Custer County, Idaho

AUDITED FINANCIAL STATEMENTS

Year Ended September 30, 2024

Gary Merkle, PLLC
CERTIFIED PUBLIC ACCOUNTANT

Custer County, Idaho
TABLE OF CONTENTS
Year Ended September 30, 2024

Financial section

Independent Auditor's Report - 1 - 3

Basic Financial Statements

Government Wide Financial Statements
Statement of Net Position - 4

Statement of Activities - 5

Fund Financial Statements
Balance Sheet – Governmental Funds - 6

Reconciliation of the Governmental Funds Balance Sheet
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

Statement of Net Position - Proprietary Funds - - - - - 10
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds 11
Statement of Cash Flows - Proprietary Funds - - - - - 12
Statement of Fiduciary Funds Net Position - - - - - 13
Statement of Changes in Fiduciary Net Position - - - - - 14
Notes To Financial Statements - - - - - 15 - 34

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes In
Fund Balances - *Budget And Actual* - General Fund - - - - - - - - - - - - - 35
Schedule of Revenues, Expenditures and Changes In
Fund Balances - *Budget And Actual* - Road and Bridge - - - - - - - - - - - - - 36
Schedule of Revenues, Expenditures and Changes In
Fund Balances - *Budget And Actual* - PILT - - - - - - - - - - - - - 37

Required Supplementary Information - *continued*

Notes To Required Supplementary Schedules - - - - - - - - - - - - - - 38 - 39

Schedule of Employer's Share of Net Pension Liability - - - - - - - - - - - - - - 40

Schedule of Employer Contributions - - - - - - - - - - - - - - 41

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds - - - - - 42

Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds - - - - - 43

Combining Statement of Fiduciary Net Position - Custodial Funds - - - - - 44

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds - - - - - 45

Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds - - - - - 46

Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds 47

Federal Reports and Schedules

Schedule of Expenditures of Federal Funds - - - - - - - - - - - - - 48

Notes to Schedule of Expenditures of Federal Funds - - - - - - - - - - - - - 49

Independent Auditor's Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed In Accordance with *Government Auditing Standards* - - - - - 50 - 51

Independent Auditor's Report On Compliance for Each Major Program and Internal Control Over Compliance Required by the Uniform Guidance - - - - - 52 - 53

Schedule of Findings and Questioned Costs - - - - - - - - - - - - - 54

Financial Section

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Board of Commissioners
Custer County, Idaho
Challis, Idaho

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Custer County, Idaho (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Custer County, Idaho as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, (GAAS) and the standards applicable to financials audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Custer County, Idaho and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Custer County's 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 Custer County'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 Responsibility for the Audit of the Financial Statements

My 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 my 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 GAAS (and GAS) 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS (and GAS), I:

- Exercise professional judgement 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 responsible for 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 Custer County'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 my judgment, there are conditions or event, considered in the aggregate, that raise substantial doubt about Custer County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the budgetary comparison information on pages 36–39 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America., which consist of inquiries of management about whether the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Custer County's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 29, 2025 on my consideration of Custer County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Custer County's internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Custer County's internal control over financial reporting and compliance.

Gary Merkle, CPA

Boise, Idaho
January 29, 2025

Basic Financial Statements

Custer County, Idaho
Statement Of Net Position
September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and equivalents	$6,136,621	$1,158,660	$7,295,281
Investments	13,297,163		13,297,163
Current taxes receivable	39,854		39,854
Fees receivables		3,109	3,109
Due from other governments	500,461		500,461
Total current assets	19,974,099	1,161,769	21,135,868
Non-current assets:			
Land	910,923		910,923
Capital assets, net of depreciation	3,076,455	42,811	3,119,266
Total non-current assets	3,987,378	42,811	4,030,189
Total assets	23,961,477	1,204,580	25,166,057
Deferred Outflows			
Pension related items	714,647		714,647
OPEB related items	1,395		1,395
Total Deferred Outflows	716,042		716,042
Liabilities			
Warrants payable	667,935	4,737	672,672
Long-term liabilities:			
Due within one year:			
Capital lease	266,345		266,345
Due in more than one year:			
Other Post-Employment Benefits	39,821		39,821
Compensated absences	226,375		226,375
Capital lease	822,110		822,110
Net pension liability	1,734,634		1,734,634
Total liabilities	3,757,220	4,737	3,761,957
Deferred Inflows			
Pension related items	- 0 -		- 0 -
OPEB related items	20,572		20,572
Total Deferred Inflows	20,572	0	20,572
Net Position			
Net investment in capital assets, net of related debt	2,898,923	42,811	2,941,734
Restricted for:			
Special programs	6,957,133		6,957,133
Unrestricted	11,043,671	1,157,032	12,200,703
Total net position	$20,899,727	$1,199,843	$22,099,570

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Statement Of Activities
Year Ended September 30, 2024

		Program Revenue				Net (Expense) / Revenue And Changes In Net Position		
Functions / Programs	Expenses	Services	Operating Grants And Contributions	Capital Grants And Contributions	Interest Earned	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
General government	$2,367,900	$551	$1,212,817			($1,154,532)		($1,154,532)
Public safety	1,645,819	171,898	119,567			(1,354,354)		(1,354,354)
Public health	88,994					(88,994)		(88,994)
Streets and roads	1,845,445	51,000	3,519,843			1,725,398		1,725,398
Parks and property	142,266					(142,266)		(142,266)
Education	4,000		17,028			13,028		13,028
Conservation	207,385	115,214	2,466			(89,705)		(89,705)
Judicial services	258,906		61,205			(197,701)		(197,701)
capital outlay	49,978					(49,978)		(49,978)
Interest on long tem debt	44,941					(44,941)		(44,941)
Depreciation	755,949					(755,949)		(755,949)
Total governmental activities	7,411,583	338,663	4,932,926	0	0	(2,139,994)	0	(2,139,994)
Business-Type Activities:								
Site operations	71,070	152,903	1,500				83,333	83,333
Depreciation	4,404						(4,404)	(4,404)
Total business-type activities	75,474	152,903	1,500	0	0		78,929	78,929
Total all	$7,487,057	$491,566	$4,934,426	$0	$0	(2,139,994)	78,929	(2,061,065)
			General Revenues:					
			Property tax			2,047,128		2,047,128
			Grants and other unrestricted revenues			1,276,109		1,276,109
			Unrestricted investment earnings			645,033		645,033
			Change in fair market value of investments			378,209		378,209
			Fines and fees			239,119		239,119
			Sales of County property			33,042		33,042
			Release of debt, equipment leas *See Note M*			254,887		254,887
			Total general revenues			4,873,527	0	4,873,527
			Change in net position			2,733,533	78,929	2,812,462
			Net position, beginning of year			18,166,194	1,120,914	19,287,108
			Net position, end of year			$20,899,727	$1,199,843	$22,099,570

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Balance Sheet - Governmental Funds
September 30, 2024

	General Fund	Road And Bridge	Payments In Lieu Of Taxes	Other Governmental Funds	*Total* Governmental Funds
Assets					
Cash and equivalents	$398,094	$3,861,199	$873,315	$1,004,013	$6,136,621
Investments	8,081,775		2,579,167	2,636,221	13,297,163
Taxes receivable, net	28,515			11,339	39,854
Due from other governments	149,006	350,568		887	500,461
Total Assets	$8,657,390	$4,211,767	$3,452,482	$3,652,460	$19,974,099
Liabilities					
Liabilities					
Warrants payable	100,575	256,177	13,418	297,765	667,935
Total Liabilities	100,575	256,177	13,418	297,765	667,935
Deferred Inflows					
Unavailable tax resources	5,452			1,697	7,149
Total Deferred Inflows	5,452			1,697	7,149
Fund Balances					
Restricted for:					
Special programs		3,955,590		3,352,998	7,308,588
Unassigned	8,551,363		3,439,064		11,990,427
Total Fund Balances	8,551,363	3,955,590	3,439,064	3,352,998	19,299,015
Total Liabilities, Deferred Inflows, and Fund Balances	$8,657,390	$4,211,767	$3,452,482	$3,652,460	$19,974,099

