KUNA LIBRARY DISTRICT

Report on Audited
Basic
Financial Statements
and
Additional Information

For the Year Ended September 30, 2024

Table of Contents

	Page
Independent Auditor's Report	2
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	9
Notes to Financial Statements	10
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer's Share of Net Pension Liability (Asset) – PERSI Base Plan	20
Schedule of Employer Contributions – PERSI Base Plan	21
Budgetary (GAAP Basis) Comparison Schedule:	
General Fund	22
Notes to Required Supplementary Information	23
INTERNAL CONTROL AND COMPLIANCE REPORT	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	24

Bailey & Company Chtd.
Certified Public Accountants

Weston Flamm, CPA
Cassie Zattiero, CPA

812-B 12th Ave. South
P.O. Box 876
Nampa, ID 83653-0876
208 466-2493
FAX 208 467-2000
www.BaileyCPAs.com

Independent Auditor's Report

To the Board of Trustees
Kuna Library District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the fund information of Kuna Library District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of Kuna Library District, as of September 30, 2024, and the respective changes in financial position 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 Kuna 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 Kuna 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 Kuna 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 Kuna Library District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control over financial reporting and compliance.

Bailey & Co.

Nampa, Idaho
March 11, 2025

Kuna Library District
Statement of Net Position
September 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 1,829,984
Receivables, Net:	
Property Taxes	1,460,855
Fines and Fees	928
Interest	7,680
Intergovernmental	20,669
Prepaid Items	46,139
Capital Assets:	
Construction in Progress	323,424
Buildings and Equipment, Net	641,068
Right-of-Use Assets, Net	13,222
Total Assets	4,343,969
Deferred Outflows	
Pension	92,688
Liabilities	
Accounts Payable and Other Current Liabilities	260,534
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	30,431
Lease Liability	11,089
Due in More than One Year:	
Lease Liability	2,829
Net Pension Liability	391,201
Total Liabilities	696,084
Deferred Inflows	
Property Taxes	1,440,701
Pension	34,842
Total Deferred Inflows	1,475,543
Net Position	
Net Investment in Capital Assets	963,796
Restricted for:	
Capital Repairs or Improvements	1,976
Unrestricted Surplus	1,299,258
Total Net Position	$ 2,265,030

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

Kuna Library District
Statement of Activities
For the Year Ended September 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
Governmental Activities:					
Operations and Maintenance	$ 1,355,065	$ 152,617	$ 13,204	$ 0	$ (1,189,244)
Interest on Long-term Debt	691	0	0	0	(691)
Total Governmental Activities	$ 1,355,756	$ 152,617	$ 13,204	$ 0	(1,189,935)
General Revenues:					
Property Taxes					1,388,727
Sales Tax					77,036
Investment Earnings					84,479
Other Revenue					164
Total General Revenues					1,550,406
Change in Net Position					360,471
Net Position - Beginning					1,904,559
Net Position - Ending					$ 2,265,030

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

Kuna Library District
Balance Sheet -
Governmental Funds
September 30, 2024

	General Fund	Plant Facilities	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 1,828,019	$ 1,965	$ 1,829,984
Receivables, Net:			
Property Taxes	1,460,855	0	1,460,855
Fines and Fees	928	0	928
Interest	7,669	11	7,680
Intergovernmental	20,669	0	20,669
Prepaid Items	46,139	0	46,139
Total Assets	3,364,279	1,976	3,366,255
Deferred Outflows	0	0	0
Total Assets and Deferred Outflows	$ 3,364,279	$ 1,976	$ 3,366,255
Liabilities			
Accounts Payable	$ 197,748	$ 0	$ 197,748
Salaries and Benefits Payable	62,384	0	62,384
Payroll Taxes Payable	402	0	402
Total Liabilities	260,534	0	260,534
Deferred Inflows			
Unavailable Property Taxes	1,458,202	0	1,458,202
Fund Balances			
Nonspendable	46,139	0	46,139
Restricted	0	1,976	1,976
Committed	3,000	0	3,000
Unassigned	1,596,404	0	1,596,404
Total Fund Balances	1,645,543	1,976	1,647,519
Total Liabilities, Deferred Inflows, and Fund Balances	$ 3,364,279	1,976	$ 3,366,255

