LATAH COUNTY LIBRARY DISTRICT

Moscow, Idaho

Audited Financial Statements
For the Year Ended
September 30, 2024

LATAH COUNTY LIBRARY DISTRICT
Moscow, Idaho

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HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Latah County Library District
Moscow, Idaho 83843

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of Latah County Library 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Gift and Memorial Fund	Unmodified
Capital Asset Replacement and Repair Fund	Unmodified

Qualified Opinion on the Aggregate Discretely Presented Component Unit

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component unit of Latah County Library District as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, General Fund, Gift and Memorial Fund, and the Capital Asset Replacement and Repair Fund

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

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to the Qualified Opinion on the Aggregate Discretely Presented Component Unit

The financial statements of Latah County Library Foundation have not been audited, and we were not engaged to audit the Latah County Library Foundation financial statements as part of our audit of the Latah County Library District's basic financial statements. Latah County Library Foundation's financial activities are included in the District's basic financial statements as a discretely presented component unit and represent all of the assets, net position and revenues, and expenses, respectively, of the District's aggregate discretely presented component unit.

Emphasis of Matter

The District recorded a restatement of the beginning fund balance and net position for the correction of an error as further described in Note 11. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 12, the budgetary comparison schedules on pages 34 through 35, and the net pension (asset) liability related schedules on page 36, 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 23, 2025 on our consideration of Latah County Library District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Standard* in considering Latah County Library District's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
January 23, 2025

HAYDEN ROSS

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

To the Board of Trustees
Latah County Library District
Moscow, Idaho 83843

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 governmental activities, the aggregately discretely presented component unit, and each major fund of Latah County Library District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Latah County Library District's basic financial statements, and have issued our report thereon dated January 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Latah County Library 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 Latah County Library District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Latah County Library District's internal control.

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

Our consideration of internal control 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Latah County Library District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
January 23, 2025

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

The Management's Discussion and Analysis, (MD&A), is mandated by GASB 34. The MD&A provides an overview of the Latah County Library District (LCLD)'s financial activities for the fiscal year ended September 30, 2024.

Overview of the Latah County Library District

The Latah County Library District was created in 1994 to enhance the sharing of library materials throughout the County and to maximize the use of tax dollars. The District operates seven libraries, which are located in Moscow, Bovill, Deary, Genesee, Juliaetta, Potlatch, and Troy.

The Moscow Library houses the District's administrative offices. The Director has a management team representing the following departments: Access Services, Adult Services, Business Services, Technical Services, and Youth Services. This team has District-wide responsibilities, including selecting and weeding library materials, receiving and preparing materials for circulation, ordering supplies, managing all financial and human resource responsibilities, overseeing facility issues, courier services, rotating materials to branches, promoting library services, and administering operations.

The Library is an independent taxing district that receives most of its regular revenue from property taxes. The Library Board consists of five trustee positions, which may be filled by election or appointment pursuant to provisions of Idaho Code.

The general fund tracks the majority of the District's expenditures and revenues.

Financial Highlights

The Board is provided with a revenue and expenditure report each month. This report shows the annual budget, as well as monthly and year-to-date revenue and expenditure activity. For each account budgeted a percentage is calculated showing year-to-date how much has been spent or received and a bottom line that indicates whether spending is above or below the percent of year elapsed.

In each monthly Board packet, the Trustees are also provided the monthly check register of expenditures, a balance sheet, and both a detailed and summarized profit and loss report. Once a year, during the audit, the Board is provided with a complete financial picture of the District, including an adjusted balance sheet and supporting reports.

The District received $3,000 in grants through the Idaho Commission for Libraries for programming for our Summer Reading Program. Funding was also received from the Friends of

the Moscow Library for programming. The District also received a substantial amount of donations from the community.

In July the District welcomed a new Director. A significant portion of the Continuing Education budget was redirected into getting her integrated into the local area and starting new community outreach programs. The District also welcomed Safer Libraries Consulting for another round of de-escalation training.

Significant facilities and furnishings expenditures included the following:

- Bovill: Large outdoor wood sign, $4,000
- Genesee: New book drop, $5,667
- Moscow:
    - Two 3D Filament Printers and Glowforge, $6,500
    - Landscaping, $2,000
    - New Chairs and Ottoman for Youth Area, $4,700
    - New Circulation Desk, $24,500
    - Shelving Units for Media Wall and Youth Area, $16,500
    - New Chandelier for Carnegie, $5,250
- Troy: Repairing the brick and gutters on the back wall, $12,000

All LCLD buildings except for Potlatch are owned by their respective cities. In this fiscal year, the following major facilities projects were financed by our cities:

- Moscow: Resurfacing and caulking upper plaza, $3000

The District also began the initial planning and inspections to purchase a new building in Kendrick to move the Juliaetta Library to.

