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Financial Statements

City of McCall
Includes Supplementary Information
Year Ended September 30, 2024



Helping you succeed, financially and beyond.

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of McCall
McCall, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of McCall, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of McCall's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of McCall, 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

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

Responsibilities of Management for the Financial Statements

City of McCall'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 City of McCall's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of McCall's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of McCall's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of employers' proportionate share of net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of McCall's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025 on our consideration of City of McCall's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of McCall's internal control over financial reporting and compliance.

Harris CPAs P.C.

Meridian, Idaho
March 13, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of McCall, Idaho (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of McCall for the fiscal year ended September 30, 2024. Please use this information in conjunction with the information furnished in the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of McCall exceeded its liabilities and deferred inflows of resources as of September 30, 2024 by $117,632,522 (net position) in comparison to $109,417,102 (net position) as of September 30, 2023. Of this amount $19,142,637 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

- During fiscal year 2024 the City's total Net Position increased $8,215,420. Net Position of the governmental activities increased $7,205,947 and Net Position of business-type activities increased $1,009,473.

- Total expenses during the year were $20,471,450 compared to total revenues of $28,679,370.

- Fund balance of governmental funds on September 30, 2024 totaled $15,468,029. Of this amount, $1,037,648 is non-spendable, $108,326 is restricted, $7,975,579 is assigned which represents the remaining fund balance of the special revenue funds: 1) $1,940,297 Streets / Public Works, 2) $869,440 Airport, 3) $522,320 Library, 4) $33,590 Recreation, 5) $1,081,088 Capital Projects, 6), and $1,973,666 Local Option Taxes, and 7) The Unassigned portion of fund balance is $6,346,476 which represents the remaining fund balance of the General Fund.

- The City has $10,855,444 in long-term debt. In governmental activities debt consists of general obligation bonds, compensated absences, equipment leases, and net pension liability. In business-type activities debt consists of compensated absences, capital equipment leases, and net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of McCall's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

These statements are designed to provide readers with a broad overview of the City of McCall's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting. The current year's revenues and expenses are recorded as transactions occur rather than when cash is received or paid.

There are two government-wide statements:

Statement of Net Position

Reports all the City's assets and liabilities with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Statement of Activities

Reports how the City's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of McCall include City administration, community planning and development, public safety, parks and recreation, library, airport, public works and streets, and local option tax. The business-type activities of the City include the golf course and water system.

The government-wide financial statements include not only the City of McCall itself (known as the primary government), but also the McCall Redevelopment Agency, a legally separate entity, and a component unit of the City. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

The Fund financial statements provide information about the City's major funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds may be required by law or may be established by the City Council. All the funds of the City of McCall can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains nine individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the general, airport, street / public works, recreation, library, local option tax fund, debt service fund, and capital projects fund. These are considered major funds.

Proprietary Funds

The City of McCall only has one type of propriety fund, the enterprise fund, which is used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the Proprietary Funds Statement of Net Position and the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position for the golf and water funds, which are considered major funds.

Notes to the Financial Statements

The notes provide additional information that is necessary to fully understand the data presented in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other required and non-required supplementary information. Budget to actual comparisons are presented as required supplementary information for the general fund, the street / public works fund, the airport fund, the recreation fund, the library fund, and the local option tax fund..

Two additional schedules are included as required supplementary information. The Schedule of Employer's Share of Net Pension Liability – PERSI and the Schedule of Employer Contributions are included as required by Governmental Accounting Standards Board (GASB) No. 68.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net Position measures the difference between assets and deferred outflows of resources (what the City owns) and liabilities and deferred inflows of resources (what the City owes). The City's combined assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $117,632,522 in 2024. The largest portion of the City's Net Position, 84%, is net investment in capital assets. Capital assets include land, buildings, equipment, machinery, and infrastructure. Unrestricted Net Position equals 16% of total Net Position.

The condensed Statements of Net Position for the years ended September 30, 2024 and 2023 are presented in the table below.

	Primary Government					
	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Current and Other Assets	$ 32,297,128	$ 30,125,017	$ 7,052,173	$ 7,836,812	$ 39,349,301	$ 37,961,829
Capital Assets	78,390,997	70,890,081	26,350,486	24,891,136	104,741,483	95,781,217
Total Assets	110,688,125	101,015,098	33,402,659	32,727,948	144,090,784	133,743,046
Deferred Outflows of Resources	1,065,892	1,961,864	145,349	285,403	1,211,241	2,247,267
Total Assets and Deferred Outflows of Resources	111,754,017	102,976,962	33,548,008	33,013,351	145,302,025	135,990,313
Current Liabilities	7,806,625	7,013,003	925,802	1,630,645	8,732,427	8,643,648
Long-term Liabilities	9,069,767	8,870,687	1,171,259	979,197	10,241,026	9,849,884
Total Liabilities	16,876,392	15,883,690	2,097,061	2,609,842	18,973,453	18,493,532
Deferred Inflows of Resources	8,652,316	8,073,910	43,734	5,769	8,696,050	8,079,679
Total Liabilities and Deferred Inflows of Resources	25,528,708	23,957,600	2,140,795	2,615,611	27,669,503	26,573,211
Net Position						
Net investment in Capital Assets	72,844,182	66,299,960	25,537,377	24,455,596	98,381,559	90,755,556
Restricted	108,326	74,234			108,326	74,234
Unrestricted	13,272,801	12,645,168	5,869,836	5,942,144	19,142,637	18,587,312
Total Net Position	86,225,309	79,019,362	31,407,213	30,397,740	117,632,522	109,417,102
	$ 111,754,017	$102,976,962	$ 33,548,008	$ 33,013,351	$ 145,302,025	$ 135,990,313

Changes in Net Position

The following condensed financial information as presented in the table below was derived from the government-wide Statements of Activities for years ended September 30, 2024 and 2023. During the year the City's financial position increased by $8,215,420.

	Primary Government					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Revenues						
Program Revenues						
Charges for services	$ 1,743,113	$ 1,712,068	$ 6,485,225	$ 6,544,602	$ 8,228,338	$ 8,256,670
Operating grants and contributions	1,042,954	640,151			1,042,954	640,151
Capital grants and contributions	4,446,150	1,219,832			4,446,150	1,219,832
General revenue:						
Property taxes	7,938,154	7,598,932			7,938,154	7,598,932
Franchise fees	361,299	378,154			361,299	378,154
Sales tax and other governmental	5,167,793	5,036,034			5,167,793	5,036,034
Unrestricted investment earnings	877,319	875,064	227,960	295,486	1,105,279	1,170,550
Other revenue	354,326	1,036,995	35,077	31,373	389,403	1,068,368
Total Revenues	21,931,108	18,497,230	6,748,262	6,871,461	28,679,370	25,368,691
Expenses						
General Government						
Government Administration	3,935,144	3,484,340			3,935,144	3,484,340
Public Safety	2,517,253	2,037,840			2,517,253	2,037,840
Parks and Recreation	1,506,305	1,844,636			1,506,305	1,844,636
Community Services	1,279,363	985,010			1,279,363	985,010
Library	468,393	419,589			468,393	419,589
Airport	1,146,497	875,482			1,146,497	875,482
Local Option Tax	208,281	501,739			208,281	501,739
Streets/Public Works	3,955,505	3,650,625			3,955,505	3,650,625
Enterprise - Golf and Water			5,226,373	4,860,093	5,226,373	4,860,093
Interest on long-term debt	228,336	72,168			228,336	72,168
Total Expenses	15,245,077	13,871,429	5,226,373	4,860,093	20,471,450	18,731,522
Excess (deficiency) of revenues over expenditures before transfers	6,686,031	4,625,801	1,521,889	2,011,368	8,207,920	6,637,169
Transfers - internal activities	519,916	451,060	(512,416)	(421,560)	7,500	29,500
Change in Net Position	7,205,947	5,076,861	1,009,473	1,589,808	8,215,420	6,666,669
Net Position, Beginning of Year	79,019,362	73,942,501	30,397,740	28,807,932	109,417,102	102,750,433
Net Position, End of Year	$ 86,225,309	$ 79,019,362	$ 31,407,213	$ 30,397,740	$ 117,632,522	$ 109,417,102

Governmental Activities

The City received the first tranche of federal State Local Financial Relief Funds (SLFRF) from the State of Idaho in 2021 in the amount of $386,850 and received the second tranche in the same amount in summer 2022 for a total of $773,700 for SLFRF. The City claimed the funds under the "revenue replacement" category allowed by US Treasury rules. The City Council appropriated half of the SLFRF in FY24 Budget and the remaining half in the FY25 Budget, meeting December 31, 2024, appropriation deadline and these funds will be spent by the December 2025 deadline as stated in the rules.

2024 was another year dedicated to improving McCall for today's residents, businesses, and visitors as well as planning for our future. With prudent financial planning and leveraging federal, state, and private funding sources we were able to accomplish many important projects for the community we serve. The City Council took important steps to address their number one priority - our local housing shortage due to the lack of long-term rental units and homes for sale at price points affordable for local wages. The Council continued funding for implementation of the Housing Action Plan developed by a community steering committee with 27 strategies to implement over 5 years. To date, 60 units of deed-restricted housing for local workers have been entitled for construction using the developer incentive program.

