Priest Lake Public Library District

Financial Report

September 30, 2024

Priest Lake Public Library District
Table of Contents
September 30, 2024

Page

Independent Auditor's Report 1-3

Basic Financial Statements:

Governmental Fund Balance Sheet/Statement of Net Position 4

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities 5

Notes to Financial Statements 6-20

Required Supplementary Information:

Budgetary Comparison Schedule 21

Note to Budgetary Comparison Schedule 22

Schedule of Employer's Share of the Net Pension Liability (Asset) – PERSI Base Plan 23

Schedule of Employer Contributions – PERSI Base Plan 24

Notes to PERSI Base Plan Schedules 25

Compliance Report:

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 26-27

Schedule of Findings and Responses 28-29

Status of Prior Year Findings 30

DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Trustees
Priest Lake Public Library District
Priest Lake, Idaho

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund, as of September 30, 2024, and the respective changes in financial position thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility 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 the 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 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 21 and the schedules of employer's share of the net pension liability (asset) and employer contributions on pages 23 and 24, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 not presented the management's discussion and analysis that governmental 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, which 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 a separate report dated November 30, 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.

DeCoria & Company, PC

DeCoria & Company, PC
Evanston, Wyoming

November 30, 2025

Basic Financial Statements

Priest Lake Public Library District
Governmental Fund Balance Sheet/Statement of Net Position
September 30, 2024

	Governmental Fund Balance Sheet	Adjustments (Note 13)	Statement of Net Position
ASSETS			
Current assets:			
Cash and cash equivalents (Note 6)	$ 269,877	$ -	$ 269,877
Property taxes receivable (Note 7)	222,038	-	222,038
Prepaid expenses	3,119	-	3,119
Total current assets	495,034	-	495,034
Noncurrent assets:			
Capital assets, net (Note 8)	-	180,400	180,400
Total assets	495,034	180,400	675,434
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions (Note 10)	-	9,849	9,849
Total deferred outflows of resources	-	9,849	9,849
Total assets and deferred outflows of resources	$ 495,034		
LIABILITIES			
Current liabilities:			
Accounts payable	$ 7,392	-	7,392
Accrued payroll and related liabilities	9,055	-	9,055
Unearned property tax revenue (Note 7)	219,149	-	219,149
Total current liabilities	235,596	-	235,596
Noncurrent liabilities:			
Net pension liability (Note 10)	-	34,574	34,574
Total liabilities	235,596	34,574	270,170
DEFERRED INFLOWS OF RESOURCES			
Delinquent property taxes (Note 7)	2,484	(2,484)	-
Deferred inflows related to pensions (Note 10)	-	10,743	10,743
Total deferred inflows of resources	2,484	8,259	10,743
Commitments and contingencies (Notes 11 and 12)			
FUND BALANCE			
Nonspendable	3,119	(3,119)	-
Assigned	49,278	(49,278)	
Unassigned	204,557	(204,557)	-
Total fund balance	256,954	(256,954)	-
Total liabilities, deferred inflows of resources and fund balance	$ 495,034		
NET POSITION			
Net investment in capital assets		180,400	180,400
Unrestricted		223,970	223,970
Total net position		$ 404,370	$ 404,370

Priest Lake Public Library District
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities
Year Ended September 30, 2024

	Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance	Adjustments (Note 14)	Statement of Activities
Revenues:			
Taxes, primarily property	$ 222,362	$ 903	$ 223,265
Donations	10,364	-	10,364
Fines and fees	1,590	-	1,590
Fundraising	1,308	-	1,308
Interest	2,846	-	2,846
Internet services	1,782	-	1,782
Media sales	1,690	-	1,690
Other revenue	190	-	190
Total revenues	242,132	903	243,035
Expenditures/expenses:			
Personnel	108,285	181	108,466
Utilities and telephone	9,828	-	9,828
Internet	5,940	-	5,940
Maintenance and repair	13,480	-	13,480
Payroll taxes and benefits	14,119	-	14,119
Office expense	2,531	-	2,531
Travel and training	335	-	335
Insurance	2,736	-	2,736
Library programs and supplies	21,776	-	21,776
Fundraising	644	-	644
Dues and subscriptions	2,437	-	2,437
Professional fees	17,555	-	17,555
Capital outlays	14,000	(11,975)	2,025
Depreciation expense	-	28,013	28,013
Total expenditures/expenses	213,666	16,219	229,885
Net change in fund balance	28,466	(28,466)	-
Change in net position	-	11,344	11,344
Fund balance/net position:			
Beginning of year	228,488	-	393,026
End of year	$ 256,954	$ -	$ 404,370