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Reconciliation Of The Governmental Funds Balances to the Statement Of Net Position
September 30, 2024

Total fund balances, governmental funds		$19,299,015
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of assets	10,687,083	
Less accumulated depreciation	(6,699,705)	3,987,378
Property taxes receivable will be collected this year but are not available soon enough to pay for the current year's expenditures and therefore are deferred in the funds.		
Deferred property taxes		7,149
Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated absences		(226,375)
Long term due within one year		(266,345)
Long term due in more than one year		(822,110)
A net pension liability for the measured portion of the net present value of projected benefit payments is reported on the Statement of Net Position but not in the fund financial statements.		
Deferred outflows associated with the net pension liability		714,647
Deferred outflows associated with the OPEB liability		1,395
Deferred intflows associated with the net pension liability		0
Deferred intflows associated with the OPEB liability		(20,572)
Net pension liability		(1,734,634)
Other Post Employment Benefit liability		(39,821)
Net position of governmental activities in the Statement of Net Position		$20,899,727

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds
Year Ended September 30, 2024

Revenues	General Fund	Road and Bridge Fund	Payments In Lieu of Taxes	Other Governmental Funds	Total Governmental Funds
Local Sources:					
Property taxes	$1,545,983			$512,271	$2,058,254
Charges for services	165,022	51,000		122,641	338,663
Fees and fines	150,303	1,452		87,364	239,119
Interest income	482,515		162,518		645,033
Change in fair market value of investments	155,092		223,117		378,209
Sales of county property	0	33,042			33,042
Other items	47,112	637		10,015	57,764
Intergovemmental:					
Local	66,507			1,859	68,366
State	868,338	3,357,005		147,130	4,372,473
Federal	67,418	513,406	1,129,608		1,710,432
Total Revenues	3,548,290	3,956,542	1,515,243	881,280	9,901,355
Expenditures					
Current:					
General government	1,868,945		53,188	177,541	2,099,674
Public safety	1,468,385			177,434	1,645,819
Public health				88,994	88,994
Streets and roads		1,845,445			1,845,445
Parks and recreation	124,266			18,000	142,266
Education				4,000	4,000
Conservation	50,000			157,385	207,385
Judicial services				258,906	258,906
Capital outlay	161,695	186,641		1,360,108	1,708,444
Debt service:					
Principal retirement		163,334			163,334
Interest and other debt charges		44,941			44,941
Total Expenditures	3,673,291	2,240,361	53,188	2,242,368	8,209,208
Excess/(Deficiency) of revenues over expenditures	(125,001)	1,716,181	1,462,055	(1,361,088)	1,692,147
Other Financing Sources/(Uses)					
Transfers in	2,893,153				2,893,153
Transfers out			(2,884,578)	(3,299)	(2,887,877)
Net Change in Fund Balance	2,768,152	1,716,181	(1,422,523)	(1,364,387)	1,697,423
Fund Balance - beginning of the year	5,783,211	2,239,409	4,861,587	4,717,385	17,601,592
Fund Balance - end of the year	$8,551,363	$3,955,590	$3,439,064	$3,352,998	$19,299,015

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances of Governmental Funds to the Statement of Activites
Year Ended September 30, 2024

Net change in fund balances - total governmental funds		$1,692,147
Capital outlays are reported as expenditures in governmental funds.		
Total capital outlay	1,708,444	
Less items under threshold	(49,978)	
Net amount capitalized		1,658,466
In the Statement of Activities, the cost of assets is allocated over their estimated useful lives as depreciation.		(755,949)
Repayment of long-term debt is reported as an expenditure in the governmental funds, however, the repayment reduces long-term liabilities in the Statement of Net Assets. The current year principal payment equalled $163,334.		163,334
Because some property taxes will not be collected for several months after the fiscal year end, they are not considered "available" revenues in the governmental funds. Deferred tax revenues decreased $11,126. during the current year ended.		(11,126)
Some expenses reported in the Statement of Activities do not require the use of current financial resoures and are not reported as expenditures in the governmental funds.		
(Increase)/decrease in balance of compensated absences		(27,276)
Gain/(loss) on pension expense and OPEB not reflected in governmental funds		(240,950)
Release of debt on leased road equjipment		254,887
Change in net position of governmental activities		$2,733,533

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Statement Of Net Position - Proprietary Funds
September 30, 2024

	Business type Activities		
	Major Fund		
	Solid Waste	Emergency Communications	Total
Assets			
Current Assets:			
Cash and equivalents	$880,364	$278,296	$1,158,660
Fees receivable, net	3,109		3,109
Total current assets	883,473	278,296	1,161,769
Noncurrent Assets:			
Capital Assets:			
Improvements - roll off dock	56,149		56,149
Buildings	98,455		98,455
Equipment	75,731	169,763	245,494
Less accumulated depreciation	(187,524)	(169,763)	(357,287)
Total capital assets, net of depreciation	42,811	0	42,811
Total Assets	926,284	278,296	1,204,580
Liabilities			
Current Liabilities:			
Warrants payable	3,122	1,615	4,737
Total liabilities	3,122	1,615	4,737
Net Position			
Net investment in capital assets	42,811	0	42,811
Unrestricted	880,351	276,681	1,157,032
Total net position	$923,162	$276,681	$1,199,843

The accompanying notes are an integral part of the financial statements

Custer County, Idaho

Statement Of Revenues, Expenses And Changes In Fund Net Position - Proprietary Funds

Year Ended September 30, 2024

	Business type Activities - Enterprise Funds		
	Major Fund		
	Solid Waste	Emergency Communications	Total
Operating Revenue			
Charges for services	$97,277	$55,626	$152,903
Other miscellaneous items	1,500		1,500
Total operating revenue	98,777	55,626	154,403
Operating Expenses			
Site operations	53,955	17,115	71,070
Depreciation	4,404	0	4,404
Total operating expenses	58,359	17,115	75,474
Operating income (loss)	40,418	38,511	78,929
Change in net position	40,418	38,511	78,929
Net position -beginning	882,744	238,170	1,120,914
Net position - ending	$923,162	$276,681	$1,199,843

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Statement Of Cash Flows - Proprietary Funds
Year Ended September 30, 2024

	Business-type Activities		
	Solid Waste	Emergency Communicaitons	Total
Cash flows from operating activities:			
Cash received from customers	96,728	55,626	152,354
Cash payments to suppliers for goods and services	(50,933)	(16,202)	(67,135)
Other miscellaneous items	1,500		1,500
Net cash provided/(used) by operating acitivites	47,295	39,424	86,719
Net increase/(decrease) in cash and cash equivalents	47,295	39,424	86,719
Cash and cash equivalents - beginning of year	833,069	238,872	1,071,941
Cash and cash equivalents - end of year	$880,364	$278,296	$1,158,660
Reconciliation of operating income/(loss) to net cash provided/(used) for operationg activities			
Operating income/(loss)	44,822	38,511	83,333
Adjustments to reconcile operating income/(loss) to net cash provided/(used) for operating activities:			
Depreciation	0	0	0
(Increase)/decrease in accounts receivable	(549)	0	(549)
Increase/(decrease) in warrants payable	3,022	913	3,935
Total adjustments	2,473	913	3,386
Net cash provided/(used) by operating acitivites	$47,295	$39,424	$86,719