Using the Basic Financial Statements

The annual report consists of two distinct series of financial statements: the Government-wide and the governmental fund financial statements.

The Government-wide reports are designed to show the District's overall economic activity. The Statement of Net Position and Statement of Activities provide information about the governmental activities of the whole District, presenting both an aggregate view of District finances and a longer-term view of those finances.

Governmental fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities:

The Statement of Net Position and the Statement of Activities reflect the overall financial health of the District and report what the District owns and how much it owes. They also assess the District's present financial status and future outlook. The statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies.

Governmental Funds:

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported on the "modified accrual" basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Financial Analysis of the Library District as a Whole

Table 1 provides a summary of the District's net position for 2024 compared to 2023.

Government-Wide Financial Analysis
Statement of Net Position
September 30,

	2024	2023
Assets		
Current Assets	3,803,473	3,561,384
Noncurrent Assets	493,938	475,509
Total Assets	4,297,411	4,036,893
Deferred Outflows of Resources	163,299	281,286
Liabilities		
Current Liabilities	54,226	69,053
Noncurrent Liabilities	677,149	746,945
Total Liabilities	731,375	815,998
Deferred Inflows of Resources	1,767,385	1,691,511
Net Position		
Net Investment in Capital Assets	490,086	470,367
Restricted	393,249	327,274
Unrestricted	1,078,615	1,013,029
Total Net Position	**$ 1,961,950**	**$ 1,810,670**

Table 2 shows the changes in net position for fiscal years 2024 and 2023.

Government-Wide Financial Analysis
Changes in Net Position
For Year Ended September 30,

	2024	2023
Revenues:		
Property taxes	1,715,588	1,652,776
Sales taxes	115,040	122,954
Interest earnings	96,596	70,307
Library generated	9,111	9,006
Miscellaneous	3,550	5,689
Contributions and grants	75,037	85,580
Total revenues	**2,014,922**	**1,946,312**
Expenses:		
Salaries and benefits	1,287,820	1,178,555
Staff development	12,861	5,569
Library materials	188,717	168,189
Library operations	327,190	274,741
Capital outlay	34,727	25,301
Debt service	125	150
Amortization expense	1,302	1,302
Depreciation– unallocated	25,729	24,801
Total expenses	**1,878,471**	**1,678,608**
Change in Net Position	**136,451**	**267,704**
Net Position - Beginning, as Previously Report	**1,810,670**	**1,542,966**
Restatement for Correction of an Error (Note 11)	**14,829**	**-**
Net Position - Beginning, as Restated	**1,825,499**	
Net Position - Ending	**$ 1,961,950**	**$ 1,810,670**

Budget Analysis

Budgeting Variations

Developing a budget is a best estimate at the time of projection of revenues that you anticipate receiving and the expenses that you estimate will be needed during the next fiscal year.

Budgeting Process

The Library Director and managers worked with staff to plan the implementation of goals identified in the strategic plan. In March, the Business Manager began year-to-date analysis and expenditure projections using the previous six months actual expenditures. The draft budget proposal was developed by the District Finance Committee and presented to the Board of Trustees at their June meeting. As is typical, final property tax income information was able to be verified by Latah County in October, after the budget had been approved.

Following board review of the proposed budget in June and July, the Finance Committee made minor adjustments. The public budget hearing was held in August, at which time the Board of Trustees approved the budget.

Budget Implementation

General fund property tax revenue increased by $66,333 over the prior year. Sales tax revenue was $115,040, $45,040 higher than budgeted. Total operating revenues exceeded budget by $214,881.

Fund Budgetary Highlights

The 2023 levy for the District was 0.0380557% of market value, compared to the 2022 levy of 0.0418798%. The maximum legal levy limit is $.60 per $1,000 of assessed property value. New construction and increases in assessed value cause the levy rate to decrease. Growth in Latah County has traditionally allowed the Library District to increase its property tax revenue by 3% each year, the maximum legally allowable increase, without reaching the levy limit.

In addition to its annual revenue the District began the 2023-2024 fiscal year with a fund balance of $1,489,499 in the general fund. Because property tax receipts represent 85.89% of the District's regular revenue and the bulk of that revenue is received in two large payments in January and July, the District maintains cash on hand to cover expenditures between primary property tax payments. Carryover funds in excess of that needed for routine library operations are used as a reserve for unexpected expenses, as well as other expenditures that the District Board of Trustees may approve.