McCall has a substantial number of short-term rentals. The number of short-term rentals increased by 16 units; increasing from 356 units in FY23 to 372 units in FY24. Short term rentals pay the city's 6% lodging tax and are an important part of our lodging mix accommodating the volume of visitors to our community. The city saw a 10% decrease in lodging tax revenues in 2024 which we believe is a combination of having a low snow year and a decrease in the number of days for the City's Winter Carnival event. That event decreased from a ten-day event to a three-day event in 2024.

In addition to lodging taxes, the city has a 1% sales tax on goods excluding groceries. The sales tax revenue collection saw an overall 7% decrease in 2024 as compared to 2023. However, the continued strong demand for construction materials saw an 83% increase in construction supply sales. This has helped to sustain the city's overall performance in the sales tax category.

The ground was broken on the construction of the library expansion project thanks to the voter-approved bonds issued by the city in fall 2021. Construction of the new library building occurred in 2023 with completion expected in winter of 2024-2025. The final phase of the project is to remodel the existing library into a large community meeting space and new council chambers which was completed in early winter 2024. The remaining bond proceeds were fully spent in 2024. Additional funding for the project has come from private donations received by the McCall Library Foundation totaling $2.3 million, which was received by the City in June 2024 with an additional $100,000 in donations received in November 2024. The city continues to meet its debt service obligations to the bondholders.

To accommodate the library expansion project, the Parks and Recreation department had to be moved from their old facility next door to the library which was razed to accommodate the footprint of the new library. The City Council approved an interest-free 5-year loan of $1 million from the general fund to the recreation fund to construct a new facility for the parks maintenance department with $200,000 repayments each year using Tourism Local Option Taxes (lodging taxes) to replenish the general fund. During the FY25 budget process, the repayment was switched from Tourism Local Option Taxes to current year Property Taxes levied in the General Fund for years 2025 and 2026. Repayments began in 2022 and are on track to be fully repaid in FY26. Please see Note F which identifies Interfund Receivables, Payables and Transfers between funds. The "due from other Funds" of $400k in the General fund and "Due to other Funds" of $400,000 in the Recreation fund reflects the liability owed to the general fund for this loan.

The McCall area continues to experience real property value growth according to the assessor in 2024 due to high demand for second homes and vacation rental investment property by out of the area purchasers. The average mortgage interest rates and continued inflation in 2024 continue to cause real estate sales to slow with decreasing inventory on the market by the end of 2024. Prices, however, appear to have stabilized with slight reductions in price experienced throughout the community and region. New construction within the city continues to be strong within the residential sector. A future apartment complex is in the entitlement process and will bring over 125 new, much needed, units to our housing mix.

The city has embarked on the creation of a Climate Action Plan utilizing a consultant and a citizen steering committee to develop actionable strategies for implementation. The city has evaluated its fleet for conversion to electric vehicles. The council approved a 10-year ground lease for Tesla to install a vehicle charging station in our downtown public parking lot. The City has initiated a study to determine whether Impact Fees on new development should be levied on new construction to support expanded infrastructure to accommodate demands placed upon City facilities by that growth.

The City continues to be successful in receiving state and federal grants for major transportation projects. Due to the number of large construction projects awarded by the city in the last several years, in 2023 the city has added a "Retainage Payable" account to our balance sheet to report the amount of construction project contract award amounts that are pending final inspection and acceptance by the City. Retainage Payable is updated at year end and is included as a liability on the Government-Wide Statement of Net Position as well as the Governmental Funds Balance Sheet.

Business-Type Activities

The Water Utility continues to experience an increase in the number of connections for service and increased overall demand for water. In summer 2024 the City Council received an updated water rate evaluation recommending new water rates for the Water System to ensure appropriate treatment capacity is maintained and funded. The Council adopted revisions to the tiered rate structure to further incentivize water conservation in September 2024. The city has identified necessary drinking water system upgrades to meet new DEQ regulatory requirements as well as increased peak demand flows. The city is preparing to construct the largest drinking water system capacity upgrades per the 20-year Master Plan. In support of the Master Plan, the city was successful in gaining voter approval of a $16.5 million revenue bond measure at the May 2024 election. A simple majority of 50% plus 1 was needed to approve the measure, however the bond measure passed by 79.88%. Idaho law requires voter approval of any long-term debt even if the proposed debt is to be repaid by water user fees. By using debt financing to expand plant capacity and construct a new 2,000,000 gallon water storage tank, water rates are expected to only be increased approximately 4% per month for the average household. If the city were to instead use cash financing to fund the required upgrades, monthly user rates would have been raised by approximately 100%. The water fund currently has no other debt after the final payment on a previous DEQ loan in April 2024.

2024 was the second year the city managed 100% of the McCall Golf Course operations in-house, which allowed the city to capture 100% of the revenue from tournaments along with daily greens fees, clubhouse sales, etc. As the reader will see from reviewing the statements for the golf fund, it continues to receive a $190,000 subsidy from the general fund to pay for mower equipment leases as well as to provide funding for winter snow removal to keep the cart paths open for winter walking by the public. The City is preparing a 5-year financial plan to chart a course for self-sufficiency. The City invested in major rehabilitation of the remaining tee areas in 2024 and improvements to the clubhouse using cash resources of the fund without borrowing. The City will continue to implement capital projects identified in the 2020 Golf Course Asset Management Plan on a pay-as-you-go basis.

With 31,087 rounds of golf played in a 5- month season and $1,893,407 in operating revenue, McCall Golf Club operates as a facility that is in strong demand as a destination for local players and tourists alike. The golf course maximizes the operations during a small window of availability delivering a high-quality experience with a cost aligned with locational values. This revenue stream contributes positively to the local economy, providing jobs, supporting local businesses and enhancing the tourism sector of the city and region.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

General Fund

The general fund is the principal fund used for the City's major operations. The fund balance as of September 30, 2024 was $8,353,039, an increase of 8.78% of the fund balance at the end of the prior fiscal year. The City's conservative spending

continues to keep expenditures at or below budget. Fund balance is primarily used to fund one-time expenditures and to fund the City's five (5) year Capital Improvement Plan.

General Fund Budgetary Highlights

General Fund

As part of the budget, Council adopts both contingent revenue and expense amounts to allow for the receipt and expenditure of small amounts of unexpected revenues without a formal budget amendment. Throughout the year, several unexpected grants, donations, and other miscellaneous revenues were received. City Council approved budget line-item transfers from contingency line items to the appropriate revenue and expense accounts. These transfers do not change the original adopted budget for the funds.

The City of McCall funds a large portion of its Five-Year Capital Improvement Plan (CIP) for the governmental funds through the general fund. Tax dollars reserved for capital expenditures in the general fund are internally transferred to the street / ppublic works fund, airport fund, rrecreation fund, library fund, and golf fund as needed per the CIP and project completion. Funds are retained within the general fund until expenditures are incurred, and / or the project is completed. The City is constantly looking for ways to leverage limited city funding by actively seeking out grant and potential cost-sharing opportunities.

The Tourism Local Option Tax (LOT) generated $947,685, a decrease in revenue of 10% as compared to $1,054,214 in 2023. During 2024 there were $736,515 in funds allocated to internal municipal programs and $236,170 allocated to external programs and non-profit groups. The programs and non-profit groups recommended for funding by the LOT Commission and approved by Council in 2024 include the following;

1) Valley County Pathways,
2) Treasure Valley Transit,
3)Payette Lakes Ski Club,
4) Valley County Parking lot Snow removal,
5) McCall Ultra Sled Dog Challenge, LLC
6) Friends of Payette Avalanche Center,
7) McCall Area Chamber of Commerce and Visitors Bureau,
8) McCall Arts and Humanities Council,
9) McCall Folklore Society,
10) Payette Lakes Community Association, Inc.

The LOT Commission also recommended funding the following City programs and projects:

1) Costs associated with administration of the LOT program,
2) Winter Sidewalk Snow Removal,
3) Local Housing Initiatives,
4) Housing Authority,
5) Community Events
6) Equipment Leases,
7) Repaving of Golf Cart Paths, and
8) Park Shop Relocation Loan Repayment

Capital Assets

At the end of 2024 the City had $104,741,483 invested in capital assets (net of accumulated depreciation), compared to $95,781,217 at the end of 2023. Additional information can be found in Note D of the financial statements.

Capital Assets as of September 30, 2024

(net of depreciation)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Land	$ 9,997,579	$ 1,142,320	$ 11,139,899
Buildings and Improvements	3,007,987	4,755,990	7,763,977
Infrastructure	14,132,023		14,132,023
Improvements other than Buildings	31,240,453	16,537,222	47,777,675
Equipment	969,249	973,599	1,942,848
Construction in Progress	17,161,533	513,847	17,675,380
Right of Use Lease Equipment	1,882,173	2,427,508	4,309,681
Total	$ 78,390,997	$ 26,350,486	$ 104,741,483

The City recorded depreciation and amortization of $3,800,627 in governmental activities and $1,270,436 in business-type activities in the current year.

Long-Term Debt

Business-type activity consisting of note payable to the Idaho Department of Environmental Quality was paid off during fiscal year 2024 . Governmental Activity outstanding debt includes $3,320,000 in General Obligation bonds issued in 2021 for the Library Expansion Project. Detailed information on the City's long-term debt can be found in Note I of the financial statements.

FY25 Budgetary Considerations

The FY25 budget maintains the current level of services in all program areas. Recruitment of key positions remains challenging in an increasingly competitive labor market where the City struggles to maintain a compensation package to not only retain valuable employees but also attract qualified candidates to fill vacant positions. The high cost of housing in our area is a large contributing factor in our inability to fill vacant positions. The FY25 budget includes a 4% pay scale adjustment on top of the 5% adjustment in FY24 for all city employees. The City has committed resources in the FY25 budget to update the City compensation plan to include a focus on the unique issues facing our community, a resort community.