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

1. Organization

Priest Lake Public Library District ("the District") was formed in November 1999 to manage a public library in the Priest Lake area of Bonner County, Idaho. The District operates under an elected Board of Trustees ("the Board"). The Board has decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

The District's financial statements include the accounts of all District operations. The District meets the criteria established by the Governmental Accounting Standards Board (GASB) to be considered a primary governmental entity for financial reporting purposes. Component units are legally separate organizations that are financially accountable to the primary government. The District has no component units, and is not a component unit of any other governmental unit based on the criteria established by the GASB.

2. District-Wide and Fund Financial Statements

GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (GASB No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes:

Management's Discussion and Analysis

The management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations should be included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

District-Wide Financial Statements

The district-wide financial statements, including the Statement of Net Position and the Statement of Activities, report information on all of the activities of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues and other nonexchange transactions.

Depreciation is presented in its entirety on the Statement of Activities. No depreciation has been allocated to any of the District's specific functions.

Fund Financial Statements

The fund financial statements provide information on the District's General Fund. The emphasis of fund financial statements is on major governmental funds.

Budgetary Comparison Schedule

The budgetary comparison schedule is presented to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget (see Note 4). The District may revise the original budget over the course of the year for various reasons. Under the reporting model prescribed by GASB No. 34, budgetary information provides comparisons of the District's originally adopted budget to the final budget and actual results.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Statement of Net Position and Statement of Activities are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 30 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences, early retirement liabilities and net pension liabilities, which are recognized to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

The General Fund is the sole operating fund of the District. It is used to account for all financial resources of the District. This is a budgeted fund, and any unassigned fund balances are considered as resources available for use.

4. Budgetary Information

The District's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at year-end.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The District publishes a proposed budget for public review;
b) Public hearings are set to obtain taxpayer comments;
c) Prior to October 1, the budget is adopted by resolution of the District's Board and published; and
d) The final budget is then filed with the State of Idaho. Expenditures may not legally exceed budgeted appropriations at the functional level. The legal level of budgetary control is the functional level at which the Board must approve any over-expenditures of appropriations or transfers of appropriated amounts.

5. Summary of Significant Accounting Policies

Accounting Principles Generally Accepted in the United States of America

The financial statements of the District have been prepared in conformity with GAAP as applied to local government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards. The District has adopted and applied all applicable GASB pronouncements, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Recent Accounting Pronouncements

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement will revise and build upon the requirements in GASB Statement No. 34 (GASB No. 34). Key changes in the new standard are summarized below.

- Revises the requirements for management's discussion and analysis (MD&A) with the goal of making it more readable and understandable;
- Combines extraordinary items and special items into one category of "unusual or infrequent items";
- Defines operating and nonoperating revenues, specifically by defining nonoperating revenues and classifying all other revenues as operating;
- Includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses, and changes in fund net position;
- Requires the presentation of proprietary funds' statement of revenues, expenses, and changes in fund net position in the statistical section report the same categories of revenues and expenses as the face of the financial statements;
- Removes the option to disclose major component units in a condensed form in the notes to the financial statements and requires them to be shown individually or in combining financial statements following the fund financial statements;
- Requires budgetary comparisons to be presented as RSI and adds new columns for variances between original-to-final budget and final budget-to-actual results.

Statement No. 103 is effective for fiscal years beginning after June 15, 2025. The District is currently evaluating the financial statement impact of adopting this statement.

Cash and Cash Equivalents

The District considers all short-term deposits and highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for doubtful accounts based on its assessment of the current status of individual receivables from grants, contracts and others. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Management expects all September 30, 2024 receivables to be collectible, and therefore no allowance for doubtful accounts has been provided as of that date.

