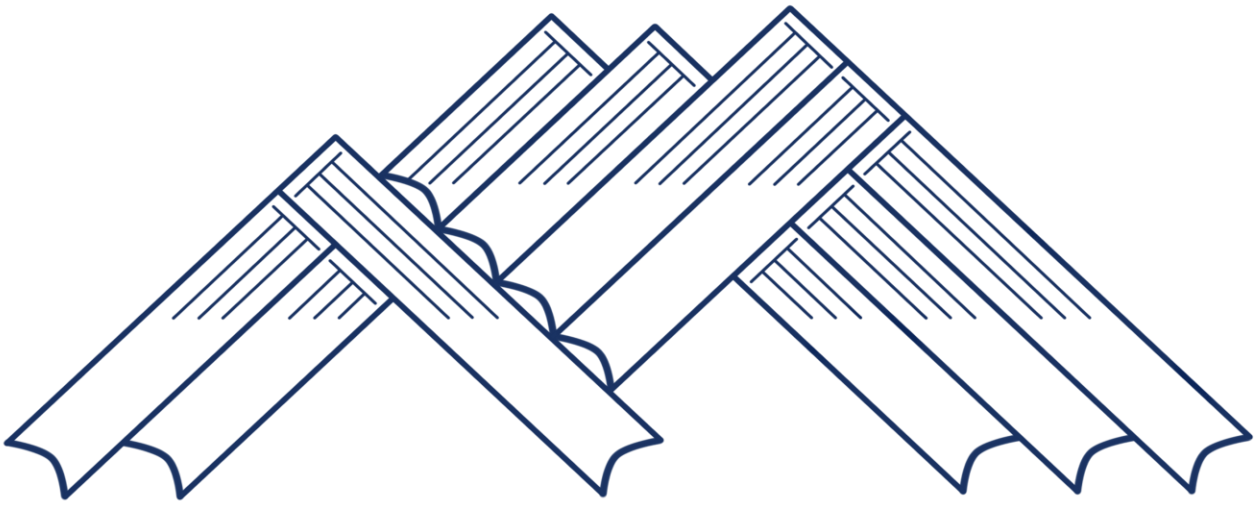


PORTNEUF DISTRICT LIBRARY

AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

TABLE OF CONTENTS

	Page Numbers
INDEPENDENT AUDITOR'S REPORT	3 - 5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	6
Statement of Activities	7
FUND FINANCIAL STATEMENTS	
Balance Sheet –Governmental Funds	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
NOTES TO FINANCIAL STATEMENTS	12 - 21
REQUIRED SUPPLEMENTARY INFORMATION	22
Budget to Actual Comparison Schedule – General Fund	23
Schedule of Employer's Share of Net Pension Liability	24
Schedule of Employer Contributions	24
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	25-26

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of the Idaho Society of Certified Public Accountants
Members of the American Institute of Certified Public Accountants



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Portneuf District Library
Chubbuck, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Portneuf District Library 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, each major fund, and the aggregate remaining fund information of the Portneuf District Library, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 the Portneuf District Library's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Portneuf District Library's ability to continue as a going concern for a reasonable period of time.

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

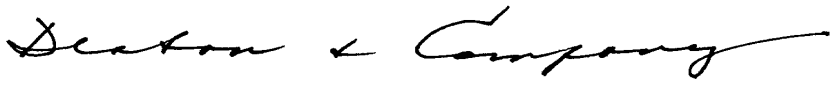
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pensions schedules on page 23 and 24 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 and discussion 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 February 19, 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 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 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.



Pocatello, Idaho
February 19, 2025

PORTNEUF DISTRICT LIBRARY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Current assets	
Pooled cash and cash equivalents	$ 754,828
Receivables	
Prepaid expense	7,156
	778,691
Non-current assets	
Land	22,936
Buildings, net of accumulated deprecation	656,322
Books and materials, net of accumulated depreciation	192,947
	872,205
Total assets	1,650,896
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows - pension	59,100
LIABILITIES	
Current liabilities	
Accounts payable	5,443
Payroll payable	23,540
	28,983
Long-term liabilities	
Compensated absence	16,123
Net pension liability	270,999
	287,122
Total liabilities	316,105
DEFERRED INFLOW OF RESOURCES	
Deferred inflows - pension	-
NET POSITION	
Net investment in capital assets	872,205
Unrestricted	521,686
Total net position	$ 1,393,891

The accompanying notes are an integral part of these financial statements

PORTNEUF DISTRICT LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Governmental Activities
EXPENSES-LIBRARY SERVICES	
Salaries and benefits	$ 614,078
Depreciation	90,787
Computer hardware and software	7,604
Utilities	19,724
Supplies	36,821
Maintenance	13,578
Travel and education	6,285
Insurance	18,050
Children's program	5,879
Other programs	23,887
Advertising	5,082
Contract services	25,553
Misc. expense	472
Professional fees	14,430
Membership	952
Loss on asset disposal	58,000
Net pension expense	16,575
	957,757
CHARGES FOR SERVICES	
Fines, refunds, copies, and miscellaneous	5,175
OPERATING GRANTS AND CONTRIBUTIONS	
Grants	15,231
Net program expense	(937,351)
GENERAL REVENUES	
Property taxes	892,696
State sales tax	54,399
Investment income	26,081
Circuit breaker	9,471
Ag tax replacement	1,077
	983,724
CHANGE IN NET POSITION	46,373
NET POSITION – BEGINNING	1,347,518
NET POSITION – ENDING	$ 1,393,891