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Statement Of Fiduciary Net Position
September 30, 2024

	Custodial Funds	Private Purpose Trust Funds	Total Fiduciary Funds
Assets			
Cash and equivalents	$13,489	$242,487	$255,976
Taxes receivable	70,187	0	70,187
Total Assets	83,676	242,487	326,163
Liabilities			
Warrantsand accounts payable	807	1,322	2,129
Total Liabilities	807	1,322	2,129
Net Position			
Restricted for:			
Individuals, Organizations or			
Other Governments	82,869	241,165	324,034
Total Net Position	$82,869	$241,165	$324,034

The accompanying notes are an integral part of the financial statements

Custer County, Idaho
Statement Of Changes in Fiduciary Net Position
For The Year Ended September 30, 2022

	Custodial Funds	Private Purpose Trust Funds	Total Fiduciary Funds
Additions			
Fees collected for other governments	$377,497	$0	$377,497
Property taxes collected for other governments	4,006,704	0	4,006,704
Contributions	0	1,302,871	1,302,871
Total Additions	4,384,201	1,302,871	5,687,072
Deductions			
Fees distributed to other governments	390,840		390,840
Taxes distributed to other governments	3,980,976		3,980,976
Funds distributed to individuals and organizations		1,335,588	1,335,588
Total Deductions	4,371,816	1,335,588	5,707,404
Excess / (deficiency) of funds	12,385	(32,717)	(20,332)
Transfers out	(2,599)	(2,677)	(5,276)
Change in Net Position	9,786	(35,394)	(25,608)
Net Position - Beginning	73,083	276,559	349,642
Net Position - Ending	$82,869	$241,165	$324,034

The accompanying notes are an integral part of the financial statements

Note I. SUMMARY Of SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Custer County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard-setting body for governmental accounting and financial reporting principles.

Custer County has implemented all GASB statements that are in effect for the County for the fiscal year ended September 30, 2024.

A. Reporting Entity

The County is governed by an elected three member board of Commissioners and provides services including general government, public safety, judicial, sanitation, health and welfare and recreation and culture. The County follows GASB in determining the reporting entity. For financial reporting purposes, the County's reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds, departments and agencies of the primary government whose budgets are controlled or whose boards are appointed by the County's board of Commissioners, or if exclusion of an organization would cause the County's financial statements to be misleading or incomplete. Control or dependence on the County was determined on the basis of appointment authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, significance to the County, and legal standing. Custer County contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). PERSI is administered by the State of Idaho. A ten year history is provided in PERSI's annual report.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government, distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees and charges to external parties for goods or services.

Statement of Net Position

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is displayed in the following three categories:

Net investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding related debt.

Restricted net position results when the purpose for or manner in which net position can be used is limited by an external authority a constitutional provision or enabling legislation. Enabling legislation both authorizes the raising of new resources and imposes legally enforceable limits on how they may be used. Decisions regarding the preferred first usage of unrestricted or restricted net position are made on a program by program basis when both types of resources are available.

Note I. SUMMARY Of SIGNIFICANT ACCOUNTING POLICIES ***continued***

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net positions may have constraints or designations placed upon them by management, but they can be unilaterally removed.

Statement of Activities

The Statement of Activities demonstrates the degree to which the direct expenses of governmental functions and business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific governmental function or business-type activity. Revenues are broken out by program and general designations. Program revenues display the extent to which programs are self-funded. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function or activity. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenue sources that are not attributable to specific programs are reported instead as general revenues.

Fund Statements

The financial activities of the County are recorded in individual funds to report the financial position and results of the operations of the County. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Separate fund financial statements are presented for the governmental, proprietary, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. The emphasis in the fund statements is on major funds. Major governmental and business-type funds are reported as separate columns in the fund statements. The remaining governmental and business-type funds are considered non-major funds and are consolidated in an "other" funds column on the combined fund statements. If there is more than one, the non-major funds are displayed individually in combining schedules.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for services that include general government and public safety. The *General Fund* includes all financial resources of the County except those required to be accounted for in another fund.

The *Road and Bridge Fund* accounts for state and federal highway revenues which are restricted to maintenance and repair of the County's roads and bridges.

The *PILT Fund* accounts for payments received in lieu of taxes. These funds are comparable to local property taxes and are unrestricted funds.

Note I. SUMMARY Of SIGNIFICANT ACCOUNTING POLICIES ***continued***

The County reports the following major proprietary funds:

The *Solid Waste Fund* accounts for resources used to provide solid waste services to the County and is funded primarily from user fees. The services are provided by a private enterprise which in turn bills the County for the services provided.

The *Emergency Communications Fund* accounts for resources used to provide 911 services to the County and is funded primarily from user fees.

Additionally, the County reports the following fund types:

Governmental Fund Type
Special Revenue Funds account for financial resources obtained from s;ecific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Fund Type
Custodial Funds account for resources held by the County, acting in a custodial capacity, for distribution to other governmental units or designated beneficiaries.

Reconciling Government-Wide Statements to the Fund Statements

The governmental fund statements include reconciliation between the fund statements and the government-wide statements. Differences that make reconciliation necessary include the two differing measurement focuses and the basis of accounting between the statements.

Measurement Focus and Basis of Accounting
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expanses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary (agency) fund financial statements also use the accrual basis of accounting for asset and liability recognition, even though they have no measurement focus. 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. 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected with 60 days of the end of the current fiscal period. Significant revenue sources subject to accrual include property taxes and sales and liquor taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to capital lease payments and compensated absences are recorded only when payment is due.

Note I. SUMMARY Of SIGNIFICANT ACCOUNTING POLICIES ***continued***

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contribution and any capital grants and contributions. All taxes as well as internally dedicated resources are reported as general revenue.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assts. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Assets, Liabilities, Deferred Outflows, Deferred Inflows and Net Position or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are stated at fair value at September 30, 2024, as determined by quoted market prices. The individual funds' portions of the pool's fair value are presented as 'investments'. Interest earned on the pooled funds is apportioned and paid or credited to the participating funds monthly. Interest earnings and increases or decreases in the fair value of investments are transferred to the respective funds. Idaho Code Section 67, Chapter 12, provides authorization for the investment of funds as well as to what constitutes an allowable investment. County policy is consistent with the Idaho Code.

The Code limits investments to the following types:

1. Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.

2. Time deposit accounts, tax anticipation and interest-bearing notes.

3. Bonds, treasury bills, debentures, or other similar obligations of the United States Government and United States Government Agencies

4. Repurchase agreements secured by the above.

Cash and investments are pooled and invested in certificates of deposit, United States Treasury Securities, and United State Government Agency Securities. For purposes of the statement of cash flows, the County considers all highly liquid investments purchased with maturities of three months or less to be cash.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2. Receivables and Payables

Activity between funds that is representative of a lending or borrowing arrangement outstanding at the end of the fiscal year is current and referred to as "due to/from other funds" as are all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Receivables in the proprietary funds are shown net of an allowance for uncollectables if warranted.

Property tax revenues are recognized when received in the period for which the taxes are levied. Property taxes are accrued as assets receivable and deferred inflows on the Balance Sheet when the County has an enforceable legal claim to the taxes, which occurs on January 1 of the period prior to actual receipt of the tax payments. The County's assessment date is January 1, and property taxes, levied by the second Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due December 20th. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

3. Inventories

County-wide purchases of materials and supplies are consumed shortly after purchase and are recognized as an expenditure in special revenue funds and as an expense in proprietary funds when purchased. There are no significant inventories for GAAP reporting purposes.

4. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Custer County infrastructure acquired prior to fiscal years ended after June 30 1980 are immaterial and are not reported. Capital assets are defined by the County as assets with an individual cost of more than $1,500 for equipment, $12,000 for vehicles and $25,000 for land, buildings and improvements and an estimated useful life in excess of three years. All material assets are valued at historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value at the date of donation.

When an asset is disposed of, cost and related accumulated depreciation are removed, and any gain or loss arising from disposal is credited or charged to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the statement of net assets. Depreciation has been provided over the estimated useful lives us9ng the straight-line method. The estimated useful lives are as follows:

Equipment and vehicles	5 - 10 years
Buildings and improvements	10 - 40 years

Note I. SUMMARY Of SIGNIFICANT ACCOUNTING POLICIES ***continued***

Depreciation was charged to functions/programs as follows:

Governmental activities -	
General government	$ 755,949
Business-type activities -	
Solid waste	4,404
Emergency communications	- 0 -
Total depreciation	$ 760,353

5. Long Term Liabilities

In the government-wide financial statement, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond ordinances require a levy and collection of a tax without limitation, on all property subject to taxation by the County, sufficient in amount to pay the principal and interest on such bonds when they become due. The County currently has no bonded indebtedness.

6. Deferred Outflows and Deferred Inflows

Deferred outflow of resources is defined as a consumption of net position that is applicable to a future reporting period; the effect is positive, similar to an asset but is not an asset. Deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period; it has a negative effect, similar to a liability but is not a liability.

7. Pensions

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

8. Net Position and Fund balance

The difference between assets, deferred outflows, liabilities, and deferred inflows is net position on the government-wide, proprietary fund, and fiduciary fund statements and fund balance on the governmental fund statements

Note I. SUMMARY Of SIGNIFICANT ACCOUNTING POLICIES ***continued***

Fund balances are classified as restricted or unrestricted (committed, assigned or unassigned).

Restricted - Fund balances that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - Fund balances that can be used only for the specific purposes determined by a formal action of the county commission (the County's highest level of decision-making authority). Additional action is essential to either remove or revise the commitment.

Assigned - Fund balances that are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. The County Commission has by resolution authorized management to assign fund balances. Assignments generally only exist temporarily and do not require additional action for the removal of the assignment.

Unassigned - Fund balances that include al spendable amounts not contained in the other classifications

The County applies restricted resources before applying unrestricted resources to expenses incurred for which both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Note II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Idaho code section 67-1301 and 67-2238 authorizes the state treasurer to combine the money of public agencies jointly in external investment pools, the Local Government Investment Pool (LGIP) and the diversified Bond Fund (DBF). In order to earn a higher yield, Idaho governmental entities may voluntarily deposit moneys not needed to meet immediate operating obligations into these pools. The LGIP is a short-term investment pool. Participants have overnight availability to their funds, up to $10 million. Withdrawals of more than $10 million require 3 business days notification. The DBF was created for those state and public entities able to exchange current liquidity for potentially greater returns over the long run (3.5 years or longer). Withdrawals of $10 million or less generally require 5 business days notification prior to the last day of the month; those in excess of $10 million require 25 business day's notification.

The State Treasurer must operate and invest the funds of both pools for the benefit of the participants. Investments are made in accordance with Idaho Code, Sections 67-1210 and 67-1210A. The Pools are not registered with the Securities and Exchange Commission or any other regulatory body. The State Treasurer does not provide any legally binding guarantees to support the value of the shares to participants.

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

Fair Value Measurements

Financial Accounting Standards Board ASC 820 establishes a framework for measuring fair value. That framework provides 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). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1	Inputs are quoted prices in active markets that the County has the ability to access.
Level 2	Significant other observable inputs
Level 3	Inputs are significant unobservable inputs

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Custer County's investment's fair value measurements are as follows at September 30, 2024:

	Level 1	Level 2	Level 3
Government bonds and			
Money market funds	$ 1,074,049	$ -	$ -
Certificates of deposit	-	6,193,190	-
Mutual Funds	-	6,029,924	-
Total assets measured at fair value	$ 1,074,049	$ 12,223,114	$ -

Credit Risk

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not be able to fulfill its obligation and is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The County policy is to only invest in instruments with at least an A quality credit rating.

Concentration of Credit Risk

Custer County's investment policy, where possible, allows for no more than 50% in a specific issuer and 50% in a specific class of securities. The County has less than 50% in a specific issuer and less than 50% in a specific class. In addition, GASB 40 requires disclosure of concentrations over 5% in a single issuer. As of September 30, 2023, the following issuers held more than 5% of the County's total portfolio:

Wells Fargo	51%
US Bank	22%
DL Evans Bank	11%
State Treasurer LGIP	8%

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

Custodial Credit Risk - investments

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County investment policy states that no more than 50% of total County funds shall be invested in any one institution.

Custodial Credit Risk - deposits

For deposits, custodial credit risk is the risk that in the event of the failure of a bank, the County's deposits will not be returned to it. As of September 30, 2024, the County had $1,010,701 of deposits covered by FDIC insurance and $19,769,912 of funds on deposit over and above the FDIC limit.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. The County's investment policy is not limited to specific duration but is structured to meet the County's anticipated cash flows and spending rate.

The following presents the County's exposure to credit and interest rate risk.

Investment Type	Market Value	Credit Rating
Money market funds	$ 1,074,049	
Negotiable certificates of deposit	6,193,190	N/A
Mutual Funds	6,029,924	N/A
Total market value	$ 13,297,163	

B. Inter-fund Transfers

The following inter-fund transfers occurred during the current year ended:

	Transfer to	*Transfer from*	
General fund	$ 2,893,153		To cover operating expenses
Election			To reimburse operating expenses
Indigent		3,299	To reimburse operating expenses
PILT		2,884,578	To reimburse operating expenses
Fiduciary funds		5,276	
	$ 2,893,153	$ 2,893,153.	

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

C. Receivables

The following funds of Custer County have a receivable account balance as of September 30, 2024. The "allowance for doubtful account" for these amounts is immaterial. All receivables are expected to be collected within one year.

	Due from other governments	Fees
Governmental activities:	- 0 -	- 0 –
Business-type activities:		
Solid Waste fund		$ 3,109

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period, i.e. property taxes.

Deferred Inflow of Resources:	
Total property taxes receivable	39,854
Current portion	(31,915)
Deferred inflow of resources	$ 7,939

D. Capital Assets

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

Governmental Funds:	Balance at Sep 30, 2023	Additions	Deletions	Balance at Sep 30, 2024
Non Depreciable Capital Assets:				
Land and improvements	$ 910,923			$ 910,923
Depreciable Capital Assets:				
Buildings and Improvements	2,568,547	1,041,966		3,610,513
Vehicles and Equipment	5,088,985	1,210,383	(133,721)	6,165,647
Total Capital Assets	8,568,455	2,252,349	(133,721)	10,687,083
Accumulated Depreciation	(6,077,477)	(755,949)	133,721	(6,699,705)
Capital Assets, Net	$ 2,490,978	1,496,400	- 0 -	$ 3,987,378

Note II. DETAILED NOTES ON ALL FUNDS *continued*

Proprietary Funds:	Balance at Sep 30, 2023	Additions	Deletions	Balance at Sep 30, 2024
Non Depreciable Capital Assets:				
Land and improvements	$ 56,149			$ 56,149
Depreciable Capital Assets:				
Buildings and Improvements	98,455			98,455
Vehicles and Equipment	245,494			245,494
Total Capital Assets	400,098			400,098
Accumulated Depreciation	(352,883)	(4,404)		(357,287)
Capital Assets, Net	$ 47,215	(4,404)	- 0 -	$ 42,811
Total all funds	**$ 2,538,193**	**1,491,996**	**- 0 -**	**$ 4,030,189**

E. Commitments and Contingencies

The County is at various times involved in claims arising from the ordinary course of operations. The estimated possible loss to the County for such claims is uncertain, as the likelihood of an unfavorable outcome is unknown. No accrual has been reflected in the financial statements for this matter. It is Management's opinion that the ultimate disposition of such claims will not have a material adverse effect on the County's financial condition.