5. Summary of Significant Accounting Policies, Continued

Capital Assets

Capital assets are reported in the Statement of Net Position at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at the estimated fair market value at the date of donation. The District uses a capitalization threshold of $500. Normal maintenance and repairs are charged to expense as incurred. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the Statement of Activities.

In the period in which capital assets are purchased or constructed, the cost of those assets is reported as capital outlay expenditures in the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance. All reported capital assets except land and construction in progress are depreciated. Depreciation on capital assets is calculated using the straight-line method over the estimated useful lives of those assets, as follows:

	Years
Buildings and improvements	15 - 39
Land improvements	15 - 50
Furniture and equipment	5 - 15
Library collections	5

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the District's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 – quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 – unobservable inputs developed using estimates and assumptions determined by the District. At September 30, 2024, the District had no assets or liabilities that were measured at fair value on a recurring basis.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The District had no assets or liabilities measured at fair value on a nonrecurring basis during 2024.

Liabilities

Liabilities shown on the Governmental Fund Balance Sheet are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year, and are reported as an expenditure and fund liability. On the district-wide statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after one year are shown as noncurrent liabilities.

5. Summary of Significant Accounting Policies, Continued

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 ("the Base Plan"), and additions to, or deductions from, the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Property Taxes

In accordance with Idaho State Law, an ad valorem property tax is levied on behalf of the District. Property taxes attach as an enforceable lien as of January 1 of each year, are assessed during June and billed by the 4th Monday in November. The taxes are due in two installments, with the first due on December 20th, and the second due on June 20th of the following year. Because the District has a legal claim to the property taxes as of September 30th, it recognizes them as property taxes receivable as of that date. However, because the property taxes are not due until after the District's fiscal year-end, and the property tax revenue is budgeted for the ensuing fiscal year, the District offsets property taxes receivable with an unearned property tax liability.

In the District's fund financial statements, property taxes related to prior years are recognized as revenue if they are collected and received by the District within 30 days after the financial statement date. Those that are collected subsequent to 30 days after the financial statement date are offset in the fund financial statements with delinquent property taxes. In the district-wide financial statements, all property taxes related to prior years are recognized as revenue, regardless of when they are collected.

Because the District is not a taxing authority, Bonner County acts as an agent for the District in both the assessment and collection of property taxes. The County remits tax revenues to the District monthly, with the majority of the collections being remitted in January and July. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency.

Grant Revenue

The District occasionally receives financial assistance from governmental agencies in the form of grants. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Grant funds received but not earned, if any, at September 30, 2024 are recorded as unearned revenue.

Donated Services

Donated services are recognized as contributions if the services either create or enhance non-financial assets or require specialized skills, which are performed by people with those skills, and would otherwise be purchased by the District. Some members of the Board and the community have donated significant amounts of their time in furthering the District's programs and objectives. No amounts have been included in the financial statements for donated services since they do not meet the criteria for recognition under professional accounting standards.

5. Summary of Significant Accounting Policies, Continued

Net Position

Net position represents the difference between assets plus deferred outflows, and liabilities plus deferred inflows. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in at least one of the following components:

Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position: This component of net position consists of amounts subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: This component of net position consists of amounts that do not meet the definition of "net investment in capital assets" or "restricted net position."

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes and requires the fund balance amounts to be properly reported within at least one of the following fund balance classifications:

Nonspendable: The portion of fund balance that is not expected to be converted to cash, such as inventories and prepaid expenses, if any.

Restricted: The portion of fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: The portion of fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Trustees (the District's highest level of decision-making authority).

Assigned: The portion of fund balance that is intended to be used by the District for specific purposes, but does not meet the criteria to be classified as restricted or committed.

Unassigned: The residual portion of fund balance for the District's General Fund; this includes all spendable amounts not included in the other fund balance categories.

5. Summary of Significant Accounting Policies, Continued

Fund Balance Spending Policy

When expenditures qualify to be paid out of more than one fund balance category, it is the policy of the District to apply expenditures from the most restrictive fund balance category, excluding nonspendable, to the least restrictive, as follows: restricted, committed, assigned, and unassigned. Nonspendable fund balance is adjusted at year-end based upon inventory and prepaid expense balances.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management of the District to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates and affect the amounts reported in the financial statements.

