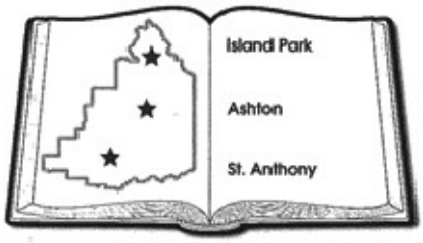
FREMONT COUNTY
DISTRICT LIBRARIES



"3 TOGETHER IS BETTER!"

Basic Financial Statements
and
Supplementary Information
with
Independent Auditors' Report

Year Ended September 30, 2024

FREMONT COUNTY DISTRICT LIBRARY
Table of Contents
September 30, 2024

Independent Auditors' Report 1-3

Basic Financial Statements

Statement of Net Position 4

Statement of Activities 5

Balance Sheet – Governmental Fund 6

Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position 7

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund 8

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities 9

Notes to Financial Statements 10-25

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual- General Fund 26

Schedule of Employer's Share of Net Pension Liability PERSI Base Plan - Last 10 Years 27

Schedule of Employer Contributions PERSI Base Plan - Last 10 Years 28

Independent Auditors' 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* 29-30

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Fremont County District Library
Ashton, Idaho

Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 Fremont County District Library's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fremont County District Library'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

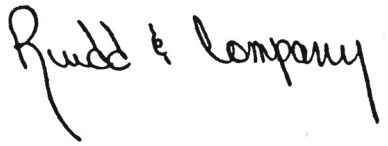
Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of employer's share of net pension liability, and the schedule of employer contributions as listed in the table of contents be presented to

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

Management has omitted the management 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 opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2025, on our consideration of the Fremont County District Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fremont County District Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fremont County District Library's internal control over financial reporting and compliance.



Rexburg, Idaho
May 21, 2025

FREMONT COUNTY DISTRICT LIBRARY
Statement of Net Position
September 30, 2024

Assets	
Current Assets	
Cash and cash equivalents	$ 227,413
Property taxes	11,024
Total Current Assets	238,437
Capital Assets	
Land, buildings and equipment, net	314,633
Right of use asset - leases, net	369,140
Total Capital Assets, net	683,773
Total Assets	922,210
Deferred Outflow of Resources	
Pension	22,528
Total Assets and Deferred Outflows of Resources	$ 944,738
Liabilities	
Current Liabilities	
Grants received in advance	$ 12,497
Payroll liabilities	5,125
Accrued interest payable	563
Long-term Liabilities	
Amount due in less than one year	
Compensated absences	6,438
Lease liability	23,514
Amount due in more than one year	
Lease liability	364,195
Net pension liability	197,809
Total Liabilities	610,141
Deferred Inflows of Resources	
Pension	3,591
Net Position	
Investment in capital assets, net of related debt	296,064
Unrestricted	34,942
Total Net Position	331,006
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 944,738

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

FREMONT COUNTY DISTRICT LIBRARY
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
General government	$ 678,798	$ 5,559	$ 3,203	$ (670,036)
Total Governmental Activities	$ 678,798	$ 5,559	$ 3,203	(670,036)
General Revenues:				
State Taxes				41,823
Property taxes				581,326
Other income				10,893
Unrestricted investment earnings				2,586
Total General Revenues				636,628
Change in Net Position				(33,408)
Net Position - Beginning				364,414
Net Position - Ending				$ 331,006

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

FREMONT COUNTY DISTRICT LIBRARY
Balance Sheet -
Governmental Fund
September 30, 2024

Assets	**General Fund**
Current Assets	
Cash and cash equivalents	$ 227,413
Property taxes receivable	11,024
Total Assets	$ 238,437
Liabilities, Deferred Inflows of Resources, and Fund Balance	
Liabilities	
Grants received in advance	$ 12,497
Accrued payroll	5,125
Total Liabilities	17,622
Deferred Inflows of Resources	
Unavailable revenues	8,592
Fund Balance	
Unassigned	212,223
Total Fund Balances	212,223
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 238,437