Funding for staffing the Council's Housing Initiative in the FY 24 budget was retained in the FY25 budget as a carry forward and transferred to the newly created Housing Fund.

The FY25 budget includes completion of several capital projects started in FY23 - FY24 such as implementation of the City's campus site improvements including finishing the construction of the new library, street reconstruction of Davis Street,

Phase 2 and Deinhard Lane east, reconstruction of intersection of Hwy 55 and Deinhard with Idaho Transportation Department, the street and streetscape upgrades of 1st Street, and continued pavement maintenance throughout town in the Governmental Funds.

In the Enterprise funds the 2025 budget includes continued water line replacement, implementation of the water master plan and annual water utility rate increase of 4%. With the successful bond election held May 2024 seeking bonding authority for the water treatment plant expansion and construction of a new water storage tank, the City sought and received a low interest loan from the Idaho Department of Environmental Quality to pay for the planned improvements.

Near and longer-term issues impacting municipal operations and financial security warrant on-going consideration. The continuing imbalance between local wage scales and housing costs remain a concern. Limitations on sewer system capacity hinders high-density investment that might help respond to the housing shortage. The sewer system operates under the jurisdiction of a separate sewer district entity and coordinating the goals of the City and district remain a challenge. Continued growth both within the city and beyond, along with fiscal strictures imposed by State mandate calls for continued discipline in budgeting and expenditure control.

Recent federal approval of a significant mining operation in the mountains east of the city will generate yet-to-be-determined impacts on municipal resources and services. While development of road access will commence soon, full operation of the mine is expected to not be underway for three years, providing time to learn more about the potential impacts.

Uncertainty with respect to the future role of the federal government in funding local government programs and infrastructure, could alter historic capital investment strategies. A significant portion of the community's employment base is composed of employees of various federal agencies. Retrenchment in that employee base could have a notable impact on the local economy.

Requests for Information

This report is designed to provide a general overview of the City of McCall's finances for our citizens and customers. If you have questions about this report or need additional financial information, contact the Finance Office: 216 East Park Street, McCall, Idaho 83638, (208) 634-2103.

BASIC FINANCIAL STATEMENTS

CITY OF MCCALL, IDAHO
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS AND DEFERRED OUTFLOWS				
Current Assets				
Cash and investments	$ 17,708,291	$ 6,148,543	$ 23,856,834	$ 754,974
Receivables				
Accounts		604,442	604,442	
Property tax	8,295,982		8,295,982	382,790
Due from other governments	1,569,601		1,569,601	
Other	705,751		705,751	2,954
Due from other funds	664,968	39,999	704,967	
Inventory	276,381	259,189	535,570	
Prepaid expenses	361,267		361,267	
Total Current Assets	29,582,241	7,052,173	36,634,414	1,140,718
Noncurrent Assets				
Restricted cash	2,714,887		2,714,887	
Capital assets, net of accumulated depreciation	78,390,997	26,350,486	104,741,483	
Total Noncurrent Assets	81,105,884	26,350,486	107,456,370	
Total Assets	110,688,125	33,402,659	144,090,784	1,140,718
Deferred Outflows				
Pension obligations	1,065,892	145,349	1,211,241	
Total Assets and Deferred Outflows	$ 111,754,017	$ 33,548,008	$ 145,302,025	$ 1,140,718

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF NET POSITION (Continued)
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Total
LIABILITIES AND DEFERRED INFLOWS				
Current Liabilities				
Accounts payable	$ 2,971,501	$ 402,599	$ 3,374,100	$ 7,031
Accrued expenses	524,893	282,443	807,336	
Retainage payable	778,638	50,038	828,676	
Due to other governments	105,480		105,480	
Due to other funds	704,967		704,967	
Advanced revenue	2,228,832		2,228,832	
Accrued interest	68,618		68,618	
Due Within One Year				
Lease liability	278,696	190,722	469,418	
Bonds payable	145,000		145,000	
Total Current Liabilities	7,806,625	925,802	8,732,427	7,031
Noncurrent Liabilities				
Due in More Than One Year				
Accrued compensated absences	294,296	50,824	345,120	
Lease liability	1,530,059	622,387	2,152,446	
Bonds payable	3,175,000		3,175,000	
Unamortized premium	418,060		418,060	
Net pension liability	3,652,352	498,048	4,150,400	
Total Noncurrent Liabilities	9,069,767	1,171,259	10,241,026	
Total Liabilities	16,876,392	2,097,061	18,973,453	7,031
Deferred Inflows				
Deferred tax revenue	8,225,557		8,225,557	376,745
Split interest	106,038		106,038	
Pensions	320,721	43,734	364,455	
Total Deferred Inflows	8,652,316	43,734	8,696,050	376,745
NET POSITION				
Net investment in capital assets	72,844,182	25,537,377	98,381,559	
Unrestricted	13,272,801	5,869,836	19,142,637	
Restricted	108,326		108,326	756,942
Total Net Position	86,225,309	31,407,213	117,632,522	756,942
Total	$ 111,754,017	$ 33,548,008	$ 145,302,025	$ 1,140,718

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
					Primary Government			Component Unit
Functions/Programs	Expenses	Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	Uban Renewal Agency
Governmental Activities								
General government	$ 3,935,144	$ 1,103,855	$ 390,334	$	$ (2,440,955)	$	$ (2,440,955)	$
Public saftey	2,517,253	32,088			(2,485,165)		(2,485,165)	
Parks and recreation	1,506,305	107,559	57,041		(1,341,705)		(1,341,705)	
Community services	1,279,363				(1,279,363)		(1,279,363)	
Library	468,393	20,358	474,857	2,300,000	2,326,822		2,326,822	
Airport	1,146,497	363,335	120,722		(662,440)		(662,440)	
Local option tax	208,281			2,146,150	1,937,869		1,937,869	
Street/public works	3,955,505	114,880			(3,840,625)		(3,840,625)	
Interest on long-term debt	228,336	1,038			(227,298)		(227,298)	
Total Governmental Activities	15,245,077	1,743,113	1,042,954	4,446,150	(8,012,860)		(8,012,860)	
Business-Type Activities								
Water	3,185,220	4,626,895				1,441,675	1,441,675	
Golf course	2,041,153	1,858,330				(182,823)	(182,823)	
Total Business-Type Activities	5,226,373	6,485,225				1,258,852	1,258,852	
Total Primary Government	20,471,450	8,228,338	1,042,954	4,446,150	(8,012,860)	1,258,852	(6,754,008)	
Component Unit								
Urban Renewal Agency	14,981							(14,981)

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF ACTIVITIES (Continued)
For the Year Ended September 30, 2024

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Uban Renewal Agency
Net (Expense) Revenueand Changes in Net Position (Continued)	(8,012,860)	1,258,852	(6,754,008)	(14,981)
General Revenues and Transfers				
Property taxes	7,938,154		7,938,154	288,772
Sales taxes	3,799,578		3,799,578	
Revenue sharing	1,368,215		1,368,215	
Earnings on investments	877,319	227,960	1,105,279	28,359
Miscellaneous	346,226	35,077	381,303	
Water and franchise fees	361,299		361,299	
Gain on sale of fixed assets	8,100		8,100	
Net operating transfers	519,916	(512,416)	7,500	(7,500)
Total General Revenues and Transfers	15,218,807	(249,379)	14,969,428	309,631
Change in Net Position	7,205,947	1,009,473	8,215,420	294,650
Net Position				
Beginning of Year	79,019,362	30,397,740	109,417,102	462,292
End of Year	$ 86,225,309	$ 31,407,213	$ 117,632,522	$ 756,942

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
BALANCE SHEET-GOVERMENTAL FUNDS
September 30, 2024

	MAJOR FUNDS								TOTAL
	General	Street /Public Works	Library	Recreation	Airport	Local Option Tax	Debt Service	Capital Projects	
ASSETS									
Cash and investments	$ 7,004,110	$ 2,055,076	$ 552,701	$ 277,218	$ 913,753	$ 5,069,649	$	$ 1,835,785	$ 17,708,292
Restricted cash and investments	2,550,061		106,535				58,291		2,714,887
Receivables									
Property taxes	4,621,467	2,316,508	686,763	397,316	16,298		257,630		8,295,982
Intergovernmental	241,569	48,869							290,438
Grants	17,534		4,984		125,005	1,131,640			1,279,163
Due from other funds	400,000			264,968					664,968
Other receivables	278,140	49,542	359	34,814	2,870	329,206	1,093	9,726	705,750
Inventory		276,381							276,381
Prepaid expenses	51,305					309,962			361,267
Total Assets	$ 15,164,186	$ 4,746,376	$ 1,351,342	$ 974,316	$ 1,057,926	$ 6,840,457	$ 317,014	$ 1,845,511	$ 32,297,128
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities									
Accounts payable	$ 1,114,575	$ 80,968	$ 10,002	$ 81,053	$ 38,389	$ 1,347,923	$	$ 298,622	$ 2,971,532
Accrued expense	316,953	94,292	29,460	64,205	14,443	5,509		465,881	990,743
Retainage payable						312,757			312,757
Due to other funds	304,967			400,000					704,967
Due to other governments	105,480								105,480
Unearned revenue	369,792			40		1,859,000			2,228,832
Total Liabilities	2,211,767	175,260	39,462	545,298	52,832	3,525,189		764,503	7,314,311
Deferred Inflows of Resources									
Unavailable revenue - property taxes	4,599,380	2,305,569	683,523	395,428	16,299		257,557		8,257,756
Unavailable revenue - grants					119,355	1,031,640			1,150,995
Irrevocable split-interest agreement			106,037						106,037
Fund Balances									
Nonspendable	451,305	276,381				309,962			1,037,648
Restricted		48,869					59,457		108,326
Assigned	1,555,258	1,940,297	522,320	33,590	869,440	1,973,666		1,081,008	7,975,579
Unassigned	6,346,476								6,346,476
Total Fund Balances	8,353,039	2,265,547	522,320	33,590	869,440	2,283,628	59,457	1,081,008	15,468,029
Total	$ 15,164,186	$ 4,746,376	$ 1,351,342	$ 974,316	$ 1,057,926	$ 6,840,457	$ 317,014	$ 1,845,511	$ 32,297,128