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

Kuna Library District
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

Total Fund Balances - Governmental Funds		$ 1,647,519
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets, including right-of-use assets, used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets consist of:		
Construction in Progress	$ 323,424	
Buildings, Net of $780,432 Accumulated Depreciation	574,932	
Equipment, Net of $37,244 Accumulated Depreciation	66,136	
Right-of-Use Assets, Net of $31,734 Accumulated Amortization	13,222	
		977,714
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period expenditures and, therefore, are deferred in the funds.		17,501
Compensated absences applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.		(30,431)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Lease Liability		(13,918)
The net pension liability (asset) and the related deferrals that are applicable to the District's governmental activities, are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities are reported in the statement of net position.		
Net Pension Liability	(391,201)	
Deferred Outflows Related to Net Pension Liability (Asset)	92,688	
Deferred Inflows Related to Net Pension Liability (Asset)	(34,842)	
		(333,355)
Net Position of Governmental Activities		$ 2,265,030

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

Kuna Library District
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

	General Fund	Plant Facilities	Total Governmental Funds
Revenues			
Property Taxes	$ 1,390,068	$ 0	$ 1,390,068
Sales Tax	77,036	0	77,036
Grant and Contributions	13,204	0	13,204
Investment Earnings	81,874	2,605	84,479
Charges for Services	152,617	0	152,617
Other Revenue	164	0	164
Total Revenues	1,714,963	2,605	1,717,568
Expenditures			
Current:			
Operations and Maintenance	1,250,037	0	1,250,037
Debt Service:			
Principal	10,709	0	10,709
Interest	691	0	691
Capital Outlay	260,667	71,216	331,883
Total Expenditures	1,522,104	71,216	1,593,320
Net Change in Fund Balances	192,859	(68,611)	124,248
Fund Balances - Beginning	1,452,684	70,587	1,523,271
Fund Balances - Ending	$ 1,645,543	$ 1,976	$ 1,647,519

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

Kuna Library District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balance - Governmental Funds		$ 124,248
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation or amortization expense until fully depreciated or disposed. In the current period these amounts are:		
Capital Outlay	$ 328,723	
Depreciation Expense	(44,890)	
Amortization Expense	(10,578)	
Net		273,255
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred inflows. They are, however, recorded as revenues in the statement of activities. This adjustment represents the change in these deferred inflow balances.		(1,341)
Leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal Payments		10,709
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Changes in Net Pension Liability (Asset) and the Related Deferrals	$ (43,894)	
Changes in Compensated Absences Liability	(2,506)	
		(46,400)
Change in Net Position of Governmental Activities		$ 360,471

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of the District, which has responsibility and control over all activities related to the library within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined by the Governmental Accounting Standards Board.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses are those of the general government related to the administration and support of the District's programs—such as personnel and accounting (but not interest on long-term debt)—and are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: 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 governmental funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- *Plant Facilities fund*. This fund (a capital projects fund) accounts for the resources accumulated and payments made for the capital remodel, improvements to, or repairs and improvements of, plant facilities.

Basis of Accounting

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. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers property tax revenues reported in the governmental funds to be available if they are collected within 60 days after year-end and all other revenues if they are collected within 90 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, 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 liabilities and acquisitions under leases are reported as other financing sources.

Fund Balance Reporting in Governmental Funds

The District uses the following fund balance categories in the governmental fund financial statements:

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenditures, and inventories that are permanently precluded from conversion to cash.
- *Restricted.* Balances constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions. The current restricted fund balance is required to be used towards capital remodel, improvements to, or repairs and improvements of, plant facilities.
- *Committed.* Balances obligated to a specific purpose by a formal action of the Board of Trustees (the District's highest level of decision-making authority) through a resolution. $3,000 has been committed to continuing education for employees. Amounts not utilized in the next year, will not carry over. However, the intent is to commit up to $3,000 per year towards this purpose.
- *Assigned.* Limitations imposed on balances through intentions of the Board of Trustees or a body or official designated by the Board of Trustees. The Board intends for the Library Directors to have the authority to assign funds. For the current year, the Library Directors have not assigned any funds.
- *Unassigned.* Balances available for any purpose.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position/fund balance available to finance the program. When both restricted and unrestricted resources are available for use, it is the District's intent to use restricted resources first, then unrestricted resources as they are needed.

