

**HOUSING AUTHORITY OF THE  
CITY OF CALDWELL, IDAHO**

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Report on Audited  
Basic  
Financial Statements  
and  
Supplemental Information

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For the Year Ended December 31, 2023

## Table of Contents

	<u>Page</u>
Independent Auditor's Report .....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position .....	5
Statement of Revenues and Expenses .....	6
Statement of Changes in Fund Net Position .....	7
Statement of Cash Flows .....	8
Notes to Financial Statements .....	10
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the Housing Authority's Proportionate Share of the Net Pension Liability and Schedule of the Housing Authority Contributions .....	25
<b>FEDERAL REPORTS</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	27



## Independent Auditor's Report

Commissioners of the  
Housing Authority of the  
City of Caldwell, Idaho  
Caldwell, Idaho

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and each fund of the Housing Authority of the City of Caldwell, Idaho (the Housing Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each fund of the Housing Authority of the City of Caldwell, Idaho, as of December 31, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the City of Caldwell, Idaho 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*

The Housing Authority of the City of Caldwell, Idaho's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Caldwell, Idaho's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Caldwell, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Caldwell, 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 schedule of the Housing Authority's proportionate share of the net pension liability and schedule of Housing Authority contributions on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

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

#### ***Other Reporting Required by Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2024, on our consideration of the Housing Authority's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

***Zwygart John & Associates, CPAs PLLC***

Nampa, Idaho  
August 5, 2024

**Housing Authority  
of the City of Caldwell, Idaho**  
Statement of Net Position  
December 31, 2023

	General Fund
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 543,305
Certificates of Deposit	251,645
Accounts Receivable, Net	62,950
Prepaid Items	58,432
Inventory	41,963
<b>Total Current Assets</b>	<b>958,295</b>
<b>Noncurrent Assets:</b>	
<b>Restricted Assets:</b>	
Deposit Funds	173,286
Land	240,000
Construction in Progress	166,377
Buildings and Improvements, Net	817,534
Equipment, Net	122,652
Waste Water Project, Net	1,005,121
Investments in Property	40,429
<b>Total Noncurrent Assets</b>	<b>2,565,399</b>
Other Assets	
Right of Use Assets, Net	86,097
<b>Total Assets</b>	<b>3,609,791</b>
<b>Deferred Outflows</b>	
Pension Related Items	465,802
<b>Total Deferred Outflows</b>	<b>465,802</b>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts Payable	54,812
Accrued Interest	2,661
Accrued Wages	43,409
Compensated Absences - Current	4,705
Security Deposits	150,999
Prepaid Rent	63,291
Notes Payable - Current Portion	72,580
Operating Lease Payable - Current Portion	29,990
<b>Total Current Liabilities</b>	<b>422,447</b>
<b>Noncurrent Liabilities:</b>	
Compensated Absences - Long Term Portion	42,341
Notes Payable - Long Term Portion	2,753,185
Operating Lease Payable	56,107
Net Pension Liability	819,392
<b>Total Noncurrent Liabilities</b>	<b>3,671,025</b>
<b>Total Liabilities</b>	<b>4,093,472</b>
<b>Deferred Inflows</b>	
Pension Related Items	48,464
<b>Total Deferred Inflows</b>	<b>48,464</b>
<b>Net Position</b>	
Invested in Capital Assets, Net of Related Debt	(433,652)
Unrestricted	345,022
Restricted	22,287
<b>Total Net Position</b>	<b>\$ (66,343)</b>

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

**Housing Authority  
of the City of Caldwell, Idaho**  
Statement of Revenues and Expenses  
For the Year Ended December 31, 2023

	General Fund
<b>Operating Revenues</b>	
Tenant Rent and Subsidy	\$ 2,445,712
Sales	468,236
Other Project Income	445,623
<b>Total Operating Revenues</b>	<b>3,359,571</b>
<b>Operating Expenses</b>	
Salaries	1,130,549
Payroll Taxes and Employee Benefits	518,128
Sales Tax Expense	26,663
Computer Consultant	81,591
Merchant Fees	6,572
Grounds Maintenance	65,297
Insurance - Other	122,808
Legal and Accounting	86,664
Other Management Expenses	128,457
Repair and Maintenance	274,953
Utilities and Telephone	193,348
Miscellaneous	656,086
Depreciation and Amortization	279,406
<b>Total Operating Expenses</b>	<b>3,570,522</b>
<b>Operating Income (Loss)</b>	<b>(210,951)</b>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Income	11,377
Interest Expense and Bank Charges	(44,268)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(32,891)</b>
<b>Net Income (Loss)</b>	<b>\$ (243,842)</b>