General fund revenues were higher than budgeted due to receiving grants, donations, more sales tax, and property taxes. Total expenditures were higher than budgeted due to capital outlay.

The District remains in a sound financial position by maintaining a prudent reserve and meeting all of its on-going financial obligations in a timely manner. The District also actively seeks new revenue sources in order to keep both its financial position and service levels strong.

Capital Assets
All Governmental Activities
Capital Assets

	2024	2023	Change
Equipment	68,448	30,103	38,345
Vehicles	27,964	27,964	-
Buildings	708,965	708,965	-
Less accumulated depreciation	(315,235)	(296,621)	(18,614)
Right-of-use copier	6,617	6,617	-
Right-of-use amortization	(2,821)	(1,519)	(1,302)
Total Net Capital Assets	**$ 493,938**	**$ 475,509**	**$ 19,731**

The District's capitalization threshold is set at $5,000.

Contacting the District's Financial Management

This financial report is designed to provide our taxpayers, patrons and management with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to April Hernandez, Library Director, Latah County Library District at 110 South Jefferson, Moscow, ID 83843 or aprilh@latahlibrary.org.

FINANCIAL STATEMENTS

LATAH COUNTY LIBRARY DISTRICT
Moscow, Idaho

STATEMENT OF NET POSITION
September 30, 2024

	Primary Government	Component Unit (Unaudited)
	Governmental Activities	Latah County Library Foundation
ASSETS		
Current assets:		
Cash	26,566	15,657
Investments	1,955,861	697,160
Taxes receivable	35,880	-
Unbilled taxes receivable	1,736,782	-
Receivables:		
Due from County	36,587	-
Other receivables	8,572	-
Prepaid items	3,225	-
Total current assets	3,803,473	712,817
Noncurrent assets:		
Depreciable assets	805,377	-
Less: accumulated depreciation	(315,235)	-
Right-of-use lease asset	6,617	-
Less: accumulated amortization	(2,821)	-
Total noncurrent assets	493,938	-
TOTAL ASSETS	4,297,411	712,817
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	163,299	-
LIABILITIES		
Current liabilities:		
Accounts payable and other current liabilities	52,901	-
Current portion of right-of-use lease liability	1,325	-
Total current liabilities	54,226	-
Noncurrent liabilities:		
Accrued compensated absences	40,524	-
Noncurrent portion of right-of-use lease liability	2,527	-
Net pension liability	634,098	-
Total noncurrent liabilities	677,149	-
TOTAL LIABILITIES	731,375	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable tax revenue	1,736,782	-
Pension related items	30,603	-
Total deferred inflows of resources	1,767,385	-
NET POSITION		
Net investment in capital assets	490,086	-
Restricted	393,249	712,817
Unrestricted	1,078,615	-
TOTAL NET POSITION	$ 1,961,950	$ 712,817

LATAH COUNTY LIBRARY DISTRICT
Moscow, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit (Unaudited)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Latah County Library Foundation
Functions/Programs						
Primary government						
Governmental activities:						
Salaries and benefits	1,287,820	-	-	-	(1,287,820)	-
Staff development	12,861	-	-	-	(12,861)	-
Library materials	188,717	-	-	-	(188,717)	-
Library operations	327,190	9,111	75,037	-	(243,042)	-
Capital outlay	34,727	-	-	-	(34,727)	-
Debt service	125	-	-	-	(125)	-
Amortization expense	1,302	-	-	-	(1,302)	-
Depreciation- unallocated	25,729	-	-	-	(25,729)	-
Total primary government	$ 1,878,471	$ 9,111	$ 75,037	$ -	(1,794,323)	-
Component unit						
Latah County Library Foundation	$ 14,140	$ -	$ 10,000	$ -	-	(4,140)
		General revenues				
		Property taxes levied for general purposes			1,715,588	-
		Sales tax collected			115,040	-
		Miscellaneous			3,550	-
		Interest income			96,596	-
		Unrealized gain (loss)			-	112,027
		Total general revenues			1,930,774	112,027
		Change in net position			136,451	107,887
		Net position - beginning, as previously report			1,810,670	604,930
		Restatement for correction of an error (See Note 11)			14,829	-
		Net position - beginning, as restated			1,825,499	604,930
		Net position - ending			$ 1,961,950	$ 712,817

GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2024

	General	Gift and Memorial	Capital Asset Replacement and Repair	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash	26,566	-	-	26,566
Investments	1,605,990	349,871	-	1,955,861
Taxes receivable	35,880	-	-	35,880
Unbilled taxes receivable	1,736,782	-	-	1,736,782
Receivables:				
Due from county	36,587	-	-	36,587
Other receivables	7,088	1,484	-	8,572
Due from other funds	(41,894)	-	47,851	5,957
Prepaid items	3,225	-	-	3,225
Total assets	3,410,224	351,355	47,851	3,809,430
Deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,410,224	$ 351,355	$ 47,851	$ 3,809,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	8,826	-	-	8,826
Due to other funds	-	5,957	-	5,957
Payroll payable	44,075	-	-	44,075
Total liabilities	52,901	5,957	-	58,858
Deferred inflows of resources:				
Deferred revenue	29,313	-	-	29,313
Unavailable tax revenue	1,736,782	-	-	1,736,782
Total deferred inflows of resources	1,766,095	-	-	1,766,095
Fund balances:				
Nonspendable	3,225	-	-	3,225
Restricted:				
Capital asset replacement	-	-	47,851	47,851
Gifts and memorial	-	345,398	-	345,398
Unassigned	1,588,003	-	-	1,588,003
Total fund balances	1,591,228	345,398	47,851	1,984,477
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,410,224	$ 351,355	$ 47,851	$ 3,809,430

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2024

Total fund balances - governmental funds		1,984,477
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of capital assets	805,377	
Accumulated depreciation	(315,235)	
		490,142
Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.		
Cost of right-of-use lease assets	6,617	
Accumulated amortization	(2,821)	
		3,796
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		163,299
Deferred inflow of resources		(30,603)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:		
Accrued compensated absences		(40,524)
Right-of-use lease liability		(3,852)
Net pension liability		(634,098)
Some receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		29,313
Total net position - governmental activities		$ 1,961,950

LATAH COUNTY LIBRARY DISTRICT
Moscow, Idaho

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2024

	General	Gift and Memorial	Capital Asset Replacement and Repair	Total Governmental Funds
REVENUES				
Property tax	1,711,861	-	-	1,711,861
Sales tax	115,040	-	-	115,040
Library generated	9,111	-	-	9,111
Grants	20,695	-	-	20,695
Donations	54,342	-	-	54,342
Interest income	78,472	18,124	-	96,596
Miscellaneous	3,550	-	-	3,550
Total revenues	1,993,071	18,124	-	2,011,195
EXPENDITURES				
Salaries and benefits	1,233,121	-	-	1,233,121
Staff development	12,861	-	-	12,861
Library materials	188,717	-	-	188,717
Library operations	327,190	-	-	327,190
Debt service	1,415	-	-	1,415
Capital outlay	28,038	-	52,149	80,187
Total expenditures	1,791,342	-	52,149	1,843,491
Excess (deficiency) of revenues over (under) expenditures	201,729	18,124	(52,149)	167,704
Other financing sources (uses)				
Transfer in(out)	(100,000)	-	100,000	-
Net change in fund balance	101,729	18,124	47,851	167,704
Fund balance - beginning, as previously report	1,474,670	327,274	-	1,801,944
Restatement for correction of an error (See Note 11)	14,829	-	-	14,829
Fund balance - beginning, as restated	1,489,499	327,274	-	1,816,773
Fund balance - ending	$ 1,591,228	$ 345,398	$ 47,851	$ 1,984,477

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds		167,704
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities:		
Capital outlays	45,460	
Depreciation expense	(25,729)	
		19,731
Capital outlays used to lease right-of-use lease assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual amortization expense:		
Lease assets	-	
Amortization expense	(1,302)	
		(1,302)
Net pension (asset) liability adjustments:		
Fiscal year 2023 employer PERSI contributions recognized as pension expenses in the current year	(21,846)	
Fiscal year 2024 employer PERSI contributions deferred to subsequent year	25,456	
Pension related amortization expense	(50,599)	
		(46,989)
Compensated absences are accrued and expensed in the statements of net position and activities. However, in the governmental funds, the accrual and expenditure did not meet the same criteria.		(7,710)
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position.		1,290
Some property taxes will not be collected for several months after the District's fiscal year end, and are not considered as "available" revenues in the governmental funds. Instead, they are recorded as deferred revenues. They are however, recorded as revenues in the Statement of Activities.		3,727
Change in net position - governmental activities		$ 136,451

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 Significant Accounting Policies

The financial statements of the Latah County Library District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to 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 of the government's accounting policies are described below.

Reporting Entity - The Latah County Library District is the basic level of government, which has financial accountability, and control over all activities related to the library within the District. The District receives funding from local and state sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since District members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organization that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt, or levying of taxes. The Latah County Library Foundation, as defined in Governmental Accounting Standards Board Statement 61, is considered a component unit of the District.