There is no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the District's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments maintained in the investment pool, regardless of maturity are considered cash equivalents. All short-term cash surpluses are maintained in a bank account and the state investment pool, the earnings from which are allocated to each fund based on month-end deposit and investment balances. See Note 2.

Idaho Code authorizes the Charter to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments are stated at fair value as determined by the fair value hierarchy, except certificates of deposit (which are non-participating contracts and are, therefore, carried at amortized cost).

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Management has estimated that accounts older than six months related to fines and fees are generally considered 100% doubtful and 75% of accounts less than six months old are considered doubtful. This results in an estimate that $12,621 of the fines and fees receivable may not be collectible.

Property Tax Calendar

The District receives tax revenue from Ada County and Canyon County. The counties are responsible for property valuation and collection of tax levies. The taxes that have not been remitted to the District by the counties as of September 30, 2024, are considered by the District as a receivable.

Taxes not collected within 60 days after September 30, 2024, are not considered available for use by the District and are recorded as deferred inflows in the fund financial statements. Taxes levied during the current year are intended to finance the next year, so the tax charge for the current tax year is also a deferred inflow in the government-wide statements.

The District levies its real property taxes through the counties in September of each year based upon the assessed valuation as of the previous July 1. Property taxes are due in two installments on December 20 and June 20 and are considered delinquent on January 1 and July 1, at which time the property is subject to lien.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation and amortization methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below.

	Capitalization Policy	Depreciation or Amortization Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-line	20 - 50 years
Equipment	$5,000	Straight-line	5 - 20 years

Depreciation and amortization is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives. The District does not own any infrastructure assets.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Pensions

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

2. CASH AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the District's deposits was $27,688 and the respective bank balances totaled $30,747. The bank balances were insured or collateralized with pooled securities held by the pledging institutions in the name of the District.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2024, all of the District's deposits were covered by the federal depository insurance or by collateral held by the District's agent or pledging financial institution's trust department or agent in the name of the District, and thus were not exposed to custodial credit risk. However, the District does not have a formal policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The State Treasurer must operate and invest the funds of the pool for the benefit of the participants. They make investments in accordance with Idaho Code, Sections 67-1210 and 67-1210A. The pool is not rated and is not registered with the Securities and Exchange Commission or any other regulatory body. The pool is valued using the Net Asset Value (NAV) per share method. Investments using the NAV per share method do not have readily obtainable fair values and are, instead, valued based on the District's pro-rata share of the pool's net position. The District values these investments based on the State of Idaho

2. CASH AND INVESTMENTS (continued)

Treasurer's Office. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants. Participants have overnight availability to their funds up to $10 million. Withdrawals of more than $10 million require three business days' notification.

As of September 30, 2024, the District's investments had the following maturities:

		Maturity (in Years)	
Investment	Fair Value	Less than 1	1 - 5
External Investment Pool	$ 1,802,096	$ 1,802,096	$ 0

At year-end, the cash and investments were reported in the basic financial statements in the following categories (including $200 of cash on hand):

	Governmental Activities
Cash and Cash Equivalents	$ 27,888
Investments Categorized as Cash	1,802,096
	$ 1,829,984

3. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments consist of $20,669, as a redistribution of sales tax from the State of Idaho.

4. LEASE COMMITMENTS

The District entered into a lease agreement with Allied Business Solutions for a copier in October 2020 for 63 months at $950 per month but payments can increase or decrease up to 10% each year. The District also pays for overages on copies. These variable payments are treated as ordinary operating costs. It is expected the equipment will be returned at the end of the lease term.

Lease liability activity for the year was as follows:

Right-of-Use Lease	Maturity	Interest	09/30/2023	Increase	Decrease	09/30/2024	Current
Copier	2026	3.50%	$ 24,627	$ 0	$ (10,709)	$ 13,918	$ 11,089

Future minimum payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	$ 11,089	$ 311	$ 11,400
2026	2,829	21	2,850
	$ 13,918	$ 332	$ 14,250

5. OTHER COMMITMENTS

The District has two Mastercard credit cards with a total credit limit of $10,000. As of September 30, 2024, $768 of the available credit was in use.

6. RISK MANAGEMENT

The District is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e., errors and omissions, d) environmental damage, and e) worker's compensation, i.e., employee injuries. Commercial insurance policies are purchased to transfer the risk of loss in these areas.