Encumbrances

Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of the formal budgetary process in the Governmental Funds.

Subsequent Events

The District has evaluated subsequent events through November 30, 2025, the date these financial statements were available to be issued. No material subsequent events have occurred since September 30, 2024 that required recognition or disclosure in these financial statements.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of deposits held in checking and savings accounts with a local bank and a local credit union. Custodial credit risk is the risk that in the event of a bank and or a credit union failure, the District's deposits may not be returned to it. At September 30, 2024, the District's deposits were insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at the bank and up to $250,000 by the National Credit Union Association (NCUA) at the credit union.

The combined carrying amount of cash and cash equivalents on the District's books at September 30, 2024 was $269,877, and the combined bank and credit union balances totaled $296,396. The differences between the carrying amount of cash and cash equivalents on the District's books and the bank and credit union balances consist of outstanding checks and deposits not processed by the bank and credit union as of September 30, 2024.

A summary of the total insured and uninsured bank balances at September 30, 2024 is as follows:

Total bank and credit union balances	$ 296,396
Portion insured by FDIC and NCUA	(265,046)
Uninsured bank and credit union balances	$ 31,350

7. Property Taxes Receivable

Property taxes receivable at September 30, 2024 are summarized as follows:

Unearned property taxes receivable	$ 219,149
Property taxes receivable	405
Delinquent property taxes receivable	2,484
	$ 222,038

Unearned property taxes receivable consist of property taxes levied for the next fiscal year. These amounts have been offset by unearned property tax revenue in the district-wide and governmental fund financial statements.

Property taxes receivable consist of property taxes received within the first 30 days after the end of the District's fiscal year that relate to taxes levied for the current and prior fiscal years.

Delinquent property taxes receivable consist of property taxes levied for the current and prior fiscal years, which were not collected within the current period or within the first 30 days after the end of the District's fiscal year. These amounts have been offset by a deferred inflow of resources in the governmental fund financial statements.

8. Capital Assets

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

	Balance September 30, 2023	Additions	Transfers	Disposals	Balance September 30, 2024
Buildings and improvements	$ 277,462	$ --	$ --	$ --	$ 277,462
Land improvements	48,463	--	--	--	48,463
Furniture and equipment	70,867	--	--	--	70,867
Library collections	274,040	11,975	--	--	286,015
Capital assets in service	670,832	11,975	--	--	682,807
Accumulated depreciation	(482,795)	(28,013)	--	--	(510,808)
	188,037	(16,038)	--	--	171,999
Land	8,401	--	--	--	8,401
	$ 196,438	$ (16,038)	$ --	$ --	$ 180,400

Depreciation expense for governmental activities has not been allocated to any of the District's individual functions. Rather, the District has included all depreciation related to governmental activities as a single line item on the Statement of Activities. Depreciation expense for 2024 was $28,013.

9. Short-Term Borrowings

The District had no short-term borrowings at September 30, 2024, nor were there any short-term borrowings or repayments for the year then ended.

10. Public Employee Retirement System of Idaho Base 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 the 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 PERSI Board, which is 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 be Idaho citizens who are not members of the Base Plan, except by reason of having served on the Board.

Pension Benefits

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

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, up to a maximum of the Consumer Price Index increase 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, which are expressed as percentages of annual covered payroll, if current rates are actuarially determined to be inadequate or in excess of the rates needed to accumulate sufficient assets to pay benefits when due.

10. Public Employee Retirement System of Idaho Base Plan, Continued

Member and Employer Contributions, Continued

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2024, the required contribution rate as a percentage of covered payroll for members was 6.71%. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18%. Beginning July 1, 2024, the rates increased to 7.18% and 11.96%, respectively. The District's employer contributions required and paid were $10,818 and $6,018 for the years ended 2024 and 2023.

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

At September 30, 2024, the District reported a liability of $34,574 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 to the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At September 30, 2024 the District's proportionate allocation was 0.0000092427.