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

**Housing Authority  
of the City of Caldwell, Idaho**  
Statement of Changes in Net Position  
For the Year Ended December 31, 2023

	General Fund
<b>Balances, Beginning of Year</b>	\$ 177,499
<b>Increase (Decrease) In Net Position</b>	<u>(243,842)</u>
<b>Balances, End of Year</b>	<u>\$ (66,343)</u>

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

**Housing Authority  
of the City of Caldwell, Idaho**  
Statement of Cash Flows  
For the Year Ended December 31, 2023

	General Fund
<b>Cash Flows from Operating Activities</b>	
Charges for Services	\$ 2,463,655
Other Receipts	1,005,930
Payments to Employees	(1,562,660)
Payments to Suppliers	(1,617,443)
Net Cash Provided (Used) by Operating Activities	289,482
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	(233,893)
Principal Paid on Capital Debt	(73,077)
Interest Paid on Capital Debt and Bank Charges	(45,942)
Net Cash Provided (Used) by Financing Activities	(352,912)
<b>Cash Flows from Investing Activities</b>	
Interest and Dividends	11,377
Purchase of Certificates of Deposit	(251,645)
Net Cash Provided (Used) by Investing Activities	(240,268)
<b>Net Increase (Decrease) in Cash</b>	(303,698)
<b>Cash - Beginning of Year</b>	1,020,289
<b>Cash - End of Year</b>	\$ 716,591
<b>Displayed As:</b>	
Cash and Cash Equivalents	\$ 543,305
Restricted Assets	173,286
	\$ 716,591
 Interest Paid	 \$ (44,268)

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

**Housing Authority  
of the City of Caldwell, Idaho**  
Statement of Cash Flows (continued)  
For the Year Ended December 31, 2023

	General Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (210,951)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	279,406
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	16,898
(Increase) Decrease in Other Receivable	-
(Increase) Decrease in Prepaid Expenses	(9,588)
(Increase) Decrease in Inventory	8,244
(Increase) Decrease in Investment Property	92,071
(Increase) Decrease in Deferred Outflows	31,692
Increase (Decrease) in Accounts Payable	(9,132)
Increase (Decrease) in Compensated Absences	8,809
Increase (Decrease) in Unearned Rent	(23,402)
Increase (Decrease) in Accrued Benefits	6,069
Increase (Decrease) in Security Deposits	24,447
Increase (Decrease) in Net Pension Liability	96,784
Increase (Decrease) in Deferred Inflows	(21,865)
Net Cash Provided by Operating Activities	\$ 289,482

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

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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1. SUMMARY OF ACCOUNTING POLICIES

A. Reporting Entity

The Housing Authority of the City of Caldwell, Idaho (the Housing Authority), was established to provide housing for farm laborers with low and moderate incomes. The Housing Authority was initially funded with low interest loans from Rural Economic and Community Development. The Housing Authority also receives rental assistance for qualifying tenants through SICHA, (Southern Idaho Cooperative Housing Authority). The Housing Authority is governed by a board of six commissioners.

In evaluating how to define the governmental reporting entity, the Housing Authority of the City of Caldwell, Idaho has considered all potential component units. The decision to include or exclude a potential component unit was made by applying the criteria defined in governmental reporting standards. The basic criteria for including a potential component unit is oversight responsibility, which was determined on the component unit's financial interdependency and the Housing Authority's ability to significantly influence operations, select the governing authority, designate management, and participate in fiscal management. The other criteria in evaluating potential component units are the scope of public service and the existence of special financial relationships. Based upon the application of these criteria, the Housing Authority has no component units.

The Housing Authority established a development fund subsidiary organization, Caldwell Housing Corporation, for the specific purpose of acquiring by gift, grant, bequest, loan, or otherwise real property or funding necessary to carry out the planning, re-planning, development and construction of low-income housing in the City of Caldwell.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Proprietary fund operating revenues and expenses are related to the housing services that are provided to the residents of the Housing Authority of the City of Caldwell, Idaho. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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The Housing Authority has the following major enterprise funds:

- *Operating fund.* This fund accounts for the activities of the Housing Authority's housing services.

Basis of Accounting

The Housing Authority's financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Under the terms of grant agreements, the Housing Authority funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets and Liabilities

Cash Equivalents

For presentation on the financial statements, investments in the external investment pool and investments with an original maturity of six months or less at the time they are purchased by the Housing Authority are considered to be cash equivalents. Investments with an initial maturity of more than six months are reported as investments.

