



**Basic Financial Statements  
and  
Supplementary Information  
with  
Independent Auditors' Report**

**Year Ended September 30, 2022**

**MADISON LIBRARY DISTRICT**  
**Table of Contents**  
**September 30, 2022**

---

**Independent Auditors' Report**..... 1-3

**Basic Financial Statements**

Statement of Net Position.....4  
Statement of Activities .....5  
Balance Sheet – Governmental Funds.....6  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position .....7  
Statement of Revenues, Expenditures, and Changes in Fund  
Balances – Governmental Funds .....8  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds to  
the Statement of Activities.....9  
Combined Balance Sheet – Expendable Trust Fund .....10  
Combined Statement of Revenues, Expenses, and Changes in  
Fund Balances – Expendable Trust Fund .....11  
Notes to Financial Statements ..... 12-29

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual- General Fund.....30  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual- Capital Improvement Fund .....31  
Schedule of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual- Debt Service Fund.....32  
Schedule of Employer's Share of Net Pension Liability  
PERSI Base Plan - Last 10 Years .....33  
Schedule of Employer Contributions  
PERSI Base Plan - Last 10 Years .....34

**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards* ..... 35-36**



**RUDD & COMPANY**<sup>TM</sup>

certified public accountants | business consultants

## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Madison Library District  
Rexburg, Idaho

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the expendable trust fund information of Madison Library District as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Madison Library 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 expendable trust fund information of Madison Library District, as of September 30, 2022, 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. 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 Madison Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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, 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 Madison Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Madison Library District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30-32 and pension information on pages 33-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

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

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

*Rudd & Company*

Rexburg, Idaho  
February 22, 2023

**MADISON LIBRARY DISTRICT**  
**Statement of Net Position**  
**Year Ended September 30, 2022**

---

**Assets**

Current Assets

Cash and cash equivalents	\$ 1,064,447
Investments	29,129
Property taxes	13,591
Fines receivable (net of allowance for doubtful accounts of \$6,274)	18,822
	<hr/>
Total Current Assets	1,125,989

Capital Assets

Land, buildings and equipment, net of depreciation	2,899,944
	<hr/>

**Deferred Outflow of Resources**

Pension	242,192
	<hr/>

Total Assets	<hr/> <hr/> 4,268,125
--------------	-----------------------

**Liabilities**

Current Liabilities

Accounts payable	38,471
Other liabilities	58,798
Current portion on long-term obligation	233,000
	<hr/>

Total Current Liabilities	<hr/> 330,269
---------------------------	---------------

Long-term Liabilities

Net pension liability	448,060
Bonds payable	1,284,000
	<hr/>

Total Liabilities	<hr/> 2,062,329
-------------------	-----------------

**Deferred Inflows of Resources**

Pension	2,000
	<hr/>

Total Deferred Inflows of Resources	<hr/> 2,000
-------------------------------------	-------------

Total Liabilities and Deferred Inflows of Resources	<hr/> <hr/> 2,064,329
---	-----------------------

**Net Position**

Investment in capital assets, net of related debt	1,382,944
---	-----------

Restricted:

Restricted for Debt Service	114,687
Restricted for Capital Improvements	6,578
Unrestricted	699,587
	<hr/>

Total Net Position	<hr/> <hr/> \$ 2,203,796
--------------------	--------------------------

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

**MADISON LIBRARY DISTRICT**  
**Statement of Activities**  
**Year Ended September 30, 2022**

---

**Expenses**

General Government

Staff expenses	\$ 858,830
Library materials	101,269
Operating expenses	271,845
Depreciation expense	121,373
Interest expense	54,936

Total program expenses 1,408,253

**Program revenues**

Charges for services	41,823
Operating grants	6,847

Total program revenues 48,670

Net program expense 1,359,583

**General revenues**

Property taxes	1,631,626
State revenues	112,283
Interest	4,619
Other revenues	(223)