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
RECONCILIAITION OF THE GOVERMENAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSTION
September 30, 2024

Total fund balance - total governmental funds		$ 15,468,029
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		78,390,997
Some of the City's taxes and grants will be collected after year-end, but are not available soon enough to pay the current period's expenditures, and therefore are reported as advanced revenue in the funds.		
Property taxes	32,199	
Grant revenues	1,150,994	
		1,183,193
Long-term liabilities, applicable to governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Net pension liability	(3,652,352)	
Pension related deferred inflows	(320,721)	
Pension related deferred outflows	1,065,892	
Total long term liabilities		(2,907,181)
Long-term liabilities, including bonds payable and accrued leave, are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Unamortized bond premium	(418,060)	
Bonds payable	(3,320,000)	
Accrued interest	(68,618)	
Lease liability	(1,808,755)	
Compensated absences payable	(294,296)	
Total long term liabilities		(5,909,729)
Total net position of governmental activities		$ 86,225,309

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF REVENUES, EXPENDTIURES AND CHANGES IN FUND BLANCES-
GOVERMENTAL FUNDS
For the Year Ended September 30, 2024

	MAJOR FUNDS								TOTAL
	General	Street /Public Works	Library	Recreation	Airport	Local Option Tax	Debt Service	Capital Projects	
Revenues									
Property taxes	$ 4,593,009	$ 2,132,563	$ 601,205	$ 354,098	$ 67,077	$	$ 256,432	$	$ 8,004,384
Local option taxes	749,914			200,000		2,849,663			3,799,577
Intergovernmental	1,378,525	380,024	467,558	9,813	1,368	1,114,510			3,351,798
Licenses, permits, and fees	1,451,415	7,470	9	12,055					1,470,949
Charges for services	13,739		20,349	95,106	363,335				492,529
Donation			7,299					2,300,000	2,307,299
Fines	32,088						1,038		33,126
Interest	409,323	71,182	57,551	11,757	30,845	164,582	8,018	124,061	877,319
Miscellaneous	32,366	222,368	12,254	51,050	1,674	181,553			501,265
Total Revenues	8,660,379	2,813,607	1,166,225	733,879	464,299	4,310,308	265,488	2,424,061	20,838,246
Expendiures									
Current									
General government	2,529,194						1,000	13,192	2,543,386
Public protection	2,452,091								2,452,091
City clerk	328,537								328,537
Community services	1,394,570		468,393						1,862,963
Streets		1,992,460							1,992,460
Airport					327,042				327,042
Recreation				1,100,952					1,100,952
Local option tax						59,164			59,164
Debt service									
Principal		153,602		484,047			140,000		777,649
Interest		79,450		11,294			116,600		207,344
Capital outlay	293,693	1,620,691	10,777	61,464	45,275	4,619,860		4,649,783	11,301,543
Total Expenditures	6,998,085	3,846,203	479,170	1,657,757	372,317	4,679,024	257,600	4,662,975	22,953,131

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF REVENUES, EXPENDTIURES AND CHANGES IN FUND BLANCES-
GOVERMENTAL FUNDS (Continued)
For the Year Ended September 30, 2024

	MAJOR FUNDS								TOTAL
	General	Street /Public Works	Library	Recreation	Airport	Local Option Tax	Debt Service	Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	1,662,294	(1,032,596)	687,055	(923,878)	91,982	(368,716)	7,888	(2,238,914)	(2,114,885)
Other Financing Sources (Uses)									
Proceeds on sale of assets					8,100				8,100
Leases proceeds	17,641	1,280,282							1,297,923
Transfers in (out)	(1,005,412)	156,638	(999,993)	1,165,989	(40,706)			1,243,400	519,916
Net Other Financing Sources (Uses)	(987,771)	1,436,920	(999,993)	1,165,989	(32,606)			1,243,400	1,825,939
Net Change in Fund Balances	674,523	404,324	(312,938)	242,111	59,376	(368,716)	7,888	(995,514)	(288,946)
Fund Balances, Beginning of Year	7,678,516	1,861,223	835,258	(208,521)	810,064	2,652,344	51,569	2,076,522	15,756,975
Fund Balances, End of Year	$ 8,353,039	$ 2,265,547	$ 522,320	$ 33,590	$ 869,440	$ 2,283,628	$ 59,457	$ 1,081,008	$ 15,468,029

See accompanying notes to the basic financial statements

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

Net change in fund balances - total governmental funds		$ (288,946)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that will not be collected for several months after the City's fiscal year end are not considered "available" revenues and are deferred in the governmental funds.		
Change in unavailable revenue-property taxes	(66,230)	
Change in unavailable revenue grant revenues	1,150,994	
		1,084,764
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	11,301,543	
Depreciation expense and amortization	(3,800,627)	
Excess of capital outlay over depreciation expense		7,500,916
In governmental funds, bonds and leases are considered a source of financing, but in the statement of net position the bond/lease obligation is reported as a liability. Similarly, lease payments are recorded as expenditures rather than reductions of a liability		
Lease liability principal payments	637,649	
Increase in accrued interest	(68,618)	
Lease proceeds	(1,297,923)	
Bond principal payments	140,000	
Bond premium amortization	47,627	
		(541,265)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of financial resource availability.		
Change in pension related accounts	(496,172)	
Change in compensated absence payable	(53,350)	
		(549,522)
Change in Net Position of Governmental Activities		$ 7,205,947

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF NET POSTION-PROPRIETARY FUNDS
September 30, 2024

ASSETS	Water Fund	Golf Course Fund	Total
Current Assets			
Cash and cash equivalents	$ 5,447,684	$ 700,859	$ 6,148,543
Receivables			
Accounts	599,230	5,212	604,442
Due from other funds		39,999	39,999
Inventory	259,189		259,189
Total Current Assets	6,306,103	746,070	7,052,173
Non-current Assets			
Capital Assets			
Construction in progress	2,387,146	40,362	2,427,508
Land	562,326	579,994	1,142,320
Buildings	12,049,935	952,595	13,002,530
Equipment	1,036,958	952,137	1,989,095
Improvements other than buildings	24,672,777	4,863,263	29,536,040
Right of use asset - leases		548,396	548,396
Less accumulated depreciation	(18,155,425)	(4,139,978)	(22,295,403)
Total capital assets, net of accumulated depreciation	22,553,717	3,796,769	26,350,486
Total Assets	28,859,820	4,542,839	33,402,659
Deferred outflows			
Pension related items	96,899	48,450	145,349
Total Assets and Deferred Outflows	$ 28,956,719	$ 4,591,289	$ 33,548,008

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF NET POSTION-PROPRIETARY FUNDS (Continued)
September 30, 2024

	Water Fund	Golf Course Fund	Total
LIABILITIES			
Current Liabilities			
Accounts payable	$ 358,086	$ 44,513	$ 402,599
Retainage payable	50,038		50,038
Accrued payroll	57,670	133,562	191,232
Other accrued expenses		91,211	91,211
Current portion of lease liabilities		190,722	190,722
Total Current Liabilities	465,794	460,008	925,802
Non-Current Liabilities			
Lease liabilities		622,387	622,387
Accrued compensated balances	30,779	20,045	50,824
Net pension liability	332,032	166,016	498,048
Total Noncurrent Liabilities	362,811	808,448	1,171,259
Total Liabilities	828,605	1,268,456	2,097,061
Deferred Inflows			
Pension related items	29,156	14,578	43,734
NET POSITION			
Net investment in capital assets	22,553,717	2,983,660	25,537,377
Unrestricted	5,545,241	324,595	5,869,836
Total Net Position	28,098,958	3,308,255	31,407,213
Total Liabilities, Deferred Inflows and Net Position	$ 28,956,719	$ 4,591,289	$ 33,548,008

