
Pooled cash and cash equivalents	$ 522,502
Investments	937,062
Prepaid expense	6,335
Property taxes and intergovernmental receivable	21,363
	1,487,262
Non-current assets	
Capital assets	
Land	28,870
Buildings, net of accumulated deprecation	585,493
Books and materials, net of accumulated depreciation	85,994
	700,357
Total assets	2,187,619
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows - pension	28,618
LIABILITIES	
Current liabilities	
Payroll payable	22,679
	22,679
Long-term liabilities	
Net pension liability	127,392
	127,392
Total liabilities	150,071
DEFERRED INFLOW OF RESOURCES	
Deferred inflows - pension	-
NET POSITION	
Net investment in capital assets	700,357
Unrestricted	1,365,809
Total net position	$ 2,066,166

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Governmental Activities
EXPENSES-LIBRARY SERVICES	
Salaries and benefits	$ 285,654
Depreciation	54,215
Equipment	13,406
Utilities	23,580
Supplies	12,143
Maintenance	6,353
Custodial	13,398
Insurance	9,745
Supplies and programs	12,238
Banking fees	7,090
Professional fees	5,459
Miscellaneous	41
Grant expense	8,467
	451,789
CHARGES FOR SERVICES	
Fines, refunds, copies, and miscellaneous	111,264
Net program expense	(340,525)
GENERAL REVENUES	
Property taxes	415,216
Investment income	89,093
Grant revenue	13,000
Donated capital assets	5,122
	522,431
CHANGE IN NET POSITION	181,906
NET POSITION – BEGINNING	1,884,260
NET POSITION – ENDING	$ 2,066,166

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Total General Fund
ASSETS	
Cash and cash equivalents	$ 522,502
Investments	937,062
Property taxes receivable	21,363
Prepaid expense	6,335
Total assets	$ 1,487,262
LIABILITIES	
Payroll payable	$ 22,679
Total liabilities	22,679
DEFERRED INFLOWS	
Unavailable revenues	9,317
FUND BALANCE	
Nonspendable	
Prepaid expense	6,335
Unassigned	1,448,931
Total fund balance	1,455,266
Total liabilities and fund balance	$ 1,487,262

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

Total fund balances – governmental funds		$ 1,455,266
Total net assets reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds net of accumulated depreciation, $887,022.		700,357
Some of the District's property taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and, therefore, are reported as unavailable revenue in the governmental funds.		9,317
Long term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the Governmental Fund Statements		
Net pension liability	(127,392)	
		(127,392)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions of $28,618 = $23,015 deferred outflows of resources pension expense (from pension schedule) + $5,603 deferred employer contributions related to pensions outflow.		28,618
Deferred inflows of resources related to pensions (from pension schedule)		-
Total Net Position		$ 2,066,166

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

	Total General Fund
REVENUES	
Franklin County – taxes	$ 416,227
Interest and investment income	89,093
Fines, refunds, and miscellaneous	111,264
Grant revenue	13,000
	629,584
EXPENDITURES	
Salaries and benefits	272,367
Materials and supplies	12,143
Utilities	23,580
Repairs and maintenance	6,353
Custodial	13,398
Insurance	9,745
Professional fees	5,459
Computers and equipment	13,406
Banking fees	7,090
Supplies and programs	12,238
Capital outlays	19,302
Miscellaneous	41
Grant expenses	8,467
	403,589
NET CHANGE IN FUND BALANCE	225,995
FUND BALANCE – Beginning	1,229,271
FUND BALANCE – Ending	$ 1,455,266

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

Total net change in fund balances – governmental funds		$ 225,995
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than $2,000 are capitalized and the cost is allocated over estimated useful lives as deprecation expense. This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense this year	$ (54,215)	
Capital outlays	19,302	
Donated capital assets	5,122	
		(29,791)
Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenue in the Governmental funds. They are recorded as current revenue in the Statement of Activities.		(1,011)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension expense in excess of contributions		(13,287)
Total Change in Net Position		$ 181,906

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-wide and fund financial statements

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

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

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

The District reports the following major funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Budgetary data

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

In July and August of each year, budget meetings are held to determine what funds will be available for expenditure in the new fiscal year. The budget requests are reduced to match the available revenue and a proposed budget is approved.