Latah County Library Foundation (LCLF) was established to enable the District to fulfill more completely its mission through the development and enhancement of its properties and operations beyond what is possible through annual operating monies. LCLF receives donations from patrons of the District, which it then distributes to the District to be used only for needs outside the operating budget, such as capital needs, special projects and outreach. LCLF's sole beneficiary is the District. LCLF is presented in these financial statements discretely from the funds of the District.

Basis of Presentation - Government-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District. Only governmental-type activities are shown, since there are no "business-type activities" within the District.

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

NOTE 1 Significant Accounting Policies (Continued)

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses - expenses of the District related to the administration and support of the District's programs, such as personnel and accounting - are not allocated to programs.

- Program revenues include (a) charges paid by the recipient 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 assessments, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. 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 not accounted for in other funds.

- Gifts and Memorial Fund - This fund is used to account for gifts, contributions, and revenues received that are designated by donor for use on specific projects.

- Capital Asset Replacement and Repair Fund - This fund was created to maintain, repair, or replace capital assets.

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. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, including property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 all revenues reported in the governmental fund to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

NOTE 1 Significant Accounting Policies (Continued)

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Restricted Resources - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Budgets - The Library District follows the procedures established by the provisions of Chapters 26 and 27 of Title 33 and Chapter 10 of Title 50, Idaho Code, in establishing the budgetary data reflected in the financial statements. A summary of these procedures are as follows:

1. The last week in August, the Board of Trustees adopts a proposed budget for the fiscal year commencing on the following October 1st, and sets the time and place for a public hearing on the proposed budget. The proposed budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at the Moscow Library, 110 South Jefferson, Moscow, Idaho, to obtain taxpayer comments prior to the first Friday in September. At the conclusion of the public hearing, the Board of Trustees adopts the budget and the budget is legally enacted through passage of an appropriation resolution.

3. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The District did not prepare an annual budget for the following fund:

Gifts and Memorials Fund

Cash and Investments - The District's cash include amounts in local depositories. Certain cash balances may exceed the FDIC insured limits of $250,000. Interest income from cash balances is defined as non-operating revenue.

State statute and Board investment policy authorizes the District to invest in obligations of the U.S. Treasury, the State of Idaho, or county, District or other taxing districts of the State of Idaho, commercial paper, corporate bonds and repurchase agreements.

Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow special districts within the State of Idaho to pool their funds for investment purposes.

Interest income from investments is defined as non-operating revenue.

Deposits in the State Treasurer's local government investment pool are stated at cost, which approximates market. The primary objectives of the investment pool, in order of priority, are safety, liquidity and yield.

NOTE 1 Significant Accounting Policies (Continued)

Short-Term Interfund Receivables/Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term inter-fund loans are classified as "inter-fund receivable/payables."

Inventory - The District does not record inventory items at year-end due to the small number and values of items on hand. All supplies are recorded as expenditures in the period in which they were purchased.

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.

The Board has set a capitalization threshold of $5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements. Lives for buildings and improvements range from 15-40 years. Lives for equipment range from 7-10 years. Vehicles have estimated lives of 7 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Leases - The District evaluates each lease agreement at the time of inception to determine the reporting requirements of each lease. Leases that met the definition of a right-of-use (ROU) lease are included as ROU lease assets and ROU lease liabilities on the government-wide financial statements.

ROU assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the District's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option(s) will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a maximum term of 12 months or less are excluded from the ROU asset and liability amounts.

Subscription-based Information Technology Arrangements (SBITA) - The District evaluates each information technology (IT) agreement at the time of inception to determine the reporting requirements of each SBITA. SBITAs that met the definition of a right-of-use (ROU) agreement are included as SBITA ROU assets and SBITA ROU liabilities on the government-wide financial statements.

ROU assets represent the District's right to use an underlying IT asset for the IT contract term and lease liabilities represent the obligation to make lease payments arising from the contract. SBITA

NOTE 1 Significant Accounting Policies (Continued)

ROU assets and liabilities are recognized at commencement date based on the present value of contact payments over the IT contract term. As most of the contracts do not provide an implicit rate, the District's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of contract payments. The IT contract terms may include options to extend or terminate the contract when it is reasonably certain that the option(s) will be exercised. SBITA expense for contract payments is recognized on a straight-line basis over the contract term. IT contracts with a maximum term of 12 months or less are excluded from the SBITA ROU asset and liability amounts.

Accumulated Unpaid Vacation and Sick Pay - Employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay. An employee may accumulate no more than twice their annual leave earned. As of September 30, 2024, the District had vacation payable of $40,524. Employees are not paid for unused sick leave upon termination of employment with the District. The District has no responsibility for any other salary-related compensation when an employee leaves the District.