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-
PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Water Fund	Golf Course Fund	Total
Operating Revenues			
Charges for services	$ 4,626,895	$ 1,858,330	$ 6,485,225
Other income		35,077	35,077
Total Operating Revenues	4,626,895	1,893,407	6,520,302
Operating Expenses			
Salaries	506,299	897,637	1,403,936
Fringe benefits	298,680	195,287	493,967
Professional fees	428,796	15,510	444,306
Utilities and telephone	175,474	87,888	263,362
Maintenance and operations	611,413	195,341	806,754
Supplies	150,084	380,644	530,728
Depreciation	1,006,769	263,667	1,270,436
Total Operating Expenses	3,177,515	2,035,974	5,213,489
Operating Income (Loss)	1,449,380	(142,567)	1,306,813
Non-operating Revenues (Expenses)			
Interest revenues	212,433	15,527	227,960
Interest expense	(7,705)	(5,179)	(12,884)
Total Non-operating Revenues (Expenses)	204,728	10,348	215,076
Income (Loss) Before Transfers	1,654,108	(132,219)	1,521,889
Operating Transfers In (Out)			
Transfers in		231,824	231,824
Transfers out	(544,325)	(199,915)	(744,240)
Total Operating Transfers In (Out)	(544,325)	31,909	(512,416)
Change in Net Position	1,109,783	(100,310)	1,009,473
Net Position, Beginning of Year	26,989,175	3,408,565	30,397,740
Net Position, End of Year	$ 28,098,958	$ 3,308,255	$ 31,407,213

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Water Fund	Golf Course Fund	Total
Cash Flow From Operating Activities			
Cash received from customers	$ 4,660,961	$ 1,913,678	$ 6,574,639
Cash payments to suppliers for goods	(1,811,810)	(790,750)	(2,602,560)
Cash payments to employees for services	(744,679)	(1,016,475)	(1,761,154)
Net Cash Provided By Operating Activities	2,104,472	106,453	2,210,925
Cash Flows From Noncapital Financing Activities			
Operating transfers	(544,325)	40,270	(504,055)
Cash Flow From Capital and Related Financing Activities			
Acquisition of capital assets	(1,594,213)	(1,128,172)	(2,722,385)
Principal payments on long-term debt	(354,880)	(110,371)	(465,251)
Interest payments on long-term debt	(10,913)	(5,179)	(16,092)
Proceeds for issuance of leases		548,397	548,397
Net Cash Used in Capital and Related Financing Activities	(1,960,006)	(695,325)	(2,655,331)
Cash Flows From Investing Activities			
Interest on investments	212,433	15,527	227,960
Net Increase (Decrease) in Cash and Cash Equivalents	(187,426)	(533,075)	(720,501)
Cash and Cash Equivalents, Beginning of Year	5,635,110	1,233,934	6,869,044
Cash and Cash Equivalents, End of Year	$ 5,447,684	$ 700,859	$ 6,148,543

See accompanying notes to the basic financial statements

CITY OF MCCALL, IDAHO
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS (Continued)
For the Year Ended September 30, 2024

	Water Fund	Golf Course Fund	Total
Reconciliation of Operating Income (Loss) To Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 1,449,380	$ (142,567)	$ 1,306,813
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities			
Depreciation	1,006,769	263,667	1,270,436
Changes in Deferred Outflows	94,119	45,935	140,054
Changes in Deferred Inflows	25,295	12,670	37,965
Change in Assets and Liabilities:			
(Increase) decrease in accounts receivable	33,642	10,180	43,822
(Increase) decrease in inventory	12,001		12,001
Increase (decrease) in accounts payable	(458,044)	(111,367)	(569,411)
Increase (decrease) in other accrued expenses	424	10,091	10,515
Increase (decrease) in net pension liability	(89,874)	(42,455)	(132,329)
Increase (decrease) in accrued payroll	27,383	67,249	94,632
Increase (decrease) in absence payable	3,377	(6,950)	(3,573)
Net Cash Provided By Operating Activities	$ 2,104,472	$ 106,453	$ 2,210,925

See accompanying notes to the basic financial statements

Note A – Summary of Significant Accounting Policies

General Statement

City of McCall, Idaho (the City) was incorporated July 19, 1911. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police), parks and recreations, community services, streets and general administrative services.

Financial Reporting Entity

The accompanying financial statements present the activities of the City of McCall (the City) and its single component unit, the Urban Renewal Agency (URA). In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Organizations for which the City is not financially accountable are also included when doing so is necessary in order to prevent the City's financial statements from being misleading.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit. The URA has been discretely presented.

Basis of Presentation

Government-wide financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the governmental entity. For most part, the effect of interfund activity has been removed from these statements. *Governmental activities* (government funds) which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities* (proprietary funds) which rely to a significant extent on fees and charges for support.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements: The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements: all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

Note A – Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

Street/Public Works Fund is used to account for the operation of the street maintenance department. Financing is provided by state gasoline and sales taxes as well as property taxes. State law and city ordinance require that these revenues be used to maintain roads and streets.

Airport Fund is used to account for the operation of the City's local airport. Financing is provided through property taxes, charges for services and state and federal grants.

Recreation Fund is used to account for operation of City recreation programs. Financing is provided by a specific annual property tax levy to the extent miscellaneous revenues are not sufficient to provide such financing. City ordinance restricts these property taxes to financing of recreation programs.

Library Fund is used to account for the operation of the public library. Financing is provided principally through property taxes which are restricted for library operations by City ordinance.

Local Option Tax Fund is used to account for the operation of the City's Local Option Tax over tourism.

Debt Service Fund is used to account for the bonds issued for the library during the fiscal year.

Capital Projects Fund is used to account for various capital assets and projects.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are a determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

The *Golf Course Fund* is used to account for the revenues and costs necessary to operate the City's golf course.

The *Water Fund* is used to account for the revenues and costs necessary to operate the City's water system.

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. Operating expenses for proprietary funds include the cost of personnel and contractual services, supplies, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note A – Summary of Significant Accounting Policies (Continued)

Measurement Focus/Basis of Accounting (Continued)

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 are accounted for using the *modified accrual* basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of the end of the fiscal year, have been recorded as deferred inflows. Receivables that will not be collected within the available period have also been reported as deferred inflows on the government fund financial statements.

Budgetary Control

Annual budgets are adopted on a basis consistent with state code and generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal yearend. Project-length financial plans are adopted for all capital projects funds. Annual operating budgets are adopted for proprietary funds.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Council and City Manager prepare a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.

Note A – Summary of Significant Accounting Policies (Continued)

Budgetary Control (Continued)

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue, capital projects and debt service funds. All annual appropriations lapse at fiscal year-end. The City Manager is authorized to transfer budget amounts within departments and between departments within any fund. Revisions that alter the total expenditure appropriation of any fund must be approved by the City Council. State law does not allow fund expenditures to exceed fund appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds.

Cash and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statute authorizes the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments for the government are reported at fair value.

Prepaid Expenses

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent year, and the reserve for prepaid expenses has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of resources are reported as fund balance transfers. All other interfund transfers are reported as operating transfers. These transfers offset each other and are not a part of the government-wide financial statements unless between business-type (enterprise) funds and governmental funds.

Non-tax receivables are recognized as revenues received from the State and Federal governments if designated for the current fiscal period.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Note A – Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets construction.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	12-40
Improvements other than buildings	10-50
Equipment and vehicles	5-10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

Employees of the City are entitled to paid vacation, paid sick leave and personal days off (comp time), depending on job classification, length of service and other factors. All vacation and personal days off are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Governmental funds do not report a liability for these amounts unless payment will be made early in the following year.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. The cost of inventory items are recognized as expenditures in governmental funds when purchased (purchase method) and as expenses in proprietary funds when used (consumption method).

Note A – Summary of Significant Accounting Policies (Continued)

Long-term Obligations

The accounting treatment of long-term debt depends on whether the related assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, 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. Long-term debt consists of notes and bonds payable, capital leases, and accrued compensated absences. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types report debt proceeds as other financing sources and payment of principal and interest are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position Classifications

Government-Wide Statements: Net position is displayed in three components as follows:

Invested in capital assets, net of related debt – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "invested in capital assets, net of related debt" or "restricted"

Fund statements: Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy is to apply restricted resources first and then unrestricted resources as they are needed.

Use of Estimates

The City uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Note A – Summary of Significant Accounting Policies (Continued)

Property Tax Calendar

The City's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the City. The lien date is effective January 1 of the year the property tax is levied. A revaluation of all property is required to be completed no less than every five years.

Under Idaho Code Section 50-235, the City cannot levy taxes over nine-tenths percent (.9%) of the total City adjusted market value for real property located within the City. Taxes are due in two installments on December 20 and June 20 following the levy date. Property taxes levied for 2024 are recorded as receivables if uncollected and a deferred revenue amount is recorded, in the fund financial statements, to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

Customer Services Receivable

Amounts owed to the City for customer services are due from area residents and businesses and relate to water services provided by the City. The City analyzes past due accounts and current circumstances to evaluate collectability.

General Fund Accounts Receivable

Amounts owed to the City for customer services are due from a variety of sources. The City analyzes past due accounts and current circumstances to evaluate collectability.

Advanced Revenue

The City reports advanced revenues on its statement of net position and fund balance sheet. Advanced revenues arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the liability for advanced revenue is removed from the balance sheet and the revenue is recognized.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows and inflows or resources. Deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2024, deferred inflows represented property taxes receivable unavailable for current use.

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.

Note B – Cash and Investments

At September 30, 2024, the City's cash and investments including the component unit consisted of the following:

Cash, Investments, and Restricted Cash	Bank Balance	Carrying Amount
Bank Deposits	$ 1,610,547	$ 1,449,717
Cash On Hand	N/A	3,130
Equities and Securities	106,535	106,535
Local Government Investment Pool	25,767,313	25,767,313
Total Cash, Investments and Restricted Cash	$ 27,484,395	$ 27,326,695

Investment in State Investment Pools

The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP). The LGIP is regulated by State of Idaho code under the oversight of the Treasurer of the State of Idaho. Investments in LGIP are valued using the net asset per share as they do not have readily obtainable fair values and are instead valued based on the District's pro-rata share of the pool's net position. The District values these investments based on information provided by the State of Idaho's Treasurer's Office.