F. Risk Management

The County is exposed to various risks of loss including (a) damage to and loss of property and contents (b) employee torts (c) professional liability (errors and omissions) (d) environmental damage (e) workers' compensation claims and (f) medical insurance costs of employees. Commercial policies, transferring the risks of loss, except for relatively small deductible amounts are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

G. Due From Other Governments

Amounts due from other governments consist of State sates tax of $149,893 and State highway user revenue of $350,568 for a total of $500,461.

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

H. Long Term Debt

The county leases road equipment under long term agreements. The leases consist of:

Road equipment	$ 1,448,659
Less accumulated depreciation (included as depreciation on the accompanying financial statements)	(1,052,647)
	$ 396,012

Changes in long-term debt for the year ended September 30, 2024, are as follows:

Road Equipment	*Maturity*	*Rate*	*09-30-23*	*Increase*	*Decrease*	*09-30-24*	*Current Portion*
2023 Cat 150 Road Grader	2028	6.25%	$ - 0 -	$ 400,748	$ (75,404)	$ 325,344	$ 28,265
2021 Cat 150 Wheel Loader	2026	2.95%	218,693	- 0 -	(17,357)	201,336	18,396
2019 Cat 140 Motor Grader	2025	4.20%	195,894	- 0 -	(18,450)	177,444	177,444
2024 Cat CS54B Roller	2029	6.35%	- 0 -	193,135	(27,899)	165,236	17,261
2021 Cat 150 Road Grader	2026	2.99%	243,319	-	(24,224)	219,095	24,979
			$ 657,906	$ 593,883	$ (163,334)	$ 1,088,455	$ 266,345

Debt service requirements on long-term debt as of September 30, 2024, are as follows:

Year Ending September 30	Principal	Interest	Total
2025	265,825	51,475	317,300
2026	260,940	39,739	300,679
2027	216,578	25,265	241,843
2028	255,858	22,041	277,899
2029	89,254	5,746	95,000
	$ 1,088,455	$ 144,266	$ 1,232,721

I. Compensated Absences

The County provides personal leave to full time employees. It is paid to employees when taken and will be paid to employees or their beneficiaries upon the employee's termination, retirement or death.

The County's recognition and measurement criteria for compensated absences is as follows:

a) The employees' right to receive compensation is attributable to services already rendered

b) It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported in the government-wide financial statements.

Note II. DETAILED NOTES ON ALL FUNDS continued

J. Deferred Compensation Plan

Permanent employees of the County may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until withdrawal at a later date. The deferred compensation amount is not asvailable for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The County has no liability for losses under the plan but it does have the obligation of due care in selection of the third-party administrator. For the year ended September 30, 2024 the County made no employer contributions to the plan.

K. Other Post-Employment Benefits

Plan Description
The County's Other Post Employment Benefit Plan (the County's OPEB Plan) is a single-employer defined healthcare plan administered by GemPlan. The County's OPEB plan does not include the PESI pension benefits otherwise discussed in these financial statements and does not issue a publicly available financial report.

Benefits Provided
GemPlan, the administrator of the County's OPEB plan, contracts with Blue Cross/Blue Shield of Idaho to provide health insurance benefits to eligible retirees and their eligible dependents. A retiree who retires while participating in the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the County's health insurance until age 65 or until the retiree is eligible for coverage under Medicare. Eligibility for the County's OPEB plan is further determined by employees having obtained a minimum age of 55 with at least 20 years of service with the County for general employees and obtaining a minimum 5 years of service with the County for elected officials. Retirees are on the same medical plan as the County's active employees.

Contributions and Implicit Rate Subsidy
OPEB benefits have historically been funded on a pay-as-you-go basis. Under government accounting standards, plan sponsors may set up a trust and pre-fund the benefits. There is no requirement to pre-fund benefits under government accounting standards. However, if benefits are not pre-funded, OPEB liabilities are created and will grow over time. The County has not pre-funded these benefits.

Government accounting standards require employers to recognize the implicit rate subsidy that exists in most post-employment benefit plans. The implicit rate subsidy refers to the concept that retirees generate higher claims on average than active participants.

Note II. DETAILED NOTES ON ALL FUNDS *continued*

When a medical plan is self-insured through a third-party administrator or fully insured, a premium is usually determined by analyzing the claims of the entire population in that plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower. Therefore, the retirees' premiums are being subsidized by the active group. The difference between the expected claims for the retiree group and the blended premium is called the implicit rate subsidy. Accordingly, the County's implicit subsidy contributions were for the year ended September 30, 2024.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at year-end are as follows:

Total OPEB Liability	$ 39,821
OPEB Plan Fiduciary Net Position	- 0 –
Net OPEB obligation – end of year	$ 39,821
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%

OPEB Revenue/(Expense) and Deferred Outflows of Resources to OPEB

For the year e3nded September 30, 2024, the County recognized OPEB revenue/(expense) of $3,384. At September 30, 2024, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Loss	- 0 -	- 0 -
Liability Gain		16,248
Assumption Changes	815	4,324
Subsequent Employer Contributions	580	- 0
Total	$ 1,395	$ 20,572

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPO'EB will be recognized as OPEB expenses/(revenue) as follows:

For The Year Ended September 30:	PERSI
2024	($ 8,185)
2025	($ 5,788)
2026	($ 5,784)

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2023 which was also the measurement date. The following actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry age, level percentage of pay
Inflation	2.50%
Salary increases	3.00%
Medical trend rate	4.00%
Mortality	RP-2014 White Collar Mortality Tables with MP-2-17 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.50%. As the County's OPEB plan is not pre-funded, the discount rate is equal; to the 20 year AA-rated municipal bond Yield of 4.50%.

	Increase/Decrease		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning of Year	$ 59,396	- 0 -	$ 59,396
Changes for the year:			
Service Cost	3,515	- 0 -	3,515
Interest Cost	1,431	- 0 -	1,431
Assumption Changes	(5,766)	- 0 -	(5,766)
Differences Between Expected and Actual Experience	(17,382)	- 0 -	(17,382)
Benefit Payments	(1,373)	- 0 -	(1,373)
Net Changes in Total OPEB Liability	(19,575)	- 0 -	(19,575
End of Year	$ 39,821	- 0 -	$ 39,821

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current discount rate:

1% Decrease 3.50%	Current Discount 4.50%	1% Increase 5.50%
$42,816	$39,821	$37,034

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% point lower or 1% point higher than the current healthcare cost trend rate:

1% Decrease *5.5% decreasing to 4.0% then to 3.0%*	Current Discount Cost Trend Rate *6.5% decreasing to 5.0% then 4.0%*	1% Increase *7.5% decreasing to 6.0% then 5.0%*
$ 42,816	$ 39,821	$ 37,034

L. Pension Plan

Pensions

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

Plan Description

The County contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit 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 required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

Pension Benefits

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

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

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 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 a percentage 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 public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% of general employees and 13.26% for police and firefighters. The County's contributions were $271,337 for the year ended September 30, 2024.