Total general revenues 1,748,305

Increase in net position 388,722

Net Position - Beginning of the Year 1,815,074

Net Position - End of the Year \$ 2,203,796

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

**MADISON LIBRARY DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2022**

<b>Assets</b>	<b>General Fund</b>	<b>Capital Improvement Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 943,898	\$ 6,578	\$ 113,971	\$ 1,064,447
Investments	29,129	-	-	29,129
Property taxes	10,847	-	2,744	13,591
Fines receivable (net of allowance for doubtful accounts of \$6,274)	18,822	-	-	18,822
<b>Total Assets</b>	<b>\$ 1,002,696</b>	<b>\$ 6,578</b>	<b>\$ 116,715</b>	<b>\$ 1,125,989</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 38,471	\$ -	\$ -	\$ 38,471
Other liabilities	58,798	-	-	58,798
<b>Total Liabilities</b>	<b>97,269</b>	<b>-</b>	<b>-</b>	<b>97,269</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	8,050	-	2,028	10,078
<b>Fund Balances</b>				
Restricted	-	6,578	114,687	121,265
Unassigned	897,377	-	-	897,377
<b>Total Fund Balances</b>	<b>897,377</b>	<b>6,578</b>	<b>114,687</b>	<b>1,018,642</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,002,696</b>	<b>\$ 6,578</b>	<b>\$ 116,715</b>	<b>\$ 1,125,989</b>

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



**MADISON LIBRARY DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2022**

---

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

Total Fund Balance - Governmental Funds	\$ 1,018,642
<p>Certain receivables are not financial resources and are reported as deferred revenues</p>	
Property tax deferred revenue	10,078
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$5,162,942 and the accumulated depreciation is \$2,262,998</p>	
	2,899,944
<p>Pension related items not reported in the fund financial reporting level</p>	
Deferred Outflows	242,192
Deferred inflows	(2,000)
Net pension Liability	(448,060)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>	
Long-term debt	<u>(1,517,000)</u>
Total Net Position - Governmental Activities	<u>\$ 2,203,796</u>

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

**MADISON LIBRARY DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended September 30, 2022**

	<b>General Fund</b>	<b>Capital Improvement Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Local Sources:				
Property taxes	\$ 1,341,300	\$ -	\$ 290,326	\$ 1,631,626
Earnings on investments	4,091	91	437	4,619
Grants and donations	6,846	-	-	6,846
Other	154,794	-	-	154,794
Total Revenues	<u>1,507,031</u>	<u>91</u>	<u>290,763</u>	<u>1,797,885</u>
<b>Expenditures</b>				
Current:				
Salaries and benefits	809,814	-	-	809,814
Library materials and operating costs	373,114	-	-	373,114
Interest and expense on bonds	-	-	54,936	54,936
Principal on bonds	-	-	227,000	227,000
Capital Outlay	371,307	15,485	-	386,792
Total Expenditures	<u>1,554,235</u>	<u>15,485</u>	<u>281,936</u>	<u>1,851,656</u>
Excess (Deficiency) of Revenues over Expenditures	(47,204)	(15,394)	8,827	(53,771)
Fund Balance Beginning of Year	<u>944,581</u>	<u>21,972</u>	<u>105,860</u>	<u>1,072,413</u>
Fund Balance End of Year	<u>\$ 897,377</u>	<u>\$ 6,578</u>	<u>\$ 114,687</u>	<u>\$ 1,018,642</u>

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

**MADISON LIBRARY DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended September 30, 2022**

---

Net Changes in Fund Balances - Total Governmental Funds	\$ (53,771)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	-
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense:	
Less depreciation	(121,373)
Add capital outlay	386,792
Loss from disposals of fixed assets	(910)
The government funds report current pension contributions as an expenditure. However, the amount recorded in the statement of activities represents the difference in the actuarially determined pension liability from the previous year to the current year.	
	(49,016)
Governmental funds report principal payments on debt as an expenditure. However, in the statement of activities, debt payments are not an expense and bond premiums are amortized:	
Principal payments on long-term obligations	<u>227,000</u>
Change in Net Position of Governmental Activities	<u>\$ 388,722</u>

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

**MADISON LIBRARY DISTRICT**  
**Combined Balance Sheet**  
**Expendable Trust Fund**  
**September 30, 2022**

---

**Assets**

Investments	\$ 20,267
	<u>20,267</u>
Total Assets	\$ 20,267
	<u>20,267</u>

**Liabilities and Fund Balances**

Fund Balances

Unreserved:

Undesignated	\$ 20,267
	<u>20,267</u>

Total Fund Balances	<u>20,267</u>
---------------------	---------------

Total Liabilities and Fund Balances	\$ 20,267
	<u>20,267</u>

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

**MADISON LIBRARY DISTRICT**  
**Combined Statement of Revenue, Expenses,**  
**and Changes in Fund Balance**  
**Expendable Trust Fund**  
**Year Ended September 30, 2022**