The LGIP is not rated for by a national recognized rating agency for the purpose of credit risk. The State Treasurer is responsible of insuring and collateralizing deposits and investments in LGIP. The following table presents unfunded commitments, redemption frequency and the redemption notice period for the District's investments measured at net asset value.

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local Government Investment Pool	$ 25,767,313	None	Next Business Day	3 Days; Over $10,000,000

Custodial Credit Risk – Deposits

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The City's policy requires all investments should be held in the City's name, in the bank's Trust Department, or alternately in the Federal Reserve Bank. As of September 30, 2024 $1,170,658 of the City's bank balance was uninsured and uncollateralized.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligation. It 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 Local Government Investment Pool (LGIP) is not rated. The funds objectives and overall strategy and structure have not changed.

Note B – Cash and Investments (Continued)

Fair Value

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. Debt securities categorized as Level 1 or 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case the City defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments.

The City's investment fair value measurement are as follows as of September 30, 2024:

	Total	Level 1	Level 2	Level 3
Equities	$ 106,535	$ 106,535	$	$

Interest Rate Risk

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 City's policy to mitigate interest rate risk is to structure the City's portfolio so that securities mature to meet the City's cash demands and ongoing operations, thereby precluding the need to sell securities to the open market prior to their maturity and primarily invest in shorter-term securities.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total entities investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The City's policy is to invest no more than 50% of their total investments in a single security type or with a single financial institution, with the exception of the U.S. Treasury Securities, and authorized pools.

Note C – Receivables

Amounts due from grantors and other receivables as of September 30, 2024 consist of the following:

	Other Receivables				
	General	Streets	Library	Recreation	
User Fees	$ 80,936	$ 49,542	$ 359	$ 6,303	
Allowance for credit losses	(775)				
Lodgers taxes	127,866				
Escrow reimbursement				28,511	
Other reimbursements					
Franchise fees	70,113				
Totals	$ 278,140	$ 49,542	$ 359	$ 34,814	

	Airport	Local Options Tax	Debt Service	Capital Projects	Total
User Fees	$ 2,870	$ 4,419	$	$	$ 144,429
Allowance for credit losses		(1,978)			(2,753)
Lodgers taxes		326,765			454,631
Escrow reimbursement					28,511
Other reimbursements			1,093	9,726	10,819
Franchise fees					70,113
Totals	$ 2,870	$ 329,206	$ 1,093	$ 9,726	$ 705,750

	Grant Receivables				
	General	Library	Airport	Local Options Tax	Total
Federal	$	$	$ 121,437	$ 1,031,640	$ 1,153,077
State				100,000	100,000
Local	17,534	4,984	3,568		26,086
Totals	$ 17,534	$ 4,984	$ 125,005	$ 1,131,640	$ 1,279,163

Note D – Capital Assets

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

Governmental Activities

	September 30, 2023	Additions	Deletions	September 30, 2024
Capital Assets Not Being Depreciated				
Land	$ 9,997,579	$	$	$ 9,997,579
Construction in progress	11,177,106	9,533,365	(3,548,938)	17,161,533
Total capital assets, not being depreciated	21,174,685	9,533,365	(3,548,938)	27,159,112
Capital assets being depreciated				
Buildings	5,567,663			5,567,663
Intrastructure	20,096,803		3,548,938	23,645,741
Improvements	49,167,542	267,800		49,435,342
Equipment	5,731,854			5,731,854
Total Depreciable Assets	80,563,862	267,800	3,548,938	84,380,600
Less accumulated depreciation for				
Buildings	(2,434,426)	(125,250)		(2,559,676)
Intrastructure	(8,854,629)	(659,089)		(9,513,718)
Improvements	(16,045,314)	(2,149,575)		(18,194,889)
Equipment	(4,274,652)	(487,953)		(4,762,605)
Total accumulated depreciation	(31,609,021)	(3,421,867)		(35,030,888)
Right to use Leased Assets				
Right to use leased building	193,131			193,131
Right to use leased equipment	1,316,860	1,500,378	(635,355)	2,181,883
Total right to use leased assets	1,509,991	1,500,378	(635,355)	2,375,014
Less Accumulated Amortization for				
Right to use leased building	(61,802)	(30,901)		(92,703)
Right to use leased equipment	(687,634)	(347,859)	635,355	(400,138)
Total accumulated amortization	(749,436)	(378,760)	635,355	(492,841)
Net capital assets	$ 70,890,081	$ 7,500,916	$	$ 78,390,997

Note D – Capital Assets (Continued)

Depreciation expense and amortization expense was charged to functions as follows:

Governmental Activities	
General Government	$ 526,891
Public Protection	65,162
Community services	14,179
Library	6,543
Streets	1,963,044
Airport	819,455
Recreation	405,353
Total depreciation and amortization expense	$ 3,800,627

Note D – Capital Assets (Continued)

Business-Type Activities

	September 30, 2023	Additions	Deletions	September 30, 2024
Capital Assets Not Being Depreciated				
Land	$ 1,142,320	$	$	$ 1,142,320
Construction in progress	4,265,927	2,155,321	(3,993,740)	2,427,508
Total capital assets, not being depreciated	5,408,247	2,155,321	(3,993,740)	3,569,828
Capital assets being depreciated				
Buildings	13,002,530			13,002,530
Improvements	25,552,625	3,983,415		29,536,040
Equipment	1,952,701	36,394		1,989,095
Total Depreciable Assets	40,507,856	4,019,809		44,527,665
Less Accumulated Depreciation				
Buildings	(7,924,109)	(322,431)		(8,246,540)
Improvements	(12,186,210)	(812,608)		(12,998,818)
Equipment	(927,578)	(87,918)		(1,015,496)
Total accumulated depreciation	(21,037,897)	(1,222,957)		(22,260,854)
Right to use Leased Assets				
Right to use leased equipment	116,369	548,396	(116,369)	548,396
Total right to use leased assets	116,369	548,396	(116,369)	548,396
Less Accumulated Amortization for				
Right to use leased furniture	(103,439)	(47,479)	116,369	(34,549)
Total accumulated amortization	(103,439)	(47,479)	116,369	(34,549)
Net capital assets	$ 24,891,136	$ 5,453,090	$ (3,993,740)	$ 26,350,486

Note E – Government Fund Balances

The Local Option Tax (LOT) was established in 2005 by City Ordinance No. 796, renewed by City Ordinance No. 887 in 2011 effective January 1, 2012, and renewed by City Ordinance No. 965 in 2018 effective January 1, 2019. In 2015, two additional local LOTs were established by City Ordinance 936. The LOT established in 2011 is to be used for programs and groups recommended by the LOT commission and approved by City Council. The two additional LOT's established in 2015 are to be used primarily for street replacement, repair and maintenance. Highway user fees are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements. Franchise fees are established by City Ordinance No. 862 in 2009 for the specific use of funding underground utility expansion.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which restricted, committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Resolution 11-19 was adopted in November of 2011 to establish minimum fund balance / net position policies consisting of cash flow and budget stabilization. Those minimum balances enable the City to meet debt payments and other obligations. The minimum balances established for cash flow are expressed as a percentage of the current years' operating budget. Those minimums are as follows: General Fund – 25%, Special Revenue Funds – 20%, Enterprise Funds – 30%, in addition to any sums required under loan or bond agreements. The minimum fund balances established for budget stabilization are expressed as a percentage of the three most recent years' average operating budgets. Those minimums are as follows: General Fund – 15%, Special Revenue Funds – 10%. In the event these minimum balances are used, the City shall strive to restore the balances to the above levels within no more than three fiscal years following the fiscal year in which the reserves were used.

As of September 30, 2024, fund balances of the governmental funds are classified as follows:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Restricted assets included those related to highway user fees and debt service /reserve requirement.

Committed — amounts that can be used only for specific purposes determined by a formal action of the City Council. The Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only City Council, Finance Director or the Council's finance committee may assign amounts for specific purposes.

Unassigned — all other spendable amounts.

Note E – Government Fund Balances

As of September 30, 2024, fund balances are comprised of the following:

	General Fund	Street/ Public Works	Library	Recreation	Airport	Local Option Tax	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable									
Prepaid	$ 51,305	$	$	$	$	$ 309,962	$	$	$ 361,267
Inventory		276,381							276,381
Interfund receivable	400,000								400,000
	451,305	276,381				309,962			1,037,648
Restricted:									
Highway		48,869					59,457		108,326
Assigned:									
Street/PW		1,940,297							1,940,297
Airport					869,440				869,440
Recreation				33,590					33,590
Library			522,320						522,320
Local opt	1,041,320					1,973,666			3,014,986
Debt service									
Capital Proj								1,081,008	1,081,008
Housing Fd.	513,938								513,938
	1,555,258	1,940,297	522,320	33,590	869,440	1,973,666	59,457	1,081,008	7,975,579
Unassigned	6,346,476								6,346,476
Total Fund Balances	$ 8,353,039	$ 2,265,547	$ 522,320	$ 33,590	$ 869,440	$ 2,283,628	$ 59,457	$ 1,081,008	$ 15,468,029

Note F – Interfund Receivables, Payables, and Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following schedule briefly summarizes the City's transfer activity. For the year then ended September 30, 2024, interfund transfers consisted of the following:

	Transfers From								
	General Fund	Street	Library	Recreation	Airport	Golf	Water	URA	Total
Transfer to:									
General fund	$	$ 150,330	$ 142,306	$ 116,511	$ 40,706	$ 199,915	$ 300,707	$ 7,500	$ 957,975
Street	63,350						243,618		306,968
Recreation	1,282,500								1,282,500
Capital	385,713		857,687						1,243,400
Golf	231,824								231,824
	$ 1,963,387	$ 150,330	$ 999,993	$ 116,511	$ 40,706	$ 199,915	$ 544,325	$ 7,500	$ 4,022,667

Note F – Interfund Receivables, Payables, and Transfers (Continued)

The composition of interfund balances as of September 30, 2024 is as follows:

	Due from Other Funds	Due To Other Funds
General fund	$ 400,000	$ 304,967
Recreation fund	264,968	400,000
Golf fund	39,999	
	$ 704,967	$ 704,967

Note G – Pension Plan

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

Note G – Pension Plan (Continued)

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2024 it was 6.71% for general employees and 9.83% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% general employees and 13.26% for police and firefighters. City of McCall's contributions were $636,962 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, City of McCall 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 City's proportion of the net pension liability was based on the City'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 City's proportion was 0.11095413 percent.