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

At September 30, 2024, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, the County's portion was .000463726 percent.

For the year ended September 30, 2024, the County recognized pension expense (revenue) of $476,159. At September 30, 2024, the County reported outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	***Deferred Inflows of Resources***
Differences between expected and actual experience	$ 166,731	- 0 -
Changes in assumptions or other inputs	175,890	- 0 -
Net difference between projected and actual earnings on pension plan investments	304,470	- 0 -
Employer contributions subsequent to the measurement date	67,556	
	$ 714,647	$ - 0 -

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

$67,556 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024 the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period June 30, 2024.

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:

2025	$ 85,614
2026	$ 323,427
2027	$ (55,774)
2028	$ (39,866)

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 individuals 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	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%

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

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 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.

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 development 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 capital market assumptions are as of 2024.

2024

Asset Class	DB Plans	Sick Leave
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 all	*100.0%*	*100.0%*

Note II. DETAILED NOTES ON ALL FUNDS ***continued***

Discount Rate

The discount rate used to measure the total pension liability was 6.35 percent. 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 the assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	1% Decrease	*Current Discount Rate*	*1% Increase*
	(5.35%)	(6.35%)	(7.35%)
Employer's proportionate share of net pension liability (asset)	$ 3,296,345	$ 1,734,634	$ 459,114

Pension plan fiduciary net position

Detailed information about the pension's plan 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.

M. Release of Debt on Equipment Lease

The County will periodically return leased equipment prior to full term of the lease at which time the remaining portion of the lease is exchanged for the return of the respective equipment. In the current year ended September 30, 2024 the County returned two leased items and was released from $254,887 of remaining lease obligation.

N. Subsequent Events

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

Required Supplementary Information

Custer County, Idaho
Schedule Of Revenues, Expenditures And Changes In Fund Balance
Budget And Actual - Non-GAAP Cash Basis - General Fund
Year Eneded September 30, 2024

	Original/Final Budget	*Actual*	*Variance*
Revenues			
Local Sources:			
Property taxes	$1,548,000	$1,526,443	($21,557)
Charges for services	167,000	165,022	(1,978)
Fees and fines	180,300	150,303	(29,997)
Interest income	100,000	482,515	382,515
Change in fair market value of investments	0	155,092	
Sales of county property	40,000	0	(40,000)
Other items	52,500	47,112	(5,388)
Intergovernmental:			
Local	45,000	66,507	21,507
State	849,937	868,338	18,401
Federal	170,000	67,418	(102,582)
Total Revenues	3,152,737	3,528,750	220,921
Expenditures			
General government	2,475,620	1,805,364	670,256
Public safety	2,024,887	1,468,385	556,502
Parks and recreation	286,950	124,266	162,684
Conservation	50,000	50,000	0
Capital outlay	2,287,000	161,695	2,125,305
Total Expenditures	7,124,457	3,609,710	3,514,747
Revenues Over/(Under) Expnditures		(80,960)	
Other Financing Sources - Transfers, net		2,893,153	
Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures		2,812,193	
Reconciling Items:			
Changes Affected By Accrued Revenues		19,540	
Changes Affected By Accrued Expenses		(63,581)	
Beginning Fund Balance		5,783,211	
Ending Fund Balance		$8,551,363	

The notes to the required supplementary information - Basis of Budgeting - are an integral part of this schedule

Custer County, Idaho
Schedule Of Revenues, Expenditures And Changes In Fund Balance
Budget And Actual - Non-GAAP Cash Basis - Road and Bridge Fund
Year Ended September 30, 2024

	Original/Final Budget	*Actual*	*Variance*
Revenues			
Local Sources:			
Charges for services	$5,000	$51,000	46,000
Fees and fines	0	1,452	1,452
Interest income	0	0	0
Sales of county property	0	33,042	
Other items	0	637	637
Intergovernmental:			
State	6,141,000	3,006,437	(3,134,563)
Federal	500,000	,513,406	13,406
Total Revenues	6,646,000	3,605,974	(3,073,068)
Expenditures			
Streets and roads maintenance	1,636,133	1,683,789	(47,656)
Capital outlay	395,433	395,433	0
Principle retirement	208,795	208,795	0
Interest and other debt charges	0	0	0
Total Expenditures	2,240,361	2,288,017	(47,656)
Revenues over/(under) expnditures		1,317,957	
Other financing sources - transfers, net		0	
Revenues and other financing sources/(uses) Over/(Under) expenditures		1,317,957	
Reconciling items:			
Changes affected by accrued revenues		350,568	
Changes affected by accrued expenditures		47,656	
Beginning Fund Balance		2,239,409	
Ending Fund Balance		$3,955,590	

The notes to the required supplementary information - Basis of Budgeting - are an integral part of this schedule

Custer County, Idaho

Schedule Of Revenues, Expenditures And Changes In Fund Balance

Budget And Actual - Non-GAAP Cash Basis - PILT Fund

Year Ended September 30, 2024

	Original/Final Budget	*Actual*	*Variance*
Revenues			
Interest income	$0	$162,518	$162,518
Change in fair market value of investments	$0	223,117	223,117
Intergovernmental:			
Local	0	0	0
State	0	0	0
Federal	1,240,679	1,129,608	(111,071)
Total Revenues	1,240,679	1,515,243	274,564
Expenditures			
General government	4,240,679	39,770	4,200,909
Conservation	0	0	0
Total Expenditures	4,240,679	39,770	4,200,909
Revenues over/(under) expenditures		1,475,473	
Other financing sources - transfers, net		(2,884,578)	
Revenues and other financing sources/(uses) Over/(Under) Expenditures		(1,409,105)	
Reconciling items:			
Changes affected by accrued revenues		0	
Changes affected by accrued expenditures		(13,418)	
Beginning Fund Balance		4,861,587	
Ending Fund Balance		$3,439,064	

The notes to the required supplementary information - Basis of Budgeting - are an integral part of this schedule

Custer County, Idaho
Notes To Required Supplementary Schedules
Year Ended September 30, 2024

Basis of Budgetary Accounting

The County's legal budget is prepared using the cash basis records. Encumbrances are allowed for budgetary control purposes, but lapse at the close of the year. The Budget and Actual Schedules are prepared on the budgetary basis and include this variation from GAAP. The reconciliation at the bottom of the budget and actual schedules shows the difference between the basis of budgeting and GAAP.

Budgetary Information

The County budgets its revenues and expenditures, as is required by Idaho Code Section 31, Chapter 16. Following these guidelines, the County adopts annual appropriated budgets for General and Special Revenue and Enterprise funds. All appropriated budgets for Governmental Funds are adopted on a non-GAAP cash basis. The following is a summary of the budgetary process for the County:

Prior to the 3rd Monday in May, each elected official or department head submits to the Clerk's office a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures by department categorized by personal services and other charges and services (including capital outlay) and the means of financing them. The Clerk's office assures the budges are balanced. Budget hearings give the County departments an opportunity to present their proposed budget to the County Commissioners and the public at large.

On or before the first Monday in August, the proposed budget is submitted to the County Commissioners for review and tentative approval. When the tentative budget has been approved it must be published in the newspaper. Public budget hearings are conducted by the County to obtain taxpayer comment, and upon conclusion of the hearing, the County Commissioners legally adopt the budget by a resolution in the official minutes of the board.

The budget in no event shall be greater than the amount of the advertised tentative budget. Per Idaho Code Section 31, the actual expenditures for the ensuing fiscal year shall not exceed the appropriations legally adopted by the Commissioners. The County's policy is that amounts may not be transferred between personal service and other charges and services (including capital outlay) and amounts may not be transferred between departments or funds.