---

<b>Revenues</b>	
Net loss on investments	\$ (4,860)
	<hr/>
Excess of Revenues over Expenditures	(4,860)
	<hr/>
Fund Balance - Beginning	25,127
	<hr/>
Fund Balance - Ending	\$ 20,267
	<hr/>

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

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**1. Summary of Significant Accounting Policies**

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

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

**Government-Wide and Fund Financial Statements**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**1. Summary of Significant Accounting Policies (Continued)**

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

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

The District reports the following major funds:

**Governmental Funds**

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District.
- The *capital improvement fund* accounts for resources accumulated and payments made for the construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for patrons within the District.
- The *debt service fund* accounts for resources and payments on long-term obligations.

**Fiduciary Fund Types**

- *Trust and Agency Funds* – Trust and agency funds are used to account for assets held by the District in a trustee capacity. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

**Budgetary Policy**

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

Under Idaho Code, the District's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, except as allowed by the Code for certain events. The budget was amended during 2022.

**1. Summary of Significant Accounting Policies (Continued)**

**Encumbrances**

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

**Capital Assets**

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Furniture	10
Equipment	7
Computer Equipment	5

**Use of Estimates**

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

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balances represent tentative plans for future use of financial resources that are subject to change.



**1. Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

**Pensions**

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

**2. Cash and Investments**

The District maintains a primary checking account and several short-term savings accounts at local financial institutions, state investment pool and investments with Edward Jones. The board of trustees set the investment policies and review the investments.

The District's cash accounts are insured through the Federal Deposit Insurance Corporation up to \$250,000 per depository.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**2. Cash and Investments (Continued)**

1. Deposits – At September 30, 2022, the carrying amount of the District’s deposits were \$1,113,522 and the respective bank balances totaled \$1,139,210.
2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned. As of September 30, 2022, \$634,505 of the District’s total deposits of \$1,139,210 were not covered by federal depository insurance, and thus were exposed to custodial credit risk. None of the cash was collateralized.
3. Investments – As of September 30, 2022, the District had invested \$32,430 in the State Treasurer’s pooled cash investment account. Fair market value was equal to the carrying amount and the investments have a maturity of less than one year. The fiduciary trust had \$20,267 invested in taxable municipal bonds. This is stated at fair market value. The bonds have a maturity date of May 1, 2049.
4. Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of the investments. The State diversifies these funds to reduce this risk.
5. Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the District structures its portfolio so that securities mature to meet cash requirements for ongoing operations. The District has \$32,430 invested in the State Investment Pool at September 30,2022. It also has \$16,966 invested in taxable municipal bonds.
6. Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the District’s policy to limit investments to the safest types of securities and to diversify the District’s investment portfolio so that potential losses on securities will be minimized. The District follows Idaho statute that outlines qualifying investment options.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**2. Cash and Investments (Continued)**

The following is a reconciliation of the District's deposit and investment balance as of September 30, 2022:

Cash and investments reported on the statement of net assets	\$ 1,093,576
Cash and investments reported on the statement of fiduciary net assets	<u>20,267</u>
Total cash and cash investments	<u>\$ 1,113,843</u>
Petty cash	\$ -
Investments categorized	49,396
Deposits categorized	<u>1,064,447</u>
Total cash and cash investments	<u>\$ 1,113,843</u>

**3. Property Tax**

Property taxes of the District are based on the assessments against property owners. Tax levies on such assessed values are certified to the county prior to the commencement of the fiscal year.

Taxes are collected by Madison County and remitted to the District primarily in January and July of the fiscal year. Accordingly, the tax revenues for the year ended September 30, 2022 are based on the assessed values established in 2021.