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

FREMONY COUNTY DISTRICT LIBRARY
Reconciliation of the Balance Sheet - Governmental Fund
to the Statement of Net Position
September 30, 2024

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

Total Fund Balance - Governmental Funds	$	212,223
Certain receivables are not financial resource and are reported as unavailable revenues for fund reporting purposes		
Property tax unavailable revenue		8,592
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is $716,393 and the accumulated depreciation is $401,760		314,633
Pension related items not reported in the fund financial reporting level		
Deferred pension outflows		22,528
Deferred pension inflows		(3,591)
Net pension liability		(197,809)
Compensated absences are accrued when earned in the government-wide financial statements		(6,438)
Lease-related items not reporting on fund balance sheet:		
Right of use asset - leases, net		369,140
Accrued interest payable		(563)
Lease liability		(387,709)
Total Net Position - Governmental Activities	$	331,006

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

FREMONT COUNTY DISTRICT LIBRARY
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended September 30, 2024

	General Fund
Revenues	
State Sources:	
Revenue Sharing	$ 41,823
Local Sources:	
Property taxes	581,797
Earnings on investments	2,586
Grants and donations	3,203
Other	16,452
Total Revenues	645,861
Expenditures	
Current:	
Salaries and benefits	420,351
Library materials and operating costs	157,318
Debt service	
Interest and expense	16,132
Principal payments	22,546
Capital Outlay	7,615
Total Expenditures	623,962
Net Change in Fund Balance	21,899
Fund Balance Beginning of Year	190,324
Fund Balance End of Year	$ 212,223

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

FREMONT COUNTY DISTRICT LIBRARY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund 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 Changes in Fund Balances - Total Governmental Funds	$ 21,899
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	(471)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense:	
Less depreciation and amortization	(64,592)
Add capital outlay	7,615
The government funds do not report compensated absences as an expenditure until they are paid. In contrast, the statement of activities treats compensated absences as a noncurrent liability. This is the net change in compensated absences liability.	1,109
The government funds report current pension contributions as an expenditure. However, the amount recorded in the statement of activities represents the difference in the actuarially determined pension liability from the previous year to the current year.	(21,571)
Governmental funds report payments on lease as an expenditure. However, in the statement of activities, debt payments are not an expense:	
Adjustment to accrued interest expense	57
Principal payments on long-term obligations	22,546
Change in Net Position of Governmental Activities	$ (33,408)

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

1. Summary of Significant Accounting Policies

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

The Board of Trustees has responsibilities for all activities relating to the Fremont County District Library. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct *expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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,* as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major funds:

Governmental Funds

- The *General Fund* is the District's primary operating fund. It accounts for all the financial resources of the District.

Budgetary Policy
The District prepares a budget for its general fund operations. The schedule of revenues and expenditures budget and actual-general fund presents comparison of the legally adopted budget with the actual data on a budgetary basis.

Under Idaho Code, the District's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, except as allowed by the Code for certain events. The budget was not amended during 2024.

Cash and Equivalents
The District's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Property Tax Receivables
Property taxes are recognized as revenue in the period for which the taxes are levied. The tax levy is used to finance operations for the current fiscal year. All property taxes are considered due as of the second Monday in January and are levies on the second Monday in September. Taxes are payable in two installments on December 20 and June 20 of the following year. All taxes collected within 60 days of September 30 are considered available to pay current liabilities for the current fiscal year. Amounts not collected are deferred and recognized when they become available to the District.

1. Summary of Significant Accounting Policies (Continued)

General Library Materials

General library materials, consisting of books and reference materials, on hand at year end have not been recorded as a capital asset and are treated as an expense when purchased.

Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. The Board has a capitalization policy for purchases of $1,000 or more.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements	10-30
Furniture & Equipment	7-10
Computer equipment	5

Use of Estimates

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

1. Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor how those amounts may be spent. Designations of fund balances as non-spendable, restricted, committed, assigned or unassigned are based upon the types of constraints placed upon the outstanding balances.