Encumbrances - The District does not follow the practice of encumbering funds at year-end.

Fund Balance - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the Board of Trustees. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes, as approved by the Board of Trustees, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications. The District applies committed resources, then assigned resources, then unassigned resources when an expenditure is incurred for purposes for which all fund balances classifications are available.

Restricted balances are as follows:

- Capital Asset Replacement and Repair – This fund was created to maintain, repair, or replace capital assets.
- Gifts and Memorial – These funds are used to account for gifts, contributions, and revenues received that are designated by donor for use on specific projects.

Nonspendable balances are as follows:

- Prepaid items – Items determined to be related to future years.

NOTE 1 Significant Accounting Policies (Continued)

Deferred Revenue - Deferred revenue represents some receivables recorded but not estimated to be collected within 60 days of the end of the accounting period.

Deferred Grant Revenue - Deferred grant revenue in the general fund represents grant money that has been received but not yet earned.

Unavailable Property Tax Revenue - Unavailable property tax revenue represents the property taxes levied for 2024 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

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

Subsequent events - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Except as noted in Note 12, management has concluded that no material subsequent events have occurred.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended September 30, 2024, there was one new GASB statements that became effective. The adoption of the statement has the following effect for the District:

GASB Statement No. 100, Accounting Changes and Error Corrections – This statement delineates required note disclosures when there is a reported accounting change or correction of an error. See Note 11 for disclosure of error corrections.

NOTE 3 Property Tax

The District's property tax is recognized as an asset at the time the District has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2024, the District has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

Tax Year 2023 Levy (FY2024 Revenue)

The market value upon which the 2023 levy was based was $4,369,517,732. The property tax was levied in October 2021 and was due in two equal installments on December 20th and June 20th.

The total tax levy (per $100 of value) for the year was as follows:

	Percentage	Amount
Levy	3.80557	$1,704,354

NOTE 3 Property Tax (Continued)

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the general fund in the amount of $1,736,782. This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded.

Total taxes receivable at September 30, 2024	35,880
Less: Taxes estimated to be collected by the County Treasurer by November 30, 2024	(6,567)
Deferred tax revenue	$ 29,313

NOTE 4 Cash and Investments

The District's deposits consisted of the following at year end:

	Carrying Amount	Bank Balance
Cash in checking, savings, and money market accounts	26,138	87,738
Cash on hand	428	-
Total cash	$ 26,566	$ 87,738

Deposits with Zions Bank of which $250,000 for demand deposit (checking) accounts and $250,000 for time and savings deposit accounts was covered by Federal Deposit Insurance. Any balance is in excess of the FDIC insured limit is uncollateralized and unsecured.

Investments – Detail of investments at September 30, 2024 are as follows:

Investment Maturities

External Investment Pool	Book Value	Market Value	Less than 1 Year	1-8 Years
State Investment Pool	$1,955,861	$1,955,861	$1,955,861	$ -

NOTE 4 Cash and Investments (Continued)

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the State of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the State of Idaho, repurchase agreements covered by any legal investment for the State of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the State of Idaho, revenue bonds of institutions of higher education of the State of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

The State Treasurer's investment policy and the Local Government Investment Pool financial statements can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days' notification.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 106 days. The District does not have a policy regarding interest rate risk.

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total Investments of the entity are concentrated in any one issuer. Investments in obligations

NOTE 4 Cash and Investments (Continued)

specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District has does not have a policy limiting the amount it may invest in any one issuer.

NOTE 5 Capital Assets

A summary of changes in capital assets and accumulated depreciation for year ended September 30, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Buildings	708,965	-	-	-	708,965
Equipment	30,103	45,460	(7,115)	-	68,448
Vehicles	27,964	-	-	-	27,964
Right-of-use lease (See Note 9)	6,617	-	-	-	6,617
Totals	773,649	45,460	(7,115)	-	811,994
Accumulated Depreciation	(296,621)	(25,729)	7,115	-	(315,235)
Accumulated Amorization	(1,519)	(1,302)	-	-	(2,821)
Net capital assets	$ 475,509	$ 18,429	$ -	$ -	$493,938

NOTE 6 Interfund Receivables, Payables, and Transfers

Individual fund interfund receivable and payable balances at September 30, 2024 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	-	41,894
Gifts and Memorial	-	5,957
Total	$ 47,851	$ 47,851

The primary purpose of interfund transfers is to redistribute money as deemed appropriate by management. Operating transfers between funds occurred as follows:

Fund	Out	In
General	100,000	-
Capital Asset Replacement and Repair	-	100,000
Total	$ 100,000	$ 100,000

NOTE 7 Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended September 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2024. All amounts are as of June 30, 2024 unless otherwise noted.