The District defers recognition of property taxes assessed but not collected within sixty days of the fiscal year-end. Such amounts will be recognized as revenues in the fiscal year they become available.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**4. Capital Assets**

A summary of changes in Property, plant and equipment is as follows:

	<b>Balance September 30, 2021</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Balance September 30, 2022</b>
Non Depreciable Assets - Land	\$ 203,065	\$ -	\$ -	\$ 203,065
Buildings	3,724,668	18,784	(53,846)	3,689,606
Equipment	1,218,173	368,008	(315,910)	1,270,271
Total Buildings and Equipment	4,898,602	386,792	(369,756)	4,959,877
Total	\$ 5,101,667	\$ 386,792	\$ (369,756)	\$ 5,162,942
Accumulated Depreciation	\$ 2,510,471	\$ 121,373	\$ (368,846)	\$ 2,262,998

**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](http://www.persi.idaho.gov).

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

**5. Pension Plan (continued)**

*Pension Benefits*

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

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

*Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2022 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters of covered compensation. The District's contributions were \$55,446 for the year ended September 30, 2022.

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

At September 30, 2022, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was .000113757 percent.

For the year ended September 30, 2022, the District recognized pension expense (revenue) of \$107,106. At September 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**5. Pension Plan (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 103,094	\$ 2,000
Changes in assumptions or other inputs	73,047	-
Net difference between projected and actual earnings on pension plan investments	49,270	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	3,063	-
Employer contributions subsequent to the measurement date	<u>13,718</u>	<u>-</u>
Total	<u>\$ 242,192</u>	<u>\$ 2,000</u>

\$13,718 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, 2022.

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, 2022, the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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

**Year ended September 30,**

2023 .....	\$ 53,568
2024 .....	59,421
2025 .....	28,018
2026 .....	85,152
2027 .....	316

**5. Pension Plan (continued)**

*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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

**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%
- Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
- Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**5. Pension Plan (continued)**

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 2022.

---

**2021**

---

Asset Class	<u>DB Plans</u>	<u>Sick Leave</u>
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.0%
Total	100.0%	100.0%



**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**5. Pension Plan (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. 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:

	<b>1% Decrease</b> <b>(5.35%)</b>	<b>Current</b> <b>Discount Rate</b> <b>(6.35%)</b>	<b>1% Increase</b> <b>(7.35%)</b>
Employer's proportionate share of the net pension liability (asset)	\$ 790,782	\$ 448,060	\$ 167,551

*Pension plan fiduciary net position*

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

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

At September 30, 2022, the District reported payables to the defined benefit pension plan of \$4,638 for legally required employer contributions and \$2,781 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**6. Expendable Trust Fund**

The expendable trust funds were established to account for donations received by the Library District. The funds are to be used for purposes designated by the donors. The expendable trust funds are comprised of the Jackson Trust and the Smith Trust.

**7. Long-Term Bonds**

On June 15, 2016, the District issued \$2,385,000 in General Obligation Refunding Bonds with an average interest rate of 3.150% to advance refund \$2,385,000 of the outstanding 2008E Series Revenue Bonds issued in 2008. The 2008E Series Revenue Bond was paid off completely in 2018. Revenues from tax assessments will be used to pay the bond. The following is a summary of a summary of the long-term obligations:

	<u>2022</u>
General Obligation Refunding Bonds, Series 2016, interest rate 3.150% due in semi-annual installments in March and September through 2028.	<u>\$ 1,517,000</u>
Total	1,517,000
Less Current Maturities of Long-Term Debt	<u>233,000</u>
Long Term Debt net of Current Maturities	<u>\$ 1,284,000</u>

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**7. Long-Term Bonds (Continued)**

Scheduled principal repayments on long-term obligations for the next five years are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 233,000	\$ 47,786	\$ 280,786
2024	239,000	40,446	279,446
2025	250,000	32,918	282,918
2026	255,000	25,043	280,043
2027	265,000	17,010	282,010
2028	275,000	8,661	283,661
	<u>\$ 1,517,000</u>	<u>\$ 171,864</u>	<u>\$ 1,688,864</u>

Interest expense on long-term bonds for the year ended September 30, 2022 was \$54,936.