For the year ended September 30, 2024, City of McCall recognized net pension expense of $541,862. At September 30, 2024 City of McCall reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 660,782	$
Changes in assumptions or other inputs	164,418	
Net difference between projected and actual earnings on pension plan investments		75,337
Changes in the City's proportion and differences between the City's contributions and the employer's proportionate contributions contributions	227,496	289,118
City's contributions subsequent to the measurement date	158,545	
Total	$ 1,211,241	$ 364,455

$158,545 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, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2023 the beginning of the measurement period ended June 30, 2024 is 4.4 and 4.4 for the measurement period June 30, 2024.

Note G – Pension Plan (Continued)

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

Year Ending September 30:	Amount
2025	$ 196,189
2026	758,053
2027	(161,026)
2028	(104,975)

Actuarial Assumptions

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

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

Inflation	2.30%
Salary increases, including inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living adjustments	1.00%.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries -Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries -Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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

Note G – Pension Plan (Continued)

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2023.

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	100%	100%

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liabilty	$ 7,887,053	$ 4,150,400	$ 1,098,507

Note G – Pension Plan (Continued)

Pension plan fiduciary net position

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

Payables to the pension plan

At September 30, 2024, the City reported no payables to the defined benefit pension plan for legally required employee contributions.

Note H – Leases

Leases Liability: Under GASB 87, a lessee is required to recognize a lease liability and an intangible right to use asset. The City entered into various non-cancelable leases for office space and equipment. The lease for office space requires monthly payments of $2,700 through December 2027. The equipment leases require annual payments ranging from $8,415 to $185,000 through March 2029. The lease liabilities are calculated using discount rates ranging between 1.55% and 7.08%. Amortization of the lease expense was $426,239 and interest paid was $88,497 for the year ended September 30, 2024. Future minimum payments are as follows:

	Governmental Activiteis	
Maturity Date	Principal	Interest
2025	$ 278,696	$ 109,692
2026	293,617	94,772
2027	309,426	78,963
2028	151,508	62,336
2029	775,508	52,782
	$ 1,808,755	$ 398,545

	Business-Type Activities	
Maturity Date	Principal	Interest
2025	$ 109,410	$ 10,929
2026	103,246	17,093
2027	107,532	12,807
2028	111,997	8,342
2029	86,501	3,690
	$ 518,686	$ 52,861

Note I – Long-Term Debt

The City has leased golf carts under financing agreements that terminate in April of 2028. Monthly payments are $6,949. The lease liability is calculate using an interest rate of .81%. Future payments under the agreement are as follows:

	Business-Type Activities	
Maturity Date	Principal	Interest
2025	$ 81,312	$ 2,072
2026	81,969	1,414
2027	82,632	752
2028	48,510	130
	$ 294,423	$ 4,368

Water Fund: The City has pledged future water customer revenues, net of specified operating expenses, to repay a $5.9 million drinking water facility promissory note payable to the State of Idaho signed in April 2004. Proceeds from the note provided financing to complete phase II of the water treatment facility. The bonds were paid off in 2024.

Library Fund: The City has obtained a general obligation bond to construct a new library facility. The project began construction in FY22. Payments range from $239,756 to $257,500 and are due annually. The bond will be repaid over 20 years at a 4% interest rate. The schedule of debt service requirements until maturity is as follows:

Maturity Date	Principal	Interest
2025	$ 145,000	$ 111,000
2026	150,000	105,200
2027	155,000	99,200
2028	160,000	93,000
2029	170,000	86,600
2030-2034	945,000	331,550
2035-2039	1,105,000	174,750
2040-2041	490,000	22,200
	$ 3,320,000	$ 1,023,500

Note I – Long-Term Debt (Continued)

Changes in Long-Term Liabilities

During the year ended September 30, 2024, the following changes occurred in long-term debt:

	October 1, 2023	Increases	Decreases	September 30, 2024	Due within a year
Govermental activities					
Bonds payable	$ 3,460,000	$	$ (140,000)	$ 3,320,000	$ 145,000
Bond premium	465,687		(47,627)	418,060	
Lease liabilities	1,148,481	1,297,923	(637,649)	1,808,755	278,696
Compensated absences	240,946	53,350		294,296	
Total	$ 5,315,114	$ 1,351,273	$ (825,276)	$ 5,841,111	$ 423,696

	October 1, 2023	Increases	Decreases	September 30, 2024	Due within a year
Business-type activities					
Notes payable	$ 354,880	$	$ (354,880)	$	$
Lease liabilities		548,396	(29,710)	518,686	109,410
Lease liability-golf carts	375,083		(80,660)	294,423	81,312
Compensated absences	54,397	4,306		58,703	
Total	$ 784,360	$ 552,702	$ (465,250)	$ 871,812	$ 190,722

Note J – Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MCCALL, IDAHO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCE
BUDGET AND ACTUAL
For The Year Ended September 30, 2024

	Budget Original And Final	Actual	Variance
Revenues			
Property taxes	$ 4,496,791	$ 4,593,009	$ 96,218
Local option tax	1,526,030	749,914	(776,116)
Grants - intergovernmental	1,042,290	1,378,525	336,235
Licences, permits and fees	1,385,530	1,451,415	65,885
Charges for services	14,400	13,739	(661)
Fines	33,300	32,088	(1,212)
Earnings on investments	75,000	409,323	334,323
Miscellaneous		32,366	32,366
Total Revenue	8,573,341	8,660,379	87,038
Expenditures			
Mayor and council	357,536	362,236	(4,700)
Network administration	529,811	509,256	20,555
City manager	592,332	630,003	(37,671)
Administration	406,480	562,289	(155,809)
Finance department	511,712	465,410	46,302
Public safety	2,271,536	2,452,091	(180,555)
City clerk	325,047	328,537	(3,490)
Community services	1,278,339	1,251,996	26,343
Local option tax	1,718,498	142,574	1,575,924
Capital outlay	1,058,065	293,693	(764,372)
Total Expenditures	9,049,356	6,998,085	522,527
Excess (Deficiency) of Revenues Over Expenditures	(476,015)	1,662,294	2,138,309
Other Financing Sources (Uses)			
Leases Proceeds	8,500	17,641	
Transfers in (out)	(892,985)	(1,005,412)	(112,427)
Total Other Financing Sources	(884,485)	(987,771)	(112,427)
Net Change in Fund Balance	(1,360,500)	674,523	$ 2,025,882
Fund Balance , Beginning of Year	1,360,500	7,678,516	
Fund Balance , End of Year	$	$ 8,353,039	

CITY OF MCCALL, IDAHO
STREET /PUBIC WORKS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCE
BUDGET AND ACTUAL
For The Year Ended September 30, 2024

	Budget Original And Final	Actual	Variance
Revenues			
Property taxes	$ 2,123,062	$ 2,132,563	$ 9,501
Grants - intergovernmental	212,459	380,024	167,565
Licenses, permits and fees	10,000	7,470	(2,530)
Earnings on investments	20,000	71,182	51,182
Miscellaneous	32,000	222,368	190,368
Total Revenue	2,397,521	2,813,607	416,086
Expenditures			
Streets	2,394,452	1,992,460	401,992
Debt services	119,708	233,052	(113,344)
Capital outlay	473,470	1,620,691	(1,147,221)
Total Expenditures	2,987,630	3,846,203	(858,573)
Excess (Deficiency) of Revenues Over Expenditures	(590,109)	(1,032,596)	(442,487)
Other Financing Sources (Uses)			
Lease proceeds		1,280,282	(1,280,282)
Transfers in (out)	156,639	156,638	(1)
Total Other Financing Sources	156,639	1,436,920	(1,280,283)
Net Change in Fund Balance	(433,470)	404,324	$ (1,722,770)
Fund Balance, Beginning of Year	433,470	1,861,223	
Fund Balance, End of Year	$	$ 2,265,547	

CITY OF MCCALL, IDAHO
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCE
BUDGET AND ACTUAL
For The Year Ended September 30, 2024