The accompanying notes are an integral part of these financial statements

PORTNEUF DISTRICT LIBRARY
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Total General Fund
Cash and investments	$ 754,828
Property taxes receivable	16,707
Prepaid expense	7,156
Total assets	$ 778,691
LIABILITIES	
Accounts payable	$ 5,443
Payroll payable	23,540
Total liabilities	28,983
DEFERRED INFLOWS	
Unavailable revenues	15,518
FUND BALANCE	
Nonspendable	
Prepaid expense	7,156
Unassigned	727,034
Total fund balance	734,190
Total liabilities and fund balance	$ 778,691

The accompanying notes are an integral part of these financial statements

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

Total fund balances – governmental funds		$ 734,190
Total net assets reported for governmental activities		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds net of accumulated depreciation, $1,086,636.		872,205
Some of the District's property taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the governmental funds.		15,518
Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the Governmental Fund Statements		
Net pension liability	(270,999)	
Compensated absence	(16,123)	
		(287,122)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to pensions		59,100
Deferred inflows of resources related to pensions (from pension schedule)		-
Total Net Position		$ 1,393,891

The accompanying notes are an integral part of these financial statements

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

	Total General Fund
Bannock County – taxes	$ 889,766
Agriculture replacement	1,077
State sales tax (Inventory phase out)	54,399
Interest	26,081
Fines, refunds, and miscellaneous	5,175
Circuit breaker	9,471
Grants and donations	15,231
	1,001,200
EXPENDITURES	
Salaries and benefits	608,034
Materials and supplies	36,821
Utilities	19,724
Repairs and maintenance	13,578
Memberships	952
Insurance	18,050
Travel and education	6,285
Marketing	5,082
Professional fees	14,430
Computer hardware and software	7,604
Contract services	25,553
Misc. expense	472
Children's program	5,879
Other programs	23,887
Capital outlays	69,851
	856,202
NET CHANGE IN FUND BALANCE	144,998
FUND BALANCE – Beginning	589,192
FUND BALANCE – Ending	$ 734,190

The accompanying notes are an integral part of these financial statements

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

Total net change in fund balances – governmental funds		$ 144,998
Amounts reported for governmental activities in the Statement		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than $2,000 are capitalized and the cost is allocated over estimated useful lives as deprecation expense. This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense this year	$ (90,787)	
Capital outlays	69,851	
		(20,936)
Loss on asset disposal		(58,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absence		(6,044)
Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenue in the Governmental funds. They are recorded as current revenue in the Statement of Activities.		2,930
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension expense increased from contributions		(16,575)
Total Change in Net Position		$ 46,373

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-wide and fund financial statements

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

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

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

The District reports the following major funds:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Budgetary data

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary data (continued)

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

E. Deposits and investments

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

F. Cash and Cash Equivalents

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

G. Inventories

Inventories of governmental funds are recorded as expenditures when purchased.

H. Accounts Receivable

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

I. Capital Assets

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

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

Building and Improvements	20-40 years
Furniture and Equipment	3-7 years
Books and Audio Visual	4 years

J. Use of Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absence

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

L. Pensions

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

M. Fund Balance

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

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

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

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

	Bank Balance
DL Evans Bank	$ 198,524
State of Idaho Investment Pool	561,171
	$ 759,695

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. At year-end, the District's deposits were subject to custodial credit risk. The deposits that were uninsured and uncollateralized totaled $561,171. The District does not have a policy for custodial credit risk.

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated				
Land	$ 22,936	$ -	$ -	$ 22,936
Work in process	-	-	-	-
	22,936	-	-	22,936
Capital Assets being depreciated				
Buildings and Improvements	1,547,669	-	58,000	1,489,669
Books and Equipment	714,512	69,851	338,127	446,236
	2,262,181	69,851	396,127	1,935,905
Accumulated Depreciation				
Buildings and Improvements	794,351	38,996		833,347
Books and Equipment	539,625	51,791	338,127	253,289
	1,333,976	90,787	338,127	1,086,636
Total Capital Assets – Net	$ 951,141	$ (20,936)	$ 58,000	$ 872,205

NOTE 5 - PENSION PLAN

Plan Description

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

NOTE 5 - PENSION PLAN (CONTINUED)

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.

The contribution rates for employees are set by statute at 60% (74%) of the employer rate. As of June 30, 2024 it was 7.16% (9.13%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. The District's contributions were $46,320 for the year ended September 30, 2024.