**8. Changes in Long-Term Debt**

A summary of general long-term debt transactions of the District for the year ended September 30, 2022, is as follows:

	<b>Long-term Obligations September 30, 2021</b>	<b>Obligations Incurred</b>	<b>Obligations Paid</b>	<b>Long-term Obligations September 30, 2022</b>	<b>Current Portion</b>
Net Pension Liability	\$ (8,850)	\$ 456,910	\$ -	\$ 448,060	\$ -
Revenue Bonds Series 2016	1,744,000	-	227,000	1,517,000	233,000
	<u>\$ 2,220,219</u>	<u>\$ 456,910</u>	<u>\$ 227,000</u>	<u>\$ 1,965,060</u>	<u>\$ 233,000</u>

**9. Subsequent Events**

In preparing these financial statements, the District has evaluated events and transaction for potential recognition or disclosure through February 22, 2023 the date the financial statements were available to be issued.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**10. Fund Balances**

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

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

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

Details of constraints on fund balances of governmental funds:

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balances:			
Restricted:			
Capital improvements	\$ -	\$ 6,578	\$ 6,578
Debt payments	-	114,687	114,687
Unassigned	<u>897,377</u>	<u>-</u>	<u>897,377</u>
Total fund balances	<u>\$ 897,377</u>	<u>\$ 121,265</u>	<u>\$ 1,018,642</u>

**11. Fair Value Measurement**

The District has implemented GASB No. 72, Fair Value Measurement and Application. This guidance requires government entities to measure investments and certain other items at fair value. The objective is to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**11. Fair Value Measurement (Continued)**

GASB No. 72 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

- Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market.
- Level 2 Inputs – Inputs other than the quoted process in active markets that are observable either directly or indirectly.
- Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

GASB No. 72 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs.

Fair value assets measured on a recurring basis at September 30, 2022 are as follows:

	Fair Value Measurements at Reporting Date Using			
Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State investment pool	\$ 32,430	\$ 32,430	\$ -	\$ -
Taxable municipal bonds	16,966	16,966	-	-
<b>Total</b>	<b>\$ 49,396</b>	<b>\$ 49,396</b>	<b>\$ -</b>	<b>\$ -</b>

All assets have been valued using a market approach. There were no changes in the valuation techniques during the year. There are no assets or liabilities measured at fair value on a nonrecurring basis.

## **12. Related party transactions**

In the ordinary course of business, the District hired a employees spouse to make improvements and repairs to the landscaping at a cost of \$5,548. In the opinion of management, such transactions were on substantially the same terms as those prevailing at the time of comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the District.

## **13. Tax Abatement**

Governmental Accounting Standards Board Statement No. 77 define tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (B) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The State of Idaho Revenue and Taxation Statute 602NN allows for Idaho Counties to enter into a tax abatement agreement for entities that are looking to make significant improvement to their plant facilities. Madison County entered into an agreement with Basic American Foods for the new addition and upgrade to their processing plant. The agreement abates a portion of the taxes on the new construction over a period of five years. The abatement will be 80% of the tax in the first year, and second year, 60% in the third year, 40% in the fourth year and 20% in the final year. The value of the property will be adjusted for depreciation for each year of the abatement. After the fifth year the property will go back on as new construction at the full cost of the new project. The affect of the abatement to the Library District will be the mill levy for each year multiplied by the value of the new construction at the percent of reduction as listed above for each year the abatement is in place. Income tax revenue of the District were reduced by the \$69,250 under the tax abatement agreement with Madison County at Basic American Foods.

**MADISON LIBRARY DISTRICT**  
**Notes to Financial Statements**  
**September 30, 2022**

---

**14. Change in accounting principles**

During the year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement increases the usefulness of the governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accountin bason of the founational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right -to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has evaluated the present value of all the District's future lease receipts, and the amount is not material to the financial statements as a whole. The adoption of this standard resulted in no additional disclosures related to leases.

**15. Other required Individual Fund Disclosure**

The District's following funds exceed the budgeted amount for the year ended September 30, 2022:

<b>Fund</b>	<b>Amount Exceeded</b>
Capital Improvement Fund	\$ (15,485)

**Required Supplementary Information**



**MADISON LIBRARY DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual - General Fund**  
**Year Ended September 30, 2022**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Local Sources:			
Property taxes	\$ 1,312,296	\$ 1,341,300	\$ 29,004
Earnings on investments	1,869	4,091	2,222
Grants and donations	1,200	6,846	5,646
Other	46,004	154,794	108,790
Total Revenues	<u>1,361,369</u>	<u>1,507,031</u>	<u>145,662</u>
<b>Expenditures</b>			
Current:			
Salaries and benefits	839,450	809,814	29,636
Library materials and operating costs	386,450	373,114	13,336
Capital Outlay	407,740	371,307	36,433
Total Expenditures	<u>1,633,640</u>	<u>1,554,235</u>	<u>79,405</u>
Excess (Deficiency) of Revenues over Expenditures	(272,271)	(47,204)	225,067
Fund Balance Beginning of Year	<u>944,581</u>	<u>944,581</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 672,310</u>	<u>\$ 897,377</u>	<u>\$ 225,067</u>

See Independent Auditor's Report.