The County may increase the total appropriation budget during the year as grants are subsequently awarded by federal or state agencies, for donations to various departments, and for receipt of unscheduled and/or unanticipated revenue, provided there is no increase in anticipated property taxes. The appropriation budget may only be increased by the amount of actual revenues received. Such budget revisions must be advertised, discussed in a public hearing and adopted by a resolution from the Board of County commissioners. The budget was not amended during the year.

Budgetary Information - *Continued*

The level of budgetary control (level at which expenditures may not legally exceed the appropriations) is established by the personal service and other charges and services (including capital outlay) within the department and fund.

The County employs budgetary integration as a management control device during the year for all Governmental and Proprietary funds. All appropriations, other than those for improvements not yet completed, lapse at the end of the fiscal year and become null and void. However, appropriation accounts may remain open until the first Monday in November for the payment of claims incurred prior to the close of the fiscal year. Lawful claims presented thereafter against any subsequent appropriation will be provided for in the ensuing budget.

The Road and Bridge Fund has expenditures in excess of appropriations in the amount of $ 47,656.

Custer County, Idaho

Schedule of Employer's Share of Net Pension Liability

PERSI Base Plan

Last 10 - Fiscal Years *

	PERSI Base Plan				
Fiscal Year	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's Proprtional share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.0004958%	652,916	1,378,011	60.57%	91.38%
2016	0.0004991%	1,011,807	1,500,631	67.43%	87.26%
2017	0.0005144%	808,523	1,604,676	50.38%	90.68%
2018	0.0004677%	734,054	1,594,773	46.03%	91.69%
2019	0.0004787%	546,415	1,594,428	34.27%	93.79%
2020	0.0004737%	1,100,040	1,642,989	66.95%	88.22%
2021	0.0004398%	(34,730)	1,902,692	-1.83%	100.36%
2022	0.0004516%	1,778,713	1,914,710	92.90%	83.09%
2023	0.0004451%	1,776,289	2,083,028	85.27%	83.83%
2024	0.0463726%	1,734,634	2,414,272	71.85%	85.54%

* GASB 68 requires ten years of information to be presented in this table However, until a 10-year trend is compiled, only those years for which information is available wil be presented.

Data reported is measured as of June 30th.

Custer County, Idaho

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years *

	PERSI Base Plan				
Fiscal Year	Statutorily Required Contribution	Contribution In Relation To The Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a percentage of Covered Payroll
2015	$157,055	$157,055	$0	1,378,011	11.39%
2016	$171,020	$171,020	$0	1,500,631	11.40%
2017	$180,853	$180,853	$0	1,604,676	11.27%
2018	$181,217	$181,217	$0	1,594,773	11.36%
2019	$183,722	$183,722	$0	1,594,428	11.52%
2020	$197,186	$197,186	$0	1,642,989	12.00%
2021	$197,727	$197,727	$0	1,902,692	10.39%
2022	$213,723	$213,723	$0	1,914,711	11.16%
2023	$231,843	$231,843	$0	2,083,028	11.13%
2024	$271,337	$271,337	$0	2,414,272	11.24%

* GASB 68 requires ten years of information to be presented in this table However, until a 10-year trend is compiled, only those years for which information is available wil be presented.

Data reported is measured as of September 30

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Custer County, Idaho
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2024

	Battleground Mosquito	Election	District Court	County Fair	Health District	Indigent	Junior College
Assets							
Cash and equivalents	$39,600	$141,196	$186,743	$5,715	$11,332	$0	$144,609
Investments							
Taxes receivable, net	1,138		463	332	955	20	
Due from other governments	887						0
Total Assets	$41,625	$141,196	$187,206	$6,047	$12,287	$20	$144,609
Liabilities							
Warrants payable	15,758	435	7,246	3,000			
Total Liabilities	15,758	435	7,246	3,000	0	0	0
Deferred Inflows of Resources							
Unavailable tax resources	8		92	64	179	4	
Total Deferred Inflows of Resources	8	0	92	64	179	4	0
Fund Balances							
Restricted for:							
Special Programs	25,859	140,761	179,868	2,983	12,108	16	144,609
Total fund balances	25,859	140,761	179,868	2,983	12,108	16	144,609
Total Liabilities, Deferred Inflows, and Fund Balances	$41,625	$141,196	$187,206	$6,047	$12,287	$20	$144,609

Revaluation	Tort	Weed Control	Waterways	American Rescue Plan	Local Assistance Tribal Consistency	South Custer Ambulance	Total All Funds
$105,589	$40,068	$150,208	$14,690	$0		$164,263	$1,004,013
				776,617	1,859,604		2,636,221
2,738	1,012	2,679				2,002	11,339
							887
$108,327	$41,080	$152,887	$14,690	$776,617	$1,859,604	$166,265	$3,652,460
13,713		28,089	2,331	0	224,326	2,867	297,765
13,713	0	28,089	2,331	0	224,326	2,867	297,765
511	188	479				172	1,697
511	188	479	0	0	0	172	1,697
94,103	40,892	124,319	12,359	776,617	1,635,278	163,226	3,352,998
94,103	40,892	124,319	12,359	776,617	1,635,278	163,226	3,352,998
$108,327	$41,080	$152,887	$14,690	$776,617	$1,859,604	$166,265	$3,652,460

Combining Statement Of Revenues, Expenditures And Changes In Fund Balance -
Nonmajor Governmental Funds
For The Year Ended September 30, 2024

	Battleground Mosquito	Election	District Court	County Fair	Health District	Indigent	Junior College
Revenues							
Local Sources:							
Property taxes	$22,169	$0	$26,796	$18,191	$51,529	$497	$0
Charges for services							
Fees and fines			55,729				
Other items			7,281				
Intergovernmental:							
Local	97						
State	3,353	58,209	61,205				17,028
Federal							
Total Revenues	25,619	58,209	151,011	18,191	51,529	497	17,028
Expenditures							
General government		25,245					
Public safety							
Public health	39,030				49,964		
Parks, recreation, public property				18,000			
Education							4,000
Conservation							
Judicial services			202,218				
Capital outlay	4,000	10,889	2,750				
Total Expenditures	43,030	36,134	204,968	18,000	49,964	0	4,000
Excess/(Deficiency) of revenues over expenditures	(17,411)	22,075	(53,957)	191	1,565	497	13,028
Other Financing Sources/(Uses)							
Transferrs in, see Note II(C)							
Transferrs out, see Note II(C)						(3,299)	
Net Change In Fund Balance	(17,411)	22,075	(53,957)	191	1,565	(2,802)	13,028
Fund Balance - beginning of the year	43,270	118,686	233,825	2,792	10,543	2,818	131,581
Fund Balance - end of the year	$25,859	$140,761	$179,868	$2,983	$12,108	$16	$144,609

Revaluation	Tort	Weed Control	Waterways	American Rescue Plan	Local Assistance Tribal Consistency	South Custer Ambulance	Total All Funds
$146,020	$53,565	$136,886	$0	$0	$0	$56,618	$512,271
		115,214				7,427	122,641
			31,635				87,364
			1,950			784	10,015
						1,762	1,859
						7,335	147,130
							0
146,020	53,565	252,100	33,585	0	0	73,926	881,280
149,326				2,970			177,541
			29,397			148,037	177,434
							88,994
							18,000
							4,000
		157,385					157,385
	56,688						258,906
		118,155			1,021,522	202,792	1,360,108
149,326	56,688	275,540	29,397	2,970	1,021,522	350,829	2,242,368
(3,306)	(3,123)	(23,440)	4,188	(2,970)	(1,021,522)	(276,903)	(1,361,088)
							0
							(3,299)
(3,306)	(3,123)	(23,440)	4,188	(2,970)	(1,021,522)	(276,903)	(1,364,387)
97,409	44,015	147,759	8,171	779,587	2,656,800	440,129	4,717,385
$94,103	$40,892	$124,319	$12,359	$776,617	$1,635,278	$163,226	$3,352,998