Inventories

Inventory is stated at cost and is expensed when used on a first-in-first-out (FIFO) basis.

Leases

The Housing Authority lease contracts or equivalents that have a term exceeding one year and that meet the definition of another than short-term lease. The Housing Authority uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the Housing Authorities incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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**Capital Assets**

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the proprietary funds are shown below:

	<u>Capitalization Policy</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$1,000	Straight-Line	5 – 40 Years
Equipment	\$ 100	Straight-Line	3 – 15 Years
Land Improvements	\$1,000	Straight-Line	10 – 20 Years

The Housing Authority has no infrastructure.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

**Compensated Absences**

The Housing Authority uses the vesting method to compute compensated absences for sick leave.

**Allowance for Doubtful Accounts**

Accounts are written off when found to be uncollectible by the Housing Authority. Receivables are determined to be past due by the Housing Authority's management. See footnote No. 9.

**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

**Pensions**

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.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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D. Other Items

Rental Income and Assistance Payments

The Housing Authority leases its rental units to low- and moderate-income families in the Caldwell, Idaho area.

Income Taxes

Under Section 115 of the 1986 Internal Revenue Code, income derived from any essential governmental function of a state or territory, or any political subdivision thereof, is exempt from federal and state income taxes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

2. CASH AND INVESTMENTS

Deposits

As of December 31, 2023, the carrying amounts of the Housing Authority's deposits were \$716,391 and the respective bank balances totaled \$740,439. All of the bank balances were insured or collateralized with pooled securities held by the pledging institution in the name of the Housing Authority.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of December 31, 2023, all of the balance of the Housing Authority's deposits were covered by federal depository insurance or by collateral held by the Housing Authority's agent or pledging financial institution's trust department or agent in the name of the Housing Authority, and thus were exposed to custodial credit risk. The Housing Authority does not have a formal policy limiting its exposure to custodial credit risk. The Housing Authority also keeps \$200 petty cash on hand.

Custodial Credit Risk – Investments

Custodial credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Housing Authority does not have a formal policy limiting its custodial credit risk for investments.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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Interest Rate Risk

The Housing Authority does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The Housing Authority follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the Housing Authority to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The Housing Authority had the following investments at December 31, 2023.

Investment	Fair Value	Maturity Less than 1 Year
Certificates of Deposit	\$ 251,645	\$ 251,645

At year-end, the cash and investments were reported in the basic financial statements in the following categories:

Cash and cash equivalents	\$ 543,305
Restricted Cash	173,286
Certificates of Deposit	251,645
	\$ 968,236

3. **COMPENSATED ABSENCES**

Full-time employees that have worked for the Housing Authority for at least six months earn eight hours per month, after five years of service employees earn ten hours per month, and after ten years of service employees earn twelve hours per month. A maximum of 160 hours can carryover. Compensated absences for the year ended December 31, 2023, was as follows:

Beginning	Earned	Used	Ending	Current Portion
\$ 38,237	\$ 52,648	\$ (43,839)	\$ 47,046	\$ 4,705

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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4. RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial coverage for the past three years.

5. CONTINGENT LIABILITIES

The Housing Authority participates in federally assisted grant and loan programs. These programs are subjected to testing of compliance with laws and regulations by the Housing Authority's independent auditor under the provisions of the Single Audit Act.

The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the Housing Authority does not expect such amounts, if any, to be material.

6. RESTRICTED NET POSITION

Restricted net position consist of the refundable security deposits of \$173,286, less the corresponding security deposit liability of \$150,999 for total restricted nets assets of \$22,287.

7. LONG-TERM OBLIGATIONS

Notes payable have been issued to provide funds for housing projects. In December 2019 Caldwell Housing Authority paid off in full all 4 Rural Development loans by obtaining two new loans from Sunwest Bank. Payments are based on a twenty-year note. The notes are for ten years with a balloon payment of the balance due in December 2029. Interest rate is currently 5% for the first five years.