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

At September 30, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the District's proportion was .0072447 percent.

NOTE 5 - PENSION PLAN (CONTINUED)

For the year ended September 30, 2024, the District recognized pension expense of $78,909. 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	$ 43,145	$ -
Changes in assumptions or other inputs	10,736	-
Net difference between projected and actual earnings on pension plan investments	(4,919)	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		-
Library's contributions subsequent to the measurement date	10,138	-
Total	59,100	-

The amount of $10,138 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

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.

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

Year ending September 30,	
2023	$ 13,375
2024	50,529
2025	(8,714)
2026	(6,228)
2027	-

Actuarial Assumptions

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

NOTE 5 - PENSION PLAN (CONTINUED)

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

Inflation	2.30%
Salary increases	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

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

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

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

NOTE 5 - PENSION PLAN (CONTINUED)

Capital Market Assumptions

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

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 514,982	$ 270,999	$ 71,727

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 5 - **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 Library reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 6 - LONG TERM DEBT

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

NOTE 7 - **RISK MANAGEMENT**

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

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

At year-end, the District's deposits were in an internal investment pool or in a checking account with D.L. Evans Bank.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

Concentration Credit Risk

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

NOTE 9 - **SUBSEQUENT EVENTS**

Subsequent events were evaluated by management up to February 19, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 864,604	$ 864,604	$ 889,766	$ 25,162
New construction	-	-	-	-
Interest	4,000	4,000	26,081	22,081
Fines, refunds, and other revenues	6,500	7,000	5,175	(1,825)
Sales tax	25,000	40,150	54,399	14,249
Other intergovernmental revenue	-	-	10,548	10,548
Grant revenue	7,000	11,500	15,231	3,731
Capital project reserve	15,538	15,538	-	(15,538)
	922,642	942,792	1,001,200	58,408
EXPENDITURES				
Salaries and benefits	652,000	652,000	608,034	43,966
Materials and supplies	15,500	16,500	36,821	(20,321)
Utilities	22,200	22,200	19,724	2,476
Repairs and maintenance	8,000	8,000	13,578	(5,578)
Memberships	2,100	2,100	952	1,148
Insurance	18,800	18,800	18,050	750
Travel and education	10,000	10,000	6,285	3,715
Professional fees	17,000	17,000	14,430	2,570
Databases	5,800	7,800	7,604	196
Contract services	24,700	28,750	25,553	3,197
Marketing	5,000	6,000	5,082	918
Children’s program	6,000	6,000	5,879	121
YA/adult program	15,000	15,500	19,864	(4,364)
Summer reading	6,000	8,500	3,728	4,772
Other expenses	500	600	767	(167)
Capital outlays	114,042	123,042	69,851	53,191
	$ 922,642	$ 942,792	856,202	$ 86,590
EXCESS REVENUES	-	-	144,998	144,998
FUND BALANCE – Beginning			589,192	
FUND BALANCE – Ending			$ 734,190	

PORTNEUF DISTRICT LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.0072447%	0.0080206%	0.0098635%	0.0080824%	0.0084301%	0.0075855%	0.0071783%	0.0081188%	0.0079770%	0.0080379%
Employer's proportionate share of the net pension liability	$ 270,999	$ 320,077	$ 388,499	$ (6,383)	$ 195,758	$ 86,586	$ 105,881	$ 127,614	$ 161,706	$ 105,846
Employer's covered-employee payroll	$ 451,092	$ 427,242	$ 473,610	$ 390,969	$ 336,309	$ 332,885	$ 244,831	$ 327,276	$ 307,557	$ 298,660
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	60.08%	74.92%	82.03%	-1.63%	58.21%	26.01%	43.25%	38.99%	52.58%	35.44%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30, 2024.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 42,326	$ 38,192	$ 46,320	$ 37,660	$ 35,842	$ 30,510	$ 25,760	$ 28,390	$ 27,417	$ 25,756
Contributions in relation to the statutorily required contribution	42,326	38,192	46,320	37,660	35,842	30,510	25,760	28,390	27,417	25,756
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 479,860	$ 422,324	$ 427,833	$ 397,264	$ 358,646	$ 269,523	$ 227,562	$ 250,795	$ 242,200	$ 227,527
Contributions as a percentage of covered-employee payroll	11.94%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

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

Data reported is measured as of September 30, 2024.

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of the Idaho Society of Certified Public Accountants
Members of the American Institute of Certified Public Accountants

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

Board of Trustees
Portneuf District Library
Chubbuck, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portneuf District Library, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Portneuf District Library's basic financial statements and have issued our report thereon dated February 19, 2025.

Report on Internal Control over Financial Reporting

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

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

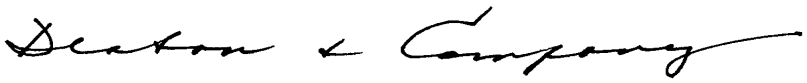
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Report on Compliance and Other Matters

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

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.



Pocatello, Idaho
February 19, 2025