	Budget Original And Final	Actual	Variance
Revenues			
Property taxes	$ 598,151	$ 601,205	$ 3,054
Grants - intergovernmental	10,000	467,558	457,558
Charges for services	9,900	20,349	10,449
Licenses, permits and fees		9	9
Earnings on investments	8,000	57,551	49,551
Donations	3,040	7,299	4,259
Miscellaneous	800	12,254	11,454
Total Revenue	629,891	1,166,225	536,334
Expenditures			
Community services - library	486,085	468,393	17,692
Capital outlay	1,500	10,777	(9,277)
Total Expenditures	487,585	479,170	8,415
Excess (Deficiency) of Revenues Over Expenditures	142,306	687,055	544,749
Other Financing Sources (Uses)			
Transfers in (out)	(934,993)	(999,993)	(65,000)
Total Other Financing Sources	(934,993)	(999,993)	(65,000)
Net Change in Fund Balance	(792,687)	(312,938)	$ 479,749
Fund Balance, Beginning of Year	792,687	835,258	
Fund Balance, End of Year	$	$ 522,320	

CITY OF MCCALL, IDAHO
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCE
BUDGET AND ACTUAL
For The Year Ended September 30, 2024

	Budget Original And Final	Actual	Variance
Revenues			
Property taxes	$ 352,288	$ 354,098	$ 1,810
Local option taxes	293,849	200,000	(93,849)
Grants - intergovernmental	50,300	9,813	(40,487)
Charges for services	68,000	95,106	27,106
Licenses, permits and fees	12,500	12,055	(445)
Donations	56,500		(56,500)
Earnings on investments	3,700	11,757	8,057
Miscellaneous	15,700	51,050	35,350
Total Revenue	852,837	733,879	(118,958)
Expenditures			
Recreation	1,715,100	1,100,952	614,148
Debt service	-	495,341	(495,341)
Capital outlay	100,000	61,464	38,536
Total Expenditures	1,815,100	1,657,757	157,343
Excess (Deficiency) of Revenues Over Expenditures	(962,263)	(923,878)	38,385
Other Financing Sources (Uses)			
Transfers in (out)	966,063	1,165,989	199,926
Total Other Financing Sources	966,063	1,165,989	199,926
Net Change in Fund Balance	3,800	242,111	$ 238,311
Fund Balance, Beginning of Year	(3,800)	(208,521)	
Fund Balance, End of Year	$	$ 33,590	

CITY OF MCCALL, IDAHO
AIRPORT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCE
BUDGET AND ACTUAL
For The Year Ended September 30, 2024

	Budget Original And Final	Actual	Variance
Revenues			
Property taxes	$ 67,307	$ 67,077	$ (230)
Grants - intergovernmental	469,600	1,368	(468,232)
Charges for services	342,500	363,335	20,835
Earnings on investments	6,000	30,845	24,845
Miscellaneous	1,400	1,674	274
Total Revenue	886,807	464,299	(422,508)
Expenditures			
Airport	382,101	327,042	55,059
Capital outlay	804,444	45,275	759,169
Total Expenditures	1,186,545	372,317	814,228
Excess (Deficiency) of Revenues Over Expenditures	(299,738)	91,982	391,720
Other Financing Sources (Uses)			
Proceeds on sale of assets		8,100	(8,100)
Transfers in (out)	(40,706)	(40,706)	
Total Other Financing Sources	(40,706)	(32,606)	
Net Change in Fund Balance	(340,444)	59,376	$ 391,720
Fund Balance, Beginning of Year	340,444	810,064	
Fund Balance, End of Year	$	$ 869,440	

CITY OF MCCALL, IDAHO
LOCAL OPTION TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCE
BUDGET AND ACTUAL
For The Year Ended September 30, 2024

	Budget Original And Final	Actual	Variance
Revenues			
Local options tax	$ 3,219,500	$ 2,849,663	$ (369,837)
Grants	6,321,621	1,114,510	(5,207,111)
Earnings on investments	25,000	164,582	139,582
Miscellaneous		181,553	181,553
Total Revenue	9,566,121	4,310,308	(5,255,813)
Expenditures			
Local option tax	6,406,206	59,164	6,347,042
Capital outlay	3,264,454	4,619,860	(1,355,406)
Total Expenditures	9,670,660	4,679,024	4,991,636
Excess (Deficiency) of Revenues Over Expenditures	(104,539)	(368,716)	(264,177)
Net Change in Fund Balance	(104,539)	(368,716)	$ (264,177)
Fund Balance, Beginning of Year	104,539	2,652,344	
Fund Balance, End of Year	$	$ 2,283,628	

CITY OF MCCALL, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
AND EMPLOYER CONTRIBUTIONS
For the Year Ended September 30, 2024

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's portion of the net pension liability	0.12%	0.13%	0.12%	0.11%	0.11%	0.11%	0.12%	0.11%	0.12%	0.11%
Employer's proportionate share of the net pension liability	$ 1,633,159	$ 2,479,805	$ 1,834,028	$ 1,652,595	$ 1,259,037	$ 2,516,325	$ (91,027)	$ 4,430,106	$ 4,963,600	$ 4,150,400
Employer's covered payroll	$ 3,516,395	$ 3,736,238	$ 3,782,093	$ 3,820,157	$ 3,791,742	$ 3,884,161	$ 4,372,845	$ 4,400,419	$ 4,946,867	$ 5,256,417
Employer's proportionate share of net pension liability as a percentage of its covered payroll	46.44%	66.37%	48.49%	43.26%	33.20%	64.78%	-2.08%	100.67%	100.34%	78.96%
Plan fiduciary net position as a percentage of total pension l	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%	83.09%	83.83%	85.54%

Data reported is measured as of June 30, 2024 (measurement date).

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	$ 393,234	$ 409,600	$ 425,774	$ 430,678	$ 449,137	$ 493,865	$ 525,135	$ 529,584	$ 588,817	$ 636,962
Contributions in relation to statutorily required contribution	$ 393,234	$ 409,600	$ 425,774	$ 430,678	$ 449,137	$ 493,865	$ 525,135	$ 528,396	$ 588,817	$ 636,962
Contribution (deficiency) excess	-	-	-	-	-	-	-	(1,188)	-	-
Employer's covered payroll	$ 3,516,395	$ 3,624,112	$ 3,773,897	$ 3,839,839	$ 3,934,882	$ 4,115,620	$ 4,372,845	$ 4,400,419	$ 4,946,867	$ 5,421,484
Contributions as a percentage of covered payroll	11.18%	11.43%	11.28%	11.22%	11.41%	12.00%	12.01%	12.01%	11.90%	11.75%

Data reported is measured as of September 30, 2024 (The City's fiscal year end).

FEDERAL REPORTS

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

To the City Council
City of McCall, Idaho
McCall, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General in the United States, the financial statements financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of McCall, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of McCall's basic financial statements and have issued our report thereon dated March 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Harris CPAs P.C.

Meridian, Idaho
March 13, 2025

HARRIS
CPAs P.C.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of McCall, Idaho
McCall, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, City of McCall 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

We conducted our 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of McCall and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of McCall'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 applicable to City of McCall's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our 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 express an opinion on City of McCall's compliance based on our 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 material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that 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 judgment made by a reasonable user of the report on compliance about City of McCall,'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, we:

- Exercise professional judgment 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 City of McCall's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of McCall's 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 City of McCall's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we 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 a 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.

Our consideration of internal control over compliance was for the limited purpose 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 our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our 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 our 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.

Harris CPAs P.C.

Meridian, Idaho
March 13, 2025

CITY OF MCCALL, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE:			
Direct payments:			
Bulletproof Vest	16.607	N/A	$ 3,295
U.S. DEPARTMENT OF TRANSPORTATION:			
Direct payments:			
Airport Improvement Program	20.106	N/A	37,158
Pass through from State of Idaho			
Highway Safety Cluster			
State and Community Highway Safety	20.600	PT-2024-EA-00-00	331
National Priority Safety Programs	20.616	M5HVE-2023-EA-00	995
Total Highway Safety Cluster			1,326
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	A020 (950)	322,240
U.S. DEPARTMENT OF THE TREASURY:			
Direct payments:			
Coronavirus State and Local Fiscal Recovery	21.027	118120200811P824000090	385,713
U.S. DEPARTMENT OF Housing and Urban Development:			
Passed Through Idaho Department of Commerce			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	ICDGB-19-11-14-ED	66,035
U.S. DEPARTMENT OF COMMERCE			
Direct payments:			
Economic Adjustment Assistance	11.307	N/A	650,181
NATIONAL ENDOWMENT FOR THE HUMANATIES			
Pass through State of Idaho Office of the Governor			
Grants to States	45.310	LS-25208-OLS-21	1,500
Total expenditures of federal awards			$ 1,467,448

See notes to the schedule of expenditures of federal awards

CITY OF MCCALL, IDAHO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of McCall, Idaho and is presented on the accrual basis of accounting. The information in this 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 this schedule presents only a selected portion of the operations of the City of McCall, Idaho, it is not intended to and does not present the financial position, changes in net position, or cash flows to the City of McCall, Idaho.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

The City of McCall, Idaho has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF MCCALL, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	_____ yes	___X___ no
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	___X___ no
Noncompliance material to the financial statements noted?	_____ yes	___X___ no

Federal Awards

Internal control over major programs:		
• Material weakness identified?	_____ yes	___X___ no
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	___X___ no
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance?	_____ yes	___X___ no

Identification of major programs:

ALN Number	Name of Federal Program
11.307	Economic Adjustment Assistance

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	_____ yes	___X___ no

SECTION II – FINANCIAL STATEMENT FINDINGS

No Findings related to the financial statements were noted which are required to be reported under generally accepted governmental auditing standards (GAGAS).

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS) and the Uniform Guidance