Fund balance is classified on the relative strength of the spending constraints placed on the purpose for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors or laws, or regulations or other governments, or through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action (to establish, modify or rescind a fund balance commitment) of the government's highest level of decision making authority. The Board of Trustees is the highest level of decision making authority. Funds may be committed by adoption of a resolution.

Assigned fund balance – amounts that are constrained by the governments' intent to be used for specific purposes, but are neither restricted nor committed. Funds can be assigned by Fire Chief or the Board of Trustees.

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

Fund balances restricted, committed, or assigned for the purpose of capital outlay are only spent upon Board approval. So, it is possible that capital outlay expenditures would reduce unassigned fund balance.

1. Summary of Significant Accounting Policies (continued)

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, granters, or laws and regulations of other governments.

Net position restricted for the purpose of capital outlay is only spent upon Board approval.

The District has a policy to expend restricted amounts first when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balances are available. The policy states the order of releasing fund balance for current expenditures is restricted, committed, assigned and then unassigned.

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 has one type of deferred outflows of resources. This amount relates to the District's allocable share of the effect of changes of assumptions during the year on the valuation of the net pension liability. The amount is reportable only in the government-wide financial statements.

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 two types of items in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. This is reported in the governmental funds. The second type of deferred inflows of resources relates to the effect on the calculation of the net pension liability of the difference between projected and actual investment earnings on the defined benefit pension plan.

Pensions

For the purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Based 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.

1. Summary of Significant Accounting Policies (Continued)

Liability for Compensated Absences

Full-time employees earn vacation hours based on the length of service and hours worked per week. The maximum is reached after five years of service and equates to 3 weeks based on the employee's normal hours per week. Any days not used during the fiscal year in which it accrues will be forfeited, without right of compensation.

Employees working greater than 30 hours a week earn the equivalent of 1 week of sick days per year. Unused days of leave at the end of the calendar year are paid to the employee at their regular hourly rate, or can be accumulated up to a maximum of 360 hours. Upon retirement or termination employees may be paid up to 360 hours of unused sick leave.

In governmental funds, sick leave and vacation leave are recorded as expenditures in the year paid, as it is the District's policy to satisfy any unpaid amounts at year-end from future resources, not expendable available resources.

Lease Liability and Right-of-Use Assets

As a lessee, the District recognizes a lease liability and intangible right-of-use asset in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-of-use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequent, the right-of-use lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how to the District determines (1) the discount rates it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the discount rate charged by the lessor as the discount rate.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the government is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the right-of-use asset and liability is certain changes occur that are expected to significantly affect the amount of the lease liability. Right-of-use assets are reported with other capital assets. Lease liabilities are reported with long-term debt on the statement of net position.

1. Summary of Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

GASB Statement No. 101 – Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for fiscal years beginning after December 15, 2024.

GASB Statement No. 102 – Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103 – Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information. The Statement requires that governments display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide and governmental fund statements of resource flows. The Statement requires governments to present budgetary comparison information using a single method of communication – RSI. Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

1. Summary of Significant Accounting Policies (continued)

Upcoming Accounting Pronouncements (continued)

GASB Statement No. 104 – Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale and requires that capital assets held for sale be evaluated each reporting period. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through May 21, 2025 the date the financial statements were available to be issued. There were no subsequent-type events required to be disclosed.

2. Cash and Investments

The District maintains a primary checking account and several short-term savings accounts at local financial institutions.

The District's cash accounts are insured through the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) up to $250,000 per depository.

1. Deposits – At September 30, 2024, the carrying amount of the District's deposits were $227,413 and the respective bank balances totaled $227,413.

2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. As of September 30, 2024, none of the District's total deposits were not covered by FDIC or NCUA, and thus were exposed to custodial credit risk.