7. COMPENSATED ABSENCES

Vacation leave is granted to all regular District employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. Changes in vacation leave during the year are as follows:

	09/30/2023	Increase	Decrease	09/30/2024	Current
Governmental Activities	$ 27,925	$ 46,739	$ 44,233	$ 30,431	$ 30,431

8. CAPITAL ASSETS

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

	09/30/2023	Additions	Disposals	09/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 0	$ 323,424	$ 0	$ 323,424
Capital Assets Being Depreciated:				
Buildings	1,355,364	0	0	1,355,364
Equipment	98,081	5,299	0	103,380
Total Historical Cost	1,453,445	328,723	0	1,782,168
Less: Accumulated Depreciation				
Buildings	743,414	37,018	0	780,432
Equipment	29,372	7,872	0	37,244
Total Acc. Depr.	772,786	44,890	0	817,676
Capital Assets, Net	$ 680,659	$ 283,833	$ 0	$ 964,492
Right-of-Use Assets	$ 44,956	$ 0	$ 0	$ 44,956
Less: Accumulated Amortization	21,156	10,578	0	31,734
Right-of-Use Assets, Net	$ 23,800	$ (10,578)	$ 0	$ 13,222

Depreciation and amortization expense was charged to the functions of the District as follows:

Governmental Activities:	
Operations and Maintenance	$ 55,468

9. PENSION PLAN

Plan Description

The District contributes to the Base Plan, which is a cost-sharing multiple-employer defined benefit pension plan administered by the 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 and are not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. All of the District's employees are classified as general employees. As of June 30, 2024, it was 6.71% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees. Effective July 1, 2024, the employee and employer rates changed to 7.18% and 11.96%, respectively. The District's employer contributions were $58,025 for the year ended September 30, 2024.

Pension Liabilities (Assets), Pension Expense (Offset), 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

9. PENSION PLAN (continued)

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 .0104581%.

For the year ended September 30, 2024, the District recognized pension expense in the government-wide statements of $101,920. 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	$ 62,283	$ 0
Changes in assumptions or other inputs	15,497	0
Net difference between projected and actual earnings on pension plan investments	0	7,101
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	0	27,741
The District's contributions subsequent to the measurement date	14,908	0
Total	$ 92,688	$ 34,842

$14,908 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or increase to the net pension asset) 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, 2023, the beginning of the measurement period ended June 30, 2024, is 4.4 years, as well as for the period ended June 30, 2023.

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

Year Ended September 30,	
2025	$ 8,966
2026	$ 65,052
2027	$ (19,463)
2028	$ (11,617)

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

9. PENSION PLAN (continued)

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 (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service, and beneficiaries. These rates were adopted for the valuation dated July 1, 2024, using the following tables:

- General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%
- General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%
- Teachers - Males Pub-2010 Teacher Tables, increased 12%
- Teachers - Females Pub-2010 Teacher Tables, increased 21%
- Fire & Police - Males Pub-2010 Safety Tables, increased 21%
- Fire & Police - Females Pub-2010 Safety Tables, increased 26%
- Disabled Members - Males Pub-2010 Disabled Tables, increased 38%
- Disabled Members - Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period 2015 through 2020, which reviewed all economic assumptions. Demographic assumptions, including mortality, were studied for the period 2015 through 2020.

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. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns (arithmetic) and reflecting expected volatility and correlation. Capital market assumptions are as follows:

9. PENSION PLAN (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
District's proportionate share of the net pension liability (asset)	$ 743,403	$ 391,201	$ 103,541

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.

10. SUBSEQUENT EVENTS

The District's building expansion project was completed in January 2025. A significant portion of the District's cash reserves have been used to fund this project.

REQUIRED SUPPLEMENTARY INFORMATION

Kuna Library District

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

	2024	2023	2022	2021	2020	2019	2018**
Employer's portion of the net pension liability (asset)	0.0104581%	0.0115965%	0.0117762%	0.0120543%	0.0129010%	0.0124357%	0.0083436%
Employer's proportionate share of the net pension liability (asset)	$ 391,201	$ 462,779	$ 463,837	$ (9,520)	$ 108,494	$ 141,950	$ 123,070
Employer's covered payroll	$ 509,830	$ 493,077	$ 464,388	$ 449,851	$ 461,201	$ 422,365	$ 268,443
Employer's proportional share of the net pension liability (asset) as a percentage of its covered payroll	76.73%	93.86%	99.88%	-2.12%	23.52%	33.61%	45.85%
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%

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

**Year the District joined PERSI.

Data reported is measured as of June 30.