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

NOTE 7 Pension Plan (Continued)

The contribution rates for employees are set by stature at 60% (72%) of the employer rate. As of September 30, 2024 it was 7.18% (10.83%). The employer contribution rate is set by the Retirement Board and was 11.96% (14.65%) of covered compensation. The District's employer contributions required and paid were $96,316 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 of $634,098 for its proportionate share of the net pension (asset) liability as of June 30, 2024. The net pension (asset) liability was measured as of June 30, 2024, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension (asset) liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was 0.0169516%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. The pension expense (revenue) for the year ended June 30, 2024 was calculated at $182,366.

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	100,954	-
Changes in assumptions or other inputs	25,120	-
Change in proportionate share	259	30,603
Net difference between projected and actual earning on pension plan investments	11,510	-
Employer contributions subsequent to the measurement date	25,456	-
Total	$ 163,299	$ 30,603

$25,456 reported as deferred outflow 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 ended September 30, 2024.

NOTE 7 Pension Plan (Continued)

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

For the Year Ending June 30:	Amount to be Recognized
2025	31,297
2026	118,229
2027	(20,388)
2028	(14,573)
2029	(7,325)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, 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 (COLA) adjustments	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, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

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

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

NOTE 7 Pension Plan (Continued)

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 and reflecting expected volatility and correlation.

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

Discount rate

The discount rate used to measure the total pension (asset) 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 (asset) 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 Employer's proportionate share of the net pension (asset) liability to changes in the discount rate.

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's liability would be if it were calculated using discount rate that is 1-percentage point lower or 1-percentage point higher 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 (asset) liability	$1,204,984	$634,098	$167,830

Pension plan fiduciary net position

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

NOTE 7 Pension Plan (Continued)

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

Payables to the pension plan

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

NOTE 8 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9 Right-of-use Lease Asset/Liability

The District entered into a lease agreement to lease copiers on August 4, 2022 for 60 months ending on August 3, 2027 with a discount rate of 2.76% based on the estimated incremental borrowing rate determined by the District. The lease requires monthly payments of $118.

During the year ended September 30, 2024, the following changes occurred in right-of-use lease assets:

	Beginning Balance	Additions	Modications & Remeasurements	Subtractions	Ending Balance
Right-of-Use Lease Assets					
Copiers	6,617	-	-	-	6,617
Less: Accumulated Amortization					
Copiers	(1,519)	(1,302)	-	-	(2,821)
Total Right-of-Use Lease Assets, net	$ 5,098	$ (1,302)	-	-	$ 3,796

Total lease expense for the year ended September 30, 2024 is as follows:

Lease expense	
Amortiation expense by class of underlying asset	
Copier	1,302
Total Amortization Expense	1,302
Interest on lease liabilities	123
Total	1,425

During the year ended September 30, 2024, the following changes occurred in the right-of-use lease liability:

	Beginning Balance	Additions	Modications & Remeasurements	Subtractions	Ending Balance	Amount Due in One Year
Right-of-Use Lease Liabilities						
Copiers	$ 5,142	-	-	$ (1,290)	$ 3,852	$ 1,325

NOTE 9 Right-of-use Lease Asset/Liability (Continued)

Future minimum annual payments as of September 30, 2024 are as follows:

FY Ending September 30,	Principal	Interest	Total Payments
2025	1,325	90	1,415
2026	1,362	53	1,415
2027	1,165	14	1,179
Total Future Payments	$ 3,852	$ 157	$ 4,009

NOTE 10 Library Agreements

In order to provide library services to the residents of Latah County, Idaho, and to provide optimal housing for such libraries, all cities except Potlatch, have agreed to allow the District to lease, use and occupy various City owned buildings. The terms of the agreements are for a period of ten years beginning in 2018. The District pays each City the sum of one dollar per year as rent, payable on January 1 of each year in addition to utilities, internet, and minor repair and maintenance costs. The District owns the Potlatch Library building and leases ground the building sits on from the Potlatch School District, until 2048.

NOTE 11 Restatement for Correction of an Error

During fiscal year 2024, the District determined that a correction of an error was needed to record remove an uncleared duplicate check from prior fiscal year. This correction increased cash, beginning fund balance, and beginning net position by $7,627.

During fiscal year 2024, the District determined that a correction of an error was needed to record a prepaid expense for fiscal year 2023. This correction increased prepaid items, beginning fund balance, and beginning net position by $7,202.