3. Capital Assets

A summary of changes in capital assets are as follows:

	Balance September 30, 2023	Additions	Dispositions	Balance September 30, 2024
Depreciable capital assets				
Building	$ 115,349	$ -	$ -	$ 115,349
Improvements	401,901	4,975		406,876
Furniture & equipment	191,528	2,640	-	194,168
Total depreciable capital assets	708,778	7,615	-	716,393
Accumulated depreciation				
Building	13,217	2,884	-	16,101
Improvements	207,383	17,943		225,326
Furniture & equipment	144,714	15,619	-	160,333
Total accumlated depreciation	365,314	36,446	-	401,760
Right of use assets - leases				
Space leases	453,580	-	-	453,580
Less accumulated amortization	56,294	28,146	-	84,440
Total ROU assets - leases	397,286	(28,146)	-	369,140
Total capital assets, net	$ 740,750	$ (56,977)	$ -	$ 683,773

Depreciation expense is charged to general government function.

4. 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 appointment 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.

Member and Employer Contributions

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

4. Pension Plan (continued)

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. Effective July 1, 2024, these rates were adjusted to 7.18% for general employees, and 10.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. Effective July 1, 2024, these rates were adjusted to 11.96% for general employees, and 14.65% for public safety. The District's contributions were 29,734 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 .0052881 percent.

For the year ended September 30, 2024, the District recognized pension expense (revenue) of $51,305. 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	$ 31,493	$ -
Changes in assumptions or other inputs	7,836	-
Net difference between projected and actual earnings on pension plan investments earnings on pension plan investments	-	3,591
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	(24,637)	-
Employer contributions subsequent to the measurement date	7,836	-
Total	$ 22,528	$ 3,591

4. Pension Plan (continued)

$7,836 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 average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period June 30, 2024.

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

Year ended September 30,	
2025	$ 2,560
2026	30,094
2027	(13,883)
2028	(7,670)

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 including inflation	3.05%
Investment rate of return-net of investment fees	6.35%
Cost-of-living adjustments	1%

4. Pension Plan (continued)

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 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 System's assets.

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

4. Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.0%	0.00%
Large Cap	18.0%	4.50%
Small/Mid Cap	11.0%	4.70%
International Equity	15.0%	4.50%
Emerging Markets Equity	10.0%	4.90%
Domestic Fixed	20.0%	-0.25%
TIPS	10.0%	-0.30%
Real Estate	8.0%	3.75%
Private Equity	8.0%	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)	$ 375,899	$ 197,809	$ 52,355

4. Pension Plan (continued)

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.

At September 30, 2024, the District reported no payables to the defined benefit pension plan for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

5. Leases

The St. Anthony Building was leased for a Community Library. The initial lease was for five years with an option to renewed for an additional five years. The District anticipates renewing for an additional term. The interest rate on the lease is fixed at 4.25% as of September 2017 the commencement of the lease.

The Island Park Building was leased for a Community Library. The initial lease was for fifteen years the lease with an option to renewed for an additional fifteen years. The District anticipates renewing for an additional term. The interest rate on the lease is fixed at 4.75% as of November 2019 the commencement of the lease.

Lease agreements are summarized as follows:

Lease	Date	Payment Term	Payment Amount	Interest Rate	Lease Liability at September 30, 2024
St. Anthony Bldg	9/1/2017	120 mos	$ 1,423	4.25%	46,931
Island Park Bldg	11/19/2019	360 mos	1,800	4.75%	340,778
	Total Lease Agreements				387,709

Amortization expense of $28,147 and lease-related interest expense of $16,132 was recognized for the year ended September 30, 2024.

5. Leases (continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	$ 23,514	$ 15,105	$ 38,619
2026	24,477	14,140	38,617
2027	24,056	13,139	37,195
2028	9,032	12,557	21,589
2029	9,438	12,151	21,589
2030-2034	53,283	54,652	107,935
2035-2039	65,138	42,793	107,931
2040-2044	79,619	28,284	107,903
2045-2049	97,358	10,524	107,882
2050-2054	1,794	4	1,798
	$ 387,709	$ 203,349	$ 591,058

6. Tax Abatement

Governmental Accounting Standards Board Statement No. 77 define tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (B) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The State of Idaho Revenue and Taxation Statute 602NN allows Idaho Counties to enter into a tax abatement agreement for entities that are looking to make significant improvement to their plant facilities. There are no such tax abatements impacting the District in the current year.