The proposed budget is published in the local paper and taxpayers are invited to attend a public hearing to express their views concerning the proposed budget. After this public meeting, the budget is approved and is legally enacted through the passage of an ordinance.

Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the executive director, can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget.

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

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

Restricted resources are used first to fund appropriations or only after the unrestricted resources are depleted.

E. Deposits and investments

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

F. Cash and Cash Equivalents

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

G. Inventories

Inventories of governmental funds are recorded as expenditures when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Accounts Receivable

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

I. Capital Assets

Capital assets, which include furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Purchases of constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

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

Building and Improvements	20-40 years
Furniture and Equipment	3-7 years
Books and Audio Visual	5 years

J. Use of Estimates

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

K. Compensated Absence

Regular employees who work over 20 hours per week and have completed 12 months of employment receive vacation and sick benefits in varying amounts to specified maximums depending on tenure with the District. Vacation can be accrued up to a maximum amount of 240 hours. Sick leave can be accrued up to a maximum of 960 hours. If employee terminates employment in good standings all accrued vacation time is vested. If the employee terminates employment in good standing, the District may choose to reimburse one-third (1/3) of sick leave.

L. Pensions

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

M. Fund Balance

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

NOTE 2 - CASH AND INVESTMENTS

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

	Bank Balance
Cache Valley Bank	$ 418,246
Alta Bank	1,107
State of Idaho Local Government Investment Pool	101,738
Total cash and cash equivalents	$ 521,091
Investments	$ 937,062
Total investments	$ 937,062

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned to it. At year-end, the District's deposits up to $250,000 were not subject to custodial credit risk. As of September 30, 2024 the district had uninsured and uncollateralized deposits amounting to $168,246.

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

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

The DBF invests in longer term investment vehicles with higher returns over time than the LGIP. The DBF is not currently rated by a nationally recognized agency.

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated				
Land	$ 28,870	$ -	$ -	$ 28,870
Capital Assets being depreciated				
Buildings and Improvements	1,076,873	-	-	1,076,873
Books and Equipment	477,212	24,424	20,000	481,636
	1,554,085	24,424	20,000	1,558,509
Accumulated Depreciation				
Buildings and Improvements	463,192	28,188	-	491,380
Books and Equipment	389,615	26,027	20,000	395,642
	852,807	54,215	20,000	887,022
Total Capital Assets – Net	$ 730,148	$ (29,791)	$ -	$ 700,357

NOTE 5 - PENSION PLAN

Plan Description

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

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

Pension Benefits

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

NOTE 5 - PENSION PLAN (CONTINUED)

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024 it was 6.71% for general employees. The employer contribution rate is set by the Retirement Board and was 11.18% general employees. The District's contributions were $19,852 for the year ended September 30, 2024.

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

At September 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.00340561 percent.

For the year ended September 30, 2024, the District recognized pension expense of $13,285. 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	$ 20,281	$ -
Changes in assumptions or other inputs	5,047	-
Net difference between projected and actual earnings on pension	(2,312)	-
District's contributions subsequent to the measurement date	5,603	-
Total	28,618	-

The amount of $5,603 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025.

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

NOTE 5 - **PENSION PLAN (CONTINUED)**

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

Year ending September 30,	
2025	$ 6,288
2026	23,752
2027	(4,098)
2028	(2,928)

Actuarial Assumptions

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

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

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%. 5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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

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

NOTE 5 - PENSION PLAN (CONTINUED)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

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

Discount Rate

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

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

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

	1% Decrease (5.35%)	**Current Discount Rate (6.35%)**	**1% Increase (7.35%)**
Employer's proportionate share of the net pension liability (asset)	$ 242,084	$ 127,392	$ 33,717

Pension plan fiduciary net position

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

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

NOTE 5 - PENSION PLAN (CONTINUED)

Payables to the pension plan

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

NOTE 6 - LONG TERM DEBT

The District did not have long-term debt during the year or at year-end.