For the year ended September 30, 2024, the District recognized net pension expense (expense offset) of $181. 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
Contributions made subsequent to the measurement date	$ 2,975	$ --
Change in proportionate share	--	10,115
Changes in assumptions or other inputs	1,370	--
Differences between expected and actual experience	5,504	--
Net difference between projected and actual earnings on investments	--	628
Total	$ 9,849	$ 10,743

The amount reported as deferred outflows of resources related to pensions resulting from the District's contributions made subsequent to the measurement date, in the amount of $2,975, will be recognized as a reduction of the net pension liability for the year ending September 30, 2024.

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

Year Ending September 30,	
2025	$ (1,268)
2026	3,471
2027	(4,087)
2028	(1,985)
	$ (3,869)

10. Public Employee Retirement System of Idaho Base Plan, Continued

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

The amortization of the net difference between projected and actual earnings on investments is amortized over a closed 5-year period, beginning in the current fiscal year. The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees). The amortization period, which was determined at July 1, 2023, the beginning of the measurement period ended June 30, 2024, is 4.4 years.

Actuarial Assumptions

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

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

Inflation	2.30%
Salary increases and inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living 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 & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period from 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 of July 1, 2024.

10. Public Employee Retirement System of Idaho Base Plan, Continued

Actuarial Assumptions, Continued

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 weighting 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 the 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 target allocation and best estimates of real rates of return for each major asset as of July 1, 2023 are summarized in the following table:

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)%
Treasury Inflation-Protected Securities (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 plan's 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.

10. Public Employee Retirement System of Idaho Base Plan, Continued

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability

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

	1% Decrease (5.35%)	Current Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability	$ 65,701	$ 34,574	$ 9,151

Pension Plan Fiduciary Net Position

Detailed information about the Base Plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the Pension Plan

At September 30, 2024, the District reported no amounts payable to the Base Plan for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

11. Contingent Liabilities

Grant Programs

The District occasionally receives financial assistance from local, state and federal governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Therefore, if the District has not complied with the terms and conditions governing the grants, refunds of any money received may be required, and the collectability of any related receivables at September 30, 2024 may be impaired. Based on prior experience, the District's administration believes such amounts, if any, would be immaterial.

11. Contingent Liabilities, Continued

Litigation

The District's management is not aware of any pending claims against the District at September 30, 2024. The District has no reserve established for the payment of uninsured claims. Expenditures are recognized when amounts are paid.

12. Risk Management

Risk Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District participates in the Idaho Counties Risk Management Pool (ICRMP) to provide general liability and property insurance. The District, along with other participating entities, contributes annual amounts determined by ICRMP's management. As claims arise, they are submitted to and paid by ICRMP. If necessary, ICRMP may assess members additional amounts to cover losses. No such additional assessments were made during 2024, or in any of the previous three years.

13. Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

Adjustments to reconcile the Governmental Fund Balance Sheet to the Statement of Net Position are as follows:

Total fund balance, Governmental Fund Balance Sheet		$ 256,954
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund:		
The cost of capital assets is	$ 691,208	
Accumulated depreciation is	(510,808)	
		180,400
Property taxes receivable will be collected, but are not available soon enough to pay liabilities of the current period, and are therefore deferred inflows of resources in the governmental fund.		2,484
Noncurrent liabilities, including the net pension liability are not due and payable in the current period and therefore are not reported in the governmental fund:		
Net pension liability		(34,574)
Deferred outflows and deferred inflows of resources pertaining to the net pension liability (asset) are not financial resources and therefore are not reported in the governmental fund:		
Deferred outflows related to pensions	9,849	
Deferred inflows related to pensions	(10,743)	
		(894)
Total net position, Statement of Net Position		$ 404,370

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

Adjustments to reconcile the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities are as follows:

Net change in fund balance, Governmental Fund		$ 28,466
Capital outlays to purchase capital assets are reported as expenditures in the governmental fund. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation. Amounts recognized for these items in the current year are as follows:		
Capital outlays	$ 11,975	
Depreciation expense	(28,013)	
		(16,038)
Some property taxes will not be collected until several months after the District's fiscal year end, and therefore will not be available to pay liabilities of the current period. Accordingly, they are recorded as deferred inflows of resources. They are, however, recorded as revenue in the Statement of Activities. The change in deferred property taxes is an adjustment.		(903)
In the Statement of Activities, certain operating expenses, including net pension expense (expense offset), are measured by the amount incurred during the current year. In the governmental fund, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, the amount earned exceeded the amount paid.		(181)
Change in net position, Statement of Activities		$ 11,344