At that time, it will adjust based on the Five Year Treasury Constant Maturity index plus 2.75%, with minimum rate set at 5%. Caldwell Housing Authority's intent is to refinance the note before the balloon payment is due.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

Changes in long-term obligations for the year ended December 31, 2023, are as follows:

Description	Rate	Maturity	12/31/2022	Increase	Decrease	12/31/2023	Current Portion
Sunwest	5%	2029	\$ 353,168	\$ -	\$(13,184)	\$ 339,984	\$ 14,461
Sunwest	5%	2029	310,173	-	(11,579)	298,594	12,701
IHA	0%	2033	351,395	-	-	351,395	-
IHA	0%	2033	663,094	-	-	663,094	-
DEQ WW1305	1.25%	2043	1,217,839	-	(45,141)	1,172,698	45,418
			<u>\$ 2,895,669</u>	<u>\$ -</u>	<u>\$(69,904)</u>	<u>\$ 2,825,765</u>	<u>\$ 72,580</u>

Debt service requirements on long-term debt at December 31, 2023, are as follows:

Year Ending December 31,	Notes Payable		
	Principal	Interest	Total
2024	\$ 72,580	\$ 45,768	\$ 118,348
2025	74,579	43,769	118,348
2026	76,617	41,731	118,348
2027	78,737	39,611	118,348
2028	80,909	37,439	118,348
2029-2033	1,750,644	75,394	1,826,038
2034-2038	263,963	35,933	299,896
2039-2043	280,940	18,956	299,896
2044-2046	146,796	2,774	149,570
	<u>\$ 2,825,765</u>	<u>\$ 341,375</u>	<u>\$ 3,167,140</u>

Interest expense for the fiscal year ended December 31, 2023, was \$47,441.

No interest was capitalized for the year ended December 31, 2023.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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8. PENSION

*Plan Description*

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

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

*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 classifications. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for public safety) 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

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2023, it was 7.16% for general employees and 9.13% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% general employees and 12.28% for public safety. Housing Authority of the City of Caldwell, Idaho's contributions were \$112,414 for the year ended December 31, 2023.

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

At December 31, 2023, Housing Authority of the City of Caldwell, Idaho reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Housing Authority of the City of Caldwell, Idaho's proportion of the net pension liability was based on Housing Authority of the City of Caldwell, Idaho'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, 2023, Housing Authority of the City of Caldwell, Idaho's proportion was 0.02053268 percent.

For the year ended December 31, 2023, Housing Authority of the City of Caldwell, Idaho recognized pension expense/(revenue) of \$219,025. At December 31, 2023, Housing Authority of the City of Caldwell, Idaho reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 140,450	\$ -
Changes in assumptions or other inputs	81,137	-
Net difference between projected and actual earnings on pension plan investments	76,913	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions.	108,043	48,464
Housing Authority of the City of Caldwell, Idaho's contributions subsequent to the measurement date	59,259	-
<b>Total</b>	<b>\$ 465,802</b>	<b>\$ 48,464</b>

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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\$59,259 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 December 31, 2023.

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, 2022, is 4.6 and 4.4 for the measurement period June 30, 2023.

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:

<b>For the Year Ended December 31:</b>	<b>PERSI</b>
2022	\$ 174,602
2023	59,075
2024	171,829
2025	7,904
2026	3,928

*Actuarial Assumptions*

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

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1%

**Contributing Members, Service Retirement Members, and Beneficiaries**

General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%  
 General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%  
 Teachers – Males Pub-2010 Teacher Tables, increased 21%  
 Teachers – Females Pub-2010 Teacher Tables, increased 21%

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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Fire & Police – Males Pub-2010 Safety Tables, increased 21%  
Fire & Police – Females Pub-2010 Safety Tables, increased 26%  
Disabled Members – Male 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, 2023 is based on the results of an actuarial valuation date of July 1, 2023.

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.

<u>Asset Class</u>	
Fixed Income	30.0%
US/Global Equity	55.0%
International Equity	15.0%
Cash	0.0%
Total	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

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	<b>1% Decrease (5.35%)</b>	<b>Current Discount Rate (6.35%)</b>	<b>1% Increase (7.35%)</b>
Employer's proportionate share of the net pension liability (asset)	\$ 1,473,710	\$ 819,392	\$ 284,609

*Pension plan fiduciary net position*

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

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

**9. ACCOUNTS RECEIVABLE**

The accounts receivable is made up of tenant receivables. The amount to be collected as of December 31, 2023 is as follows:

Tenant Accounts Receivable	\$ 66,474
Less Allowance for Doubtful Accounts	(3,524)
Accounts Receivable Net	<u>\$ 62,950</u>