NOTE 7 - RISK MANAGEMENT

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

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

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

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average maturity of investments within the DBF is 2.87 years.

Investment rate risk	Fair value	Rating
Idaho Diversified Bond Fund	$ 937,062	not rated

Credit Risk

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

Concentration Credit Risk

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

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to March 31, 2025, the date the financial statements were available to be issued.

NOTE 10 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value as of September 30, 2024.

	Asset at Fair Value as of September 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Idaho Diversified Bond Fund	$ 937,062	$ -	$ -	$ 937,062
Total	$ 937,062	$ -	$ -	$ 937,062

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 387,082	$ 387,082	$ 416,227	$ 29,145
Interest	-	-	89,093	89,093
Fines, refunds, and other revenue	-	-	111,264	111,264
Reserves	42,943	42,943	-	(42,943)
Other revenue	530,000	530,000	13,000	(517,000)
	960,025	960,025	629,584	(330,441)
EXPENDITURES				
Maintenance and operation	960,025	960,025	384,287	575,738
Capital outlays	-	-	19,302	(19,302)
	$ 960,025	$ 960,025	403,589	$ 556,436
EXCESS REVENUES			225,995	
FUND BALANCE – Beginning			1,229,271	
FUND BALANCE – Ending			$ 1,455,266	

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.0034056%	0.0035436%	0.0034514%	0.0029487%	0.0029402%	0.0030600%	0.0029903%	0.0029125%	0.0023988%	0.0018642%
Employer's proportionate share of the net pension liability	$ 127,392	$ 141,411	$ 135,942	$ (2,329)	$ 68,275	$ 34,929	$ 44,107	$ 46,955	$ 48,627	$ 24,548
Employer's covered-employee payroll	$ 156,012	$ 203,816	$ 184,078	$ 109,595	$ 104,698	$ 103,931	$ 96,210	$ 90,459	$ 60,282	$ 42,110
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	81.66%	69.38%	73.85%	-2.13%	65.21%	33.61%	45.84%	51.91%	80.67%	58.29%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Data reported is measured as of June 30, 2024.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 19,852	$ 18,442	$ 15,328	$ 11,642	$ 13,334	$ 12,672	$ 12,517	$ 10,475	$ 8,027	$ 5,911
Contributions in relation to the statutorily required contribution	19,852	18,442	15,328	11,642	13,334	12,672	12,517	10,475	8,027	5,911
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 177,567	$ 164,955	$ 128,375	$ 97,504	$ 109,835	$ 111,943	$ 110,574	$ 92,535	$ 70,910	$ 52,217
Contributions as a percentage of covered-employee payroll	11.18%	11.18%	11.94%	11.94%	12.14%	11.32%	11.32%	11.32%	11.32%	11.32%

Data reported is measured as of September 30, 2024.

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT

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

NOTE 1 - EXPENDITURES IN EXCESS OF BUDGET

General Government

The District did not budget a sufficient amount for capital outlays.

Expenditures in excess of budget were paid for by decreased expenditures in maintenance and operation expenditures.

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

Board of Trustees
Franklin County Public Library District
Preston, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin County Public Library District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Franklin County Public Library District's basic financial statements and have issued our report thereon dated March 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency (2024-001), in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Franklin County Public Library District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deaton & Company

Pocatello, Idaho
March 31, 2025

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT

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

Findings Of Significant Deficiency And Responses

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

We suggest that the District provide an individual that could be determined as an actual control over the financial statement preparation.

Management Response

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

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT

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

Findings Of Significant Deficiency And Responses

2023-001 The District's internal control system does not currently require the entity to employ a person with the qualifications and training necessary to prepare the District's financial statements, notes and required supplementary information in accordance with generally accepted accounting principles. The auditor's firm was requested to draft the financial statement, notes and required supplementary information to the financial statements. This circumstance is not unusual in an organization of this size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

We suggest that the District provide an individual that could be determined as an actual control over the financial statement preparation.

Management Response

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