**MADISON LIBRARY DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual - Capital Improvement Fund**  
**Year Ended September 30, 2022**

---

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Local Sources:			
Earnings on investments	\$ 42	\$ 91	\$ 49
Total Revenues	42	91	49
<b>Expenditures</b>			
Current:			
Library materials and operating costs	-	15,485	(15,485)
Total Expenditures	-	15,485	(15,485)
Excess of Revenues over Expenditures	42	(15,394)	(15,436)
Fund Balance Beginning of Year	21,972	21,972	-
Fund Balance End of Year	\$ 22,014	\$ 6,578	\$ (15,436)

See Independent Auditor's Report.

**MADISON LIBRARY DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual – Debt Service Fund**  
**Year Ended September 30, 2022**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Local Sources:			
Property taxes	\$ 281,936	\$ 290,326	\$ 8,390
Earnings on investments	189	437	248
Total Revenues	<u>282,125</u>	<u>290,763</u>	<u>8,638</u>
<b>Expenditures</b>			
Current:			
Interest on bonds	61,936	54,936	7,000
Principal on bonds	220,000	227,000	(7,000)
Total Expenditures	<u>281,936</u>	<u>281,936</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	189	8,827	9,016
Fund Balance Beginning of Year	<u>105,860</u>	<u>105,860</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 106,049</u>	<u>\$ 114,687</u>	<u>\$ 9,016</u>

See Independent Auditor's Report.

**MADISON LIBRARY DISTRICT**  
**Schedule of Employers's Share of Net Pension Liability**  
**PERSI Base Plan - Last 10 Fiscal Years\***

---

	Employer's Portion of net the pension liability	Employer's proportionate share of the net pension liability	Employer's covered- employee payroll	Employer's proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>2015</b>	0.0110%	\$ 141,640	\$ 305,277	46.40%	91.38%
<b>2016</b>	0.0112%	224,742	334,173	67.25%	87.26%
<b>2017</b>	0.0111%	174,770	346,708	50.41%	87.26%
<b>2018</b>	0.0116%	170,379	388,095	43.90%	87.26%
<b>2019</b>	0.0116%	132,600	390,687	33.94%	97.16%
<b>2020</b>	0.0109%	255,219	406,038	62.86%	91.18%
<b>2021</b>	0.0112%	(8,850)	420,485	-2.10%	91.18%
<b>2022</b>	0.0114%	448,060	464,375	96.49%	83.09%

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

Data reported is measured as of June 30, 2022.

See Independent Auditor's Report

**MADISON LIBRARY DISTRICT**  
**Schedule of Employer Contributions**  
**PERSI Base Plan - Last 10 Fiscal Years\***

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered- employee payroll	Contributions as a percentage of covered- employee payroll
<b>2015</b>	\$ 34,104	\$ 34,557	\$ 453	\$ 305,277	11.32%
<b>2016</b>	36,705	37,651	946	334,173	11.27%
<b>2017</b>	39,093	39,456	363	346,708	11.38%
<b>2018</b>	42,069	44,857	2,788	388,095	11.56%
<b>2019</b>	44,663	44,812	149	390,687	11.47%
<b>2020</b>	46,724	48,481	1,757	406,038	11.94%
<b>2021</b>	44,188	50,206	6,018	420,485	11.94%
<b>2022</b>	53,562	55,446	1,884	464,375	11.94%

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

Data reported is measured as of June 30, 2022.

See Independent Auditor's Report



RUDD&COMPANY<sup>TM</sup>

certified public accountants | business consultants

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

To the Board of Trustees  
Madison Library District  
Rexburg, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the expendable trust fund of the Madison Library District, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Madison Library District's basic financial statements, and have issued our report thereon dated February 22, 2023.

### **Internal Control over Financial Reporting**

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

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

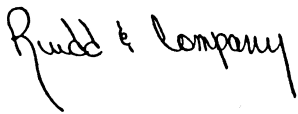
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Rudd & Company".

Rexburg, Idaho  
February 22, 2023