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

10. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Disposals	Balance 12/31/2023
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 240,000	\$ -	\$ -	\$ 240,000
Construction in Progress	-	166,377	-	166,377
Total Capital Assets Not Being Depreciated	<u>240,000</u>	<u>166,377</u>	<u>-</u>	<u>406,377</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Furnishings	11,565,837	-	-	11,565,837
Equipment	472,738	67,516	-	540,254
Waste Water Project Improvements	1,478,120	-	-	1,478,120
Total Historical Cost	<u>13,812,750</u>	<u>67,516</u>	<u>-</u>	<u>13,880,266</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and Furnishings	10,576,904	171,399	-	10,748,303
Equipment	368,701	48,901	-	417,602
Waste Water Project Improvements	413,874	59,125	-	472,999
Total Accumulated Depreciation	<u>11,655,534</u>	<u>279,425</u>	<u>-</u>	<u>11,934,959</u>
Net Depreciable Assets	<u>2,157,216</u>	<u>(211,909)</u>	<u>-</u>	<u>1,945,307</u>
Capital Assets - Net	<u>\$2,397,216</u>	<u>\$ (211,909)</u>	<u>\$ -</u>	<u>\$2,351,684</u>

11. OTHER COMMITMENTS

The District has credit cards available for use with a total credit limit of \$44,600. Of the available credit, \$6,710 was in use as of December 31, 2023.

12. LEASE COMMITMENTS

The Organization leased office printers at various locations on lease terms. The leases are reported on the balance sheet as right-of-use assets with a corresponding operating lease payable. The amortization of the right-to-use assets are reported as occupancy in

the statement of functional expenses. As of December 31, 2022, the operating leases had a weighted-average remaining lease term of 2.94 years. The weighted-average incremental borrowing rate of the operating leases was 2.2%.

**Housing Authority  
of the City of Caldwell, Idaho**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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The Right-to-Use Asset was reported on the balance sheet as follows:

Right-of-use Assets	\$ 156,559
Less: Accumulated Amortization	<u>(70,462)</u>
	<u>\$ 86,097</u>

Future minimum lease payments are due as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 31,572
2025	31,572
2026	18,240
2027	<u>7,600</u>
	88,984
Less: Imputed interest	<u>(2,887)</u>
Total Reported Lease Liability	<u>\$ 86,097</u>

**REQUIRED SUPPLEMENTAL INFORMATION**

**Housing Authority  
of the City of Caldwell, Idaho**  
Schedules of Required Supplemental Information  
Public Employees Retirement System of Idaho  
Last 10 - Fiscal Years\*

Year	Housing Authority's proportion of the net pension liability	Housing Authority's proportionate share of the net pension liability	Housing Authority's covered-employee payroll	Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.0205327%	\$ 819,392	\$ 972,893	84.22%	83.83%
2022	0.0183461%	\$ 722,608	\$ 777,562	92.93%	83.09%
2021	0.0125285%	\$ (9,895)	\$ 530,831	-1.86%	100.36%
2020	0.0170015%	\$ 395,113	\$ 584,432	67.61%	88.22%
2019	0.0162339%	\$ 185,305	\$ 581,016	31.89%	93.79%
2018	0.0165898%	\$ 244,702	\$ 543,452	45.03%	91.69%
2017	0.0170476%	\$ 267,959	\$ 523,884	51.15%	90.68%
2016	0.0150990%	\$ 306,080	\$ 472,310	64.80%	87.26%
2015	0.0151367%	\$ 199,326	\$ 445,444	44.75%	91.38%

Data reported is measured as of June 30, 2023

**Schedule of Housing Authority's Contributions**

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contributions deficiency (excess)	Housing Authority's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$ 112,414	\$ 112,414	-	\$ 972,893	11.55%
2022	\$ 92,841	\$ 92,841	-	\$ 777,562	11.94%
2021	\$ 63,381	\$ 63,381	-	\$ 530,831	11.94%
2020	\$ 69,781	\$ 69,781	-	\$ 584,432	11.94%
2019	\$ 67,491	\$ 67,491	-	\$ 581,016	11.62%
2018	\$ 61,519	\$ 61,519	-	\$ 543,452	11.32%
2017	\$ 59,304	\$ 59,304	-	\$ 523,884	11.32%
2016	\$ 53,466	\$ 53,466	-	\$ 472,310	11.32%
2015	\$ 50,424	\$ 50,424	-	\$ 445,444	11.32%

Data reported is measured as of December 31, 2023

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

**FEDERAL REPORTS**



**ZWYGART JOHN**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Commissioners of the  
Housing Authority of the  
City of Caldwell, Idaho  
Caldwell, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each fund of the Housing Authority of the City of Caldwell, Idaho as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated August 5, 2024.

***Internal Control Over Financial Reporting***

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

## **Compliance and Other Matters**

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

## **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 Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Zwygart John & Associates, CPAs PLLC*

Nampa, Idaho  
August 5, 2024