Required Supplementary Information

Priest Lake Public Library District
Budgetary Comparison Schedule
Year Ended September 30, 2024

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Taxes, primarily property	$ 213,302	$ 213,302	$ 222,362	$ -	$ 9,060
Donations	6,000	6,000	10,364	-	4,364
Fines and fees	1,200	1,200	1,590	-	390
Fundraising	3,000	3,000	1,308	-	(1,692)
Grants	2,000	2,000	-	-	(2,000)
Interest	42	42	2,846	-	2,804
Internet services	1,782	1,782	1,782	-	-
Media sales	1,500	1,500	1,690	-	190
Other revenue	100	100	190	-	90
Total revenues	228,926	228,926	242,132	-	13,206
Expenditures:					
Personnel	108,852	108,852	108,285	-	567
Utilities and telephone	9,905	9,905	9,828	-	77
Internet	1,782	1,782	5,940	-	(4,158)
Maintenance and repair	17,357	17,357	13,480	-	3,877
Payroll taxes and benefits	19,340	19,340	14,119	-	5,221
Office expense	4,050	4,050	2,531	-	1,519
Travel and training	504	504	335	-	169
Insurance	2,763	2,763	2,736	-	27
Library programs and supplies	29,118	29,118	21,776	-	7,342
Fundraising	300	300	644	-	(344)
Dues and subscriptions	2,300	2,300	2,437	-	(137)
Professional fees	18,000	18,000	17,555	-	445
Capital outlays	14,655	14,655	14,000	-	655
Total expenditures	228,926	228,926	213,666	-	15,260
Net change in fund balance	-	-	28,466	-	28,466
Total fund balance, beginning of year	228,488	228,488	228,488	-	-
Total fund balance, end of year	$ 228,488	$ 228,488	$ 256,954	$ -	$ 28,466

See Independent Auditor's Report and Note to Budgetary Comparison Schedule.

Priest Lake Public Library District
Note to Budgetary Comparison Schedule
September 30, 2024

1. Basis of Presentation

The budgetary comparison schedule has been prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the governmental fund financial statements. The modified accrual basis of accounting and the account groupings reflected in the governmental fund financial statements differ from the presentation and account groupings required by Idaho Statutes for Board of Trustees' budgetary control at the functional level as described in Note 4 to the Financial Statements. As a result, the budgetary comparison schedule at page 21 appears to disclose instances in which actual expenditures exceeded budgeted expenditures. In fact, there were no instances in which actual expenditures exceeded budgeted expenditures at the functional levels required by Idaho Statutes.

Priest Lake Public Library District
Schedule of Employer's Share of the Net Pension Liability (Asset) - PERSI Base Plan
Last 10 Plan Years

Plan Year	Employer's Portion of NPL	Employer's Proportionate Share of NPL (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's NPL as a Percentage of Covered Payroll (a / b)	Plan Net Position as a Percentage of Total Pension Liability
2015	0.0000132060	$ 17,390	$ 37,481	46.40%	91.38%
2016	0.0000166190	33,689	47,374	71.11%	87.26%
2017	0.0000154180	24,234	51,646	46.92%	90.68%
2018	0.0000158140	23,326	50,825	45.89%	91.69%
2019	0.0000163490	18,662	59,320	31.46%	93.79%
2020	0.0000129710	30,120	46,351	64.98%	88.22%
2021	0.0000128371	(1,014)	37,942	-2.67%	100.36%
2022	0.0000204716	80,633	69,239	116.46%	83.09%
2023	0.0000144028	57,477	61,237	93.86%	83.83%
2024	0.0000092427	34,574	70,146	49.29%	85.54%

Data reported is measured as of June 30 of each respective plan year.