	September 30, 2023, as previously reported	Error correction	September 30, 2023, as restated
Government-wide			
Governmental activities	1,810,670	14,829	1,825,499
Total government-wide	$ 1,810,670	$ 14,829	$ 1,825,499
Governmental funds			
General fund	1,474,670	14,829	1,489,499
Total governmental funds	$ 1,474,670	$ 14,829	$ 1,489,499

NOTE 12 Subsequent Event

On December 4, 2024, the District purchased a building located in Kendrick, Idaho 83537 for $365,490 to relocate the Juliaetta library.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable) Original to Actual	Variance Favorable (Unfavorable) Amended to Actual
REVENUES					
Property tax	1,662,850	1,662,850	1,711,861	49,011	49,011
Sales tax	70,000	70,000	115,040	45,040	45,040
Library generated	5,340	5,340	9,111	3,771	3,771
Grants	-	-	20,695	20,695	20,695
Donations	-	-	54,342	54,342	54,342
Miscellaneous	-	-	3,550	3,550	3,550
Interest income	40,000	40,000	78,472	38,472	38,472
Total revenue	1,778,190	1,778,190	1,993,071	214,881	214,881
EXPENDITURES					
General government:					
Salaries and benefits	1,270,155	1,270,155	1,233,121	37,034	37,034
Staff development	10,182	10,182	12,861	(2,679)	(2,679)
Library materials	234,429	234,429	188,717	45,712	45,712
Library operations	263,424	263,424	327,190	(63,766)	(63,766)
Total general government	1,778,190	1,778,190	1,761,889	16,301	16,301
Debt service:					
Principal	-	-	1,290	(1,290)	(1,290)
Interest	-	-	125	(125)	(125)
Total debt service	-	-	1,415	(1,415)	(1,415)
Capital outlay	-	-	28,038	(28,038)	(28,038)
Total expenditures	1,778,190	1,778,190	1,791,342	(13,152)	(13,152)
Excess of revenues over expenditures	-	-	201,729	201,729	201,729
Other financing sources (uses)					
Transfer out	(100,000)	(100,000)	(100,000)	-	-
Net change in fund balance	$ (100,000)	$ (100,000)	101,729	$ 201,729	$ 201,729
Fund balance - beginning, as previously report			1,474,670		
Restatement for correction of an error (See Note 11)			14,829		
Fund balance - beginning, as restated			1,489,499		
Fund balance - ending			$ 1,591,228		

CAPITAL ASSET REPLACEMENT AND REPAIR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended September 30, 2024

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable) Original to Actual	Variance Favorable (Unfavorable) Amended to Actual
REVENUES	-	-	-	-	-
EXPENDITURES					
Capital outlay	100,000	100,000	52,149	47,851	47,851
Total expenditures	100,000	100,000	52,149	47,851	47,851
Excess of revenues over expenditures	(100,000)	(100,000)	(52,149)	47,851	47,851
Other financing sources (uses)					
Transfer in	100,000	100,000	100,000	-	-
Net change in fund balance	$ -	$ -	47,851	$ 47,851	$ 47,851
Fund balance - beginning			-		
Fund balance - ending			$ 47,851		

LATAH COUNTY LIBRARY DISTRICT
Moscow, Idaho

Schedule of the District's Share of Net Pension (Asset) Liability*
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	0.0169516%	0.0177985%	0.0182161%	0.0199919%	0.0198881%	0.0220207%	0.0224245%	0.0216894%	0.0195919%	0.0202904%
Employer's proportionate share of the net pension (asset) liability	634,098	710,278	717,488	(15,789)	461,828	251,360	330,765	340,920	397,158	267,192
Employer's covered employee payroll	830,733	756,776	718,342	746,072	708,191	747,915	721,475	673,657	569,332	554,102
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	76.33%	93.86%	99.88%	-2.12%	65.21%	33.61%	45.85%	50.61%	69.76%	48.22%
Plan fiduciary net position as a percentage of the total	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Schedule of the District's Contributions*
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	92,876	90,359	85,770	89,081	84,558	84,664	81,671	76,258	64,449	64,335
Contributions in relation to the statutorily required contribution	(92,876)	(90,359)	(85,770)	(89,081)	(84,558)	(84,664)	(81,671)	(76,258)	(64,449)	(64,335)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered employee payroll	830,733	756,776	718,342	746,072	708,191	747,915	721,475	673,657	569,332	568,330
Contributions as a percentage of covered employee payroll - Class 1	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

*Data is reported is measured as of June 30, 2024.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2024 (most recently issued PERSI information)

Change of Assumptions. There were no change of assumptions as of June 30, 2024.