Custer County, Idaho

Combining Statement Of Fiduciary Net Position - Custodial Funds

September 30, 2024

	Custodial Funds		
	Held for Other Governments	Taxing Districts	Total Custodial Funds
Assets			
Cash and equivalents	$12,822	$667	$13,489
Taxes receivable	0	70,187	70,187
Total Assets	12,822	70,854	83,676
Liabilities			
Warrantsand accounts payable	151	656	807
Total Liabilities	151	656	807
Net Position			
Restricted for:			
Individuals, Organizations or Other Governments	12,671	70,198	82,869
Total Net Position	$12,671	$70,198	$82,869

Custer County, Idaho

Combining Statement Of Changes in Fiduciary Net Position - Custodial Funds

For The Year Ended September 30, 2024

	Custodial Funds		
	Held for Other Governments	Taxing Districts	Total Custodial Funds
Additions			
Fees collected for other governments	$377,497	$0	$377,497
Property taxes collected for other governments		4,006,704	4,006,704
Contributions			0
Total Additions	377,497	4,006,704	4,384,201
Deductions			
Funds distributed to individuals and organizations			0
Taxes distributed to other governments		3,980,976	3,980,976
Fees distributed to other governments	390,840		390,840
Total Deductions	390,840	3,980,976	4,371,816
Excess / (deficiency) of funds	(13,343)	25,728	12,385
Transfers out		(2,599)	(2,599)
Change in Net Position	(13,343)	23,129	9,786
Net Position - Beginning	26,014	47,069	73,083
Net Position - Ending	$12,671	$70,198	$82,869

Custer County, Idaho

Combining Statement Of Fiduciary Net Position - Private Purpose Trust Funds

September 30, 2024

	Private Purpose Trust Funds							
	State Remittance	Auditor Trust	Court Trust	Court Interloc	Idaho E911	RAC	Drug Holdin	Total Private Purpose Trust Funds
Assets								
Cash and equivalents	$0	$195,690	$37,834	$2,743	$0	$0	$6,220	$242,487
Taxes receivable	0	0	0	0		0	0	0
Total Assets	0	195,690	37,834	2,743	0	0	6,220	242,487
Liabilities								
Warrants and accounts payable	0	127	1,195	0	0	0	0	1,322
Total Liabilities	0	127	1,195	0	0	0	0	1,322
Net Position								
Restricted for:								
Individuals, Organizations or Other Governments	0	195,563	36,639	2,743	0	0	6,220	241,165
Total Net Position	$0	$195,563	$36,639	$2,743	$0	$0	$6,220	$241,165

Custer County, Idaho

Combining Statement Of Changes in Fiduciary Net Position - Private Purpose Trust Funds

For The Year Ended September 30, 2024

	Private Purpose Trust Funds							
	State Remittance	Auditor Trust	Court Trust	Court Interlock	Idaho E911	RAC	Drug Holding	Total Private Purpose Trust Funds
Additions								
Contributions	$105,242	$961,501	$211,919	$240	$23,969	$0	$0	$1,302,871
Total Additions	105,242	961,501	211,919	240	23,969	0	0	1,302,871
Deductions								
Funds distributed to individuals and organizations	105,286	923,507	277,933	0	28,862	0	0	1,335,588
Total Deductions	105,286	923,507	277,933	0	28,862	0	0	1,335,588
Excess / (Deficiency of funds	(44)	37,994	(66,014)	240	(4,893)	0	0	(32,717)
Transfers out						(2,677)		(2,677)
Change in Net Position	(44)	37,994	(66,014)	240	(4,893)	(2,677)	0	(35,394)
Net Position - Beginning	44	157,569	102,653	2,503	4,893	2,677	6,220	276,559
Net Position - Ending	$0	$195,563	$36,639	$2,743	$0	$0	$6,220	$241,165

Federal Reports and Schedules

Custer County, Idaho
Schedule of Expenditures of Federal Awards
For The Year Ended September 30, 2024

Program Title	*Assistance Listing Number*	*Flow-Through Number*	*Program Expenditures*
Direct:			
U.S. Department of Agriculture			
Direct:			
Forest Service			
Title III Firewise	10.665		115,419
Forest Funding	10.665		513,406
Spray and Chemicals	15.230		58,550
Firewood	99.999		30,460
Total Department of Agriculture			717,835
U.S. Department of Interior			
Direct:			
Payment In Lieu of Taxes	15.226		2,937,766
Total Department of Interior			2,937,766
U.S. Treasury			
Direct:			
Coronavirus Relief Fund	21.027		2,970
Local Assistance and Tribal Consistency Funds	21.032		1,021,521
Total U.S. Treasury			1,024,491
U.S. Department of Homeland Security			
Passed through State Military Division	97.067	EMS2019EP00002	36,958
Disaster Equipment and Service			
Total Department of Homeland Security			36,958
Total Federal Financial Assistance Expended			$4,717,050

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting

Custer County, Idaho
Notes To The Schedule of Expenditures of Federal Awards
For The Year Ended September 30, 2024

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) include the federal grant activity of Custer County, Idaho under programs of the Federal Government for the year ended September 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected ;portion of the operations of Custer County, Idaho, it is not intended to and does not present the financial ;position or changes in Net :Position of Custer County, Idaho.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimburse t. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Cost Rate

Custer County, Idaho has not elected to use the 10 percent de minis indirect cost rate.
Reporting guidance is presented using the modified accrual basis of accounting as described in Note 1 to the financial statements.

Gary Merkle, PLLC
CERTIFIED PUBLIC ACCOUNTANT
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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 Commissioners
Custer County, Idaho
Challis, Idaho 83226

I 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, business-type activities, each major fund and the aggregate remaining fund information of Custer County, Idaho (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Custer County's basic financial statements, and have issued my report thereon dated January 29, 2025.

Report on Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Gary Merkle, CPA

Boise, Idaho
January 29, 2025

Gary Merkle, PLLC
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Independent Auditor's Report On Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

Board of Commissioners
Custer County, Idaho
Challis, Idaho 83226

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

I have audited Custer County, Idaho's (the County compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct effect on each of the County's major federal programs for the year ended September 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Custer County, Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United states (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Custer County, Idaho and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Custer County, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements appliable to Custer County, Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Custer county, Idaho's compliance based on my audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance 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. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Custer County, Idaho's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Custer County Idaho's compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Custer County's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of my audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control Over Compliance

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

My consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly this report is not suitable for any other purpose.

Gary Merkle, CPA PLLC

Boise, Idaho
January 29, 2025

Custer County, Idaho
Schedule of Findings and Questioned Costs
For The Year Ended September 30, 2024

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal Control Over Financial Reporting

Significant deficiency(ies) disclosed?	None reported
Material weakeness(es) disclosed?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:

Significant deficiency(ies) disclosed?	None reported
Material weakeness(es) disclosed?	None reported

Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200.516(a)	No

Identification of Major Programs:

15.226	Payment In Lieu of Taxes	$2,937,766
21.032	Local Assistance and Tribal Consistency Funds	$1,021,521

Dollar threshold used to distinguish between A and B programs:	$750,000
Auditee qualifies as a low-risk auditee	No

Section 2 - Financial Statement Findings

None reported

Section 3 - Findings and Questioned Costs for Federal awards

None reported