Required Supplementary Information

FREMONT COUNTY DISTRICT LIBRARY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
For the Year Ended September 30, 2024

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
State Sources:			
Revenue Sharing	$ -	$ 41,823	$ 41,823
Local Sources:			
Property taxes	569,424	581,797	12,373
Earnings on investments	450	2,586	2,136
Grants and donations	-	3,203	3,203
Other	12,500	16,452	3,952
Total Revenues	582,374	645,861	63,487
Expenditures			
Current:			
Salaries and benefits	467,500	420,351	47,149
Library materials and operating costs	282,280	195,996	86,284
Capital Outlay	-	7,615	(7,615)
Total Expenditures	749,780	623,962	125,818
Excess (Deficiency) of Revenues over Expenditures	(167,406)	21,899	189,305
Fund Balance Beginning of Year	190,324	190,324	-
Fund Balance End of Year	$ 22,918	$ 212,223	$ 189,305

See Independent Auditor's Report.

FREMONT COUNTY DISTRICT LIBRARY
Schedule of Employer's Share of Net Pension Liability
PERSI Base Plan - Last 10 Fiscal Years*

	Employer's Portion of net the pension liability	Employer's proportionate share of the net pension liability	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.0064200%	$ 84,590	$ 187,299	46.40%	91.38%
2016	0.0071500%	144,035	212,857	67.25%	87.26%
2017	0.0074600%	117,335	277,012	50.41%	90.68%
2018	0.0070600%	104,160	228,064	43.90%	91.69%
2019	0.0062000%	70,793	229,917	33.94%	93.79%
2020	0.0066000%	153,286	239,929	62.86%	88.22%
2021	0.0063820%	(5,040)	239,128	-2.10%	100.36%
2022	0.0062315%	245,445	248,283	96.49%	83.09%
2023	0.0064620%	257,876	254,635	101.27%	83.83%
2024	0.0052881%	197,809	259,154	76.33%	85.54%

*GASB Statement No. 68 requires ten years of information to be presented in this table.

Data reported is measured as of June 30, 2024.

See Independent Auditor's Report

FREMONT COUNTY DISTRICT LIBRARY
Schedule of Employer Contributions
PERSI Base Plan - Last 10 Fiscal Years*

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered-employee payroll	Contributions as a percentage of covered-employee
2015	$ 21,012	$ 20,368	$ (644)	$ 187,299	10.87%
2016	23,524	24,095	571	212,857	11.32%
2017	25,173	24,397	(776)	277,012	8.81%
2018	27,423	25,817	(1,606)	228,064	11.32%
2019	23,845	26,387	2,542	229,917	11.48%
2020	25,899	28,648	2,749	239,929	11.94%
2021	25,167	28,552	3,385	239,128	11.94%
2022	28,856	29,645	789	248,283	11.94%
2023	30,382	29,901	(481)	254,457	11.75%
2024	29,719	29,734	15	261,383	11.37%

*GASB Statement No. 68 requires ten years of information to be presented in this table.

Data reported is measured as of September 30, 2024.

Independent Auditors' 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
Fremont County District Library
Rexburg, 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, and the major fund of the Fremont County District Library, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Fremont County District Library's basic financial statements, and have issued our report thereon dated May 21, 2025.

Internal Control over Financial Reporting

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

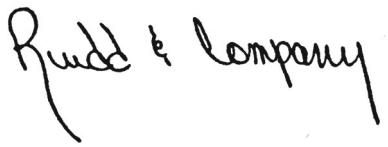
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fremont County District Library 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 statement. 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.



Rexburg, Idaho
May 21, 2025