Priest Lake Public Library District
Schedule of Employer Contributions - PERSI Base Plan
Last 10 Fiscal Years

Fiscal Year	Statutorily Required Contribution (a)	Actual Employer Contribution (b)	Contribution Excess (Deficiency) (b - a)	Employer's Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b / c)
2015	$ 4,320	$ 4,432	$ 112	$ 37,481	11.82%
2016	4,941	5,551	610	47,374	11.72%
2017	5,201	5,494	293	51,646	10.64%
2018	6,140	5,838	(302)	50,825	11.49%
2019	6,258	6,377	119	59,320	10.75%
2020	4,530	4,530	-	37,942	11.94%
2021	4,530	4,530	-	37,943	11.94%
2022	9,657	9,657	-	80,883	11.94%
2023	6,018	6,018	-	50,985	11.80%
2024	10,818	10,818	-	96,757	11.18%

Data reported is measured as of September 30 of each respective fiscal year.

Priest Lake Public Library District
Notes to PERSI Base Plan Schedules
September 30, 2024

1. Changes in Benefit Terms

There were no changes in benefit terms during the Plan year ended June 30, 2024.

2. Changes in Composition of the Population

There were no changes in the composition of the population during the Plan year ended June 30, 2024.

3. Changes in Assumptions

There were no significant changes in actuarial assumptions during the Plan year ended June 30, 2024.

Compliance Report

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

Board of Trustees
Priest Lake Public Library District
Priest Lake, Idaho

We have audited, 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, the financial statements of the governmental activities and the General Fund of Priest Lake Public Library District ("the District"), as of and for the year ended September 30, 2024, and the notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon, dated November 30, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify two deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Findings 2024-001 and 2024-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

The District's Responses to the Findings

Government Auditing Standards require the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The sole purpose of this report is 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.

DeCoria & Company, PC

DeCoria & Company, PC
Evanston, Wyoming

November 30, 2025

Priest Lake Public Library District
Schedule of Findings and Responses
Year Ended September 30, 2024

Section I – Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:		Unmodified
Internal control over financial reporting:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☒ Yes	☐ None reported
Noncompliance material to financial statements noted?	☐ Yes	☒ No

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2024-001

Condition	The size of the District's staff is not large enough to permit an adequate segregation of duties for an effective system of internal control over financial reporting.
Criteria	An effective system of internal control over financial reporting requires that closely related duties be segregated.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish an adequate system of automatic internal checks on the accuracy and reliability of the accounting records.
Cause	The District's staff is too small to allow an adequate segregation of duties.
Recommendation	Although the District's staff is not large enough to permit an adequate segregation of duties for an effective system of internal control over financial reporting, we recommend that officials be aware that the condition does exist.
Management's Response	Management and the District's Board of Trustees are aware of this condition and have made a conscious decision to accept the resulting degree of risk because of cost or other considerations.

Priest Lake Public Library District
Schedule of Findings and Responses
Year Ended September 30, 2024

Section II – Financial Statement Findings, Continued

Finding 2024-002

Condition	The District's records lack the necessary support for certain of the amounts in the district-wide financial statements.
Criteria	Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (GASB No. 34) established financial reporting requirements and a reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes district-wide financial statements, including the Statement of Net Position and the Statement of Activities. These statements are similar to the financial statements of traditional, for-profit entities, and include noncurrent assets such as capital assets (e.g., buildings, equipment, etc.) and noncurrent liabilities such as notes payable and pension-related assets and liabilities.
Effect	The adoption of GASB No. 34 created the need for additional recordkeeping that the District is not fully performing at this time.
Cause	The financial statements of state and local governments did not previously include these noncurrent assets and liabilities. GASB No. 34 has imposed additional recordkeeping requirements on the District that have not heretofore been utilized. One such example is the recording of the net pension liability.
Recommendation	We recommend that the District develop the recordkeeping capabilities to comply with all of the reporting requirements of GASB No. 34.
Management's Response	The District will strive to implement the necessary recordkeeping procedures that will allow it to generate all of the amounts needed for financial reporting under GASB No. 34.

Priest Lake Public Library District
Status of Prior Year Findings
Year Ended September 30, 2024

Finding 2023-001

Condition	The size of the District's staff is not large enough to permit an adequate segregation of duties for an effective system of internal control over financial reporting.
Status	This condition still exists at September 30, 2024. See Finding 2024-001.

Finding 2023-002

Condition	The District's records lack the necessary support for certain of the amounts in the district-wide financial statements.
Status	This condition still exists at September 30, 2024. See Finding 2024-002.