Kuna Library District
Schedule of Employer Contributions -
PERSI Base Plan*
Last 10 - Fiscal Years

	2024	2023	2022	2021	2020	2019	2018**
Statutorily required employer contribution	$ 58,025	$ 59,113	$ 56,332	$ 53,217	$ 55,607	$ 49,062	$ 41,935
Contributions in relation to the statutorily required employer contribution	(58,025)	(59,113)	(56,332)	(53,217)	(55,607)	(49,062)	(41,935)
Contribution (deficiency) excess	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Employer's covered payroll	$ 512,977	$ 500,480	$ 471,790	$ 445,703	$ 465,719	$ 429,354	$ 370,449
Contributions as a percentage of covered payroll	11.31%	11.81%	11.94%	11.94%	11.94%	11.43%	11.32%

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

**Year the District joined PERSI.

Data is reported as of September 30.

Kuna Library District
Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended September 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues				
Property Taxes	$ 1,350,344	$ 1,350,344	$ 1,390,068	$ 39,724
Sales Tax	52,000	52,000	77,036	25,036
Grant and Contributions	0	0	13,204	13,204
Investment Earnings	0	0	81,874	81,874
Charges for Services	155,000	155,000	152,617	(2,383)
Other Revenue	0	0	164	164
Total Revenues	1,557,344	1,557,344	1,714,963	157,619
Expenditures				
Current:				
Payroll and Benefits	839,918	839,918	791,536	48,382
Books and Supplies	15,000	15,000	8,779	6,221
Contracted Services	57,500	57,500	38,947	18,553
Collection Development	231,600	231,600	225,764	5,836
Legal and Audit	12,500	12,500	10,157	2,343
Insurance	46,030	46,030	38,802	7,228
Miscellaneous	12,660	12,660	7,148	5,512
Office Expenditures	15,000	15,000	16,579	(1,579)
Repairs and Maintenance	134,836	134,836	17,827	117,009
Travel	2,000	2,000	1,348	652
Staff Development	10,000	10,000	3,377	6,623
Utilities	49,900	49,900	40,427	9,473
Program Expenditures	14,400	14,400	11,635	2,765
Computer Expenditures	65,000	65,000	27,908	37,092
Postage	11,000	11,000	9,803	1,197
Capital Outlay	40,000	940,000	260,667	679,333
Debt Service:				
Principal	0	0	10,709	(10,709)
Interest	0	0	691	(691)
Contingency	15,000	15,000	0	15,000
Total Expenditures	1,572,344	2,472,344	1,522,104	950,240
Net Change in Fund Balances	(15,000)	(915,000)	192,859	1,107,859
Fund Balances - Beginning	15,000	915,000	1,452,684	537,684
Fund Balances - Ending	$ 0	$ 0	$ 1,645,543	$ 1,645,543

Kuna Library District
Notes to Required Supplementary Information
For the Year Ended September 30, 2024

1. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

A. Prior to September 1, the Board of Trustees prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

B. Public hearings are conducted to obtain taxpayer comments.

C. Prior to October 1, the budget is legally passed.

D. The Board of Trustees, by following the same budgetary procedures used to adopt the original budget, may amend it to a greater amount if additional revenue will accrue to the District as a result of increases in state or federal grants or allocations, or as a result of an increase in revenues from any source other than advalorem tax revenues.

E. Formal budgetary integration is employed as a management control device during the year for the General fund and Plant Facilities fund.

F. The budget for the funds is adopted on a basis consistent with generally accepted accounting principles.

INTERNAL CONTROL AND COMPLIANCE REPORT

Bailey & Company Chtd.
Certified Public Accountants

Weston Flamm, CPA
Cassie Zattiero, CPA

812-B 12th Ave. South
P.O. Box 876
Nampa, ID 83653-0876
208 466-2493
FAX 208 467-2000
www.BaileyCPAs.com

Independent's Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Trustees
Kuna Library District

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 fund information of Kuna Library District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 11, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Bailey & Co.

Nampa, Idaho
March 11, 2025